



July 1, 2022

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street, Filing Room  
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. UGI Utilities, Inc. – Gas Division  
Docket No. R-2021-3030218**

Dear Secretary Chiavetta,

Consistent with Section 5.412a of the Commission's regulations, 52 Pa. Code § 5.412a, which requires the electronic submission of pre-served testimony, enclosed please find the following testimony and exhibits on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) in the above referenced matter:

- CAUSE-PA Statement 1, the Direct Testimony of Harry S. Geller, Esq., Appendix A: Resume of Harry S. Geller, Esq., CAUSE-PA Appendix B: Cited Discovery Responses,
- CAUSE-PA Statement 1-R, the Rebuttal Testimony of Harry S. Geller, Esq.,
- CAUSE-PA Statement 1-SR, the Surrebuttal Testimony of Harry S. Geller, Esq.,
- Testimony Verification of Harry S. Geller, Esq.

A copy of this letter is being served on ALJ Long and the parties of record consistent with the attached Certificate of Service. As indicated on the attached Certificate of Service, service on the parties was accomplished by email only.

Respectfully submitted,

A handwritten signature in black ink that reads "John W. Sweet". The signature is written in a cursive style with a horizontal line above the name.

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*Cc: Certificate of Service  
Honorable Joel H. Cheskis  
Honorable Gail M. Chiodo*

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-2021-3030218  
 :  
 UGI Utilities, Inc. – Gas Division :

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served copies of **Preserved Testimony Filing Letter of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania** upon the parties of record in the above-captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

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**July 1, 2022**

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3030218
	:	
UGI Utilities, Inc. - Gas Division	:	

DIRECT TESTIMONY OF HARRY S. GELLER

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND  
ENERGY EFFICIENCY IN PENNSYLVANIA (“CAUSE-PA”)

April 20, 2022

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Appendix A: Resume of Harry S. Geller

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**PREPARED DIRECT TESTIMONY OF HARRY S. GELLER**

**Q: Please state your name, occupation, and business address.**

A: My name is Harry S. Geller. I am an attorney. I am retired as the Executive Director of the Pennsylvania Utility Law Project (PULP), but have maintained an office at 118 Locust St., Harrisburg, PA 17101 for the purpose of providing consulting services and assistance to low income individuals and the organizations which represent them in utility and energy matters. Since the Governor's Emergency Order regarding the Covid-19 pandemic, I have been working from 4213 Orchard Hill Rd, Harrisburg, PA, 17110.

**Q: Briefly outline your education and professional background.**

A: I received my B.A. degree from Harpur College, State University of New York at Binghamton in 1966, and a J.D. degree from Washington College of Law, American University in 1969. Upon graduation from law school, I entered the Volunteers in Service to America (VISTA) program, where I was assigned to the New York University Law School. I took courses in the Law School's Urban Affairs and Poverty Law program and worked with the Community In Action Program on the West Side of Manhattan in New York City from 1969-1971. In 1971, I started as a Staff Attorney for the New York City Legal Aid Society, Criminal Court, and Supreme Court Branches in New York County. In 1974, I moved to Pennsylvania and began working for Legal Services, Incorporated (LSI). LSI was a civil legal aid program serving Adams, Cumberland, Franklin, and Fulton Counties. I worked at LSI from 1974-1987 first as a Staff Attorney, then as Managing Attorney, and ultimately became Executive Director. Through a restructuring with other legal services programs, LSI became part of what is now known as MidPenn Legal Services and Franklin County Legal Services.

1 In 1988, I was hired to be the Executive Director of PULP, a statewide legal aid project  
2 dedicated to protecting the rights of low income utility customers. At PULP, I represented low  
3 income individuals with utility and energy concerns and supported organizations advocating for  
4 low income households in utility and energy matters. As the Executive Director, I consulted and  
5 co-counseled on a wide variety of individual utility consumer cases, and I participated in task  
6 forces, work groups and advisory panels, including serving as chair of the Department of Human  
7 Services' LIHEAP Advisory Committee and the Pennsylvania Public Utility Commissions'  
8 Consumer Advisory Committee. I frequently trained communities, legal aid staff, and advocacy  
9 groups across Pennsylvania about the various utility and energy matters affecting Pennsylvania's  
10 low income population. I retired from PULP on June 30, 2015. Since that time, I have continued  
11 to provide consulting services for PULP and its clients, as well as other organizations serving the  
12 low income community.

13 In sum, I have over 50 years' experience working on behalf of households in poverty, including  
14 the past 30 years focusing specifically on utility and energy issues affecting low income  
15 consumers. My resume is attached as Appendix A.

16 **Q: Please describe the focus of your work over the past fifty years, including relevant**  
17 **work experience on issues of low income families' ability to afford essential services such as**  
18 **utilities?**

19 A: I have represented low income individuals and organizations serving low income  
20 populations in a wide variety of legal matters, including family law, public benefits,  
21 unemployment compensation, utility shut-offs, debtor/creditor, and housing-related disputes. Over  
22 the past 30 years, my focus has been to ensure that low income households can connect to, afford,  
23 and maintain utility and energy services.

1           In all of these legal matters, I worked almost exclusively on behalf of individuals and  
2 households that subsist on incomes at or below 150% of the Federal Poverty Level (FPL). Through  
3 this work, I have had a close view of the daily lives of countless of our poorest citizens. I have  
4 spent thousands of hours assisting clients, combing through their budgets to see whether it is even  
5 possible to make ends meet. Over the years, I have consistently seen the near total absence of the  
6 ability of low income families to afford the most basic monthly necessities with the incomes they  
7 have, even assuming heroic self-control and conscientious budgeting and spending. Almost every  
8 month, my clients faced the stark reality of having to choose which bills they can forgo with the  
9 least drastic consequences.

10           In addition to my deep understanding of the daily monetary struggles facing poor families,  
11 I have an extensive knowledge of the array of programs designed to allow low income individuals  
12 to afford utility service. While at PULP, I was involved in hundreds of proceedings evaluating the  
13 effectiveness of programs that are intended to reduce low income households' energy burdens and  
14 help them conserve energy through efficiency and weatherization. I have spent thousands of hours  
15 evaluating universal service programs and making recommendations for changes to these  
16 programs to better serve low income consumers. This advocacy ultimately led to the recognition  
17 of the need to develop integrated programs for low income consumers. Furthermore, I played an  
18 instrumental role in the development, oversight, and monitoring of the initial pilot and then the  
19 statutorily required low income universal service programs, each of which is structured to provide  
20 a different yet complimentary form of assistance to low income customers to enable those  
21 customers to afford and maintain basic service.

22           For example, the Customer Assistance Program (CAP) provides alternatives to traditional  
23 collection methods for low income, payment troubled utility customers, allowing participants to



1 receive a more affordable bill and earn forgiveness on arrears in exchange for making in-full  
2 payments on their discounted bill. In turn, the Low Income Usage Reduction Program (LIURP) is  
3 a targeted weatherization program designed to assist low income households with the highest  
4 energy consumption, payment problems, and arrearages to reduce their overall energy  
5 consumption. CAP and LIURP work in tandem and are designed to assist low income households  
6 in maintaining affordable utility services and safe living environments while reducing utility  
7 collection, thereby benefitting other ratepayers and the communities in which they live and work.

8 **Q: Have you testified in any proceeding before the Pennsylvania PUC?**

9 A: Yes. I have presented testimony in many proceedings before the PUC. A complete list is  
10 included in my resume, which is attached as Appendix A.

11 **Q: For whom are you testifying in this proceeding?**

12 A: I am testifying on behalf of the Coalition for Affordable Utility Services and Energy  
13 Efficiency in Pennsylvania (CAUSE-PA).

14 **Q: What is the purpose of your testimony?**

15 A: CAUSE-PA intervened in this proceeding to ensure that the proposed rate increase and rate  
16 design will not adversely affect UGI's low income customers' ability to connect to, maintain, and  
17 afford natural gas service, which is essential for heating, cooking, and hot water – all critical  
18 components to a safe and healthy home.

19 **Q: How is your testimony organized?**

20 A: My testimony is divided into five sections.

1           In section I, I will discuss the financial impact that UGI’s proposed residential rate increase  
2 will have on its low income customers. UGI’s proposed rate increase would raise residential  
3 customer bills by 9.5%.<sup>1</sup> According to UGI’s estimates, approximately 25% of its residential  
4 customers have income at or below 150% of the Federal Poverty Level (FPL).<sup>2</sup> These households  
5 struggle to afford life’s most basic necessities and increasing the cost of natural gas service will  
6 worsen these struggles, leading to increased payment troubles and, in turn, increased termination  
7 rates and resulting uncollectible expenses. As I will explain, UGI’s current universal service  
8 programs do not adequately address the affordability gap for economically vulnerable customers.  
9 If approved, this rate increase will make it more difficult for low income consumers to maintain  
10 safe energy services to their home. UGI must do more to improve access and affordability of its  
11 universal service programs.

12           In section II, I will review UGI’s existing universal service programs, and will discuss the  
13 impact of UGI’s rate increase on universal service program participants. I make several  
14 recommendations for how UGI can mitigate the impact of the rate increase on UGI’s economically  
15 vulnerable consumers by making targeted improvements to its universal service programs.

16           In section III, I discuss UGI’s proposed rate design, which seeks to recover an increased  
17 portion of the residential cost of service through a fixed monthly customer charge and will address  
18 UGI’s proposed Weather Normalization Adjustment (WNA). Increases to the fixed customer  
19 charge impede customers’ ability to reduce their energy costs through energy efficiency measures;  
20 thus, if the Commission decides to allow any rate increase, it should be added exclusively to the  
21 volumetric charge. Also, UGI’s proposed WNA shifts the risk of changing weather patterns from

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<sup>1</sup> UGI St. 1 at 7.

<sup>2</sup> See OCA to UGI II-17, 18, 19 (As of December 2021, UGI reported having 610,158 residential customers, 153,437 estimated low income customers, and 78,450 confirmed low income customers.).

1 the utility to the consumer and prevents low income customers from realizing bill savings due to  
2 warming trends. For these reasons, as explained more thoroughly below, I recommend that the  
3 Commission reject UGI's fixed charge and WNA proposals.

4 In section IV, I discuss UGI's late fees and reconnection fees. As I explain, UGI's late  
5 fees and reconnection fees unfairly penalize low income customers that are unable to afford their  
6 bill. Late fees and reconnection fees do not motivate payment from economically vulnerable  
7 households – they compound financial instability and raise additional barriers to households  
8 seeking to prevent termination and/or reconnect service. Thus, I recommend that UGI no longer  
9 assess late fees and reconnection fees to confirmed low income customers.

10 Finally, in section V, I summarize the recommendations and proposals provided throughout  
11 my direct testimony.

12 **I. IMPACT OF UGI'S RATE PROPOSAL ON LOW INCOME HOUSEHOLDS**

13 **Q: Please summarize UGI's requested rate increase as it applies to residential customers.**

14 A: UGI proposes to increase its distribution rates by approximately \$82.7 million per year, or  
15 7.8% on a total revenue basis.<sup>3</sup> The rate increase to individual customers will depend on each  
16 customer's level of usage. However, most of the impact of UGI's proposed rate increase for  
17 residential customers comes from a substantial increase to the fixed monthly service charge – from  
18 \$14.60 to \$19.95, an increase of \$5.35 or 36.6%.<sup>4</sup> Thus, homes using the least amount of gas will  
19 face the highest percentage increase, while homes using more gas will see a lower percentage

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<sup>3</sup> UGI St. 1 at 6.

<sup>4</sup> UGI St. 8 at 20.

1 increase. The total bill for the average residential heating customer purchasing gas from UGI  
2 would increase from \$98.62 to \$108.01 per month, or 9.5%.<sup>5</sup>

3 **Q: How many low income consumers reside in UGI’s service territory?**

4 A: Like other large regulated public utilities in Pennsylvania, UGI tracks its low-income  
5 customer population two ways. First, an “estimated low-income customer” count, which uses  
6 census data and UGI’s residential customer count to estimate the likely number of customers in  
7 UGI’s service territory with low income.<sup>6</sup> Second, a “confirmed low-income customer” count,  
8 which includes only those customers from whom UGI has obtained information documenting low  
9 income or who UGI has identified as receiving LIHEAP.<sup>7</sup> As of December 2021, UGI reported  
10 having an estimated low income customer count of 153,437 (approximately 25% of residential  
11 customers) and a confirmed low income customer count of 78,450 (approximately 13% of  
12 residential customers).<sup>8</sup>

13 While both metrics show that a substantial number of UGI’s customers are low-income,  
14 the estimated low-income customer figure (25%) presents a more accurate picture of the low  
15 income population in UGI’s service territory. The confirmed low-income customer count provides  
16 only a limited subset and skewed assessment of the low-income population – counting only the  
17 number of customers who have affirmatively sought out and obtained assistance in the last year.  
18 The estimated low-income customer count provides a more realistic assessment of the number of  
19 low-income households served by UGI by using verified census data proportional to its service

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<sup>5</sup> UGI St. 1 at 7.

<sup>6</sup> CAUSE-PA to UGI IV-2.

<sup>7</sup> Id. at IV-1.

<sup>8</sup> See OCA to UGI II-17, 18, 19 (As of Dec. 2021, UGI reported 610,158 residential, 153,437 estimated low income, and 78,450 confirmed low income customers.).

1 territory and customer data. Regardless of the measure applied, there are a substantial number of  
2 low-income customers (between 13% to 25%) in UGI’s service territory.

3 **Q: What level of income qualifies a household as a “low income”?**

4 A: With some exceptions, most utility assistance programs require households to have income  
5 that is not greater than 150% of the federal poverty level (FPL) to qualify. The FPL is a measure  
6 of poverty based exclusively on the size of the household, but not the composition of the household  
7 (i.e., whether the household consists of adults or children) or geography. As a baseline, a family  
8 of four at 150% FPL has a gross annual income of just \$41,265.<sup>9</sup> This is insufficient income to  
9 support a family of this size and is substantially less than a household this size needs to meet their  
10 basic expenses in any of the counties in UGI’s service territory.<sup>10</sup>

11 The Self Sufficiency Standard is a benchmark often used to assess how much income a  
12 household needs to live without assistance in Pennsylvania. This tool measures the income that a  
13 family must earn to meet their basic needs and consists of the combined cost of 6 basic needs –  
14 housing, child care, food, health care, transportation, and taxes – without the help of public  
15 subsidies.<sup>11</sup> Unlike the federal poverty level, which does not change based on geographic location  
16 or family composition, the Self Sufficiency Standard accounts for the varied costs of these six  
17 basic needs in different geographical areas and for differently aged household members.<sup>12</sup> In 2021,  
18 the average Self Sufficiency Standard for a family of four in the Pennsylvania counties served by

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<sup>9</sup> U.S. Dept. of Health and Human Services, 2022 U.S. Federal Poverty Guidelines, available at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

<sup>10</sup> Self Sufficiency Standard, <http://www.selfsufficiencystandard.org/Pennsylvania>.

<sup>11</sup> See PathWays PA, *Overlooked and Undercounted 2019 Brief: Struggling to Make Ends Meet in Pennsylvania*, available at: [https://pathwayspa.org/wp-content/uploads/2020/01/PA2019\\_OverlookedUndercounted\\_Web.pdf](https://pathwayspa.org/wp-content/uploads/2020/01/PA2019_OverlookedUndercounted_Web.pdf)

<sup>12</sup> See PathWays PA, *Overlooked and Undercounted, How the Great Recession Impacted Household Self-Sufficiency in Pennsylvania*, available at: <http://www.selfsufficiencystandard.org/sites/default/files/selfsuff/docs/PA2012.pdf>.

1 UGI was \$62,617 – which is over \$20,000 more than a household with income at 150% FPL  
2 makes in a given year.<sup>13</sup> Most of UGI’s confirmed low income customers do not have income that  
3 is even close to these numbers. The average annual income for UGI’s confirmed low income  
4 customers is just \$12,084.<sup>14</sup> The average income for low income customers actively enrolled in  
5 UGI’s Customer Assistance Program (CAP) is just \$14,526.<sup>15</sup> Falling nearly \$50,000 short of the  
6 average self-sufficiency standard in UGI’s territory, these customers’ household incomes are less  
7 than a quarter of the approximately \$62,617 needed to be self-sufficient and live without financial  
8 assistance in UGI’s service territory. Any increase in the cost of necessities, including the rates for  
9 natural gas for heating, cooking, and hot water, will result in increased unaffordability for low and  
10 moderate income households, and will likely result in a corresponding increased rate of  
11 involuntary service terminations and uncollectible expenses.

12 **Q: How would UGI’s proposed rate increase impact low-income households?**

13 A: Low-income families struggle to make ends meet each month and are often forced to  
14 choose between critical necessities; thus, any increase in costs for essential services, like natural  
15 gas, will severely impact these households forcing many to make impossible trade-offs between  
16 paying for shelter, food, utilities, or other basic needs. UGI’s proposed *average* monthly increase  
17 from \$98.62 to \$108.01 per month, an increase of \$9.39 per month (\$112.68 per year) is a  
18 substantial increase in basic living expenses even for many moderate income households. For low-

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<sup>13</sup> Average Self Sufficiency Standard of all counties served by UGI for all four-person household types. See Sufficiency Standard – 2021 Pennsylvania Dataset, available at: <http://www.selfsufficiencystandard.org/Pennsylvania>.

<sup>14</sup> CAUSE-PA to UGI I-15. Note that the average annual income for UGI’s confirmed low income customers has dropped from \$18,533 2020 to 12,084 in 2022; see Pa. PUC v. UGI Gas of Pennsylvania, Inc., Docket No. R-2019-3015162, CAUSE-PA St. 1, Direct Testimony of Mitchell Miller, at 13 (Submitted May 22, 2020).

<sup>15</sup> CAUSE-PA to UGI I- 16.

1 income households who already struggle to afford their monthly bills, the effects of the increase  
2 will impact their ability to connect to, maintain, and afford natural gas service.

3 To further contextualize the impact of the proposed increase on low-income households, it  
4 is helpful to look at the relative energy burden (the percentage of income a household pays for  
5 energy costs) of low-income households. For natural gas customers, the energy burden has two  
6 components, their electric bill burden and their natural gas bill burden. To be affordable, a  
7 household's total housing costs – *including utility costs* – should account for no more than 30% of  
8 the household's total income.<sup>16</sup> But across Pennsylvania, households with income at or below  
9 150% FPL pay 9% or more of their income on *energy costs alone*, with households at or below  
10 50% FPL paying 30% of their annual income simply for their home energy bills.<sup>17</sup> In comparison,  
11 the Commission's Bureau of Consumer Services (BCS) estimates that the combined energy burden  
12 of Pennsylvania's residential customers as a whole is roughly 4% of their household income (not  
13 including CAP customers).<sup>18</sup>

14 The average annual income for UGI's confirmed low income customers is \$12,084, or  
15 \$1,007 per month.<sup>19</sup> UGI's proposed rate increase would increase the total bill for the average  
16 residential heating customer from \$98.62 to \$108.01 per month.<sup>20</sup> If approved, the average energy  
17 burden for UGI's confirmed low income customers would increase from 9.8% to 10.7%, *not*

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<sup>16</sup> US Dep't of Housing & Urban Development, Affordable Housing, available at:  
[https://www.hud.gov/program\\_offices/comm\\_planning/affordablehousing](https://www.hud.gov/program_offices/comm_planning/affordablehousing).

<sup>17</sup> See Fisher, Sheehan & Colton, *The Home Energy Affordability Gap: Pennsylvania 2021 HEAG Fact Sheet* (April 2022), available at: [http://www.homeenergyaffordabilitygap.com/03a\\_affordabilityData.html](http://www.homeenergyaffordabilitygap.com/03a_affordabilityData.html).

<sup>18</sup> Energy Affordability for Low-income Customers, Docket No. M-201702587711, *Order*, at 8 (Jan. 17, 2019); see also Diana Hernandez, *Energy Insecurity: A Framework for Understanding Energy, the Built Environment, and Health Among Vulnerable Populations in the Context of Climate Change*, 103(4) *Am. J. Pub. Health* (2013), available at: <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3673265/#bib20>.

<sup>19</sup> CAUSE-PA I-15.

<sup>20</sup> UGI St. 1 at 7.

1 including their electric bill burden. The energy burden for these customers is already far above  
2 what is considered affordable, and UGI proposes to raise it even higher.

3 Even with bill assistance through CAP, many of UGI's low-income consumers still face  
4 disproportionately high energy burdens.<sup>21</sup> In 2021, the natural gas bill burden for UGI CAP  
5 participants ranged between a low of 4.88% to a high of 15.15%.<sup>22</sup> It is worth noting that these  
6 excessive bill burdens were for natural gas service only – *not including the additional cost of their*  
7 *electric bill burden*. Notably, CAP only reaches a small portion of the eligible population. As of  
8 December 2021, only 22,025 of UGI's low income customers were enrolled in CAP,<sup>23</sup> which was  
9 only 28% of UGI's confirmed low-income customers<sup>24</sup> and 14% of its estimated low-income  
10 customers.<sup>25</sup> In other words, between 72-86% of UGI's low-income customers will bear the full  
11 impact of the proposed rate increase – without assistance from CAP.

12 The overwhelming energy burden on low-income households makes it difficult to pay for  
13 other basic necessities; has substantial and long-term impacts on mental and physical health;  
14 creates serious risks to the household and the larger community; and negatively impacts the greater  
15 economy.<sup>26</sup> According to the U.S. Energy Information Administration, in 2020, approximately  
16 one third of households surveyed reported household energy insecurity and nearly a quarter of  
17 households reported that they reduce or forego other critical necessities like food and medicine to  
18 afford their home energy costs.<sup>27</sup> In a 2018 survey conducted by the National Energy Assistance

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<sup>21</sup> CAUSE-PA to UGI I-12, Attachment.

<sup>22</sup> Id.

<sup>23</sup> OCA to UGI II-15, Attachment.

<sup>24</sup> Id. at II-17 (78,450 confirmed low income as of Dec. 2021).

<sup>25</sup> Id. (153,437 estimated low income customers as of Dec. 2021).

<sup>26</sup> US EIA, Residential Energy Consumption Survey 2020, available at:

<https://www.eia.gov/consumption/residential/data/2020/index.php?view=characteristics> (hereinafter RECS Survey); see also NEADA, 2018 National Energy Assistance Survey, at 17, 20 (Dec. 2018), available at: <http://neada.org/wp-content/uploads/2015/03/liheapsurvey2018.pdf> (hereinafter NEADA Survey).

<sup>27</sup> RECS Survey, Table HC11.1 Household energy insecurity, 2020.



1 Directors' Association, 72% of LIHEAP recipients reported foregoing other necessities to afford  
2 energy, and 26% reported keeping their home at unsafe or unhealthy temperatures.<sup>28</sup>

3 Ultimately, an increase in rates for natural gas service such as the increase proposed here  
4 will necessarily result in increased unaffordability for vulnerable households and is likely to result  
5 in a corresponding increase in involuntary payment-related terminations and, in turn, uncollectible  
6 expenses borne by all residential ratepayers. These impacts can and do have a deep and lasting  
7 impact on the health and wellbeing of those in the household and the welfare of the entire  
8 community.<sup>29</sup>

9 **Q: Is there other evidence that UGI's low-income customers already struggle to afford  
10 and maintain natural gas service – even before any rate increase is approved?**

11 A: Yes. There are strong indicators that service is already unaffordable. UGI's low-income  
12 customers are disproportionately payment troubled and carry a disproportionate amount of  
13 residential consumer debt to the Company. These indicators demonstrate that UGI's low-income  
14 consumers already struggle to pay for natural gas service and will likely experience increased  
15 payment trouble if UGI's proposed rate increase is approved.

16 According to the 2020 Universal Service Report, 97.2% of UGI's payment troubled  
17 customers are confirmed low income customers, which is substantially higher than the industry  
18 average 72.6% and is the highest among all reporting natural gas distribution companies

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<sup>28</sup> NEADA Survey at 17, 20.

<sup>29</sup> See id. When a family is unable to use their primary heating system, they often resort to dangerous, high usage, and high-cost alternative heating methods such as electric space-heaters, electric stoves, and/or portable generators, which increases the risk of carbon monoxide poisoning and house fires – placing themselves and the greater community at risk of harm. See Nat'l Fire Protection Ass'n, Fire Analysis & Research Division, Home Fires Involving Heating Equipment, at 1 (Dec. 2018) (finding that space heaters cause 44% of all home heating related fires, and 86% of deaths caused by home heating related fires).

1 (NGDCs).<sup>30</sup> The fact that nearly all of UGI's payment troubled customers are confirmed low  
2 income customers is particularly troubling because only approximately 13% of UGI's residential  
3 customers are confirmed low-income,<sup>31</sup> which is well below the industry average and the second  
4 lowest among NGDCs.<sup>32</sup> The number of low income customers experiencing payment trouble will  
5 likely worsen if UGI's proposed rate increase is approved without adopting targeted measures to  
6 mitigate the impact of the increase on low-income households.

7 UGI's confirmed low-income customers are not only disproportionately payment troubled,  
8 but they also carry a disproportionate percentage of customer debt compared to residential  
9 customers as a group. As of March 2022, approximately 30% of confirmed low-income customers  
10 were in debt to UGI, compared to just 11% of general residential customers.<sup>33</sup> Further, even though  
11 confirmed low-income customers only represent approximately 13% of UGI's residential  
12 ratepayers, they represent 38% of customers in debt<sup>34</sup> and carry a large majority (66%) of total  
13 dollars owed.<sup>35</sup>

14 **Q: Did UGI make any changes to its policies and procedures impacting low income**  
15 **customers in response to the COVID-19 pandemic?**

16 A: Yes. On March 13, 2020, the Commission issued an Emergency Order placing a  
17 moratorium on utility terminations due to the emergence of the COVID-19 pandemic.<sup>36</sup> Beginning  
18 March 18, 2020, UGI ceased removing customers from CAP for failure to recertify their income

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<sup>30</sup> 2020 Universal Service Report at 11.

<sup>31</sup> See OCA to UGI II-17, 18, 19 (As of Dec. 2021, UGI reported 610,158 residential, 153,437 estimated low income, and 78,450 confirmed low income customers.).

<sup>32</sup> 2020 Universal Service Report at 6.

<sup>33</sup> CAUSE-PA to UGI IV-14, Attach.

<sup>34</sup> Id. (As of March 2022, 26,100 confirmed low income customers in debt out of 68,439 total residential customers in debt).

<sup>35</sup> Id. (As of March 2022, \$26,301,342 of total residential debt belonged to confirmed low income customers out of \$39,686,285 total residential dollars in debt).

<sup>36</sup> Pa. PUC Emergency COVID-19 Moratorium Order, Docket M-2020-3019244.

1 and instructed Community Based Organizations (CBOs) to accept telephonic “signatures” for CAP  
2 program authorizations.<sup>37</sup> On March 24, 2020, the Company began waiving all late payment  
3 charges.<sup>38</sup> UGI also implemented a Phase I Emergency Relief Program (ERP) to assist natural gas  
4 customers impacted by the Pandemic that provided grants of up to \$400 for residential customers  
5 and ran from October through December 2020.<sup>39</sup> UGI’s proposal for Phase II ERP was denied by  
6 the Commission, and the Company subsequently resumed normal low-income activities in July  
7 2021.<sup>40</sup>

8 **Q: How have low income customers been impacted by the expiration of the emergency**  
9 **COVID-19 measures?**

10 A: While the emergency measures taken by the Commission and UGI undoubtedly helped  
11 UGI’s customers maintain service despite the public health emergency and initial economic fallout  
12 of the COVID-19 pandemic, the expiration of these measures has disproportionately impacted  
13 UGI’s low income customers, resulting in increased low income termination rates, debt, and CAP  
14 removals. After the discontinuance of the emergency COVID-19 measures, UGI’s confirmed low  
15 income termination rate, CAP termination rate, and number of CAP removals have significantly  
16 increased compared to pre-COVID levels. As of June 2021, UGI resumed removing customers  
17 from CAP for failure to recertify.<sup>41</sup> From June 2021 through January 2022, 4,361 customers were  
18 removed from CAP for failure to recertify.<sup>42</sup> These 4,361 customers represent 18% of CAP  
19 customers that were enrolled as of June 2021.<sup>43</sup> For reference, only 380 customers were removed

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<sup>37</sup> UGI St. 1 at 12.

<sup>38</sup> Id.

<sup>39</sup> UGI St. 1 at 15-16.

<sup>40</sup> Id.

<sup>41</sup> OCA to UGI II-44.

<sup>42</sup> Id. at II-16, Attach.

<sup>43</sup> Id. at II-15, Attach.

1 for failure to recertify in all of 2019.<sup>44</sup> Ultimately, many of these customers did not reenroll, as  
 2 UGI’s total CAP enrollment reduced from 24,164 in June 2021 to 20,245 in February 2022, a total  
 3 decline of over 16%.<sup>45</sup>

4 The significant number of low income customers being removed from CAP as a result of  
 5 recertification requirements has likely contributed to increased low income termination rates –  
 6 which indicates that the decline in CAP enrollment is not due to a decline in the need for assistance.  
 7 In 2021, UGI’s confirmed low income termination rate was more than double its 2019 rate and its  
 8 CAP termination rate was more than triple 2019 levels.<sup>46</sup> Meanwhile, its general residential  
 9 termination rate remained similar to 2019 levels.<sup>47</sup> Table 1 and Table 2 show the changes to UGI’s  
 10 termination rates between 2019 and 2021.

11 **TABLE 1 – 2019 UGI Termination Rates**

2019	Residential Customers	Confirmed Low Income Customers	CAP Customers
Terminations	20,813 <sup>48</sup>	1,385 <sup>49</sup>	690 <sup>50</sup>
Customer Count	593,709 <sup>51</sup>	74,493 <sup>52</sup>	23,451 <sup>53</sup>
Termination Rate	3.5%	1.9%	2.9%

12

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<sup>44</sup> OCA to UGI II-16, Attach.

<sup>45</sup> OCA to UGI II-15, Attach.

<sup>46</sup> See OCA to UGI II-15, II-16.

<sup>47</sup> Id.

<sup>48</sup> CAUSE-PA to UGI I-7.

<sup>49</sup> CAUSE-PA to UGI I-8.

<sup>50</sup> CAUSE-PA to UGI I-9.

<sup>51</sup> CAUSE-PA to UGI I-17.

<sup>52</sup> CAUSE-PA to UGI I-3.

<sup>53</sup> CAUSE-PA to UGI I-4.

1

**TABLE 2 – 2021 UGI Termination Rates**

2021	Residential Customers	Confirmed Low Income Customers	CAP Customers
Terminations	23,013 <sup>54</sup>	3,848 <sup>55</sup>	2,153 <sup>56</sup>
Customer Count	610,158 <sup>57</sup>	78,450 <sup>58</sup>	22,025 <sup>59</sup>
Termination Rate	3.8%	4.9%	9.8%

2

3 These tables show that there is a substantially higher rate of involuntary termination for low  
 4 income households since the emergency pandemic measures expired. Notably, while the  
 5 termination rate for residential customers remained largely consistent from 2019 to 2021, the  
 6 termination rate for confirmed low income customers more than doubled and the termination rate  
 7 for CAP customers more than tripled.

8 UGI reports that a substantial number of low income households are at risk of termination  
 9 following expiration of the 2021-2022 winter termination moratorium. As of April 1, 2022, 5,840  
 10 confirmed low income customers (approximately 7%) and 4,680 CAP customers (approximately  
 11 23%) were at risk of termination; whereas approximately 5% of residential customers as a whole  
 12 were at risk of termination.<sup>60</sup>

13 I note here that the explicit statutory purpose of CAP is to assist low income customers to  
 14 maintain gas service to their home.<sup>61</sup> Yet last year, one in every ten CAP participants had their  
 15 service involuntarily terminated because they could not afford to pay. The disparity in involuntary

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<sup>54</sup> CAUSE-PA to UGI I-7.

<sup>55</sup> *Id.* at I-8.

<sup>56</sup> *Id.* at I-9.

<sup>57</sup> *Id.* at I-17.

<sup>58</sup> *Id.* at UGI I-3.

<sup>59</sup> *Id.* at I-4.

<sup>60</sup> *See* CAUSE-PA to UGI IV-8; *see also* OCA to UGI II-17 (confirmed low income count as of Jan. 2022); OCA to UGI II-15 (CAP customer count as of Feb. 2022), Attach; CAUSE-PA to UGI I-17 (residential customer count as of Jan. 2022).

<sup>61</sup> *See* 66 Pa. C.S. § 2202 (definition of “Universal Service and Energy Conservation”).

1 termination rates concentrated across UGI’s low income customer base underscores the need for  
2 UGI to remediate rate unaffordability by further strengthening the availability and assistance  
3 provided to low income consumers through its universal service programs to offset unaffordability  
4 at both existing and proposed rates.

5 **Q: How does the involuntary termination of natural gas service impact a household?**

6 A: Loss of natural gas service has a deep and lasting impact on the health and wellbeing of  
7 the entire household and the community as a whole and is a common catalyst to homelessness.<sup>62</sup>  
8 When a family is unable to use a primary heating system, they often resort to dangerous, high  
9 usage / high cost heating methods – such as electric space-heaters, electric stoves, and/or portable  
10 generators – which increases the risk of carbon monoxide poisoning and house fires.<sup>63</sup> Heating  
11 equipment is a leading cause of fires in U.S. homes.<sup>64</sup> Space heaters are most often responsible for  
12 home heating equipment fires, accounting for more than two in five fires, as well as the vast  
13 majority of the deaths and injuries in home fires caused by heating equipment.<sup>65</sup>As of February  
14 2022, UGI reported that 344 of its residential customers were *known* to be without a central heating  
15 source in the winter months, and 25 households were *known* to be using a potentially unsafe  
16 alternative heating source.<sup>66</sup>

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<sup>62</sup> See Joint State Government Commission, General Assembly of the Commonwealth of Pennsylvania, Homelessness in Pennsylvania: Causes, Impacts, and Solutions: A Task Force and Advisory Committee Report (2016), available at: <http://jsg.legis.state.pa.us/resources/documents/ftp/documents/HR550%201%20page%20summary%204-6-2016.pdf>.

<sup>63</sup> Richard Campbell, Home Heating Fires, National Fire Protection Association (NFPA), (Jan. 2021), available at: <https://www.nfpa.org/News-and-Research/Data-research-and-tools/US-Fire-Problem/Heating-equipment>

<sup>64</sup> Id.

<sup>65</sup> Id.

<sup>66</sup> Pa. PUC, 2021 Cold Weather Survey Results – Gas, available at: <https://www.puc.pa.gov/filing-resources/reports/electric-gas-water-cold-weather-survey-results/> .

1 UGI must take steps to protect its customers from the harsh consequences of its proposed  
2 rate increase. I will make several recommendations later in my testimony that will enable UGI to  
3 better protect these vulnerable customers.

4 **II. UGI UNIVERSAL SERVICE PROGRAMS**

5 **Q: Please briefly describe UGI's Universal Service Programs.**

6 A: As required by Commission regulations, UGI has established a Universal Service and  
7 Energy Conservation Plan (USECP).<sup>67</sup> UGI's universal service programs include (1) a Customer  
8 Assistance Program (CAP), (2) a Hardship Fund (Operation Share), (3) a Low Income Usage  
9 Reduction Program (LIURP), and (4) a Customer Assistance and Referral Evaluation Services  
10 (CARES).<sup>68</sup> In this section, I will address UGI's CAP, LIURP, and Operation Share programs and  
11 provide recommendations for how UGI should improve each of these programs to better address  
12 the need for assistance for UGI's low income customers to remediate rate unaffordability at both  
13 existing and proposed rates.

14 **a. Customer Assistance Program (CAP)**

15 **Q: Are customers who are enrolled in the UGI's Customer Assistance Program (CAP)**  
16 **insulated from the financial impact of the rate increase?**

17 A: The answer to this question differs from customer to customer and depends on the type of  
18 CAP payment plan a customer is assigned. UGI currently has three types of CAP rates: (1) a  
19 percentage of income (PIP) rate, which is calculated based on a fixed percentage of the customer's

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<sup>67</sup> UGI 2020-2025 Universal Service and Energy Conservation Plan (USECP), Docket No M-2017-2598190 (2020-2025 USECP).

<sup>68</sup> Id. at 2.

1 income<sup>69</sup>; (2) an average bill rate, which is based on the customer's average 12-month bill; and (3)  
2 a minimum bill, which is set at \$25 for heating CAP customers and \$15 for non-heating CAP  
3 customers.<sup>70</sup> Once a customer enrolls in CAP, and a CAP rate is assigned, UGI adjusts the  
4 customer's rate on a quarterly basis to reflect the most recently applicable rates, usage, and income  
5 data available.<sup>71</sup>

6 About half (49%) of UGI's CAP customers receive a PIP or minimum bill CAP rate.<sup>72</sup>  
7 These CAP participants will be largely insulated from the financial impact of the proposed rate  
8 increase, assuming they can meet the recertification requirements and other obligations necessary  
9 to remain in the program.<sup>73</sup> That said, if rates are increased as proposed, the subsidy necessary to  
10 assist CAP participants with a PIP or minimum bill CAP rate will increase, which will  
11 consequently increase the cost of CAP to other residential ratepayers – including for those whose  
12 income is over 150% FPL but are nevertheless well below the self-sufficiency standard (discussed  
13 above).

14 The remaining 51% of CAP customers have CAP rates set according to their average bill  
15 rate. These CAP participants are not insulated from the impact of UGI's proposed rate increase  
16 and will experience the full financial impact of UGI's proposed rate increase.<sup>74</sup> UGI's quarterly  
17 CAP rate adjustments will shift some customers who are currently billed at the average bill rate

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<sup>69</sup> 2020-2025 USECP at 16 (Currently, UGI CAP customers with income between 0-50% FPL are billed at 7% of the household's monthly income; those with income between 51-100% FPL are billed at 8% of the household's monthly income; and those with income between 101-150% FPL are billed at 9% of the household's monthly income.).

<sup>70</sup> 2020-2025 USECP at 16-17.

<sup>71</sup> See UGI 2019 Rate Case, Docket No. R-2018-3006814, Joint Petition for Settlement at ¶ 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.

<sup>72</sup> CAUSE-PA to UGI I-1.

<sup>73</sup> Id.

<sup>74</sup> Id.



1 into the percentage of income payment (PIP) category – which will help to limit (*but not eliminate*)  
2 the overall impact of the rate increase. However, customers transitioned from the average bill rate  
3 to the percentage of income bill rate as a result of the rate increase will still pay more because,  
4 prior to the rate increase, the average bill payment would have been less expensive than their  
5 applicable percentage of income will be after the rate increase. Of course, CAP customers who  
6 *remain* in the average bill rate category will experience the full, unmitigated impact of the rate  
7 increase.

8 **Q: Are all low-income customers enrolled in CAP?**

9 A: No. Less than a third of UGI’s confirmed low-income customers are enrolled in CAP. As  
10 of December 2021, only 22,025 customers were enrolled in CAP,<sup>75</sup> which was only 28% of UGI’s  
11 confirmed low-income customers<sup>76</sup> and 14% of its estimated low-income customers.<sup>77</sup> Thus,  
12 between 72-86% of UGI’s low-income customers are left to bear the full impact of the proposed  
13 rate increase.

14 As I explained above, UGI’s CAP enrollment and participation rate dropped significantly  
15 when the Company reinstated CAP recertification requirements after the expiration of the  
16 Commission’s COVID-19 Emergency Order. However, even before the COVID-19 pandemic,  
17 UGI had a consistently lower CAP participation rate compared to the industry average.<sup>78</sup> Table 3  
18 shows the CAP enrollment rate for UGI North and UGI South compared with the NGDC average  
19 over a 10-year period.<sup>79</sup>

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<sup>75</sup> OCA to UGI II-15, Attachment.

<sup>76</sup> Id. at II-17 (78,450 confirmed low income as of Dec. 2021).

<sup>77</sup> Id. (153,437 estimated low income customers as of Dec. 2021).

<sup>78</sup> OCA to UGI II-16.

<sup>79</sup> *Note:* On Oct. 4, 2019, at Docket No. R-2018-3006814, et al., the Commission approved the merger of the UGI Utilities, Inc. separate rate districts – UGI South, UGI North, and UGI Central – into one rate district existing as

1

**TABLE 3: CAP Participation Rate<sup>80</sup>**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
UGI North	19%	22%	18%	14%	14%	22%	25%	25%	24%	26%	29%
UGI South	24%	21%	17%	13%	11%	18%	21%	23%	24%	25%	31%
<b>NGDC Avg.</b>	40%	41%	40%	37%	36%	37%	35%	34%	34%	45%	34%

2

3 In 2020, UGI's CAP participation rate was 31% and the NGDC industry average CAP participation  
4 rate was 36.1%.<sup>81</sup> In 2021, UGI's CAP participation rate dropped to 28%.<sup>82</sup>

5 UGI's CAP participation rates are low compared to average CAP participation rates  
6 amongst other NGDCs in the Commonwealth and highlight the need for critical improvements to  
7 CAP outreach and enrollment processes to reach a greater number of households in need of  
8 assistance to access and maintain safe and affordable natural gas services to their homes. This is  
9 especially true if UGI's proposed rate increase is approved, as even more households will need  
10 assistance to keep up with increasing rates.

11 **Q: Has UGI taken any steps that you believe will help improve its CAP participation**  
12 **rate?**

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UGI Utilities, Inc. – Gas Division. Although this change took effect when UGI's amended tariff became effective on Oct. 11, 2019, data reported based on the combined rate districts did not begin until Jan. 1, 2020. Prior to the merger, UGI Central was not subject to Universal Service Reporting requirements. See 2020 Universal Service Report at 1, fn. 9.

<sup>80</sup> The CAP enrollment rate is the total of CAP customers as of December 31 of the given year, divided by the number of confirmed low-income customers. CAP enrollment rates were collected from the Commission's Universal Service Programs & Collections Performance Reports (hereinafter Universal Service Reports). The last publicly available CAP enrollment data was released in December 2019 for the 2018 calendar year. See 2020 Universal Service Report at 58; 2018 Universal Service Report at 52; 2017 Universal Service Report at 51; 2016 Universal Service Report at 50; 2015 Universal Service Report at 42; 2014 Universal Service Report at 42; 2013 Universal Service Report at 37; 2011 Universal Service Report at 40; 2009 Universal Service Report at 39. Note that percentages were rounded to the nearest whole number.

<sup>81</sup> 2020 Universal Service Report at 58.

<sup>82</sup> See OCA to UGI II-15,17 (22,025 CAP customers and 78,450 CLI customers as of Dec. 2021).

1 A: Yes. I believe that adopting the Commission’s recommended maximum CAP energy  
2 burdens will aid in the goal toward achieving affordability and, in turn, increase participation rates  
3 of UGI’s CAP. On May 21, 2020, UGI filed a petition requesting to modify its USECP to reduce  
4 its maximum PIP rate.<sup>83</sup> In this petition, the Company sought to update its USECP to reflect the  
5 Commission’s revised CAP Policy Statement,<sup>84</sup> including adopting the Commission’s maximum  
6 CAP energy burden standards of 4% for customers with income at or below 50% FPL and 6% for  
7 customers with income between 51-150% FPL. While UGI’s petition is currently pending at a  
8 separate docket, I recommend that UGI be required to implement the reduced maximum energy  
9 burden standards proposed therein as a condition to approval of any rate increase in this  
10 proceeding. Reducing the maximum CAP energy burden thresholds in this proceeding will help  
11 to address and remediate deep rate unaffordability for low income customers at both existing and  
12 proposed rates.

13 **Q: Do you have additional recommendations that will help improve UGI’s CAP**  
14 **participation rate?**

15 A: Yes. I recommend that UGI take the following steps to help increase CAP participation  
16 and ensure that the program reaches more customers in need of assistance:

- 17 • *UGI should simplify enrollment in CAP for non-CAP Low Income Home Energy*  
18 *Assistance Program (LIHEAP) recipients.*

19 In the Settlement for its 2020 rate case, as a temporary measure in response to the COVID-  
20 19 pandemic, UGI agreed to conduct enhanced customer screening to determine CAP and LIHEAP  
21 eligibility, to auto-enroll non-CAP LIHEAP recipients in CAP, and to generate pre-populated

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<sup>83</sup> UGI Addendum to 2020-2025 USECP, Docket No. M-2017-2598190, May 1, 2020 (UGI PIP Petition).

<sup>84</sup> 52 Pa. Code § 69.261 et seq.

1 LIHEAP applications for non-LIHEAP CAP customers.<sup>85</sup> Although these policies were adopted  
2 by UGI as temporary emergency-based changes to address the COVID-19 pandemic, these policies  
3 continue to be vital to help ensure that low income customers are able to access all needed  
4 assistance programs for which they are eligible. Specifically, LIHEAP recipients have already  
5 submitted documentation to the Pennsylvania Department of Human Services (DHS) verifying  
6 that their income is at or below 150% FPL.<sup>86</sup> They should not be forced to jump through additional  
7 unnecessary hoops to submit that same documentation to enroll in CAP, which has the same  
8 income requirements.

9 I recommend that, within 180 days of a final order in this case, UGI establish a simplified  
10 process for non-CAP LIHEAP recipients to enroll in CAP similar to the process established  
11 pursuant to the 2020 rate case settlement. To that end, within 90 days of a final order in this case,  
12 UGI should survey all non-CAP LIHEAP recipients to better understand why they have not  
13 enrolled in CAP and include a prepopulated CAP application with the survey. UGI should present  
14 the results of the survey to its Universal Service Advisory Committee to gather input and  
15 suggestions for how to effectively streamline cross-program enrollment while avoiding potential  
16 unintended consequences.

17 Additionally, to help leverage additional LIHEAP funds, I also recommend that UGI  
18 reinstitute its practice of generating pre-populated LIHEAP applications for all non-LIHEAP CAP  
19 customers.

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<sup>85</sup> Pa. PUC v. UGI, R-2019-3015162, Joint Pet. for Settlement at ¶ 27(c)(ii) (submitted Aug. 3, 2020).

<sup>86</sup> Pennsylvania Low Income Home Energy Assistance Program (LIHEAP) 2022 State Plan, available at:  
[https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance\\_LIHEAP/2022%20LIHEAP%20State%20Plan\\_FINAL%20Approved.pdf](https://www.dhs.pa.gov/Services/Assistance/Documents/Heating%20Assistance_LIHEAP/2022%20LIHEAP%20State%20Plan_FINAL%20Approved.pdf)

- 1 • *UGI should refer all customers that call seeking a payment arrangement to apply for*  
2 *CAP and other Universal Service Programs and should actively assist with enrollment.*

3 It is unclear whether and how UGI is currently referring customers seeking a payment  
4 arrangement to apply for available universal service programs. In 2020, UGI reported 9,835  
5 confirmed low income customers were in payment arrangements attempting to pay down  
6 approximately \$19.5 million dollars in debt.<sup>87</sup> These confirmed low income customers represented  
7 approximately 77% of residential customers on payment arrangements and 95% of all residential  
8 dollars in debt on a payment arrangement.<sup>88</sup> The Public Utility Code specifically requires that  
9 whenever customer or applicant contacts a public utility to make a payment agreement, the public  
10 utility must, “[r]efer the customer or applicant to the universal service program administrator of  
11 the public utility to determine eligibility for a program and to apply for enrollment in a program.”<sup>89</sup>  
12 The utility must also, “[p]rovide information about the public utility's universal service programs,  
13 including a customer assistance program.”<sup>90</sup>

14 When a customer falls behind on their bill or an applicant is denied service due to an  
15 outstanding balance, their first instinct is often to call the utility and request a payment  
16 arrangement. These customers may be newly low income as a result of a financial set back and  
17 unaware that they qualify for CAP and/or other universal service programs, which will help  
18 address their arrearage and reduce their monthly bill.

19 UGI should be required to screen household income of all residential customers who call  
20 requesting a payment plan and should refer potentially income-eligible customers to apply for CAP

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<sup>87</sup> 2020 Universal Service Report at 11, 30.

<sup>88</sup> Id. (Dollars in Debt on an Arrangement: UGI reports \$20,498,260 residential and \$19,462,068 confirmed low income.).

<sup>89</sup> 66 Pa. C.S. §1410.1(2).

<sup>90</sup> 66 Pa. C.S. §1410.1(1).

1 and other universal service programs before entering a payment arrangement. To streamline the  
2 referral process, UGI should either assist the customer to enroll in a universal service program  
3 over the phone or should provide a “warm transfer” to UGI’s universal service program  
4 administrator to complete the application process. UGI should develop call scripts and call center  
5 training to implement this referral process and ensure that low income customers who request a  
6 payment plan are provided information, referred to, and assisted to enroll in universal services  
7 programs. Additionally, customers at risk of termination who are transferred through this warm  
8 referral process should have a hold placed on termination while the CAP application is pending.

- 9 • ***UGI should conduct outreach to all customers who have been removed from CAP***  
10 ***for failure to recertify income since the expiration of the Commission’s Emergency***  
11 ***COVID-19 Order.***

12 As I explained above, UGI suspended CAP recertifications for the duration of the  
13 Commission’s COVID-19 Emergency Order.<sup>91</sup> Subsequently, when UGI’s recertification  
14 requirements resumed, nearly 3,000 (12%) of CAP customers were removed from CAP for failure  
15 to recertify in a single year.<sup>92</sup> These removals had a significant impact on UGI’s CAP enrollment,  
16 which dropped from 24,241 in January 2021 to 22,025 in December 2021 - a 9% annual  
17 reduction.<sup>93</sup> The large number of CAP removals also negatively impacted UGI’s CAP participation  
18 rate, which dropped from 31% in 2020 to 28% in 2021. I recommend that UGI conduct affirmative  
19 outreach to all households that have been removed from CAP for failure to recertify and encourage  
20 them to reapply. UGI should conduct initial outreach via telephone calls and text messages and  
21 should send follow up letters with postage-paid envelopes for customers to more easily complete

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<sup>91</sup> Pa. PUC v. UGI, R-2019-3015162, Joint Pet. for Settlement at ¶ 27(c)(ii).

<sup>92</sup> OCA to UGI II-16.

<sup>93</sup> Id. at II-15, Attach.

1 the income recertification requirements. UGI should also coordinate with their Universal Service  
2 Advisory Group for additional recommendations to reach these customers.

3 For those who successfully complete recertification and can show that they had received  
4 LIHEAP or were otherwise eligible for CAP on the date of their removal, UGI should recertify  
5 CAP enrollment back to the date of program removal – allowing households to receive retroactive  
6 bill subsidy and arrearage forgiveness for the time between removal and recertification.

7 **b. Low Income Usage Reduction Program (LIURP)**

8 **Q: Please briefly describe the aspects of UGI’s LIURP that you wish to address.**

9 A: UGI’s LIURP is a critical universal service program designed to improve bill affordability,  
10 reduce arrearages and termination rates over the long term, and work in tandem with CAP to help  
11 reduce uncontrollably high usage attributable to home energy inefficiencies that low income  
12 households cannot afford to address on their own.<sup>94</sup> Throughout Pennsylvania, natural gas heating  
13 customers who receive LIURP services achieve annual bill savings that average approximately  
14 \$304 per year - or roughly 16.6%.<sup>95</sup> In 2019, UGI’s average bill savings per LIURP job was 20-  
15 25%.<sup>96</sup> Bill reductions through comprehensive energy efficiency and conservation efforts improve  
16 affordability and help to ensure that low income customers remain connected to service at more  
17 affordable rates.

18 Despite the value of UGI’s LIURP and its impressive results, UGI’s LIURP is not operating  
19 at a rate sufficient to fulfill the estimated need for comprehensive usage reduction services within  
20 a reasonable amount of time.<sup>97</sup> In 2021, LIURP services were provided to just 378 households

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<sup>94</sup> 52 Pa. Code § 58.1; 2020-2025 USECP at 25.

<sup>95</sup> 2020 Universal Service Report at 56-57.

<sup>96</sup> CAUSE-PA to UGI II-16.

<sup>97</sup> CAUSE-PA to UGI I-13.

1 across its service territory.<sup>98</sup> According to UGI’s most recent LIURP needs assessment, it will take  
2 several decades to serve identified needs across its service territory.<sup>99</sup> In UGI’s former South  
3 District, it would take 25 years to serve estimated need; while in UGI’s former North District, it  
4 would take an estimated 40 years to serve those in need.<sup>100</sup> Despite this overwhelming unmet need  
5 for services, UGI has historically underspent its LIURP budget in each geographic region.<sup>101</sup> In  
6 2021, UGI had over \$1 million left in its LIURP budget across its three rate divisions.<sup>102</sup>

7 LIURP services are critical to assisting low income households to move toward energy  
8 affordability by improving their energy efficiency and reducing their monthly bills, and it is critical  
9 that UGI fully expend available LIURP funds and allocate additional needed funding to meet the  
10 needs of its low income customers who are currently in need of weatherization and energy  
11 efficiency services.

12 **Q: Do you have recommendations that would help UGI’s LIURP program reach a**  
13 **greater number of homes in need of service?**

14 A: Yes. I recommend that UGI reduce its LIURP minimum usage threshold for households at  
15 or below 150% FPL. I also recommend that UGI increase its annual LIURP budget by a percentage  
16 at least equal to the average residential bill impact of any approved residential rate increase. I will  
17 outline these recommendations in further detail below.

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<sup>98</sup> CAUSE-PA to UGI I-10, Attach.

<sup>99</sup> Id. at I-13(b) (The needs assessment was performed on two of the three UGI Gas territories. The former South District would take 25 years, and the former North District would take 40 years.).

<sup>100</sup> Id.

<sup>101</sup> CAUSE-Pa to UGI I-14.

<sup>102</sup> Id.



- 1 • ***UGI should lower its LIURP minimum usage threshold.***

2           The minimum usage threshold for eligibility for UGI’s LIURP services requires that, in  
3 addition to meeting the income based eligibility criteria for the program, applicants must also have  
4 usage of at least 30% above the average usage for UGI customers.<sup>103</sup> However, many low income  
5 customers in need of usage reduction services may not meet this standard because they live in  
6 smaller homes and apartments. These customers may have lower overall usage than non-low  
7 income residential ratepayers – yet may still have relatively higher usage per square foot of living  
8 space. These customers would benefit from comprehensive usage reduction services because they  
9 have higher usage relative to the size of their home due to older inefficient housing stock.

10           In the Settlement for its 2020 rate case, UGI agreed to adjust its LIURP minimum usage  
11 threshold to help ramp up its LIURP production after months of installation delays due to the  
12 COVID-19 pandemic.<sup>104</sup> For the duration of its 2020 LIURP program year, UGI reduced its  
13 LIURP minimum usage threshold to reflect the average usage of residential customers (no longer  
14 average usage + 30%) for customers at or below 150% FPL.<sup>105</sup> In order to address the continued  
15 underspending of LIURP, I recommend that UGI continue this appropriate modification and adopt  
16 this reduced LIURP minimum usage threshold. This action will enable low income households  
17 who currently need to improve their energy efficiency and reduce their monthly bills be able to  
18 reduce and manage their consumption in a cost effective manner.

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<sup>103</sup> 2020-2025 USECP at 26.

<sup>104</sup> Pa. PUC v. UGI, Docket No. R-2019-3015162, Joint Pet. for Settlement at 13 (submitted August 3, 2020).

<sup>105</sup> Id.

- 1 • ***At a minimum, UGI should increase its annual LIURP budget commiserate with any***  
2 ***approved residential rate increase.***

3 To address the gap between need and available budget, and to help mitigate the impact of  
4 the rate increase on low-income families with uncontrollably high usage, I recommend that – at a  
5 minimum – UGI should be required to increase its overall LIURP budget by a percentage equal to  
6 the percentage increase of any approved residential rate increase. I recommend that these  
7 additional funds be targeted proportionally to the existing need in each UGI service district to even  
8 out the timeframe for addressing the existing need identified in UGI’s needs assessment between  
9 the North and South districts.

10 As proposed, UGI’s residential rate hike will increase the bill of a residential customer with  
11 average usage from \$98.62 to \$108.01 per month, or by 9.5%.<sup>106</sup> The Company’s current total  
12 LIURP budget is \$3,705,350.<sup>107</sup> Thus, if UGI’s rates were approved as proposed, UGI’s LIURP  
13 budget should be increased, at a minimum, by 9.5% or \$352,008 – distributed proportionately  
14 according to the existing need in UGI’s former North, South, and Central rate districts.

15 **c. Operation Share**

16 **Q: Please briefly describe the aspects of UGI’s Operation Share that you wish to address.**

17 A: In response to the COVID-19 pandemic, UGI made several temporary adjustments to its  
18 universal service programs, including the provision of an additional \$2 million in funding for the  
19 Operation Share program, expanded income eligibility up to 250% FPL, and increased the  
20 maximum grant size from \$400 to \$600.<sup>108</sup> Subsequently, Operation Share grants increased by

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<sup>106</sup> UGI St. 1 at 7.

<sup>107</sup> CAUSE-PA to UGI IV-3.

<sup>108</sup> UGI St. 1 at 13; see also Pa. PUC v. UGI, R-2019-3015162, Joint Pet. for Settlement at ¶ 28(c).

1 605%, from 1,034 grants totaling \$302,179 in 2019 to 5,192 grants totaling \$2,130,738 in 2021.<sup>109</sup>  
2 However, since the expiration of the Commission’s Emergency COVID-19 Order, the program  
3 has not been effective at curbing the dramatic increase in low income termination rates.

4 Despite the availability of additional Operation Share funds and the increase in the number  
5 of grants awarded, UGI low income customers still experienced a disproportionate increase in  
6 termination rates. As I explained above, in 2021, UGI’s confirmed low income termination rate  
7 was more than double its 2019 rate and its CAP termination rate was more than triple 2019 levels,  
8 while UGI’s general residential termination rate remained in line with 2019 levels.<sup>110</sup> At the end  
9 of the 2021-2022 winter moratorium, 7% of confirmed low income customers and 23% of CAP  
10 customers were at risk of termination, compared to only 5% of residential customers as a group.<sup>111</sup>  
11 This disproportionate increase in low income termination rates occurred despite the fact that the  
12 Operation Share program was carrying a significantly increased budget throughout 2021. As of  
13 January 2022, \$1,916,100 remained in the Operation Share Budget, which is nearly quadruple the  
14 amount carried through all of 2019.<sup>112</sup> The significant amount of unspent Operation Share funds  
15 remaining in the Operation Share Budget, despite the high termination rates amongst confirmed  
16 low income and CAP customers, highlights the need for substantial improvements in UGI’s  
17 targeting and disseminating these grants.

18 **Q: Do you have any recommendations regarding UGI’s Operation Share Program?**

19 A: Yes. I recommend that UGI take additional steps to refocus the Operation Share program  
20 to address the steep increase in low income termination rates and more appropriately target its

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<sup>109</sup> UGI St. 1 at 14.

<sup>110</sup> CAUSE-PA to UGI I-3, I-4, I-7, I-8, I-9, I-17.

<sup>111</sup> See CAUSE-PA to UGI IV-8; see also OCA to UGI II-17 (confirmed low income count as of Jan. 2022); OCA to UGI II-15 (CAP customer count as of Feb. 2022), Attach; CAUSE-PA to UGI I-17 (residential customer count as of Jan. 2022).

<sup>112</sup> CAUSE-PA I-26 (a), Attach.

1 Operation Share grants to help customers most in need of assistance. I will discuss each of these  
2 recommendations in detail below.

- 3 • ***Increase the maximum grant amount for customers at or below 150% FPL.***

4 I recommend that UGI increase the maximum grant amount available to low income  
5 households at risk of termination. In furtherance of the explicit statutory purpose of CAP to assist  
6 low income customers to maintain gas service to their home,<sup>113</sup> I recommend that UGI increase  
7 the maximum grant amount for customers at risk of termination in the lowest income tiers to ensure  
8 that customers with least ability to pay are provided the most assistance. Thus, I recommend that  
9 the maximum grant amounts be increased to \$600 for customers with income 101-150% FPL,  
10 \$700 for customers with income 51-100%, and \$800 for customers with income at or below 50%  
11 FPL.

- 12 • ***UGI should increase its annual Operation Share contribution by an amount that is***  
13 ***at least proportional to its residential rate increase.***

14 As explained above, low income customers already struggle to afford service and are at a  
15 greater risk of service termination compared to general residential customers. Any increase to the  
16 cost of essential utility service, such as UGI's currently proposed rate increase, will worsen these  
17 struggles and lead to an increased threat of termination for these customers. Thus, I recommend  
18 that UGI make additional Operation Share funds available that are, at a minimum, proportional to  
19 any rate increase approved in this proceeding. UGI's low income termination rates are soaring,  
20 and the currently available funds could quickly be depleted if this trend continues. Increasing the  
21 Company's annual Operation Share contributions at a percentage that is at least commensurate  
22 with the percentage of any residential bill increase that may result from this proceeding will help

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<sup>113</sup> See 66 Pa. C.S. § 2202 (Definition of "Universal Service and Energy Conservation").

1 the program budget better keep pace with the cost of residential service and that the policies,  
2 protections, and services which are currently in place to avoid termination are not as significantly  
3 reduced as a result of any potential rate increase.

4 **III. PROPOSED RATE DESIGN**

5 **Q: Please briefly describe the aspects of UGI's residential rate design proposal that you**  
6 **wish to address.**

7 A: Through this proceeding, UGI seeks to increase its fixed monthly residential customer  
8 charge from \$14.60 to \$19.95, an increase of \$5.35 or 36.6%.<sup>114</sup> UGI also proposes a Weather  
9 Normalization Adjustment (WNA), which is designed to decouple UGI's sales revenue from  
10 changes in weather.<sup>115</sup>

11 **a. Fixed Customer Charge**

12 **Q: How would UGI's proposed increase to its fixed monthly residential customer charge**  
13 **impact low income households?**

14 A: This level of increase to the fixed charge will undermine the ability of consumers to control  
15 costs through energy efficiency, conservation, and consumption reduction, which is particularly  
16 problematic for low-income customers who already struggle to pay for natural gas service and rely  
17 on offsetting high bills through careful conservation and usage reduction.

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<sup>114</sup> UGI St. 8 at 20.

<sup>115</sup> UGI St. 10 at 6.

1 **Q: Would UGI’s proposed increase to the fixed charge affect the Company’s LIURP**  
2 **program?**

3 A: Yes. UGI’s proposal undermines the explicit goals of the Low-Income Usage Reduction  
4 Program (LIURP) to “reduce residential energy bills.”<sup>116</sup> By reducing the amount of bill reduction  
5 that can be obtained through LIURP measures, the proposed increase to the fixed charge threatens  
6 the continued effectiveness of ratepayer investments intended to reduce energy consumption,  
7 delinquencies, collections, and uncollectible costs. Thus, the proposed increase to the fixed charge  
8 will, in turn, impact the ability of LIURP to “decrease the incidence and risk of customer payment  
9 delinquencies and the attendant utility costs associated with uncollectible accounts expense,  
10 collection costs and arrearage carrying costs.”<sup>117</sup> This would be a perverse and unreasonable result.  
11 LIURP is a statutorily mandated program to be provided by the Companies to help low income  
12 customers reduce or manage their energy consumption in a cost-effective manner. Any increase  
13 to the fixed charge would both undermine the goal of LIURP and make the existing program less  
14 cost effective.

15 As explained above, UGI’s LIURP is effective at achieving these goals and producing  
16 meaningful average bill savings of 20-25% for the low income households who have been able to  
17 receive services.<sup>118</sup> The ability to save money through energy efficiency is tied directly to a bill  
18 structure that bases costs on throughput. But as more residential customer costs are shifted to the  
19 fixed charge, the achievable bill savings – and the corresponding impact on bill payment behavior  
20 – will erode.

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<sup>116</sup> 52 Pa. Code § 58.1 (“The programs are intended to assist low-income customers conserve energy and reduce residential energy bills. The reduction in energy bills should decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs.”).

<sup>117</sup> Id.

<sup>118</sup> CAUSE-PA to UGI II-16.

1           The current customer charge (\$14.60) makes up approximately 14.8% of the current  
2 average residential bill (\$98.62).<sup>119</sup> If UGI’s proposed rate increase and fixed customer charge are  
3 approved, the \$19.95 fixed charge would equal approximately 18.5% of the average bill  
4 (\$108.01).<sup>120</sup> In other words, if the proposed increase in the fixed customer charge is approved,  
5 UGI customers will lose the ability to control (on average) as much as 3.7% of their monthly bill  
6 (\$48.00 annually based on UGI’s proposed \$108.01 average monthly bill) through energy  
7 conservation and consumption reduction efforts. Thus, the effect of the increased fixed charge  
8 would reduce the effectiveness of LIURP to achieve meaningful bill savings for low income  
9 consumers.

10           The ability to achieve bill savings through energy efficiency and conservation measures is  
11 especially important for households with income above 150% but less than 200% of poverty who  
12 are ineligible for CAP or LIHEAP but are eligible for energy efficiency and conservation services  
13 through LIURP or the federal Weatherization Assistance Program (WAP) – both of which have  
14 income guidelines of up to 200% FPL. These households need to retain the ability to reduce their  
15 monthly energy costs through adoption of comprehensive energy efficiency and conservation  
16 programming.

17           Given low income households are disproportionately at risk of termination and often lack  
18 the ability to control usage due to poor housing stock and older, less efficient appliances,<sup>121</sup> it is  
19 critical that they continue to have access to effective conservation tools capable of producing  
20 meaningful and lasting bill reductions. Additionally, UGI’s high fixed charge proposal will

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<sup>119</sup> See UGI St. 1 at 7; UGI St. 8 at 20.

<sup>120</sup> See *Id.*

<sup>121</sup> See ACEEE, [Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low-income and Underserved Communities](https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf) (April 2016), available at: <https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf>.

1 undermine the millions of ratepayer dollars that UGI is authorized to invest in energy efficiency  
2 through its voluntary Energy Efficiency and Conservation Program Plan.

3 **Q: Do you have any recommendations that could help mitigate the effect of the proposed**  
4 **rate design on low-income households?**

5 A: Yes. UGI's fixed monthly customer charges should not be increased. To the extent any  
6 increase in UGI's residential distribution rate is approved, it should be applied to the volumetric  
7 charge. This would protect the ability of low income households to lower their utility costs by  
8 reducing consumption and would preserve the effectiveness of the LIURP program at reducing  
9 customer bills and improving payment behavior.

10 **b. Weather Normalization Adjustment (WNA)**

11 **Q: Please briefly describe the UGI's proposed WNA.**

12 A: UGI's proposed WNA is a bill adjustment applied to certain customer classes (including  
13 residential customers) during the winter heating months that attempts to break the link between  
14 the revenue collected through the volumetric rate and the effects of variations in temperature.<sup>122</sup>  
15 UGI claims that the WNA would protect the utility from reduced revenue due to warmer weather  
16 and would protect customers from higher bills due to colder than normal weather.<sup>123</sup> However, in  
17 practice, WNAs implemented in other service territories have resulted in higher charges for  
18 residential consumers and shifted all risk of changing weather from utilities onto consumers.<sup>124</sup>

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<sup>122</sup> UGI St. 10 at 6.

<sup>123</sup> Id.

<sup>124</sup> See Pa. PUC v. Columbia Gas of Pa., Inc., R-2020-3018835, Columbia St. 3 at 17-18 (submitted Apr. 24, 2020); See also Pa. PUC v. Philadelphia Gas Works, R-2017-2586783, PGW Annual WNA Reporting (filed Dec. 31, 2019; June 9, 2021; Jan. 6, 2022).



1 **Q: Why do WNAs result in consistently higher bills for residential customers?**

2 A: Utility distribution rates are based on expected throughput during normal weather. When  
 3 temperatures are warmer than normal, which they have been for the last several years, WNAs  
 4 result in a higher bill for residential customers. In 2019, 2020, and 2021, the weather in UGI’s  
 5 service territory, was 3%, 9% and 9% warmer than normal, respectively.<sup>125</sup> If UGI’s WNA had  
 6 been in place, the automatic charge would have increased residential bills every year over the past  
 7 five years.<sup>126</sup> Table 4 shows UGI’s estimated annual impact of the WNA to residential customers  
 8 over the past five years at current rates:

9 **Table 4: WNA Analysis - Estimated Impact to R/RT Customers at Current Rates<sup>127</sup>**

10

Fiscal Year	Estimated Annual Impact to R/RT Customer at Current Rates
2017	\$39.05
2018	\$7.81
2019	\$6.17
2020	\$35.35
2021	\$29.59

11

12 **Q: Do you support adoption of the WNA in this proceeding?**

13 A: No. UGI’s proposed WNA would prevent residential customers from realizing bill savings  
 14 that result from warming weather trends and would shift all weather-related risk from the utility to  
 15 the consumer. Low income customers struggle to afford service and need to retain every ability to

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<sup>125</sup> OCA to UGI VI-3; see also Pa. Dep. of Enviro. Protect’n, Pa. Climate Impacts Assessment 2021, (published May 202, revised July 28, 2021), available at: <http://www.depgreenport.state.pa.us/elibrary/GetDocument?docId=3667348&DocName=PENNSYLVANIA%20CLIMATE%20IMPACTS%20ASSESSMENT%202021.PDF%20%20%3cspan%20style%3D%22color:green%3b%22%3e%3c/span%3e%20%3cspan%20style%3D%22color:blue%3b%22%3e%28NEW%29%3c/span%3e%204/30/2023>.

<sup>126</sup> CAUSE-PA to UGI II-10.

<sup>127</sup> Id., Attach.

1 realize bill savings due to reduced usage, even reduced usage due to changing weather patterns.  
2 As I explained earlier, approximately half of UGI's CAP customers are charged a CAP rate relative  
3 to their average bill which has been based upon usage and would lose the opportunity to recognize  
4 bill savings resulting from reduced usage during warmer than normal winters.

5 Residential customers will receive no practical benefit from implementation of the WNA.  
6 Any risk of increased bills due to colder than normal winters is outweighed by the increasing  
7 frequency of warmer winters. Further, the risk of varying bills due to colder than normal winters  
8 can be mitigated by enrollment in CAP or budget billing. While UGI touts that the WNA will  
9 produce more predictable bills, a more predictable but less affordable bill will not benefit low  
10 income customers who already struggle to afford service. Thus, I recommend that the Commission  
11 reject UGI's proposed WNA.

12 **IV. LATE FEES AND RECONNECTION FEES**

13 **Q: Please briefly describe UGI's late fees and reconnection fees.**

14 A: If a customer falls behind on their bill, UGI charges 1.5% per month on the overdue portion  
15 of the bill.<sup>128</sup> This is the maximum allowed under the Commission's regulations.<sup>129</sup> The overdue  
16 charges continue to accrue interest until either the overdue balance is satisfied or until the final bill  
17 is produced post termination.<sup>130</sup> If the customer falls so far behind on their bill that UGI terminates  
18 service for nonpayment, UGI charges an additional \$73.00 to reconnect that customer.<sup>131</sup>

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<sup>128</sup> UGI Tariff at 43.

<sup>129</sup> 52 Pa. Code §56.22(a)

<sup>130</sup> CAUSE-PA to UGI III-4.

<sup>131</sup> UGI Tariff at 46.

1 **Q: How do late fees and reconnection fees affect low income consumers?**

2 A: When a customer cannot afford to pay their bill, late fees function as a punitive measure,  
3 punishing those who fall behind because they are unable to afford their bills – not because they  
4 are unwilling to pay. Late fees in turn add additional costs to arrears that the customer already  
5 cannot afford to pay, which contributes to the high rate of low income terminations.<sup>132</sup> These  
6 regressive charges disproportionately impact low income households who cannot afford their  
7 monthly bill and, more specifically, disproportionately impact low income Black and Hispanic  
8 households, families with young children, and medically vulnerable households – all of whom are  
9 more likely to face utility insecurity.<sup>133</sup>

10 Like late fees, reconnection fees also add a substantial barrier to reconnection, resulting in  
11 low income customers experiencing longer periods of time without service. The average income  
12 for UGI’s confirmed low income customers is \$12,084, or just \$1,007 per month.<sup>134</sup> UGI is  
13 proposing to increase total bill for the average residential heating customer from \$98.62 to \$108.01  
14 per month, which would raise the natural gas bill burden for these customers from 9.8% to 10.7%,  
15 not including the additional burden of their electric bill.<sup>135</sup> If these customers are unable to pay  
16 and are subsequently terminated, UGI’s \$73.00 reconnection charge requires that they pay  
17 additional 7.2% of their monthly income to reconnect to service.

18 As I explained above, loss of natural gas service has a deep and lasting impact on the health  
19 and wellbeing of the entire household and the community as a whole, and is a common catalyst to

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<sup>132</sup> Jasen Lo, Food or power: Energy bill late fees force tough choices, AP News, March 14, 2022, available at: <https://apnews.com/article/energy-late-fees-Louisiana-Kentucky-da59030e9abc8b5271b4a13eee15f63d> .

<sup>133</sup> Memmott, T., Carley, S., Graff, M. et al. Sociodemographic disparities in energy insecurity among low-income households before and during the COVID-19 pandemic. Nat Energy 6, 186–193 (2021), available at: <https://doi.org/10.1038/s41560-020-00763-9> .

<sup>134</sup> CAUSE-PA to UGI I-15.

<sup>135</sup> UGI St. 1 at 7.

1 homelessness.<sup>136</sup> When families are unable to use a primary heating system, they often resort to  
2 dangerous heating methods that increase the risk of carbon monoxide poisoning and house fires.<sup>137</sup>  
3 UGI's reconnection fee increases those risks by adding additional barriers to the ability of  
4 households to reconnect to service, thus increasing the amount of time households may remain  
5 without a functioning primary heating system.

6 **Q: Do you have any recommendations regarding UGI's late fees and reconnection fees?**

7 A: Yes. I recommend that UGI stop charging late fees and reconnection fees to low income  
8 customers. I note that the Commission has prohibited utilities from charging security deposits to  
9 low income households due to the detrimental effect they have on those customers' ability to  
10 connect or reconnect to service.<sup>138</sup> UGI's late fees and reconnection fees raise similar barriers for  
11 low income customers seeking to establish and maintain affordable natural gas service in their  
12 homes. It is unjust and unreasonable to continue to penalize low income customers for not being  
13 able to pay bills that they cannot afford to pay, terminating service based on nonpayment of those  
14 charges, and ultimately adding even more charges to the bill for reconnection.

15 **V. SUMMARY OF RECOMMENDATIONS**

16 **Q: Please summarize your recommendations.**

17 A: I have made several recommendations throughout my testimony to address current levels  
18 of unaffordability and mitigate the financial impact of any approved rate increase on low-income

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<sup>136</sup> See Joint State Government Commission, General Assembly of the Commonwealth of Pennsylvania, Homelessness in Pennsylvania: Causes, Impacts, and Solutions: A Task Force and Advisory Committee Report (2016), available at: <http://jsg.legis.state.pa.us/resources/documents/ftp/documents/HR550%201%20page%20summary%204-6-2016.pdf>.

<sup>137</sup> Richard Campbell, Home Heating Fires, National Fire Protection Association (NFPA), (Jan. 2021), available at: <https://www.nfpa.org/News-and-Research/Data-research-and-tools/US-Fire-Problem/Heating-equipment>

<sup>138</sup> See 52 Pa. Code § 56.32(e).

1 households. Specifically, I recommend that UGI take the following steps to strengthen and reform  
2 UGI's universal service programming to more effectively reach and serve low income customers:

- 3 • Adopt a process for simplified enrollment in CAP for Non-CAP Low Income Home Energy  
4 Assistance Program (LIHEAP) recipients.
- 5 • Inquire about the household income level of all customers seeking payment arrangements  
6 and provide a "warm transfer" for all potentially eligible customers to apply for CAP and  
7 other universal service programs.
- 8 • Conduct outreach to all customers who have been removed from CAP for failure to  
9 recertify since the expiration of the Commission's Emergency COVID-19 Order.
- 10 • Lower the minimum usage threshold to access energy efficiency and usage reduction  
11 services through LIURP.
- 12 • Increase the annual budget for LIURP commiserate with residential rate increase to help  
13 reduce energy usage in low income homes.
- 14 • Increase the maximum Operation Share grant amount for customers with income at or  
15 below 150% FPL.
- 16 • Increase the annual Operation Share contribution proportional to residential rate increase.

17 In addition to the above recommendations regarding UGI's universal service programming, I  
18 also recommended that the Commission:

- 19 • Reject UGI's proposed increase to its fixed customer charge.
- 20 • Reject UGI's proposed WNA.
- 21 • Prohibit UGI from assessing late fees and reconnection fees to confirmed low income  
22 customers.

23 **Q: Does this conclude your direct testimony?**

24 **A:** Yes.

**THE COALITION FOR AFFORDABLE UTILITY SERVICE AND ENERGY  
EFFICIENCY IN PENNSYLVANIA**

**APPENDIX A**

**RESUME OF HARRY S. GELLER**

## **RESUME OF HARRY S. GELLER**

### **EDUCATIONAL BACKGROUND:**

Harpur College, State University of New York at Binghamton, B.A. 1966

Washington College of Law, American University, J.D. 1969

New York University Law School, courses in Urban Affairs and Poverty Law, as part of  
Volunteers in Service to America (VISTA) Program 1969-1971

### **EMPLOYMENT:**

1988 – 2015 Executive Director, Pennsylvania Utility Law Project (PULP), a project of the civil non-profit Pennsylvania Legal Aid Network. PULP is dedicated to providing technical support, information sharing, and representation to low-income individuals and organizations, assisting and advocating for the low income in utility and energy matters. Responsibilities include project oversight, case consultation, co-counseling, and participation on task forces, work groups and advisory panels, community education and training in utility and energy matters affecting the low income.

While at PULP, served in the following capacities:

- Chairman, Low-Income Home Energy Assistance Program (LIHEAP) Advisory Committee to the Secretary, Pennsylvania Department of Human Services
- Member, Pennsylvania Public Utility Commission, Consumer Advisory Council Coordinator, Pennsylvania Legal Services Utility/Energy Work Groups
- Member, Weatherization Policy Advisory Committee to the Department of Community and Economic Development
- Member, PECO Universal Service Advisory Committee and LIURP Subcommittee

1974-1987 Staff Attorney, Managing Attorney and ultimately, Executive Director of Legal Services, Incorporated (LSI), a civil legal services program serving Adams, Cumberland, Franklin and Fulton Counties. Through a restructuring with other legal services programs, LSI became part of what is now known as MidPenn Legal Services and Franklin County Legal Services.

1971-1972 Staff Attorney, New York City Legal Aid Society, Criminal Court and Supreme Court Branches, New York County.

1969-1971 Volunteer in Service to America (VISTA) assigned to the New York University Law School Project on Urban Affairs and Poverty Law.

### **BAR ADMISSIONS**

New York State

Commonwealth of Pennsylvania

United States District Court, Middle District of Pennsylvania

**Cases in which Harry S. Geller has participated as a witness before the Pennsylvania Public Utility Commission since July 1, 2015**

- Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of their Default Service Programs for the period commencing June 1, 2023, through May 31, 2027, P-2021-3030012, P-2021-3030013, P-2021-3030014, P-2021-3030021
- Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2021-3027385, R- 2021-3027386.
- Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority, R-2021-3024773, R-2021-3024774, R-2021-3024779.
- Pennsylvania Public Utility Commission v. Duquesne Light Company, R-2021-3024750.
- Pennsylvania Public Utility Commission v. PECO Energy – Electric Division, R-2021-3024601.
- Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Inc., R-2021-3024296.
- Tenant Union Representative Network v. PECO Energy Company, C-2020-3021557
- Pennsylvania Public Utility Commission v. Philadelphia Gas Works, R-2020-3017206.
- Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program for the Period of June 1, 2021 through May 31 , 2025, Docket No. P-2020-3019356.
- Petition of PECO Energy Company for Approval of Its Default Service Program for the Period from June 1, 2021 through May 31, 2025, Docket No. P-2020-3019290.
- Petition of Duquesne Light Company For Approval of Default Service Plan For The Period June 1, 2021 Through May 31, 2025, Docket No. P-2020-3019522.
- Joint Application of Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Peoples Gas Company LLC for all of the Authority and Necessary Certificates of Public Convenience to Approve a Change in Control of Peoples Natural Gas Company LLC, and Peoples Gas Company LLC by way of the Purchase of all of LDC Funding LLC's Membership Interests by Aqua America, Inc., Docket Nos. A-2018-3006061, A-2018-3006062, A-2018-3006063.
- Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc. et al. Docket Nos. R2018-3003558 et seq.
- Pennsylvania Public Utility Commission v. Duquesne Light Company, Docket No. R-2018-3000124.
- Pennsylvania Public Utility Commission v. PECO Energy Company- Electric Division, Docket No. R-2018-3000164.
- Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of their Default Service Programs for the period commencing June 1, 2019 through May 31,



- 2023, Docket Nos. P-2017-2637855, P-2017-2637857, P-2017-2637858; P-2017-2637866.
- Pennsylvania Public Utility Commission et al. v. Philadelphia Gas Works, Docket No. R-2017-2586783.
  - PECO Energy Company's Pilot Plan for an Advance Payments Program and Petition for Temporary Waiver of Portions of the Commission's Regulations with Respect to that Plan, Docket No. P-2016-2573023.
  - Petition of PECO Energy Company for Approval of a Default Service Program for the Period of June 1, 2017 through May 31, 2019, Docket No. P-2016-2534980.
  - Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period of June 1, 2017 through May 31, 2021, Docket No. P-2016-2526627.
  - Petition of Duquesne Light Company for Approval of a Default Service Program for the Period of June 1, 2017 through May 31, 2021, Docket No. P-2016-2543140.
  - Pennsylvania Public Utility Commission et al. v. Columbia Gas of Pennsylvania, Inc., Docket No. R-2016-2529660.
  - Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company for Approval of their Default Service Programs for the period commencing June 1, 2017 through May 31, 2019, Docket Nos. P-2015-2511333, P-2015-25113351, P-2015-2511355, P-2015-2511356.
  - Petition of PPL Electric Utilities Corporation for Approval of its Energy Efficiency and Conservation Plan, Docket No. M-2015-2515642.

**THE COALITION FOR AFFORDABLE UTILITY SERVICE AND ENERGY  
EFFICIENCY IN PENNSYLVANIA**

**APPENDIX B**

**CITED DISCOVERY RESPONSES**

***Coalition of Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA)  
directed to UGI Utilities, Inc. – Gas Division (UGI)***

- CAUSE-PA to UGI I-1
- CAUSE-PA to UGI I-7, Attachment.
- CAUSE-PA to UGI I-8, Attachment.
- CAUSE-PA to UGI I-9.Attachment
- CAUSE-PA to UGI I-10, Attach
- CAUSE-PA to UGI I-12, Attachment.
- CAUSE-PA to UGI I-13 Attachment
- CAUSE-Pa to UGI I-14.
- CAUSE-PA to UGI I-15,
- CAUSE-PA to UGI I-16
- CAUSE-PA to UGI I-17 Attach.
- CAUSE-PA I-26 (a), Attach.
- CAUSE-PA to UGI II-10, Attach.
- CAUSE-PA to UGI II-16.
- CAUSE-PA to UGI III-4.
- CAUSE-PA to UGI IV-1.
- CAUSE-PA to UGI IV-2.
- CAUSE-PA to UGI IV-3.
- CAUSE-PA to UGI IV-8
- CAUSE-PA to UGI IV-14, Attach

***Office of Consumer Advocate (OCA) directed to UGI Utilities, Inc. – Gas Division (UGI)***

- OCA to UGI II-15, Attachment.
- OCA to UGI II-16, Attach.
- OCA to UGI II-17,
- OCA to UGI II-18
- OCA to UGI VI-3.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-1

Request:

Please identify the financial impact of the proposed increase on customers enrolled in UGI's Customer Assistance Program (CAP) by payment plan type. If you are unable to identify the financial impact, or assert that there will be no impact, please explain.

Response:

As stated in the Company's Universal Service and Energy Conservation Plan ("USECP"), which has been provided in the Company's February 5, 2020 filing at Docket No. M-2017-2598190 available on the Public Utility Commission's website, the Company's CAP participants pay a monthly CAP amount based on a percent of income, or, if the percent of income payment is greater than their average bill, the CAP participant pays a monthly CAP amount equal to their average bill. Notwithstanding the foregoing, a CAP Customer's minimum monthly payment is set at a floor of \$25 for heating accounts and \$15 for non-heating accounts. A CAP participant's monthly payment is fixed until the participant recertifies income (at which time it is determined whether the monthly payment amount should change).

The Company's proposed rate increase will not impact CAP payments set at a percent of income or a minimum payment. However, as of the date of this response, approximately 51% of UGI CAP customers have their CAP payment set at their average monthly bill. Upon income re-certification, these average monthly bill CAP payments could be impacted in an amount up to the approved rate increase. Also, no CAP Customer would pay more than their applicable percentage of income calculation, set forth in the Company's USECP.

As a result, UGI is unable to estimate the impact of the proposed rate increase to CAP participant's payment amounts.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-4

Request:

From 2019 to date, disaggregated by month, how many of UGI's customers were/are enrolled in CAP?

Response:

Please see the response to OCA-II-15.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-7

Request:

How many residential customers had their service terminated for non-payment in calendar years 2019, 2020, 2021 and to date in 2022, disaggregated by month?

Response:

Please see Attachment CAUSE-PA-I-7.

Prepared by or under the supervision of: Daniel V. Adamo

**UGI Utilities, Inc. - Gas Division**

<b>MONTH</b>	<b>RESIDENTIAL TERMINATIONS</b>
Jan-19	1
Feb-19	103
Mar-19	113
Apr-19	6,406
May-19	4,087
Jun-19	1,110
Jul-19	923
Aug-19	1,644
Sep-19	839
Oct-19	4,356
Nov-19	1,230
Dec-19	1
Jan-20	34
Feb-20	141
Mar-20	141
Apr-20	0
May-20	0
Jun-20	0
Jul-20	0
Aug-20	0
Sep-20	0
Oct-20	0
Nov-20	0
Dec-20	40
Jan-21	168
Feb-21	68
Mar-21	126
Apr-21	818
May-21	4,602
Jun-21	5,136
Jul-21	2,887
Aug-21	2,992
Sep-21	2,612
Oct-21	1,830
Nov-21	1,774
Dec-21	0
Jan-22*	11

\*Data as of 1/31/2022

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-8

Request:

How many confirmed low income customers had their service terminated for non-payment in calendar years 2019, 2020, 2021 and to date in 2022, disaggregated by month?

Response:

Please see Attachment CAUSE-PA-I-8.

Prepared by or under the supervision of: Daniel V. Adamo

**UGI Utilities, Inc. - Gas Division**

<b>MONTH</b>	<b>CONFIRMED LOW-INCOME TERMINATIONS</b>
Jan-19	0
Feb-19	0
Mar-19	0
Apr-19	488
May-19	185
Jun-19	68
Jul-19	54
Aug-19	73
Sep-19	44
Oct-19	353
Nov-19	120
Dec-19	0
Jan-20	0
Feb-20	0
Mar-20	0
Apr-20	0
May-20	0
Jun-20	0
Jul-20	0
Aug-20	0
Sep-20	0
Oct-20	0
Nov-20	0
Dec-20	0
Jan-21	0
Feb-21	0
Mar-21	0
Apr-21	43
May-21	823
Jun-21	1,056
Jul-21	510
Aug-21	369
Sep-21	670
Oct-21	199
Nov-21	178
Dec-21	0
Jan-22*	0

\* Data as of 1/31/22



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-9

Request:

How many CAP customers had their service terminated for non-payment in calendar years 2019, 2020, 2021 and to date in 2022, disaggregated by month?

Response:

Please see Attachment CAUSE-PA-I-9.

Prepared by or under the supervision of: Daniel V. Adamo

**UGI Utilities, Inc. - Gas Division**

<b>MONTH</b>	<b>CAP CUSTOMER TERMINATIONS</b>
Jan-19	0
Feb-19	0
Mar-19	0
Apr-19	65
May-19	91
Jun-19	46
Jul-19	35
Aug-19	76
Sep-19	47
Oct-19	216
Nov-19	114
Dec-19	0
Jan-20	0
Feb-20	0
Mar-20	0
Apr-20	0
May-20	0
Jun-20	0
Jul-20	0
Aug-20	0
Sep-20	0
Oct-20	0
Nov-20	0
Dec-20	0
Jan-21	0
Feb-21	0
Mar-21	0
Apr-21	1
May-21	478
Jun-21	795
Jul-21	280
Aug-21	220
Sep-21	198
Oct-21	103
Nov-21	78
Dec-21	0
Jan-22*	0

\* Data through January 31, 2022

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-10

Request:

How many LIURP jobs were completed by UGI Gas for calendar years 2018, 2019, 2020, 2021 and to date in 2022, disaggregated by year and division?

Response:

Please see Attachment CAUSE-PA-I-10.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division LIURP Jobs			
Year	SOUTH	NORTH	CENTRAL
2018	156	158	57
2019	166	164	67
2020	110	87	50
2021	178	122	78
2022*	22	15	8

\* Data as of 1/31/2022

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 8, 2022

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CAUSE-PA-I-12

Request:

For calendar years 2019, 2020, 2021 and to date in 2022 what was the average energy burden of CAP customers (including any arrearage forgiveness co-payment or any other additional fee or charge above the average bill), disaggregated by year, income level (0-50%, 51-100%, and 101-150% of the federal poverty level), and payment plan type?

Response:

Please see Attachment CAUSE-PA-I-12.

The Company is only able to provide the data as of the date queried out of the customer outreach system. The Company provided the two most recent average burden studies performed (2019 and 2021).

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division

**UGI Utilities, Inc.**

2019 Energy Burden by FPL and Payment Plan Type*			
Federal Poverty Level	Percent of Income	Average Bill	Min Bill
0%-50%	7.00%	5.28%	35.14%
51%-100%	8.00%	5.23%	Not Applicable
101%-150%	9.00%	4.62%	Not Applicable

\*This data was previously submitted in 2020 Gas Base Rate Case. Data was based on the UGI Utilities, Inc. 2019 Energy Burden filing M-2017-2587711 and M-2017-2596907

**UGI Utilities, Inc.**

2021 Energy Burden by FPL and Payment Plan Type			
Federal Poverty Level	Percent of Income	Average Bill	Min Bill
0%-50%	7.00%	5.35%	15.15%
51%-100%	8.00%	5.21%	Not Applicable
101%-150%	9.00%	4.88%	Not Applicable

\*This data was previously submitted following the Public Utility Commission Public Meeting held August 5th, 2021 - Re: Commission Clarification Regarding Supplemental Information and Filing Timeline Regarding the Commission's January 17, 2019 Order at Docket No. M-2017-2587711. The Energy Burden changes to comply with the CAP Policy statement required UGI file an Amended UGI Utilities, Inc. - Gas Division UGI Utilities, Inc. - Electric Division Universal Service and Energy Conservation Plan for 2020-2025, Docket No. M-2019-3014966.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-13

Request:

Please provide UGI's most recent LIURP needs assessment approved by the Pennsylvania Utility Commission.

- a. If UGI has prepared and submitted a needs assessment that has not yet been approved, please provide a copy.
- b. Assuming that UGI treats an identical number of low income units as will be treated through LIURP in the current fiscal year, and assuming no unit will be retreated, please indicate the number of years it would take to treat 100% of the low income units identified in the above requested needs assessment(s).

Response:

Please see Attachment CAUSE-PA-I-13, pg. 43 Appendix B-1.

- a. Not applicable.
- b. The needs assessment was performed on two of the three UGI Gas territories. The former South District would take 25 years, and the former North District would take 40 years.

Prepared by or under the supervision of: Daniel V. Adamo



Danielle Jouenne, Esq.

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King of Prussia, PA 19406

Post Office Box 858  
Valley Forge, PA 19482-0858

(610) 992-3203 Telephone (direct)

December 6, 2019

**VIA ELECTRONIC FILING**

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

**Re: Universal Service and Energy Conservation Plan for the Five-Year Period  
January 1, 2020 – December 31, 2025; Docket No. M-2017-2598190 et al.**

Dear Secretary Chiavetta:

In a November 15, 2019 Secretarial Letter, UGI Utilities, Inc. (“UGI”) was directed to file and serve a further revised 2020-2025 Universal Service and Energy Conservation Plan (“USECP”) within 10 days to address the following two items:

1. Clarify that income received for the benefit of a minor is not considered by UGI as income of the adult. August 8 Order at 55.
2. Adjustments to reflect the provisions and duration of the temporary and partial waivers of Sections 58.10(a)(1) and 58.11(a) as those sections and waivers directly apply to UGI North’s LIURP rules relative to residential customer’s inoperable gas furnaces. August 8 Order at 60, 61.

The November 15, 2019 Secretarial Letter further encouraged UGI to consult with the Bureau of Consumer Services (“BCS”) on the USECP revision prior to filing.

Subsequent to the November 15, 2019 Secretarial Letter, the Company requested, and received, a short extension until December 6, 2019 to file its USECP revisions. The Company consulted with BCS on the requested revisions to its USECP and the Company herein submits a final revised USECP. The changes to the USECP filed on October 24, 2019 are indicated in redline on pages 7, 17, and 18. The Company is also including with this filing a complete clean version of the USECP.

To address the request that UGI clarify that “income received for the benefit of a minor is not considered as income of the adult,” this final revised USECP includes language clarifying that the Company does not consider unearned income of a minor in its calculation of household income for the purpose of CAP eligibility.

This final version also addresses the term of the LIURP waivers granted by the Commission’s August 8, 2019 Order. The August 8, 2019 stated:



Make appropriate adjustments to the UGI North revised USECP to reflect the approved waivers of Sections 58.10(a)(1) and 58.11(a) as those sections directly apply to UGI North's LIURP rules relative to residential customers' inoperable gas furnaces. These temporary waivers will expire in five years or with UGI North's next USECP, whichever is earlier, unless an extension is expressly requested by UGI North and granted by the Commission.

August 8, 2019 Order at p. 82.

As noted in the November 15, 2019 Secretarial Letter, the Company expanded this program to all UGI Gas customers upon the elimination of rate districts in its Gas Base Rate Proceeding at Docket No. R-2018-3006814. Subsequent to the August 8th Order, the Commission extended the term of this USECP to five (5) years.<sup>1</sup> If the Company's next USECP is not approved within five years, the waivers will expire, if not extended pursuant to the Company's request. To maintain program continuity, the Company therefore requests in this proceeding that the Commission extend the waiver of these LIURP regulations until the approval of UGI's next USECP.

The Company has served this filing on the active parties to this docket, namely the Office of Consumer Advocate ("OCA"), the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania ("CAUSE-PA"), and the Commission on Economic Opportunity ("CEO"). The parties have all affirmatively represented that they have no objections to this final version of the Company's USECP.

Very truly yours,



Danielle Jouenne  
Counsel for UGI

Enclosure

cc:

Eric Tuttle, BCS, *via email*, [etuttle@pa.gov](mailto:etuttle@pa.gov)  
Joseph Magee, BCS, *via email*, [jmagee@pa.gov](mailto:jmagee@pa.gov)  
Louise Fink Smith, Law Bureau, *via email*, [finksmith@pa.gov](mailto:finksmith@pa.gov)  
Certificate of Service

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<sup>1</sup> By Order entered on October 3, 2019 at Docket No. M-2019-3012601 ("October 3<sup>rd</sup> Order"), the Pennsylvania Public Utility Commission granted temporary partial limited waivers of 52 Pa. Code §§ 54.74, 54.76 (a-b), 62.4, and 62.6 (a-b) to natural gas and electric distribution companies for the purpose of adhering to the 2020-2025 universal service and energy conservation plan and universal services impact evaluation filing schedule provided therein.



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

**Universal Service & Energy Conservation Plan  
For the Five-Year Period  
January 1, 2020 – December 31, 2025**

Docket No. M-2017-2598190

Filing Date: June 30, 2017  
Revised: November 1, 2018  
Revised: September 6, 2019  
Revised: October 11, 2019  
Revised: October 24, 2019  
Revised: December 6, 2019

## UGI 2020-2025 USECP

repair and replacement projects. Should there continue to be amounts to roll over after two years, any remaining roll over amounts will roll over to UGI Gas's general LIURP budget. The August 8<sup>th</sup> Order approved UGI's petition for waiver of LURP regulation payback requirement at 52 Pa. Code § 58.11(a) and the LIURP high-use criteria at 52 Pa. Code § 58.10(a)(1). Paragraph 19 of the August 8<sup>th</sup> Order provided that these temporary waivers will expire in five years or with the Company's next USECP, whichever is earlier, unless an extension is expressly requested by the Company and granted by the Commission. (August 8<sup>th</sup> Order, p. 82) Subsequent to the August 8<sup>th</sup> Order, the Commission extended the term of this USECP to five (5) years. To maintain program continuity, the Company therefore requests that the Commission grant waiver of these regulations until the approval of UGI's next USECP.

### **C. NEEDS ASSESSMENT**

As required by 52 Pa. Code § 62.4(b)(3), at the time of initial filing, UGI South and UGI North rate districts submitted a needs assessment in Appendix B of this Plan. The needs assessment is based on 2010 census data and 2015 UGI Gas records. Pursuant to 52 Pa. Code §§ 54.77 and 62.7, EDCs and NGDCs with less than 100,000 residential customers are not required to submit a needs assessment; therefore, UGI Electric and the former UGI Central rate district did not submit a needs assessment. Future USECPs will provide needs assessments on a combined basis for UGI Gas.

### **III. THE CARES PROGRAM**

#### **A. DESCRIPTION OF THE CARES PROGRAM**

##### **1. Goals and Objectives**

The goal of the CARES Program is to provide personal assistance and referrals to payment-troubled customers and to help improve their delinquent bill payment problems. The CARES Program identifies special needs customers and guides them to the appropriate program or agency. CARES concentrates on, but is not exclusively for, the low-income segment that may lack the knowledge of energy conservation, budget counseling and fuel assistance programs. Unlike other USPs administered by UGI, the CARES Program is geared toward the customer who has a temporary, immediate need, such as loss of income, loss of head of household, illness or any other temporary situation resulting in an inability to pay. CARES is intended to be a short-term assistance referral program to guide a customer through a difficult time and to help inform and educate them about the available assistance. The CARES Program also provides extensive LIHEAP outreach to help increase awareness of the program and encourage all eligible households to apply for grants. Specifically, all customers who provide UGI with a copy of their PFA order are handled by CARES representatives for specific program referrals and payment options.

##### **2. Program Design**

## UGI 2020-2025 USECP

income, as calculated above, exceeds the customer's otherwise applicable average bill amount, the customer's average bill will be set as the customer's monthly CAP payment amount.

At any time during the program should a participant's monthly income change, the monthly CAP payment amount will also be reviewed and changed, where appropriate. It is the customer's obligation to notify the company or the CAP Administering Agency of the change in income. UGI reserves the right to require that the customer provide proof of the change in income. A recertification will be processed using the updated income and historical usage to determine the new monthly CAP payment amount.

Additionally, the participant's monthly CAP bill will be reevaluated quarterly, to ensure that the participant is actively on the most affordable billing option. For example, if the customer entered into CAP either at a 7%, 8%, or 9% income level, and upon a quarterly review, the customer's average bill is deemed to be the most affordable at the time of the review, the customer's new CAP will be based on their average bill until the next review.

UGI's minimum monthly CAP payment is within the suggested range set forth in the Commission's Policy Statement on Customer Assistance Programs at 52 Pa. Code § 69.265(3)(i)(A)-(C). The CAP payment for gas heating accounts is set at \$25, non-heating accounts at \$15, and electric heating accounts at \$30.

### 2. Household Income Documents

To determine CAP eligibility and the appropriate CAP monthly payment, proof of income at or below 150% of FPIG must be provided by the customer to the Company. However, for customers receiving LIHEAP, who have already been determined to have income under 150% of the FPIG by DHS, the Company will accept self-certification of income level for the purpose of calculating the customer's monthly payment and no documentation of income is required for such customers. Acceptable income documents are:

- Recent paystubs or W-2 forms
- verified copy of rent receipts for rental income
- Benefit letter or copy of bank statement for;
  - Social security
  - Pension
  - Disability
  - SSI
- Verification Letter
  - ~~Child support and/or~~ alimony support
- Unemployment determination letter
- Notarized letter stating income
- Zero income form

#### Additional Notes:

## UGI 2020-2025 USECP

- ~~• Child support amount should be based off Court Order unless customer can provide proof that they are receiving a different amount (Example: Bank statement).~~
- Interest does not need to be counted as income.
- UGI does not include income earned from an occupant under the age of 18, nor does it include income received for the benefit of a minor, in its calculation of household income.

### 3. Use of LIHEAP Grants

LIHEAP grants received will be applied consistent with the Commonwealth of Pennsylvania's Low-Income Home Energy Assistance Program – Final State Plan (“Final State Plan”), and any subsequent amendments or changes thereto.

### 4. Late Fees & Security Deposits

While actively participating in the program, late payment charges will not be imposed on CAP customers. Security deposits are also not imposed on CAP customers.

## I. PARTICIPANT OBLIGATIONS

In order to remain eligible for participation in CAP, a customer must agree to (in writing) and perform the following obligations:

- make the monthly CAP payments;
- apply for and direct to UGI the customer's LIHEAP Cash or Crisis grant;
- conserve energy and, if eligible, participate in LIURP and any other weatherization services offered through local and state weatherization agencies (unless residence was previously weatherized under these programs);
- provide access to the meter for an actual meter reading, if required;<sup>13</sup>
- participate in good faith and comply with all educational, assistance, social or governmental programs recommended by the Company or by the CBO;
- report immediately to the CBO any change in family size, or change in income
- comply with the recertification requirements; and
- apply for any assistance grant for which he/she may be eligible.

In order to assure fair treatment of all participants, however, UGI will administer the

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<sup>13</sup> CAP Credit and Pre-Program Arrearage forgiveness may be held up if an actual meter reading is not available.



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

**Universal Service & Energy Conservation Plan  
For the Five-Year Period  
January 1, 2020 – December 31, 2025**

Docket No. M-2017-2598190

Filing Date: June 30, 2017  
Revised: November 1, 2018  
Revised: September 6, 2019  
Revised: October 11, 2019  
Revised: October 24, 2019  
Revised: December 6, 2019

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## UGI 2020-2025 USECP

### I. INTRODUCTION

UGI Utilities, Inc. (“UGI”) hereby submits this revised Universal Service and Energy Conservation Plan (“USECP” or “Plan”) for the five-year period January 1, 2020 through December 31, 2025 to the Pennsylvania Public Utility Commission (“PUC” or “Commission”) for its review and approval in accordance with the Commission’s *Universal Service and Energy Conservation Reporting Requirements* at 52 Pa. Code §§ 54.71 – 54.78 and §§ 62.1 – 62.8.<sup>1</sup> The USECP replaces and supersedes the UGI Companies’ Universal Service and Energy Conservation Plan for the four-year period of January 1, 2014 through December 31, 2017 (the “2014-2017 USECP”) previously approved by the Commission at Docket No. M-2013-2371824 by orders entered January 15, 2015, June 11, 2015 and September 3, 2015. The USECP pertains to the universal service programs of UGI’s Electric Division (“UGI Electric”) and Gas Division (“UGI Gas”). This revision incorporates the modifications required by the Commission’s Order entered August 8, 2019 (“August 8<sup>th</sup> Order”) and the Commission approval of the settlement in the UGI Gas base rate proceeding at Docket No. R-2018-3006814 (Order entered October 4, 2019)(“2019 Rate Case Order”).

This 2020-2025 USECP sets forth the rules, terms and conditions and funding levels under which UGI will administer its universal service and energy conservation programs and policies (“Universal Service Programs” or “USPs”) to eligible customers for the period of January 1, 2020 through December 31, 2025. **Appendix A** of the Plan sets forth the committed funding levels and budgets for each of the UGI divisions during this time period. **Appendix B** of the Plan sets forth the projected needs assessment as required by the Commission’s regulations at 52 Pa. Code § 62.4(b)(3).<sup>2</sup> **Appendices C & D** provide a list of third-party, community-based organizations (“CBOs”) to be utilized by UGI to assist in administering the Universal Service Programs. **Appendix E** sets forth UGI’s notification process to prompt customers to recertify for CAP. **Appendix F** provides the Zero Income form to be used for CAP. **Appendix G** provides the CAP Agency Audit Scorecard.

UGI Gas is a “public utility” and a “natural gas distribution company” (“NGDC”) as defined under the Public Utility Code, 66 Pa.C.S. §§ 102 and 2202, and is subject to the regulatory jurisdiction of the Commission. UGI Gas provides natural gas distribution service and supplier of last resort (“SOLR”) service. UGI Gas combined serves approximately 585,000 residential

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<sup>1</sup> By Order entered on October 3, 2019 at Docket No. M-2019-3012601 (“October 3<sup>rd</sup> Order”), the Pennsylvania Public Utility Commission granted temporary partial limited waivers of 52 Pa. Code §§ 54.74, 54.76 (a-b), 62.4, and 62.6 (a-b) to natural gas and electric distribution companies for the purpose of adhering to the 2020-2025 universal service and energy conservation plan and universal services impact evaluation filing schedule provided therein. The term of the UGI USECP is therefore 2020 through 2025.

<sup>2</sup> The needs assessment was calculated for the former UGI North and UGI South Rate Districts. The UGI Central Rate District was not required to conduct a projected needs assessment since it serves fewer than 100,000 residential accounts. See 52 Pa. Code § 62.7. Per the October 3<sup>rd</sup> Order these rate districts are no longer in existence. For the Company’s next USECP, the needs assessment for UGI Gas will be calculated on a combined basis. UGI Electric is not required to conduct a projected needs assessment since it serves fewer than 60,000 residential accounts. See 52 Pa. Code § 54.77.



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customers in 46 counties.

UGI Electric is a “public utility” and an “electric distribution company,” as defined under the Public Utility Code, 66 Pa.C.S. §§ 102 and 2803, and is subject to the regulatory jurisdiction of the Commission. UGI Electric provides electric distribution, transmission and default supply services to customers located in its certificated service territory. UGI Electric furnishes electric distribution service to approximately 54,000 residential customers located in portions of two northeastern Pennsylvania counties (Luzerne and Wyoming counties).

On October 1, 2018 UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”) merged into UGI Utilities, Inc. Data prior to October 1, 2018 may reference the UGI Distribution Companies and individually, the former PNG, CPG, and UGI Utilities, Inc. – Gas Division corporate entities then in existence. References to “UGI Gas” pre-October 1, 2018 refer to the UGI Utilities, Inc. – Gas Division operations.

## **II. 2020-2025 USECP OVERVIEW**

### **A. SUMMARY OF THE 2020-2025 USECP**

#### **1. USECP Programs**

To assist low-income and payment-troubled customers located in their service territories, UGI has established the USECP in accordance with the Commission’s regulations. UGI’s Universal Service Programs include the following:

- Customer Assistance and Referral Evaluation Services (“CARES” or the “CARES Program”);
- Hardship Fund or the “Operation Share Energy Fund”;
- Customer Assistance Program (“CAP”); and
- Low Income Usage Reduction Program (“LIURP”).

UGI also actively encourages payment-troubled, low-income customers to apply for grants from the Low-Income Home Energy Assistance Program (“LIHEAP”).

#### **2. Customers Served**

In 2016, the UGI Distribution Companies assisted approximately 51,000 residential customers through their Universal Service Programs. The total number of participants by program for UGI Gas, UGI Electric, PNG and CPG in 2016 is set forth in Table 1: (CAP customer counts are as of 12/31/16).

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<b>Table 1. Universal Service Customers Served in 2016</b>						
<b>Number of Participants</b>	<b>CAP</b>	<b>LIURP</b>	<b>CARES*</b>		<b>Hardship Fund</b>	<b>Total</b>
			<b>CARES referral</b>	<b>LIHEAP recipients</b>		
UGI Gas	7,126	124	171	11,816	698	19,935
PNG	5,146	149	67	11,906	521	17,789
CPG	1,861	47	6	4,961	231	7,106
UGI Electric	2,322	16	16	2,734	167	5,255
<b>Total</b>	<b>16,455</b>	<b>336</b>	<b>260</b>	<b>31,417</b>	<b>1,617</b>	<b>50,085</b>

\*CARES consists of number of CARES customer and # of LIHEAP (Cash and Crisis) recipients

A summary of the UGI Distribution Companies’ program expenditures for the Universal Service Programs in 2016 is found below:

<b>Table 2. 2016 Universal Service Program Expenditures</b>					
<b>Company</b>	<b>CAP</b>	<b>LIURP</b>	<b>CARES</b>	<b>Hardship Fund</b>	<b>Total</b>
UGI Gas	\$2,470,473	\$853,543	\$68,108	\$6,980	\$3,399,105
PNG	\$2,137,094	\$881,288	\$36,617	\$5,210	\$3,060,209
CPG	\$735,806	\$294,362	\$17,040	\$2,310	\$1,049,518
UGI Electric	\$1,848,644	\$76,960	\$16,797	\$1,670	\$1,944,071
<b>Total</b>	<b>\$7,192,018</b>	<b>\$2,106,153</b>	<b>\$138,562</b>	<b>\$16,170</b>	<b>\$9,452,903</b>

**3. Administration**

UGI has dedicated employees who are trained and committed to ensuring eligible customers are referred to all appropriate Universal Service Programs (“USP Staff”) in order to provide the greatest benefits to customers. The USP staff is structured as follows:

- Director, Customer Service (1 full time): Responsible for overall strategy and development of universal service offerings.
- Senior Manager, Credit & Collections and Regulatory Compliance (1 full time): Responsible for the supervision of the group and all reporting requirements.
- Customer Outreach Senior Supervisor (1 full-time): Responsible for the day to day supervision of the group and all reporting requirements.

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- Senior Customer Outreach Coordinator (1 full-time): Primarily responsible for training UGI staff and CBO caseworkers.
- Senior Customer Outreach Representative (2 full-time): Responsible for leadership support of Outreach team and the CBOs.
- Customer Outreach Representatives (6 full-time): Responsible for the day to day operations of LIURP, CAP, Operation Share Energy Fund, CARES and LIHEAP. Each maintains daily contact with the CBOs responsible for the administration of each program.
- LIHEAP Outreach Representatives (4 seasonal part-time): Responsible for the day to day operations of LIHEAP. Each maintains daily contact with CBOs responsible for the administration of LIHEAP.

UGI contracts with CBOs to assist the USP Staff in customer referrals and administration of the USPs. Together, the USP Staff and the CBOs have the capability to screen, enroll and refer customers for all available Universal Service Programs. The USP Staff incorporates all Universal Service Program referrals into existing processes (Cold Weather Interim Procedure (“CWIP”), collection, compliance and contract management). In addition to referrals to all Universal Service Program components, referrals are also made to LIHEAP and State Weatherization programs.

### 4. Communication

There are numerous means by which the USP Staff and its CBO partners provide residential customers with information on available programs and assist them in receiving assistance from CBOs. Information about the USPs is delivered to customers via regular bill inserts and through the USP Staff upon customer inquiry. UGI has a dedicated toll-free telephone number, 1-800-UGI-WARM that customers can call to get program information. UGI also maintains a page on its website that provides information on universal service programs and eligibility. <https://www.ugi.com/customer-services/customerassistance/>

As stated in more detail in the summary of plan changes, with this 2020-2025 USECP UGI is creating additional communication channels with their customers by permitting its customers to apply and/or recertify for CAP over the phone with provision of supportive documentation through mail, or additional means, as permitted by the CBOs.

### B. SUMMARY OF CHANGES TO PLAN

As required by Section 62.4 of the Commission’s regulations, 52 Pa. Code § 62.4, this section of the Plan describes the modifications and enhancements made to UGI’s Commission-approved 2014-2017 USECP. Set forth below is a description of the changes made to the individual Universal Service Programs. Certain changes that touch on more than one program include: (1) UGI’s establishment of a Universal Service Advisory Committee (“USAC”) to convene at least twice per calendar year to consist of interested stakeholders, including but not

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limited to the active parties at this docket, CBOs, and the Commission's Bureau of Consumer Services; and (2) revisions to enrollment and budget projections.

### 1. The CARES Program

UGI has modified its protection from abuse ("PFA") handling procedures to further ensure the confidentiality of PFA information consistent with the settlement of the UGI Gas base rate proceeding, at Docket Number R-2015-2518438 (Opinion and Order entered October 14, 2016 at ordering paragraph 53). Consistent with the Settlement, any customer who provides UGI with a copy of their PFA order is handled solely by the smaller number of CARES representatives for USP program referrals and payment options.

### 2. Operation Share Energy Fund

UGI has made the following changes to the Operation Share Energy Fund:

- Permit the use of Hardship Funds for through Operation Share for reconnection fees for income-qualified UGI customers or applicants, regardless of the customer or applicant's prior or current enrollment in CAP.
- Clarification that only the fee payable to CBOs for Hardship Fund-related services is recoverable through the USP Rider.

### 3. CAP

The 2020-2025 Plan includes the following changes to CAP:

- Customers are permitted to apply and/or recertify for CAP over the phone, with provision of supportive documentation of income eligibility through mail. CBOs are permitted to offer additional means of providing supportive documentation. Those CBOs which offer additional means of communication are indicated in Appendix C of the Plan. In-person appointments with a CBO will remain available to those customers who choose to apply in person.
- To improve customer solicitation for CAP, starting in year 2 of the 2020-2025 USECP, the Companies will provide CAP CBOs with low-income indicated customer lists for direct CAP solicitation. Customers will have the ability to opt-out from provision of their customer information to third parties by a general opt-out option on the customer information system portal.
- The CAP welcome letter for enrolled customers will include the CBO contact information.
- Updated eligibility criteria as follows: (1) permitting customers who operate a

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business from their residential home to enroll in CAP so long as the business that is being operated from the residential home uses less than fifty percent of the anticipated gas usage served through a single meter; (2) prohibition of CAP for customers using utility service to heat a swimming pool; (3) elimination of the CAP eligibility restriction for customers with balances above \$4,500 who have failed multiple payment arrangements; (4) specification of acceptable forms of identification; (5) clarification of “household income” definition; (6) clarification of terms “fraud” and “theft of service.”

- Clarifications to the CAP application policy and reinstatement policy.
- Introduction of quarterly evaluations of CAP bills.
- Inclusion of Audit Checklist to evaluate CAP CBO performance as Appendix G.
- Specification of new reporting requirement.
- Provision of hypothetical to demonstrate CAP offset calculation.
- UGI Electric has increased its minimum CAP payment from \$25 to \$30 to comport with the Commission’s Policy Statement on Customer Assistance Programs at 52 Pa. Code § 69.265(3)(i)(A)-(C).

### 4. LIURP

The 2020-2025 Plan includes the following changes to the LIURP program:

- Non heating LIURP customers may be provided an Energy Conservation Kit.
- Updated eligibility criteria as follows: (1) permitting customers who operate a business from their residential home to enroll in LIURP so long as the business that is being operated from the residential home uses less than fifty percent of the anticipated gas usage served through a single meter; (2) prohibition of LIURP for customers using utility service to heat a swimming pool; (3) clarification of “above-average” usage.
- Pursuant to the August 8<sup>th</sup> Order and the 2019 Rate Case Order, UGI Gas will expand the use of LIURP funds to address the repair or replacement of its residential customers’ inoperable gas furnaces. UGI Gas will increase its per-job LIURP funding cap to \$11,000 where furnace replacement is necessary. Additionally, UGI Gas will set aside \$250,000 annually from its general LIURP budget for furnace repair and replacement projects. For the first two years of the USECP, any unused amounts will roll over to the next year’s budget for furnace

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repair and replacement projects. Should there continue to be amounts to roll over after two years, any remaining roll over amounts will roll over to UGI Gas's general LIURP budget. The August 8<sup>th</sup> Order approved UGI's petition for waiver of LURP regulation payback requirement at 52 Pa. Code § 58.11(a) and the LIURP high-use criteria at 52 Pa. Code § 58.10(a)(1). Paragraph 19 of the August 8<sup>th</sup> Order provided that these temporary waivers will expire in five years or with the Company's next USECP, whichever is earlier, unless an extension is expressly requested by the Company and granted by the Commission. (August 8<sup>th</sup> Order, p. 82) Subsequent to the August 8<sup>th</sup> Order, the Commission extended the term of this USECP to five (5) years. To maintain program continuity, the Company therefore requests that the Commission grant waiver of these regulations until the approval of UGI's next USECP.

### **C. NEEDS ASSESSMENT**

As required by 52 Pa. Code § 62.4(b)(3), at the time of initial filing, UGI South and UGI North rate districts submitted a needs assessment in Appendix B of this Plan. The needs assessment is based on 2010 census data and 2015 UGI Gas records. Pursuant to 52 Pa. Code §§ 54.77 and 62.7, EDCs and NGDCs with less than 100,000 residential customers are not required to submit a needs assessment; therefore, UGI Electric and the former UGI Central rate district did not submit a needs assessment. Future USECPs will provide needs assessments on a combined basis for UGI Gas.

## **III. THE CARES PROGRAM**

### **A. DESCRIPTION OF THE CARES PROGRAM**

#### **1. Goals and Objectives**

The goal of the CARES Program is to provide personal assistance and referrals to payment-troubled customers and to help improve their delinquent bill payment problems. The CARES Program identifies special needs customers and guides them to the appropriate program or agency. CARES concentrates on, but is not exclusively for, the low-income segment that may lack the knowledge of energy conservation, budget counseling and fuel assistance programs. Unlike other USPs administered by UGI, the CARES Program is geared toward the customer who has a temporary, immediate need, such as loss of income, loss of head of household, illness or any other temporary situation resulting in an inability to pay. CARES is intended to be a short-term assistance referral program to guide a customer through a difficult time and to help inform and educate them about the available assistance. The CARES Program also provides extensive LIHEAP outreach to help increase awareness of the program and encourage all eligible households to apply for grants. Specifically, all customers who provide UGI with a copy of their PFA order are handled by CARES representatives for specific program referrals and payment options.

#### **2. Program Design**

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The CARES Program was developed as an outreach and referral service to assist customers with special hardships. CARES is available to any residential customer who is confronted with a temporary hardship that could result in the loss of utility service. Assistance is obtained through UGI's programs and the established network of social agencies. CARES is designed to help a select group of customers with special circumstances, which may include, among other things, the need for help in paying their utility bill or assistance from a social agency. UGI offers information, guidance and referrals to obtain energy assistance and other social help programs from the Customer Outreach Department. Each CARES customer may receive an informational mailing. The mailing contains educational material on each of the assistance programs and any other referral information that may be helpful to the customer.

At appropriate times of the year, eligible CARES customers receive information on additional Customer Outreach programs, such as LIHEAP, LIURP, CAP, and the Operation Share Energy Fund.

### **B. FUNDING AND BUDGET**

See Appendix A for the UGI's budgets for the CARES program.

### **C. ELIGIBILITY CRITERIA**

Any residential customer with a delinquent balance or a negative ability-to-pay and special circumstance may be eligible for CARES. For example, recent unemployment, disability, loss of head of household, inability to understand their bill, temporary illness or need for senior citizen assistance, would render a customer eligible for CARES.

### **D. INTAKE / NETWORKING**

Customer Outreach employees maintain contact with CBOs through referrals and educational services. Upon request, employees organize and/or conduct community meetings and workshops to educate customers in energy conservation and to increase public awareness of the various CARES Program services. Presentations are made throughout the service territory and brochures and literature are distributed to communicate the social services that are available to customers. Employees maintain communication with appropriate professional and local organizations to strengthen skills and remain current on local issues.

## **IV. THE OPERATION SHARE ENERGY FUND**

### **A. PURPOSE & OBJECTIVES**

A number of causes, foreseen and unforeseen, could potentially affect the ability of customers to pay their bills. UGI's hardship fund – Operation Share Energy Fund – has been formed for the purpose of providing assistance to residential customers faced with a hardship in paying their energy bill due to an unforeseen situation. To achieve its purpose, the Operation Share Energy Fund includes the following objectives:

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- to provide customers, employees and the public an opportunity to contribute money to help their less fortunate neighbors who are unable to pay their energy bills due to unforeseen circumstances;
- to give financial assistance to current customers that have fixed or low incomes, are unemployed, disabled or faced with some catastrophic event or crisis situation;
- to provide additional funds and support to community organizations that are dedicated to this same purpose.

For the 2020-2025 USECP, UGI will be permitted to use hardship funds to pay for reconnection fees for customers or applicants who are income qualified for the program, regardless of the customer or applicant's prior or current enrollment in CAP.

### B. FUNDING AND BUDGET

Operation Share funding will be used to make voucher payments directly to residential customers declared eligible by the designated administering agency, less amounts used for administrative expenses. For every two dollars the customers, employees or outside sources contribute to Operation Share, UGI will issue an additional one dollar in energy vouchers, up to the committed matching funds contribution. For example, UGI will contribute one dollar for every two dollars donated by a customer, employee or outside source, up to \$10,000, its total matching funds contribution. No matching funds are made available to match public, tax-supported sources, such as LIHEAP, however. Employees of UGI are encouraged to make a donation directly to Operation Share. Additional fundraising events may be organized in each of UGI's service territories. It is intended that an appeal will be made at least twice during the year to all of UGI's customers, via a billing insert, to make a contribution to Operation Share. The insert describes Operation Share and requests support with a check for any amount.

See **Appendix A** for UGI's funding for the hardship fund.

### C. ADMINISTRATION

The Operation Share program is administered by UGI's USP Staff using the Customer Outreach System ("COS"). The COS provides customer information, such as eligibility criteria, account balance, recent bills and payments. UGI contracts with CBOs that have the ability to process grants using web-based applications, which then use the account information from the COS to determine the amount of grant awarded to the customer. The COS also maintains the financial aspects of the program.

A specific role is established in the COS for the representative that has the final authority to approve or deny assistance for a customer. This designated person is responsible for the Operation funds assigned to a CBO. UGI's personnel will not participate in the determination of



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grants, other than to refer applicants to the CBO for consideration.<sup>3</sup>

Operation Share Energy Fund is designated as a public charity under section 501(c)(3) of the Internal Revenue Code. All donations from customers, employees, and outside sources are kept in a separate Operation Share bank account and passed directly to the participating agencies to permit them to make direct payments to energy vendors for those applicants who qualify.

### D. ELIGIBILITY

The guidelines for grants from Operation Share allow for administrative flexibility in providing assistance. In order to assure fair treatment of all applicants, however, the following guidelines must be followed (unless UGI or the CBOs agree to waive or modify a guideline in extraordinary circumstances):

- the customer must have a residential account with UGI and the customer's premise is the customer's primary residence;
- the customer must have an active heating or non-heating utility account;
- the customer must not have received an Operation Share grant in the last 12 months;
- the customer must have an outstanding balance on their utility bill;
- the maximum income of the customer's household must be at or below the current federal poverty income guidelines ("FPIG") of 200%;
- the customer must provide adequate information to demonstrate inability to pay energy bills;<sup>4</sup>
- customers for Operation Share with delinquent balances must first contact the Credit Department to discuss their options; and
- an active participant in the CAP is not eligible for Operation Share assistance.

Residential accounts with the following indicators are not eligible for this program:

- health care facilities;
- landlord/tenant (account is in the landlord's name);
- ratepayer/occupant (the ratepayer does not reside at the property);
- foreign load (one meter supplies more than one unit);

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<sup>3</sup> There are some occasions where personnel will approve Operation Share on a customer's behalf, for example, in the instance of a legislative request to supplement LIHEAP grants.

<sup>4</sup> Necessary information includes evidence of income of all members of the household. In addition, the applicant will authorize the CBO (verbally or written) to obtain account history information from their energy vendor. There is no requirement that each household member must verify household expenses as part of the Operation Share application process.

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- theft of service; and
- Landlord if Shut-off (“LIFSO”) agreement (account is in the owner's name).

In order to assure fair treatment of all customers, the following amounts represent the maximum grant to be awarded per eligible customer in each of UGI’s divisions and rate districts.

<b>Table 3. Maximum Operation Share Grant</b>	
<b>Division</b>	<b>Maximum Amount</b>
UGI Gas	\$400
UGI Electric	\$400

Exceptions to the maximum grant amount may be approved for special circumstance customers.

**E. PAYMENT OF GRANTS**

The designated CBO is granted a maximum amount against which vouchers can be written. So long as the CBO’s maximum amount is not exceeded, a voucher may be written and will be honored by UGI for the payment of the applicant’s bill.

All cash funds must be retained by the CBO in its Operation Share account and payments from this account shall only be made to UGI. Under no circumstances will any payments be made directly to a customer.

**V. CUSTOMER ASSISTANCE PROGRAM**

**A. INTRODUCTION**

CAP provides all eligible low-income, payment-troubled residential customers that reside in the rate districts of UGI a more affordable way to pay their natural gas or electric bill. Each month, CAP participants are billed an equal CAP payment amount based on the participant’s gross income or average bill,<sup>5</sup> depending on which option provides the most affordable monthly CAP payment.

In this 2020-2025 USECP, UGI will continue the practice instituted in the previous 2014-2017 USECP to place no limit on CAP enrollment or set a maximum CAP credit per customer.

**B. INTAKE/NETWORKING/EDUCATION**

Customer Outreach employees maintain contact with CBOs through referrals and educational services. Upon request, employees organize and/or conduct community meetings and

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<sup>5</sup> A customer’s average bill will be determined based upon twelve-months of historical usage for the residence or, if usage data is not available for the residence, the customer’s average bill will be set using the average bill for all residential customers.

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workshops to educate customers of the benefits of CAP. Presentations are made throughout the service territory and brochures and literature are distributed to communicate the social services that are available to customers. Employees maintain communication with appropriate professional and local organizations to strengthen skills and remain current on local issues. UGI will work with its USAC to explore opportunities to provide consistent consumer education to CAP customers during their participation in CAP.

### C. FUNDING AND BUDGET

See Appendix A for a more detailed description of CAP funding.

### D. ADMINISTERING AGENCIES

CAP is administered by a variety of CBOs, listed in Appendix C of this Plan (the “CAP CBOs”) that are overseen by UGI’s Customer Outreach Senior Supervisor.

With the help of the COS, the CAP CBOs are responsible for taking the following steps to enroll customers in the CAP<sup>6</sup>:

- verify the application is complete and consent has been obtained;
- properly complete the CAP enrollment;<sup>7</sup>
- verify eligibility, proof of identification, proof of income and family size;
- assist applicant to properly complete LIHEAP and other grant applications;
- fully explain the program benefits and responsibilities to the customer;
- discuss the payment amount, based on guidelines provided by UGI; and
- inform applicants in writing of missing information along with steps the applicant can follow to provide that information.
- confirm customer’s acceptance in the program.
- inform applicants in writing if CAP application is denied along with steps the applicant can follow to contest denial.

The CAP CBOs will provide customer education in the areas of:

- usage reduction education consistent with that outlined in LIURP below;
- low cost/no cost energy conservation tips;
- basic household budget counseling; and
- related items specific to the individual applicant’s needs, including providing an energy

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<sup>6</sup> UGI’s USP Staff also enroll eligible customers into the CAP program.

<sup>7</sup> The CAP enrollment process will include application completion via telephone or mail when an in person visit is not required or feasible.

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education session for customers who historically have an above average usage.<sup>8</sup>

The CAP CBOs are responsible for: (1) referring participants to any other assistance, social, or governmental programs that may provide help for any other present needs; (2) monitoring each account monthly based on UGI's prompted tasks on the COS, such as past due phone calls and recertification; and (3) providing energy education sessions to above average usage customers (i.e. customers exceeding the CAP usage criteria in Table 4).

Finally, while the CAP Administering Agencies will be responsible for processing the annual recertification of all requirements, UGI itself will process appeals for reconsideration from participants removed from CAP within 30 days.

Two changes in this 2020-2025 USECP, previously mentioned, are (1) the allowance of alternate means of communication for CAP enrollment and recertification; and (2) the expanded ability of CAP CBOs to directly solicit low-income indicated customers of the UGI Companies.

### *Alternative Means of Communication for CAP Enrollment and Recertification*

UGI will allow customers and applicants for service to apply and/or recertify for CAP over the phone, with provision of supportive documentation through mail or other means (including but not limited to fax, email, or text messaging) that are reasonably available to the Company's CBO serving that portion of UGI's service territory. Once the CBO has verified that all of the documentation is received and accurate, the Company will send a Welcome Letter to the applicant, which will: (1) confirm that the applicant has been approved for CAP ; (2) provide the applicable CBO contact information; and (3) explain that at any time the customer may unenroll from CAP. In-person appointments with a CBO will remain available to those individuals who choose to apply in person. The available means of communication for each CBO is indicated on **Appendix C**.

### *Direct Solicitation*

In year 2 of this USECP, UGI will provide CBOs with low-income customer lists for direct CAP solicitation.<sup>9</sup> To maintain customer privacy and respect customer preference, customers will have an option to opt-out from provision of their information to third-parties by a general opt-out option on the Customer Information System ("CIS") and through information on bill inserts.

## **E. MONITORING**

UGI will provide routine information and metrics to the CAP CBO pertaining to the performance of the administration of the program. In addition, UGI will make routine visits to the agencies and will also conduct annual training updates for CAP caseworkers. Further, UGI will audit agency performance by reviewing: enrollments, re-certifications, and completed tasks. The

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<sup>8</sup> The UGI Companies will monitor CAP customer usage and implement controls to avoid excessive CAP customer usage.

<sup>9</sup> UGI will implement the direct solicitation of CAP customers by CBOs in year 2 of the USECP to ensure that any programming required for this programmatic change is completed prior.

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audit will include confirmation that the appropriate paperwork is signed and when required, income verification and customer identification were obtained. The COS will maintain specific agency statistics such as: number of program participants; percentage of CAP customers that are past due; and an active list of customers that require re-certification. UGI's audit checklist is outlined in **Appendix G**.

### F. EVALUATION

As required by the Commission's regulations, 52 Pa. Code § 62.6, both a program process evaluation and impact evaluation were performed in 2012 by an independent, third party evaluator (APPRISE), which provided a report of findings addressing the following areas:

- program design;
- administrative costs;
- program costs;
- payment behavior;
- consumption habits; and
- energy assistance participation.

UGI considered the recommendations of the APPRISE report in reviewing and preparing this 2020-2025 USECP. By Order entered on October 3, 2019 at Docket No. M-2019-3012601, the Commission granted temporary partial limited waivers of 52 Pa. Code §§ 54.74, 54.76 (a-b), 62.4, and 62.6 (a-b) to natural gas and electric distribution companies for the purposes of adhering to the 2020-2025 universal service and energy conservation plan and universal services impact evaluation filing schedule provided therein. UGI's next USECP evaluation report will be filed with the Commission by April 1, 2024 as provided in the October 3<sup>rd</sup> Order.

### G. CUSTOMER ELIGIBILITY REQUIREMENTS

To be eligible for CAP, customers may be referred by UGI or CAP CBOs. To be eligible, a customer must: (1) complete the CAP application and have gross household income verified at 150 percent of poverty or less;<sup>10</sup> (2) be a residential heating or non-heating customer with active energy service from UGI; and (3) if a previous participant, a review will be completed to assure the reason for the prior default has been cured or the customer has been out of the program for a minimum of 12 months for a voluntary removal.

An applicant's Social Security Number (SSN) is requested in the CAP application as a form of customer identification, but is not required for enrollment into the program. UGI will accept Individual Tax Identification Numbers ("ITIN") in lieu of the applicant's SSN. For those applicants who do not provide either a SSN or ITIN, UGI will waive this requirement provided that the customer provides two other acceptable forms of identification. Acceptable forms are:

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<sup>10</sup> A customer with no income will be eligible to participate in CAP and be responsible to make the minimum monthly CAP payment.

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1. One government issued photo identification such as:
  - Driver's License
  - Passport
  - Military ID card
  - ID cards issued by Federal State or Local Government or;
  - Any valid foreign government ID
  
2. Two alternative forms of identification if a government issued photo identification is not available, such as:
  - College student ID card
  - Social security card
  - Voter registration card
  - Birth Certificate
  - U.S. Citizen ID card/ Permanent Resident Card
  - Native American Tribal Card
  - ITIN (individual Taxpayer Identification Number)

### **All forms of identification must be valid and not expired.**

Residential accounts with the following indicators are ineligible for CAP or will be removed from CAP:

- health care facilities;
- landlord/tenant (account is in the landlord's name);
- ratepayer/occupant (the ratepayer does not reside at the property);
- foreign load (one meter supplies more than one unit);
- theft of service;
- LIFSO agreement (account is in the owner's name);
- choice customers;
- utility service used to operate a swimming pool;
- a residential property where more than fifty percent of the anticipated usage served through a single meter is used to operate a business.

UGI further reserves the right to deny enrollment if the customer is deemed to lack good faith, honesty or fair dealing while working with the CAP CBO or one of UGI during the application process or if the customer fails to engage in good faith efforts to conserve energy. Demonstration of lack of good faith honesty and fair dealing may be evidenced by fraud or theft of service. The Company defines "fraud" as the intentional misrepresentation of CAP eligibility criteria. "Theft of Service" occurs when a person obtains utility service by deception, tampering

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with Company facilities, or other means designed to avoid payment for utility service provided by the Company. The two most common examples of theft of service are: (1) a customer’s physical bypass of a meter so that all energy usage is not recorded; and (2) the magnetic tampering of a meter to impede the registration of usage. However, this list is not conclusive and other instances of theft may arise that results in a customer’s disqualification from CAP.

Upon request, subject to the recertification process, a CAP participant must provide evidence of continued program eligibility, which he/she may do so via the communication means indicated on **Appendix C**.

If a CAP participant changes residences, the following conditions will apply and be communicated to the customer: (1) as long as all eligibility requirements and other terms and conditions continue to be met, the participant may remain eligible to participate in CAP; and (2) so long as the participant remains enrolled in the program, no late payment charges will be imposed.

An applicant determined ineligible would receive written notification specifying the reason(s) for ineligibility. If the applicant is not satisfied with the determination of eligibility, the Company will use utility company dispute procedures in accordance with Chapter 56.151 and 56.152. The applicant may also appeal the denial of eligibility to the Bureau of Consumer Services in accordance with 52 Pa. Code §§ 56.162-56.166, relating to informal complaint procedures and may pursue a formal complaint against the Company. Notice of right to appeal will be provided with the written notification of ineligibility.

**H. MONTHLY CAP PAYMENT AMOUNT**

**1. Determination of Monthly CAP Payment Amount**

The amount to be paid by a CAP customer each month will be based on the lower of the percentage of the customer's monthly income, as described below, or the customer’s otherwise applicable average monthly bill.<sup>11</sup> To determine the customer’s monthly CAP payment amount based on the percentage of the customer’s income, the customer’s monthly income is compared to the FPIG, and the payment amount is set based on the following guidelines:

<u>Percent of Poverty</u>	<u>Monthly CAP Payment</u>
Income Level 1: 0 <sup>12</sup> - 50%	7% of Participant's Monthly Income
Income level 2: 51 - 100%	8% of Participant's Monthly Income
Income level 3: 101 - 150%	9% of Participant's Monthly Income

If a customer’s monthly CAP payment amount as a percentage of the customer’s monthly

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<sup>11</sup> Exceptions to the payment schedule and grant application practice will be made based on individual needs.  
<sup>12</sup> A customer with no income will be responsible to make the minimum monthly CAP payment.

## UGI 2020-2025 USECP

income, as calculated above, exceeds the customer's otherwise applicable average bill amount, the customer's average bill will be set as the customer's monthly CAP payment amount.

At any time during the program should a participant's monthly income change, the monthly CAP payment amount will also be reviewed and changed, where appropriate. It is the customer's obligation to notify the company or the CAP Administering Agency of the change in income. UGI reserves the right to require that the customer provide proof of the change in income. A recertification will be processed using the updated income and historical usage to determine the new monthly CAP payment amount.

Additionally, the participant's monthly CAP bill will be reevaluated quarterly, to ensure that the participant is actively on the most affordable billing option. For example, if the customer entered into CAP either at a 7%, 8%, or 9% income level, and upon a quarterly review, the customer's average bill is deemed to be the most affordable at the time of the review, the customer's new CAP will be based on their average bill until the next review.

UGI's minimum monthly CAP payment is within the suggested range set forth in the Commission's Policy Statement on Customer Assistance Programs at 52 Pa. Code § 69.265(3)(i)(A)-(C). The CAP payment for gas heating accounts is set at \$25, non-heating accounts at \$15, and electric heating accounts at \$30.

### 2. Household Income Documents

To determine CAP eligibility and the appropriate CAP monthly payment, proof of income at or below 150% of FPIG must be provided by the customer to the Company. However, for customers receiving LIHEAP, who have already been determined to have income under 150% of the FPIG by DHS, the Company will accept self-certification of income level for the purpose of calculating the customer's monthly payment and no documentation of income is required for such customers. Acceptable income documents are:

- Recent paystubs or W-2 forms
- verified copy of rent receipts for rental income
- Benefit letter or copy of bank statement for;
  - Social security
  - Pension
  - Disability
  - SSI
- Verification Letter
  - alimony support
- Unemployment determination letter
- Notarized letter stating income
- Zero income form

#### Additional Notes:



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- Interest does not need to be counted as income.
- UGI does not include income earned from an occupant under the age of 18, nor does it include income received for the benefit of a minor, in its calculation of household income.

### 3. Use of LIHEAP Grants

LIHEAP grants received will be applied consistent with the Commonwealth of Pennsylvania's Low-Income Home Energy Assistance Program – Final State Plan (“Final State Plan”), and any subsequent amendments or changes thereto.

### 4. Late Fees & Security Deposits

While actively participating in the program, late payment charges will not be imposed on CAP customers. Security deposits are also not imposed on CAP customers.

## I. PARTICIPANT OBLIGATIONS

In order to remain eligible for participation in CAP, a customer must agree to (in writing) and perform the following obligations:

- make the monthly CAP payments;
- apply for and direct to UGI the customer's LIHEAP Cash or Crisis grant;
- conserve energy and, if eligible, participate in LIURP and any other weatherization services offered through local and state weatherization agencies (unless residence was previously weatherized under these programs);
- provide access to the meter for an actual meter reading, if required;<sup>13</sup>
- participate in good faith and comply with all educational, assistance, social or governmental programs recommended by the Company or by the CBO;
- report immediately to the CBO any change in family size, or change in income
- comply with the recertification requirements; and
- apply for any assistance grant for which he/she may be eligible.

In order to assure fair treatment of all participants, however, UGI will administer the aforementioned obligations with sufficient flexibility to provide the assistance intended by the program. Therefore, UGI or CAP CBOs may agree to waive or modify one or more of the

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<sup>13</sup> CAP Credit and Pre-Program Arrearage forgiveness may be held up if an actual meter reading is not available.

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participant obligations in extraordinary circumstances.

**J. PRE-PROGRAM ARREARAGE FORGIVENESS**

UGI forgives a CAP customer's pre-program arrearage balance on a one thirty-sixth (1/36th) basis upon receipt of each timely and in-full CAP monthly payment. This practice provides immediate incentive for a CAP customer to continue the positive payment behavior. UGI also provides no less than a \$10.00 per month pre-program arrearage forgiveness. UGI applies arrearage forgiveness for each timely and in-full monthly payment, regardless of arrears, and retroactively for any months missed once those months are paid. For example, if a CAP customer is delinquent for three months of payments, and makes catch-up payments for two of those three months, the customer will receive forgiveness for those two months.

To be eligible for pre-program arrearage forgiveness, participants must maintain all program requirements in each month since enrolling in the program.

**K. APPLICATION OF CAP CREDITS**

Pursuant the Commission’s regulations, at 52 Pa. Code § 62.2, and UGI’s effective tariffs, a CAP credit is set as the difference between the CAP customer’s actual usage bill calculated at the standard residential rate and the CAP monthly bill. UGI applies CAP credits on a monthly basis with each full CAP payment received. Any CAP credits associated with missed CAP payments will be applied once the customer brings their payments up to date.

UGI eliminated its per-customer maximum CAP credit in its 2014-2017 USECP. UGI’s 2020-2025 USECP will likewise not have a per-person CAP credit maximum.

UGI institutes the following CAP control features to encourage energy conservation:

High Annual Usage at Enrollment: UGI uses the following thresholds to determine when a customer is considered to be a high usage customer. These thresholds were determined by analyzing the current population of customers and their usage information and determining a 95% confidence level.

<b>Table 4. High Usage Criteria</b>	
<b>Division</b>	<b>High Usage</b>
UGI Gas	2,356 ccf
UGI Electric	34,465 kwh

Any customer that applies for CAP, and any existing CAP customer with usage above these assigned thresholds, will:

1. Participate in an interview with the CAP caseworker. The CAP caseworker will review

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- data specific to the customer's residence to determine potential reasons for the customer's high usage.
2. The CAP caseworker will then conduct an energy education session.
  3. If applicable, referrals will be made for the LIURP program.
  4. If enrolled, high usage will continue to be monitored for additional outreach and referrals.

This high-usage evaluation will take place annually for existing CAP customers.

### Removal from CAP

1. A CAP customer may be removed from CAP for refusing to participate in the LIURP program.
2. A customer may be removed for failure to comply with these high usage controls.<sup>14</sup>

## L. RECERTIFICATION POLICY

### 1. CAP Recertification Requirements for LIHEAP and Non-LIHEAP Participants

Participants must provide evidence of continued program eligibility. The recertification process is a mandatory requirement in order to ensure proper participation and continued program eligibility.

UGI has a triennial recertification requirement for known LIHEAP participants. CAP customers who are not known LIHEAP participants are required to recertify for CAP annually. A customer will not be deemed ineligible for CAP on the basis of failure to participate in LIHEAP. Non-LIHEAP CAP customers who recertify annually for CAP will remain enrolled in CAP. To recertify, participants must provide:

- For LIHEAP Participants - When the LIHEAP income guidelines are the same as CAP; LIHEAP participants who have received a LIHEAP Cash or Crisis grant within the last 12 months will only be required to provide income documentation every three years to UGI.<sup>15</sup>
- For Non-LIHEAP Participants - Income documentation must be provided annually to verify that the participant's household income is at or below the current 150% of the FPIG.

Should the participant fail or refuse to recertify within two billing cycles of being notified

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<sup>14</sup> Exceptions may be granted where the factors giving rise to the customer's increased consumption are beyond the customer's reasonable control.

<sup>15</sup> Historically the income criteria for CAP has matched that for LIHEAP. Should the LIHEAP and CAP income requirements differ, UGI will notify the LIHEAP-participating CAP customer of the responsibility to recertify on an annual basis.

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to do so, UGI may remove the customer from CAP. UGI believes this practice encourages those participants who continue to have household incomes at or below 150% to complete the recertification process and, therefore, maintain affordable energy bills. The customer is responsible to reenroll in the program.

### **2. Recertification Reminder Schedule**

The Companies actively remind CAP participants of their obligation to recertify income eligibility as per the following schedule:<sup>16</sup>

- A recertification notice letter is mailed a month prior to the anniversary date (recertification due date);
- A contact from the CBO is made 15 days prior to the anniversary date;
- A reminder letter is mailed from the Company on the anniversary or on the recertification due date; and
- A contact from the CBO is made 1 month past the anniversary date.

### **3. Use of Zero Income Statements for CAP Enrollment and Recertification**

UGI customers who report zero household income at the time of CAP enrollment and recertification are required to complete a “Zero Income Form,” as set forth in Appendix F. The Zero Income Form need not be notarized. The Zero Income Form must be filled out by the individual who holds the account with UGI. The following information is required: (1) customer name; (2) date of application; (3) account number; (4) service address; (5) a list of adult household members with zero income; and (6) an explanation of how household expenses were met for food and shelter during the applicable period. The Zero Income Form must be signed by both the account holder and a CAP CBO representative. As stated on the form, by signing the Zero Income Form, the customer provides consent to UGI to verify income with government agencies. UGI CBOs have reported that use of the form does not hinder participation in the UGI universal service programs and therefore UGI will continue to use the Zero income form without modification.

As outlined in the participant obligations customers are to immediately report a change in household size or income. Specifically, for a customer who reports zero income, UGI will require the customer update their income (if they have not already done so) six months following the report of zero income.

### **4. Impact of Recertification**

Appropriate changes in the percentage of income and/or average bill payment will be made upon completion of the recertification process. If income or average bill payment at the time of recertification dictates a change in the monthly payment, the new amount will be used for future monthly payments. Future bills issued upon completion of recertification will reflect an

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<sup>16</sup> See Appendix E for a schematic of the Companies’ recertification process.

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appropriate CAP bill amount but past CAP bills issued are the customer's responsibility to pay. During the recertification process, if a participant is deemed ineligible for continued participation in CAP, the customer will be notified that they are no longer eligible to participate and the reason(s) why they are no longer eligible for CAP.

### M. REASONS FOR REMOVAL FROM CAP

- Failure to make CAP payments that results in termination and the customer has not cured his/her payments within 109 days of termination.
- failure to comply with any customer obligation set forth in the program;
- failure to comply with the obligation of good faith, honesty and fair dealing while working with the CAP CBO or UGI;
- household income increases to greater than 150% poverty;
- failure to comply with established high usage controls;<sup>17</sup>
- refusal to participate in LIURP;
- any reason for which the customer's service may be terminated under Chapter 56 or Chapter 14;
- failure/refusal to recertify in CAP;
- bankruptcy - at the time of the filing of bankruptcy all receivable amounts which may include frozen pre-program arrearage will fall under the jurisdiction of the bankruptcy court and will no longer be eligible for CAP benefits; and
- legal action - should UGI have reason to take legal action against a participant that encompasses any receivable owed it, all receivable amounts which may include pre-program arrearages will fall under the jurisdiction of the applicable court and will no longer be eligible for CAP benefits. Participants removed from the CAP will receive a written statement indicating the reason(s) for the dismissal. Customers defaulting and dropped from the CAP will be referred to the Company's Credit and Collection Department for further action, if necessary.

Any CAP participant may voluntarily request to be removed from the program. However, if a CAP participant requests to be removed from CAP for the reason that their seasonal usage bills total less than the monthly CAP amount ("seasonal short-term benefit"), the customer will be removed from the program and will forfeit all program benefits. The customer will then be required to remain out of CAP for a period of twelve months before they can re-apply for the program, provided exceptions will be granted on a case-by-case basis based on demonstrated hardship. The customer will be mailed a letter to confirm his request to be voluntarily removed

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<sup>17</sup> Exceptions may be granted where the factors giving rise to the customer's increased consumption are beyond the customer's reasonable control.

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from CAP. UGI will accept the request for removal via phone with a UGI representative.

UGI removes customers when service is voluntarily discontinued by the customer and the CAP participant is no longer a customer. All unpaid bills and unforgiven dollars are due upon the removal from CAP as this is considered a broken payment arrangement.

UGI also reserves the right to remove any CAP customer if the program is deemed non-beneficial without having to receive the customer's consent.

### **N. CAP NON-PAYMENT DEFAULT AND CREDIT AND COLLECTION POLICIES**

Customers who miss a CAP payment are provided two payment notifications prior to the Company initiating its termination procedures. After the customer's first missed payment, assuming the payment has not been made, the CAP CBO sends a notification to the customer at 15 days and 25 days after the missed payment. The 15-day notification may be a letter or telephone call. The 25-day notification is a mailed letter. Both the 15 and 25 day notifications advise the customer that their CAP payment is overdue.

Upon the customer's second missed CAP payment, UGI moves forward with the appropriate notifications and shut-off procedure and will send a termination notice stating the past-due amount. The customer will be required to pay the amount set forth in the termination notice, prior to the scheduled termination date to avoid shut-off. If the customer fails to pay per the terms of the termination notice, service is shut off.

When the service is shut off for non-payment, the terminated customer has up to 109 days to pay the full catch-up CAP amount, including any CAP bills that may have come due during the shut-off process, plus reconnection fees. Upon receipt of the full catch-up amount and the reconnection fee, the customer will be returned to CAP. If the terminated customer does not pay the full catch-up amount within 109 days, the customer will be removed from CAP and the customer will be responsible to make full payment of any outstanding balance and reconnections fees prior to the reconnection of service. Upon full payment and service restoration, the customer may then re-apply to enroll in CAP. One additional exception to the reinstatement policy would be when the customer's actual balance is less than the CAP balance.

UGI Utilities, Inc. Operation Share hardship funds will be permitted to be used for reconnection fees for all eligible UGI customers.

### **O. REINSTATEMENT POLICY**

Customers requesting reinstatement must comply with and agree to all applicable program eligibility requirements and customer obligations. As a condition of reinstatement, a customer must:

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- provide adequate assurance that the reason(s) for the prior default and resulting program dismissal have been removed or corrected; and
- make up all missed CAP payments or full balance when appropriate before reinstatement.

As a condition of reinstatement, a customer may also be required, depending upon individual circumstances, to make an up-front payment. Upfront payments are most common for a customer that is looking to restore service and remain on CAP. A reconnection charge can be required as an upfront payment. Another scenario where an upfront payment is required is when it is a prerequisite for the customer's receipt of additional grants or program services. For example, if a customer owes \$500 in missed CAP payments, a CBO may require the customer to pay \$300 which permits the CBO to approve \$200 in Federal Emergency Management Agency ("FEMA") funds. The Companies never charge a CAP participant a security deposit for reconnection of service.

As stated above, UGI Utilities, Inc. Operation Share hardship funds will be permitted to be used for reconnection fees for all eligible UGI customers.

If a customer voluntarily removes themselves from CAP for seasonal short-term benefit, the customer will not be eligible again until after a one-year waiting period. The customer, however, would be able to have their CAP reinstated before the year if they, at the time of their request, can satisfy the CAP amount covering both the missed CAP payments while on CAP, and the month(s) they spent out of the program (i.e. CAP catch-up amount).

### **P. CAP UNIVERSAL SERVICE REQUIREMENTS REPORTING**

As required by the August 8<sup>th</sup> Order, by April 1<sup>st</sup> of each year, UGI Utilities, Inc. shall file and serve a report at these dockets detailing the following information by utility, FPIG level, and account type for the preceding calendar:

- CAP Participation Rate;
- Average Annual CAP Credits;
- Number of CAP accounts that exceeds the previous maximum CAP Credit limit;
- Total dollars above previous maximum CAP Credit limit;
- Average of CAP credits above previous maximum CAP Credits;
- Gross Write-Offs in Dollars by Residential Customers and Confirmed Low-Income Customers
- The difference in pre-program and current energy usage (+/-) of CAP customers who exceeded energy usage thresholds but received energy conservation assistance from a CAP caseworker (stated as an average yearly percentage)

## **VI. LIURP**

**UGI 2020-2025 USECP**

**A. INTRODUCTION**

UGI’s LIURP consists of a Weatherization Program and a Rehabilitation Program.

**B. FUNDING AND BUDGET**

See Appendix A for a more detailed discussion of the program budgets.

**C. LIURP ENROLLMENT LEVELS**

The table shows the number of jobs completed per Company and the associated spending for the period of 2014 through 2016.

<b>Table 5. Completed LIURP Jobs for 2014 - 2016</b>		
<b>Company</b>	<b>Number of jobs</b>	<b>Cost</b>
UGI Gas	318	\$2,048,978
PNG	399	\$2,566,887
CPG	194	\$1,131,508
UGI Electric	71	\$287,895

**D. LIURP REPORTING REQUIREMENTS**

The Companies report all data required by the LIURP codebook.

**E. LIURP WEATHERIZATION PROGRAM**

The LIURP Weatherization Program is offered to reduce the energy consumption of low-income customers through the installation of energy conservation measures and energy conservation education. By reducing the energy consumption of these customers, the intent of LIURP is to reduce customer arrearage, collection and termination costs. The program places top priority on the health and safety of all LIURP participants.

Program services are provided free of charge to the customer. Upon verification of program eligibility by the LIURP agency, each LIURP heating customer will receive an on-site energy survey/audit. Energy saving measures for gas customers and electric space heat customers may include, but are not limited to, the following: insulation, furnace repair/replacement, water heater repair/replacement, furnace efficiency modification, windows and baseboard caulking, door and window weather stripping, door sweeps and thresholds, replacement of broken window panes, storm windows, attic ventilation, electrical outlet and switch plate gaskets on outside walls, water conservation measures, energy education, infiltration measures and incidental repairs (necessary to the effective performance of weatherization materials). Low cost energy saving measures for electric non-heating customers may include but are not limited to: refrigerator replacement, high efficiency lighting, window air conditioner replacement and other measures necessary to the effective performance of weatherization materials within the job limit costs. Eligible electric non



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heating customers may receive an in home or telephonic energy education sessions. For the 2020-2025 USECP, UGI will begin to provide UGI Electric weatherization participants with an Energy Conservation Kit containing items they may install to reduce electric consumption.

Energy saving measures installed will be those Commission-approved measures in the LIURP codebook. Job inspections are completed by a third party agency.

Additionally, UGI Gas will, in this 2020-2025 USECP, expand the use of LIURP Weatherization Program funds to address the repair or replacement of its residential customers' inoperable gas furnaces. UGI Gas will increase its per-job LIURP funding cap to \$11,000 where furnace replacement is necessary. Additionally, UGI Gas will set aside \$250,000 annually from its general LIURP budget for furnace repair and replacement projects. For the first two years of the USECP, any unused amounts will roll over to the next year's budget for furnace repair and replacement projects. Should there continue to be amounts to roll over after two years, any remaining roll over mounts will roll over to UGI Gas's general LIURP budget. In its August 8, Order, the Commission has approved UGI Gas's petition to waive the LIURP regulation payback requirement at 52 Pa. Code § 58.11(a) and the the high-use criteria at 52 Pa. Code § 58.10(a)(1) for customers needing furnace repair or replacement.

### 1. Weatherization Program Administration

Refer to **Appendix D** for the CBOs currently contracted for the provision of energy survey and measure installation. In addition, UGI engages a third-party to independently verify that home weatherization was completed in accordance with LIURP standards.

### 2. Weatherization Program Eligibility

To be eligible for the LIURP Weatherization Program, the customer must be able to demonstrate the following:<sup>18</sup>

- the customer is an active residential gas heating customer or residential electric customer;<sup>19</sup>
- the customer's gross household income is at or below the current 150% of the FPIG;<sup>20</sup>
- the customer's annual consumption is above average usage; Above average usage is defined as a customer who exceeded the average residential threshold by 25% for electric customers (baseload and heat) and 30% for natural gas customers. The threshold will be reviewed annually to consider significant changes in usage patterns.

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<sup>18</sup> Exceptions may be granted.

<sup>19</sup> UGI Gas will waive the requirement that the customer be an active gas heating customer for the purpose of furnace repair or replacement spending.

<sup>20</sup> However, up to 20% of LIURP participants may have a household income at 151-200% of the FPIG, on a first-come, first-serve basis.

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<b>Table 6. Minimum Usage Criteria</b>	
<b>Division</b>	<b>High Usage</b>
UGI Gas	950 ccf
UGI Electric	12,788 kwh

- the customer has had continuous service for twelve months;
- the customer’s premises are suitable for weatherization services;<sup>21</sup> and
- the customer’s premise is the customer’s primary residence.<sup>22</sup>
- The premise has not received LIURP weatherization services for the past seven (7) years.

Residential accounts with the following indicators are not eligible for the LIURP Weatherization Program:

- health care facilities;
- landlord/tenant (account is in the landlord's name);
- ratepayer/occupant (the ratepayer does not reside at the property);
- foreign load (one meter supplies more than one unit);
- LIFSO agreement (account is in the owner’s name);
- utility service used to operate a swimming pool
- a residential property where more than fifty percent of the anticipated gas usage served through a single meter is used to operate the business.

**3. Weatherization Program Outreach and Intake Efforts**

UGI is in constant contact with weatherization CBOs, local government, weatherization providers and any other appropriate agencies for input and advice on the most efficient and effective methods to provide LIURP weatherization services without duplication or exclusion. Through the use of local CBOs, such as LIURP providers found in **Appendix D**, integration of federal, state and local funds for LIURP weatherization participants are more easily accomplished. UGI will inform each LIURP weatherization participant of any and all appropriate services.

**4. Weatherization Program Identification & Referral of Low-Income Customers**

With the use of COS for the administration of LIURP, UGI reviews its customer records

<sup>21</sup> Program measures follow applicable payback periods; therefore, a customer’s residence that has been previously weatherized may not be eligible for LIURP until the applicable payback period has expired.

<sup>22</sup> The program is available to both homeowners and renters. Renters can qualify with written permission from landlords.

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to identify high usage, high arrearage, low income customers. In addition, UGI accepts referrals from CBOs, community groups and customer inquiries. LIURP referrals may also come from UGI's Energy Efficiency and Conservation Plan program management.

### 5. Weatherization Program Inter-Utility Coordination

UGI maintains contact with appropriate gas and electric utilities within their service territory to initiate inter-utility coordination with both NGDCs and EDCs when applicable.<sup>23</sup> UGI and the other utilities coordinate comprehensive program services to better serve LIURP weatherization customers. In many cases, UGI and the corresponding utility employ the same LIURP measure installer. Therefore, inter-utility coordination may be accomplished without the need for written contract or inter-utility billing. As previously stated in the CAP section, UGI will form a USAC which will hold two annual meetings. UGI will include the electric utilities that overlap its gas service territory to these meetings to continue to discuss the coordination of the provision of LIURP services, and particularly, to improve identification of customers with inoperable natural gas furnaces who may be using electricity for space heating so as to improve the provision of LIURP services for those customers.

## F. REHABILITATION PROGRAM

Through the Rehabilitation Program, UGI funds the installation of energy efficient measures at the time of construction or rehabilitation of low-income residential housing. These measures include the installation of ENERGY STAR rated high efficiency natural gas furnaces, hot water heaters, upgraded installation, and energy efficient windows.

The Rehabilitation Program achieves usage reduction by: (1) allowing identified low-income and special needs customers to benefit from a variety of energy efficient measures which will avoid future high usage, and (2) maximizing the LIURP dollars spent on installed weatherization measures. Specifically, this program treats low income housing at the construction/rehabilitation phase in order to maximize material and labor dollars. The expectation is that these homes could eventually receive LIURP services. Therefore, through this program, these customers receive service at the construction/rehabilitation phase to assist in covering the costs of the project(s) and to avoid future high usage and arrearage problems. By implementing energy efficiency measures at the rehabilitation or construction phase, the overall cost of the measures can be more economical than implementing them after the construction is complete. UGI periodically joins forces with rehabilitation projects within its service area to assure energy efficiency in low income housing.

### 1. Rehabilitation Program Eligibility

Each Rehabilitation Program project must have the following criteria to qualify for LIURP

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<sup>23</sup> UGI restates its commitment to coordinating with EDCs in overlapping service territories who may be providing similar services pursuant to Act 129.

## UGI 2020-2025 USECP

services and/or funds:

- the customer is an active residential gas heating customer or residential electric customer;
- the customer's premise is the customer's primary residence.<sup>24</sup>
- the customer's gross household income is at or below the current 200% of the FPIG; and
- existing gas heat or electric heating customer;<sup>25</sup> and
- coordination with a CBO(s).

Possible CBOs that would become involved in this project include:

- Neighborhood Housing Services;
- Habitat for Humanity;
- Housing Authorities; and
- Community Development Offices.

Residential accounts with the following indicators are not eligible for the LIURP Rehabilitation Program:

- health care facilities;
- landlord/tenant (account is in the landlord's name);
- ratepayer/occupant (the ratepayer does not reside at the property);
- foreign load (one meter supplies more than one unit);
- LIFSO agreement (account is in the owner's name);
- utility service used to operate a swimming pool.
- a residential property where more than fifty percent of the anticipated gas usage served through a single meter is used to operate the business.

All LIURP required information will be collected for each dwelling.

UGI will reserve up to 10% of its total current year LIURP budget for Rehabilitation Project Funding. If the entire budgeted amount is not expended, the remainder will be returned to traditional LIURP services funding.

As with the 2014-2017 USECP, UGI: (1) will limit the use of LIURP funding under this program to residential rate housing units and, in the case of rental housing units, only where the tenant has payment responsibilities for the utility service; (2) may direct funds to HOME developments, the Low Income Housing Tax Credit ("LIHTC") program and to non-profit agencies; and (3) will track customer participation levels and energy savings on a prospective basis.

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<sup>24</sup> The program is available to both homeowners and renters. Renters can qualify with written permission from landlords.

<sup>25</sup> Customers of UGI-Electric with electric heat are eligible to participate in the LIURP Rehabilitation Program.

## **UGI 2020-2025 USECP**

In the 2020-2025 UGI will continue to track and report the program results and details separately.

**UGI 2020-2025 USECP**

**APPENDIX A**

**FUNDING COMMITMENTS FOR EACH UNIVERSAL SERVICE PROGRAM**

**I. UGI PROJECTED PARTICIPATION AND BUDGET PER PROGRAM**

Projected participation and budgets for USECP programs are set forth below. For LIURP and Operation Share, participation and budget figures are provided for the geographic footprints of the UGI Gas Division’s former three rate districts in accordance with settlement paragraph 38 of the 2019 UGI Gas Rate Case Settlement.

**A. CAP**

**1. UGI Gas**

UGI Gas’s projected participation levels and budget for CAP is shown below:

<b>Table A-1. UGI Gas CAP Annual Participation Levels &amp; Budget for 2020-2025</b>		
<b>Year</b>	<b>Projected Participation Levels</b>	<b>Projected Budget</b>
2020	20,123	8,954,230
2021	21,129	9,401,880
2022	22,185	9,872,006
2023	23,294	10,365,606
2024	24,458	10,883,887
2025	25,680	11,428,081

**2. UGI Electric**

UGI Electric’s projected participation levels and budget for CAP is shown below:

<b>Table A-2. UGI Electric Annual CAP Participation Levels &amp; Budget for 2020 - 2025</b>		
<b>Year</b>	<b>Projected Participation Levels</b>	<b>Projected Budget</b>
2020	2,885	\$2,725,275
2021	3,029	\$2,861,300
2022	3,180	\$3,005,050
2023	3339	\$3,155,303
2024	3506	\$3,313,068
2025	3681	\$3,478,721

**B. LIURP**

The projected LIURP participation levels and budgets for the geographic footprint of the former UGI Gas rate districts, and the UGI Electric service territory are set forth in table A-3.

**UGI 2020-2025 USECP**

**APPENDIX A**

<b>Table A-3. Annual LIURP Participation Levels &amp; Budget 2020 - 2025<sup>26</sup></b>		
<b>Geographic Area</b>	<b>Projected Participation Levels</b>	<b>Projected Budget</b>
South	202	\$1,605,900
North	194	\$1,333,450
Central	85	\$695,000
UGI Electric	66	\$274,750

**C. OPERATION SHARE HARDSHIP FUND**

<b>Table A-4. UGI Operation Share Company Annual Funding Level for 2020 – 2025<sup>27</sup></b>		
<b>Geographic Area</b>	<b>Energy Funds Amount</b>	<b>Matching Funds</b>
South	\$38,500	\$38,500
North	\$22,000	\$22,000
Central	\$12,000	\$12,000
Electric	\$10,000	\$10,000
SubTotal	\$82,500	\$82,500
<b>Total</b>	<b>\$165,000</b>	

<b>Table A-5. UGI Operation Share Annual Costs by Geographic Area for 2020 – 2025<sup>28</sup></b>						
<b>Geographic Area</b>	<b>Projected Participation Levels</b>	<b>Initial Contribution (voucher)</b>	<b>Matching Funds (voucher)</b>	<b>Projected CASH donations</b>	<b>Total Donations</b>	<b>Projected Administrative Budget<sup>29</sup></b>
South	385	\$38,500	\$38,500	\$77,000	\$154,000	\$5,775
North	185	\$22,000	\$22,000	\$30,000	\$74,000	\$2,775
Central	120	\$12,000	\$12,000	\$24,000	\$48,000	\$1,800
Electric	98	\$10,000	\$10,000	\$19,000	\$39,000	\$1,470

UGI proposes to allocate available funds to administering agencies, based on the 2010 Census Data, as updated in 2015, and the Commission’s estimate of the number of residents under 150% of the FPIG, as follows:

<sup>26</sup> The Settlement of the UGI Gas 2019 Rate Case increased the aggregate UGI Gas LIURP budget by \$500,000, which was distributed proportionally between the different geographic areas of the service territory.

<sup>27</sup> This does not include Customer donations.

<sup>28</sup> Cash donations are donations provided by utility customers.

<sup>29</sup> The increase is due to per-grant CBO fee increase from \$10 to \$15.

**UGI 2020-2025 USECP**

**APPENDIX A**

<b>Table A-6. UGI Allocations By Geographic Area</b>		
<b>Former Rate District</b>	<b>Agency</b>	<b>Inter-Area Funding Allocation</b>
<b>UGI South</b>	Allentown Salvation Army	15%
	Bethlehem Salvation Army	5%
	Easton Salvation Army	10%
	Harrisburg Salvation Army	21%
	Commission on Economic Opportunity	3%
	Lancaster Community Action Program	19%
	Lebanon Christian Ministries	5%
	Reading Salvation Army	22%
<b>North</b>	AGAPE	7%
	Commission on Economic Opportunity	35%
	Scranton Salvation Army	38%
	S.T.E.P., Inc.	11%
	TREHAB, Inc.	2%
	Union-Snyder Community Action Agency	7%
<b>Central</b>	Central PA Community Action	8%
	Central Susquehanna Opportunities	12%
	East Stroudsburg Salvation Army	6%
	Hamburg Salvation Army	20%
	Commission on Economic Opportunity	8%
	Northern Tier Community Action Corp	14%
	Schuylkill County Community Action	5%
	S.T.E.P., Inc.	2%
	TREHAB, Inc.	24%
	Union-Snyder Community Action Agency	1%

Each administering agency must spend their share of donations in order to maintain the allocation of funds; otherwise, UGI reserves the right to reallocate the funds to another administering agency. Furthermore, if and when there is a change to the existing administering agencies, such as, for example, an addition or removal of an agency, UGI will revise the amounts allocated to the administering agencies accordingly.



**UGI 2020-2025 USECP**

**APPENDIX A**

**D. CARES**

UGI Gas’s projected participation levels and budget for LIHEAP and CARES Outreach are shown below:

<b>Table A-7. UGI Gas CARES Participation Levels &amp; Budget 2020-2025</b>	
<b>Projected Participation Levels</b>	<b>Projected Budget</b>
185	\$115,000

UGI Electric’s projected participation levels and budget for CARES is shown below:

<b>Table A-8. UGI Electric CARES Participation Levels &amp; Budget 2020-2025</b>	
<b>Projected Participation Levels</b>	<b>Projected Budget</b>
20	\$20,000

**II. UGI RIDER USP**

In accordance with the Company’s Gas Tariff<sup>30</sup> and Electric Tariff<sup>31</sup> available at <https://www.ugi.com/tariffs/>, UGI is permitted to recover costs for the USECP under its USP Riders with an annual reconciliation for costs and recoveries. The Rider USP rate shall be calculated to recover costs for the following programs: LIURP; CAP; Hardship Funds; and any other replacement or Commission-mandated Universal Service Program or low income program that is implemented during the period that the Rider is in effect.

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<sup>30</sup> UGI Gas – Pa. P.U.C. No. 7.

<sup>31</sup> UGI Electric Pa. P.U.C. No. 6.

**UGI 2020-2025 USECP**

**APPENDIX B**

**PROJECTED NEEDS ASSESSMENT**

Per 52 Pa. Code § 62.4(b)(3), NGDCs with more than 100,000 residential accounts are required to provide a projected needs assessment for each Universal Service Program component and provide an explanation of how each program component responds to one or more identified needs. Per 52 Pa. Code § 62.7, UGI did not conduct a projected needs assessment for the former Central Rate District as it served fewer than 100,000 residential accounts. Likewise, UGI Electric is not required to conduct a projected needs assessment since it serves fewer than 60,000 residential accounts, as per 52 Pa. Code § 54.77.

The needs assessment for the former UGI South and UGI North Rate Districts, based on 2015 Census Data, included the number of estimated and identified low-income customers, the number of estimated and identified payment-troubled, low-income customers, the number of customers still needing LIURP services and the cost to serve them and the enrollment size of CAP to serve all eligible customers.

<b>Table B-1.</b>		
	<b><u>UGI SOUTH</u></b>	<b><u>UGI NORTH</u></b>
1. Number of Identified Low-Income Customers	34,269	23,061
2. Estimate of Number of Low-Income Customers	91,478	49,410
3. Number of Identified Payment-Troubled, Low-Income Customers <sup>32</sup>	8,353	4,663
4. Number of Customers In Need of LIURP Services <sup>33</sup>	5,251	4,756
5. Cost of Serving the Number of Customers In Need of LIURP Services	\$36,142,633	\$28,131,740
6. Enrollment Size of CAP to Serve all Eligible Customers	34,269	23,061

In future USECPs the Company will provide a consolidated needs assessment for the Gas Division that will incorporate all former rate districts.

<sup>32</sup> 52 Pa. Code § 62.4 requires the inclusion of estimated low-income payment-troubled customers in a NGDC’s needs assessment. Due to the methodology employed by the UGI Companies, this figure is equal to the identified payment-troubled low-income customers set forth in line 3 and is not repeated to avoid redundancy.

<sup>33</sup> This figure accounts for the following eligibility criteria: (1) identified low-income; (2) 12 months of consecutive service; (3) meeting LIURP usage criteria; (4) premises not having received LIURP weatherization services within the past seven (7) years. The UGI Companies may grant exceptions where warranted on a case-by-case basis to customers who do not meet this eligibility criteria and will report exceptions annually to the Commission.

**UGI 2020-2025 USECP**

**APPENDIX A**

**UGI 2020-2025 USECP**

**APPENDIX C**

**CAP COMMUNITY BASED ORGANIZATIONS**

<b>Table C-1.</b>		
<b><u>CBO</u></b>	<b><u>Communication Methods</u></b>	<b><u>Geographic Region</u></b>
Commission on Economic Opportunity	Mail, Email, & Fax	All Gas and Electric
Easton Area Neighborhood Center	Mail, Email, & Fax	South
Lancaster CAP	Mail, Email, & Fax	South
Lebanon County Christian Ministries	Mail, Email, & Fax	South
Neighborhood Housing Services of Greater Berks, Inc.	Mail, Email, & Fax	South
The Salvation Army	Mail, Email, & Fax	South
AGAPE	Mail, Email, & Fax	North
Scranton Lackawanna Human Development Agency-SLHDA	Mail, Email, & Fax	North
Social Service Assistance Program - S.T.E.P., Inc.	Mail, Email, & Fax	North, Central
TREHAB, Inc.	Mail, Email, & Fax	North, Central
Union-Snyder Community Action Agency	Mail, Email, & Fax	North, Central
Central PA Community Action Program, Inc.	Mail, Email, & Fax	Central
Central Susquehanna Opportunities, Inc.	Mail, Email, & Fax	Central
Northern Tier Community Action Agency/SLHDA	Mail, Email, & Fax	Central
Schuylkill County Community Action	Mail, Email, & Fax	Central

**UGI 2020-2025 USECP**

**APPENDIX D**

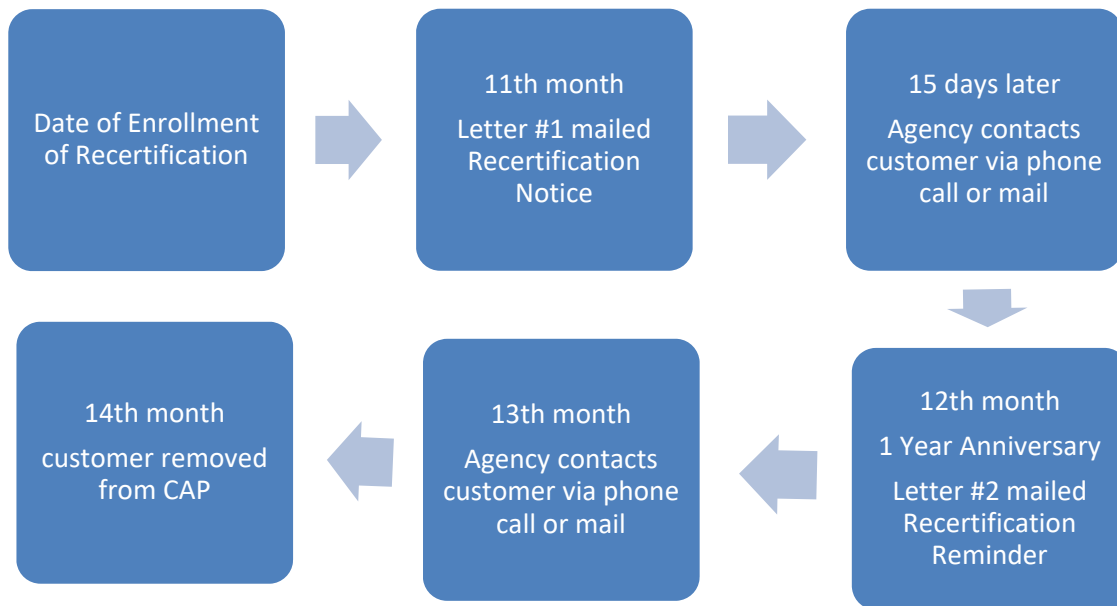
**LIURP AGENCIES**

<b>Table D-1</b>		
<b><u>CBO</u></b>	<b><u>City</u></b>	<b><u>Geographic Area</u></b>
Berks Community Action Program	Reading	South, Central
Commission on Economic Opportunity	Kingston	South, North, Electric
Community Action Committee of the Lehigh Valley and Central PA	Bethlehem, Clearfield	South, Central
South Central Community Action Program	Gettysburg	South
Scranton- Lackawanna Human Development Agency	Scranton	North, Electric
SOLAIR, Inc.	Ralston	Electric
SEDA-COG	Canton, Lewisburg	North, Central
Carbon County Action Committee for Human Services	Lehighton	Central

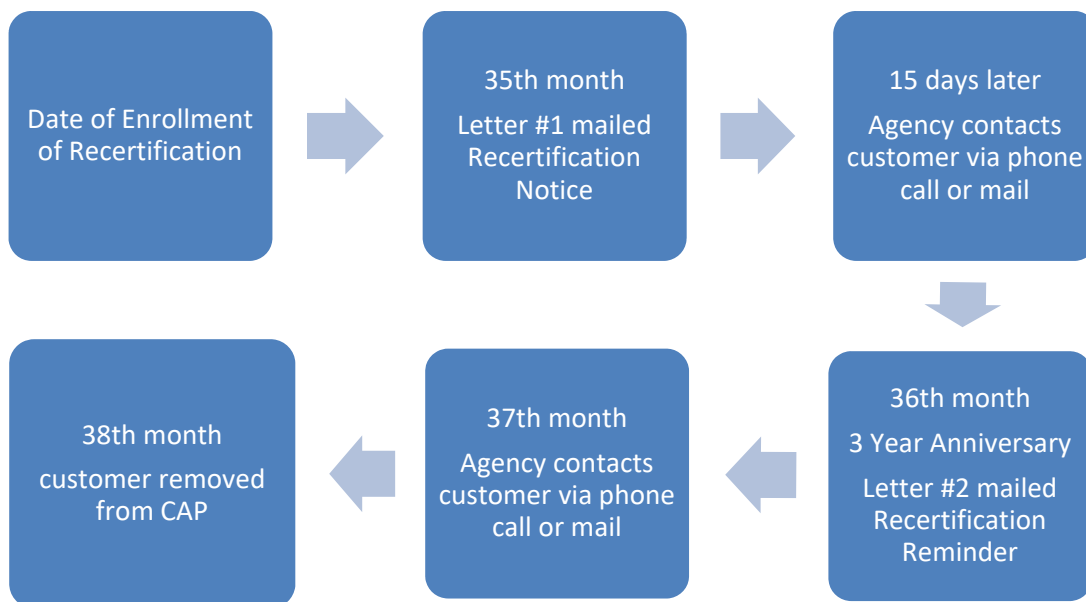
**UGI 2020-2025 USECP**

**APPENDIX E**

**Notification Schedule for CAP Recertification Process-NO LIHEAP (Annual Certification)**



**Notification Schedule for CAP Recertification Process-LIHEAP (Triennial Certification)**



**UGI 2020-2025 USECP**

**APPENDIX F**

**UGI  
Universal Service Customer Assistance Program**

Customer Name: \_\_\_\_\_

Date of Application: \_\_\_\_\_

Account #: \_\_\_\_\_

Service Address: \_\_\_\_\_

**Verification of Zero Income Claim**

To be completed and signed by the UGI customer who had no income during the 30 day, 90 day or 1 year period before the date of this CAP application.

Verification:

I, (print) \_\_\_\_\_, state that I have had no income from any source. I understand that participation in CAP can be denied for making false statements, and do affirm that all claims made here are true and correct to the best of my knowledge, information and belief. Any change in household income or occupants will be immediately reported to my assigned CAP agency. I give UGI and/or my assigned CAP agency permission to verify income with government agencies.

List all adult household members with zero income:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

During the above period, how were household expenses met for food and shelter?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Customer Signature: \_\_\_\_\_

Agency Representative: \_\_\_\_\_

**UGI 2020-2022 USECP**

**APPENDIX G**



**CAP- Agency Audit Scorecard**

Agency \_\_\_\_\_

Account Number \_\_\_\_\_ Customer Name \_\_\_\_\_

Does the account being audited contain the following:

YES	NO	N/A	
<input type="checkbox"/>	<input type="checkbox"/>		APPLICATION
<input type="checkbox"/>	<input type="checkbox"/>		CONSENT AND RELEASE FORM
<input type="checkbox"/>	<input type="checkbox"/>		TRUTH OF STATEMENT
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PROOF OF INCOME
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	PROOF OF IDENTIFICATION
<input type="checkbox"/>	<input type="checkbox"/>		DOCUMENTATION ON THE ACCOUNT LOG
<input type="checkbox"/>	<input type="checkbox"/>		DOES THE INFORMATION ENTERED IN COS MATCH THE APPLICATION?
<input type="checkbox"/>	<input type="checkbox"/>		DOES THE PROOF OF INCOME INFORMATION MATCH THE APPLICATION?
<input type="checkbox"/>	<input type="checkbox"/>		COMPLIES WITH RECORD RETENTION POLICY

The following may not be applicable for all accounts:

YES	NO	N/A	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	RECERTIFICATION FORM COMPLETED
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	HIGH USAGE QUESTIONNAIRE
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	ZERO INCOME FORM

Auditor Comments \_\_\_\_\_  
\_\_\_\_\_

Auditors Initials \_\_\_\_\_

Date \_\_\_\_\_



**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Universal Service and Energy Conservation :  
Plan for the Five-Year Period January 1, : Docket No. M-2017-2598190 et al  
2020 – December 31, 2025 :  
:  
:


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**VERIFICATION**

---

I, Daniel V. Adamo, Director of Customer Service for UGI Utilities, Inc. hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: December 5, 2019

  
\_\_\_\_\_  
Daniel V. Adamo

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Universal Service and Energy Conservation :  
Plan for the Five-Year Period January 1, : Docket No. M-2017-2598190 et al  
2020 – December 31, 2025 :  
:  
:

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CERTIFICATE OF SERVICE

---

I hereby certify that I have, this 6th day of December, 2019, served a true and correct copy of the foregoing document in the manner and upon the persons listed below in accordance with requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

**VIA ELECTRONIC AND FIRST CLASS MAIL:**

Elizabeth R. Marx, Esquire  
Pennsylvania Utility Law Project  
118 Locust St.  
Harrisburg, PA 17101  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)  
CAUSE-PA

Christy M. Appleby  
Office of Consumer Advocate  
555 Walnut St  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1921  
[cappleby@paoca.org](mailto:cappleby@paoca.org)

Joseph L. Vullo, Esquire  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
[JLVullo@aol.com](mailto:JLVullo@aol.com)  
CEO



Danielle Jouenne

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-14

Request:

Please indicate for each year for the past three years, whether:

- a. UGI Gas exhausted its LIURP budget;
- b. If such budget was not exhausted, indicate the number of dollars not spent;
- c. UGI's three gas divisions exhausted its LIURP budget;
- d. If such budget was not exhausted, indicate the number of dollars not spent;
- e. If UGI's LIURP budget was exhausted, indicate the number of LIURP applicants that did not receive LIURP services despite having been found to be LIURP eligible;

Response:

- a. UGI Gas only exhausted its LIURP budget in 2018 for the North District.
- b.

	2018	2019	2020	2021
South	\$530,531	\$753,712	\$1,497,368	\$354,796
North	\$(32,955)	\$137,547	\$884,099	\$490,140
Central	\$- 0	\$- 0	\$355,399	\$165,453
- c. - d. See the response to CAUSE-PA-I-14-b.
- e. Not Applicable.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 8, 2022

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CAUSE-PA-I-15

Request:

What is the average annual income of UGI's currently identified confirmed low income customers?

Response:

The average annual income of UGI's currently identified low income customers is \$12,084.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-16

Request:

What is the average annual income of UGI's currently enrolled CAP customers?

Response:

As of 2/27/2022, the average annual income for UGI's CAP customers is \$14,525.94.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-17

Request:

From 2019 to date, disaggregated by month, how many residential customers does/did UGI serve? Please explain how UGI arrived at this figure, and include citations and/or copies of any and all workpapers used to perform the calculation.

Response:

Please see Attachment CAUSE-PA-I-17 for total residential customers by month for FY19-FY22 to date. Customer counts are generated from the UGI Gas billing system and is reflective of active customers at month end.

Prepared by or under the supervision of: Sherry A. Epler

UGI Utilities, Inc.-Gas Division  
 Total Residential Customers by Month  
 FY19 - FY22 to date

Month	Counts
Oct-18	577,839
Nov-18	582,652
Dec-18	585,605
Jan-19	587,697
Feb-19	588,654
Mar-19	588,826
Apr-19	586,199
May-19	583,945
Jun-19	583,675
Jul-19	583,515
Aug-19	583,231
Sep-19	584,702
Oct-19	586,571
Nov-19	591,539
Dec-19	593,709
Jan-20	595,269
Feb-20	595,921
Mar-20	596,502
Apr-20	596,145
May-20	595,836
Jun-20	596,121
Jul-20	596,128
Aug-20	596,583
Sep-20	597,957
Oct-20	599,814
Nov-20	602,010
Dec-20	603,531
Jan-21	604,527
Feb-21	605,108
Mar-21	605,476
Apr-21	605,021
May-21	602,970
Jun-21	600,658
Jul-21	600,045
Aug-21	599,837
Sep-21	600,640
Oct-21	603,495
Nov-21	608,000
Dec-21	610,197
Jan-22	611,761

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE PA Set I (1 thru 26)  
Delivered on March 4, 2022

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CAUSE-PA-I-26

Request:

Regarding Operation Share, for each month from January 2019 to current, please provide:

- a. The total amount of available funds as of the last day of the month,
- b. The total amount of grant money awarded in that month disaggregated by Federal Poverty Level (FPL) income tier (0-50%, 51-100%, 101-150%, 151-200%, 201-250%),
- c. The average grant amount disaggregated by FPL income tier (0-50%, 51-100%, V 101-150%, 151-200%, 201-250%),

Response:

- a. Please see Attachment CAUSE-PA-I-26-a.
- b. Please see Attachment CAUSE-PA-I-26-b.
- c. Please see response to CAUSE-PA-I-26-b.

Prepared by or under the supervision of: Daniel V. Adamo



UGI Utilities, Inc. - Gas Division							
Operation Share Available Funds (End of Month)							
Jan 2019	\$548,923	Jan 2020	\$440,167	Jan 2021	\$2,789,959	Jan 2022	\$1,916,100
Feb 2019	\$548,632	Feb 2020	\$520,396	Feb 2021	\$2,531,740		
Mar 2019	\$523,186	Mar 2020	\$509,047	Mar 2021	\$2,270,693		
Apr 2019	\$518,536	Apr 2020	\$491,974	Apr 2021	\$1,980,002		
May 2019	\$512,567	May 2020	\$478,084	May 2021	\$1,802,600		
Jun 2019	\$437,102	Jun 2020	\$487,056	Jun 2021	\$1,624,929		
Jul 2019	\$414,098	Jul 2020	\$722,892	Jul 2021	\$1,502,434		
Aug 2019	\$395,585	Aug 2020	\$718,171	Aug 2021	\$1,461,223		
Sep 2019	\$518,803	Sep 2020	\$1,676,311	Sep 2021	\$1,462,323		
Oct 2019	\$500,100	Oct 2020	\$2,730,704	Oct 2021	\$1,980,316		
Nov 2019	\$502,689	Nov 2020	\$3,089,807	Nov 2021	\$1,912,860		
Dec 2019	\$460,754	Dec 2020	\$3,025,182	Dec 2021	\$1,914,578		

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE-PA Set II (1 thru 16)  
Delivered on March 21, 2022

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CAUSE-PA-II-10

Request:

For each year in the past 5 years, disaggregated by year, what would the residential customer bill have been for a household at average usage levels if WNA had been in effect under the following parameters?

- a. No dead band
- b. 1% dead band
- c. 3% dead band
- d. 5% dead band

Response:

UGI Gas does not have the ability to recompute individual historic bills for determination of specific WNA billing impacts. However, please see Attachment CAUSE-PA-II-10 for a proxy of what the calculated annual WNA impact would have been to a residential bill over the past five years using an estimated average usage across the various deadbands. In addition, please see Attachment CAUSE-PA-II-9 for a five-year history of a monthly residential bill using the same estimated average usage.

Prepared by or under the supervision of: John D. Taylor

**UGI Utilities, Inc. - Gas Division**  
**WNA Scenario Analysis (Fiscal Years 2017 - 2021)**  
**Estimated Annual Impact to R/RT Customer at Current Rates**  
*charge (credit) to customer*

	<b>No</b>		<b>1%</b>		<b>3%</b>		<b>5%</b>	
	<b>Deadband</b>		<b>Deadband</b>		<b>Deadband</b>		<b>Deadband</b>	
<b>Fiscal 2017</b>	\$	39.05	\$	37.39	\$	34.11	\$	30.84
<b>Fiscal 2018</b>	\$	7.81	\$	8.65	\$	10.28	\$	10.68
<b>Fiscal 2019</b>	\$	6.17	\$	6.58	\$	5.34	\$	3.69
<b>Fiscal 2020</b>	\$	35.35	\$	32.87	\$	28.77	\$	25.48
<b>Fiscal 2021</b>	\$	29.59	\$	26.71	\$	22.60	\$	19.32

Assumptions:

Modeling based on estimated annual usage per UGI Gas Exhibit E for R and RT customers of 844 ccf using currently effective rates.

For modeling the estimated annual usage was allocated by month using the following percentages:

OCT	5.8%	JAN	20.1%	APR	7.0%	JUL	1.4%
NOV	11.5%	FEB	16.3%	MAY	3.1%	AUG	1.5%
DEC	15.8%	MAR	13.4%	JUN	1.8%	SEP	2.3%

Monthly baseloads were calculated using the daily usage calculated during the period of June-September multiplied by the number of days in each month

Composite historical and normal HDD data used as found on SDR-RR-11(a). Assumes all customers' calculations are based on the composite HDD information. If approved, actual WNA calculations would be specific to each customer's delivery region.

The above amount represents an approximation of WNA charges/credits only and does not reflect any other additional riders that may be applied such as DSIC or STAS

The underlying model assumes that all customers are billed and weather is measured based on calendar month which will differ from actual billing and weather periods that would be used if implemented. See Rider K in UGI Gas Exhibit F for proposed tariff language.

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE-PA Set II (1 thru 16)  
Delivered on March 21, 2022

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CAUSE-PA-II-16

Request:

According to the most recent data available, what is the average residential bill savings per LIURP job? Please provide copies of any studies, reports, or other documents relied upon for this calculation.

Response:

2019 Savings:\*

Company	Total Pre CCF/KWH	Total Post CCF/KWH	Total % Saved
UGI Gas	182,876	145,068	21%
UGI PNG	243,003	194,682	20%
UGI CPG	65,474	49,348	25%
UGI Electric	913,013	832,384	9%

\*2020 Savings data is not available until 4/28/22.

The Company's Customer Outreach system tracks the pre-weatherization and post weatherization 12 month usage. This data is then normalized and reported in the Low Income Usage Reduction Program (LIURP) Report due by April 30th, each year.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE-PA Set III (1 thru 25)  
Delivered on March 28, 2022

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CAUSE-PA-III-4

Request:

Once a customer falls behind on their bill, at what point does the overdue balance stop accruing interest?

Response:

The interest stops accruing when the final bill is produced post termination.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE-PA Set IV (1 thru 14)  
Delivered on April 14, 2022

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CAUSE-PA-IV-1

Request:

How does UGI define the term "Confirmed Low Income Customer"? Please explain how UGI calculates its count and include citation and/or copies of all workpapers.

Response:

The Company reports Confirmed Low Income Customer Counts each year in the Universal Service Reporting Requirements. Per the Data Dictionary and Clarifications Offered by BCS, Utilities are reminded to include all Fuel Fund recipients (LIHEAP CASH and CRISIS grants) in the "confirmed low income" category.

A non-fuel fund recipient will also be defined as a "Confirmed Low Income Customer" if they are a CAP participant, a LIURP Participant (at or below 150%) an Operation Share participant (at or below 150%) or, if for purposes of receiving a security deposit waiver, the customer provided income information to their local Community Based Organization (CBO).

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE-PA Set IV (1 thru 14)  
Delivered on April 14, 2022

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CAUSE-PA-IV-2

Request:

How does UGI define the term “Estimated Low Income Customer”? Please explain how UGI calculates its count and include citation and/or copies of all workpapers used to perform the estimation.

Response:

The Pennsylvania Public Utility Commission provides the estimated low income customer counts annually for the utilities to complete the Universal Service Reporting Requirement annual filing due 4/1.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE-PA Set IV (1 thru 14)  
Delivered on April 14, 2022

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CAUSE-PA IV-3

Request:

What is UGI's currently projected annual LIURP budget for 2022-2025?

Response:

2022 - 2025 LIURP Budget by Geographic Territory:

SOUTH - \$1,641,100  
NORTH - \$1,363,050  
CENTRAL - \$710,200

Prepared by or under the supervision of: Daniel V. Adamo



UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE-PA Set IV (1 thru 14)  
Delivered on April 14, 2022

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CAUSE-PA IV-8

Request:

As of April 1, 2022, how many UGI customers were at risk of termination, disaggregated by:

- a. Residential customers
- b. Confirmed low income customers
- c. CAP customers

Response:

The Company defined "at risk of termination" as accounts that meet the arrearage threshold set in the system that would trigger a 10-day notice being mailed.

- a. 30,251
- b. 5,840
- c. 4,680

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to CAUSE-PA Set IV (1 thru 14)  
Delivered on April 14, 2022

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CAUSE-PA IV-14

Request:

For 2017, 2018, 2019, and thus far in 2020 (Jan.-Apr.), disaggregated by month, please provide:

- a. the number of residential customers in debt
- b. the number of confirmed low-income customers in debt
- c. the percentage of residential customers in debt
- d. the percentage of confirmed low-income customers in debt
- e. the dollars in debt for residential customers
- f. the dollars in debt for confirmed low-income customers
- g. the percent of dollars owed that are on a payment arrangement for residential customers
- h. the percent of dollars owed that are on a payment arrangement for confirmed low-income customers
- i. the average arrearage for residential customers
- j. the average arrearage for confirmed low-income customer

Response:

Per discussion with CAUSE-PA, the corrected dates are 2019, 2020, 2021 and 2022 year to date.

Please see Attachment CAUSE-PA-IV-14.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division

Month/Year	a. # Res. Customers in Debt	b. # of Low Inc. Customers in Debt	c. % of Res. Customers in Debt	d. % of Low Inc. Customers in Debt	e. \$ in Debt (All Res)	f. \$ in Debt Low-Income	g. % Dollars owed on P/A (All Res)	h. % Dollars owed on P/A (Low-Inc)	i. Average Arrears (All Res)	j. Average Arrears (Low-Inc)
JAN 2019	82,125	26,929	13.75%	37.66%	\$ 29,468,707	\$ 18,161,923	61.09%	94.54%	\$ 359	\$ 674
FEB 2019	82,208	26,504	13.77%	36.04%	\$ 31,371,513	\$ 18,775,551	58.92%	94.15%	\$ 382	\$ 708
MAR 2019	82,919	27,296	13.84%	35.92%	\$ 34,609,839	\$ 20,278,414	57.24%	93.37%	\$ 417	\$ 743
APR 2019	79,375	26,526	13.24%	34.87%	\$ 31,565,615	\$ 18,317,348	56.63%	92.56%	\$ 398	\$ 691
MAY 2019	79,161	27,530	13.23%	35.99%	\$ 31,464,021	\$ 19,163,650	60.38%	93.58%	\$ 397	\$ 696
JUN 2019	78,574	28,327	13.16%	37.21%	\$ 29,845,946	\$ 19,385,893	65.35%	94.91%	\$ 380	\$ 684
JUL 2019	71,907	28,288	12.06%	37.24%	\$ 27,276,890	\$ 19,143,743	71.07%	95.95%	\$ 379	\$ 677
AUG 2019	67,404	28,116	11.29%	37.02%	\$ 25,712,799	\$ 19,097,876	75.42%	96.43%	\$ 381	\$ 679
SEP 2019	58,636	26,056	9.91%	35.07%	\$ 22,649,372	\$ 17,243,595	77.47%	96.90%	\$ 386	\$ 662
OCT 2019	56,831	24,164	9.55%	33.25%	\$ 19,719,256	\$ 14,542,381	73.99%	95.57%	\$ 347	\$ 602
NOV 2019	56,218	23,861	9.40%	33.23%	\$ 19,591,281	\$ 14,433,970	73.43%	94.97%	\$ 348	\$ 605
DEC 2019	56,462	23,855	9.42%	32.45%	\$ 20,280,335	\$ 14,984,239	73.81%	95.05%	\$ 359	\$ 628
JAN 2020	62,177	24,738	10.34%	33.24%	\$ 23,648,615	\$ 16,588,878	69.93%	95.23%	\$ 380	\$ 671
FEB 2020	65,956	25,160	10.95%	32.52%	\$ 26,644,829	\$ 17,703,189	66.07%	94.96%	\$ 404	\$ 704
MAR 2020	65,278	25,808	10.85%	32.75%	\$ 28,207,406	\$ 18,610,190	65.46%	94.55%	\$ 432	\$ 721
APR 2020	64,157	25,789	10.66%	33.36%	\$ 30,174,506	\$ 19,625,554	65.06%	94.83%	\$ 470	\$ 761
MAY 2020	64,938	26,032	10.79%	32.75%	\$ 31,972,480	\$ 20,724,589	64.66%	94.48%	\$ 492	\$ 796
JUN 2020	62,617	25,942	10.38%	32.68%	\$ 31,839,742	\$ 20,848,692	65.67%	94.96%	\$ 508	\$ 804
JUL 2020	63,328	26,355	10.49%	33.44%	\$ 32,307,351	\$ 21,357,336	66.47%	95.18%	\$ 510	\$ 810
AUG 2020	63,371	26,671	10.50%	34.07%	\$ 32,160,808	\$ 21,661,563	67.93%	95.59%	\$ 508	\$ 812
SEP 2020	62,541	26,343	10.32%	33.88%	\$ 31,848,406	\$ 21,699,498	68.87%	95.78%	\$ 509	\$ 824
OCT 2020	65,457	26,534	10.78%	34.82%	\$ 32,131,575	\$ 22,045,854	69.54%	96.05%	\$ 491	\$ 831
NOV 2020	61,914	25,668	10.17%	34.03%	\$ 31,760,220	\$ 21,979,207	70.27%	96.31%	\$ 513	\$ 856
DEC 2020	65,360	25,427	10.71%	33.72%	\$ 32,411,887	\$ 22,121,921	68.62%	95.79%	\$ 496	\$ 870
JAN 2021	65,804	24,646	10.78%	32.32%	\$ 33,898,419	\$ 22,593,871	66.36%	95.13%	\$ 515	\$ 917
FEB 2021	68,453	24,582	11.20%	31.86%	\$ 36,662,211	\$ 23,254,769	62.97%	94.50%	\$ 536	\$ 946
MAR 2021	63,158	22,706	10.31%	29.01%	\$ 37,394,426	\$ 22,620,719	59.68%	93.41%	\$ 592	\$ 996
APR 2021	60,289	20,804	9.84%	26.27%	\$ 34,399,972	\$ 19,183,157	54.11%	91.39%	\$ 571	\$ 922
MAY 2021	60,769	20,073	9.95%	25.50%	\$ 29,932,492	\$ 16,294,407	52.78%	89.69%	\$ 493	\$ 812
JUN 2021	57,904	20,101	9.50%	25.58%	\$ 28,630,750	\$ 17,490,313	60.71%	91.70%	\$ 494	\$ 870
JUL 2021	56,503	20,462	9.29%	26.04%	\$ 28,271,498	\$ 18,721,856	67.41%	93.89%	\$ 500	\$ 915
AUG 2021	55,168	20,371	9.06%	25.98%	\$ 26,588,079	\$ 18,480,875	71.28%	94.64%	\$ 482	\$ 907
SEP 2021	52,850	19,155	8.66%	24.49%	\$ 24,429,755	\$ 17,193,816	72.73%	95.29%	\$ 462	\$ 898
OCT 2021	55,456	20,256	9.06%	25.78%	\$ 25,248,689	\$ 18,056,407	74.49%	96.29%	\$ 455	\$ 891
NOV 2021	54,781	20,541	8.90%	25.90%	\$ 25,130,373	\$ 18,307,184	74.91%	95.30%	\$ 459	\$ 891
DEC 2021	57,701	22,489	9.36%	28.06%	\$ 27,226,609	\$ 20,132,986	75.11%	94.50%	\$ 472	\$ 895
JAN 2022	61,267	24,170	9.91%	29.81%	\$ 30,998,681	\$ 22,260,918	72.14%	93.70%	\$ 506	\$ 921
FEB 2022	63,291	24,806	10.23%	29.69%	\$ 34,220,521	\$ 23,866,628	69.10%	92.55%	\$ 541	\$ 962
MAR 2022	68,439	26,100	11.04%	30.33%	\$ 39,686,285	\$ 26,301,342	65.37%	91.94%	\$ 580	\$ 1,008

UGI Utilities, Inc. - Gas Division  
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OCA-II-15

Request:

Please provide in Excel format the number of CAP participants as of the end of the month by month since October 2018 to present inclusive. In addition to providing the total number, provide this number disaggregated by Federal Poverty Level.

Response:

Please see Attachment OCA-II-15. The Company does not maintain the historic CAP participation levels disaggregated by Federal Poverty Level.

Prepared by or under the supervision of: Daniel V. Adamo

**UGI Utilities, Inc. - Gas Division**

**CAP PARTICIPANTS**

Oct-18	18,810	Oct-19	20,040	Oct-20	24,030	Oct-21	23,172
Nov-18	18,767	Nov-19	20,131	Nov-20	24,013	Nov-21	22,869
Dec-18	18,282	Dec-19	23,451	Dec-20	24,023	Dec-21	22,025
Jan-19	18,478	Jan-20	23,577	Jan-21	24,241	Jan-22	20,809
Feb-19	18,850	Feb-20	23,632	Feb-21	24,352	As of 2/14/2022	20,245
Mar-19	18,887	Mar-20	23,679	Mar-21	24,617		
Apr-19	19,122	Apr-20	23,729	Apr-21	24,617		
May-19	19,304	May-20	23,823	May-21	24,555		
Jun-19	19,490	Jun-20	23,838	Jun-21	24,164		
Jul-19	19,543	Jul-20	23,848	Jul-21	23,108		
Aug-19	19,702	Aug-20	24,025	Aug-21	23,656		
Sep-19	19,911	Sep-20	24,047	Sep-21	23,388		

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OCA-II-16

Request:

Please provide in Excel format the number of CAP exits, by reason for the exit, by month since October 2018 to present inclusive.

Response:

Please see Attachment OCA-II-16-1. This is a report filed in the 2020 UGI Gas Base Rate Case that compiled this data from Oct 2017 thru February 2020. The previous file name was Attachment OCA-III-36. This file is available in PDF only.

Please see Attachment OCA-II-16-2. This is a new report detailing the data from March of 2020 to present.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc.  
CAP Exits

<i>Reason Removed</i>	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Inactive - Removed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inactive - Left Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inactive - Shut Off/Nonpayment	0	0	0	0	497	22	20	36	15	7	103	188	62	42	30	9	12	0	0	0	0	0	0	0	0	0	0	0	0
Inactive - Moved	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inactive - Over Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inactive - No Benefit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inactive - Graduated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Failure to recertify	0	3	2	2	4	0	4	2	4	6	5	28	5	8	4	9	0	59	2	10	19	38	34	6	24	81	65	89	84
Removed - Failure to reduce usage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	24	0	0	7	0	0	0	0	0
Removed - Failure to apply for LIHEAP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Failure to apply for LIURP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Non payment	0	0	6	26	4	1	6	2	5	1	3	0	2	3	26	5	0	2	0	138	16	11	37	3	13	5	3	5	0
Removed - No access to meter	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Unauthorized usage	0	1	0	0	0	0	0	0	1	0	0	0	1	0	2	1	0	0	0	0	2	1	1	0	1	0	0	2	0
Removed - Fraud	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	1	0	0	0	0
Removed - Bankruptcy	0	1	0	0	1	2	2	1	3	2	2	1	1	1	1	0	0	1	1	0	2	0	2	2	1	0	1	2	0
Removed - Customer moved	109	261	399	184	221	227	188	223	221	245	276	294	264	322	320	196	152	322	210	266	387	324	415	327	278	322	286	389	391
Removed - Deceased	0	1	0	1	1	4	1	5	4	4	8	8	1	4	4	2	2	2	4	3	12	3	2	5	4	6	6	3	7
Removed - Seasonal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - No Benefit	11	43	25	10	3	4	8	10	6	3	11	10	36	170	9	3	2	0	0	8	3	6	7	5	5	2	50	52	4
Removed-Choose P/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25	27	10	18	47	31	71	39	16	1	3	
Removed - Active collections	0	0	0	0	0	1	3	2	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Over income	14	6	4	6	1	13	19	19	30	24	23	21	33	24	13	16	17	33	34	21	19	21	28	24	26	25	19	32	21
Removed - Head of household not residing in the home	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	1	2	2	1	1	0	1	0	0
Removed - Invalid customer class - Health care facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	0	0
Removed - Invalid customer class - Foreign load	1	0	1	1	0	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Invalid customer class - Rate payer occupant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
Removed - Invalid customer class - Landlord Tenant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Invalid customer class - Pool Heater	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Invalid customer class - Commercial Property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Removed - Invalid customer class - Customer Choice	0	0	0	0	2	0	1	1	0	0	0	1	0	0	1	0	0	0	0	4	0	0	0	0	0	0	0	0	0
Total	135	317	437	230	734	274	253	302	290	293	431	551	406	574	411	242	188	419	276	479	493	426	573	412	426	481	447	574	512

UGI Utilities, Inc. - Gas Division  
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OCA-II-17

Request:

Please provide by year for the years 2018 to present inclusive:

- a. Average number of confirmed low-income customers.
- b. Average number of estimated low-income customers.

Response:

a. CONFIRMED LOW INCOME CUSTOMERS

2018	66,094
2019	74,493
2020	77,553
2021	78,450
2022*	81,081

\* As of 1/31/22

b. ESTIMATED LOW INCOME CUSTOMERS

2018	159,649
2019	153,971
2020	151,918
2021	153,437

Prepared by or under the supervision of: Daniel V. Adamo



UGI Utilities, Inc. - Gas Division  
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UGI Gas 2022 Base Rate Case  
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Delivered on March 2, 2022

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OCA-II-18

Request:

Please provide in Excel format a list of each:

- a. Community served by the Company.
- b. Zip code served by the Company.

Response:

Please see Attachments OCA-II-18-a and OCA-II-18-b.

Prepared by or under the supervision of: Daniel V. Adamo

UGI Utilities, Inc. - Gas Division  
Docket No. R-2021-3030218  
UGI Gas 2022 Base Rate Case  
Responses to OCA Set VI (1 thru 6)  
Delivered on March 10, 2022

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OCA-VI-3

Request:

Reference UGI Statement No. 11, page 9, lines 6 through 9. For the past three years, please identify and quantify the erratic financial results experienced by the Company due to colder and warmer than normal weather.

Response:

UGI Gas margin for the 2019, 2020 and 2021 fiscal periods were \$515.9 million, \$530.2 million and \$553.5 million respectively. New base rates were the driver of the higher margin in 2020 and 2021 resulting from filings under PA Docket Nos. R-2018-3006814 and R-2019-3015162 but it should be noted actual margin for 2020 and 2021 fell approximately \$26 million and \$19 million short of expected margin when compared to the approved total revenues pursuant to the Company's filed Proof of Revenues, which are based on normal weather, provided in those cases. The primary driver of variances was weather. Weather, as measured in heating degree days, for 2019, 2020 and 2021 fiscal periods were 3%, 9% and 9% warmer than normal, respectively. Additional historical heating degree data can be found in SDR-RR-11(a).

Prepared by or under the supervision of: John D. Taylor

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3030218
	:	
UGI Utilities, Inc. - Gas Division	:	

REBUTTAL TESTIMONY OF HARRY S. GELLER, ESQ.

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND  
ENERGY EFFICIENCY IN PENNSYLVANIA (“CAUSE-PA”)

May 17, 2022

1                                   **PREPARED REBUTTAL TESTIMONY OF HARRY GELLER**

2   **Q:     Please state your name, occupation, and business address.**

3   A.     My name is Harry S. Geller. I am an attorney. I am retired as the Executive Director of the  
4   Pennsylvania Utility Law Project (PULP), but have maintained an office at 118 Locust Street,  
5   Harrisburg, PA 17101 for the purpose of providing consulting services and assistance to low  
6   income individuals and the organizations which represent them in utility and energy matters.

7   **Q:     Did you previously submit testimony in this proceeding?**

8   A:     Yes. I submitted direct testimony pre-marked as CAUSE-PA Statement 1 on behalf of the  
9   Coalition for Affordability Utility Services and Energy Efficiency in Pennsylvania (CAUSE-  
10   PA).

11   **Q:     What is the purpose of your rebuttal testimony?**

12   A:     My rebuttal testimony responds to the direct testimony of the Office of Consumer  
13   Advocate’s expert witness, Mr. Roger Colton.<sup>1</sup> In Mr. Colton’s direct testimony he makes several  
14   recommendations about much needed improvements to UGI’s low income programs and customer  
15   service, many of which I agree with and support; however, I wish to voice some concerns and  
16   clarifications regarding some of Mr. Colton’s recommendations. The specific recommendations  
17   made by Mr. Colton that I wish to address in my rebuttal testimony are his recommendations that  
18   UGI: (1) screen customers converting to natural gas in order to identify Confirmed Low Income  
19   customers for CAP enrollment and to provide LIURP investments to Confirmed Low Income  
20   customers as part of the process of converting those customers to natural gas, (2) expand its

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<sup>1</sup> OCA St. 4.

1 existing LIURP spending by \$1.425 million per year, and (3) establish measurable outcome  
2 objectives based on the performance of Pennsylvania Natural Gas utilities as a whole.

3 My rebuttal testimony is not intended to address every issue raised or otherwise discussed  
4 in the direct testimonies submitted by expert witnesses in this proceeding. Absence of a response  
5 to any specific recommendation or position of any witness does not indicate my agreement.  
6 Unless required for the context of providing further response to direct testimony, I will not  
7 reiterate the extensive agreements and evidence that I provided in my direct testimony. To the  
8 extent that an argument raised by any party is already sufficiently addressed in by direct  
9 testimony, I do not intend to respond, and stand on the evaluations, analyses, and  
10 recommendations contained in my direct testimony.

11 **Q: Please summarize Mr. Colton's recommendation that UGI screen customers**  
12 **converting to natural gas in order to identify Confirmed Low Income customers and for CAP**  
13 **enrollment?**

14 A: In Mr. Colton's direct testimony, he raises universal service issues related to UGI's process  
15 for converting consumers to natural gas service.<sup>2</sup> He points out that UGI Gas has converted nearly  
16 30,000 customers in the past five years with 354 of those accounts being identified as confirmed  
17 low income customers, about half of which (168 accounts) were CAP participants.<sup>3</sup> However, he  
18 notes that UGI is only able to track the original customers who are active in the Customer  
19 Information System and remain at the converted premise; thus, these numbers likely understate  
20 the number of low income customers that UGI converted to natural gas during this time due to the

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<sup>2</sup> OCA St. 4 at 15-23.

<sup>3</sup> Id. at 16.

1 high mobility rate of low income consumers and the fact that UGI only has only confirmed the  
2 low income status of a small fraction of its estimated low income customers.<sup>4</sup>

3 Mr. Colton further notes that, despite the historically low cost of natural gas service relative  
4 to deliverable fuels, without help, low income customers of UGI Gas often cannot pay their full  
5 UGI Gas home heating costs and that the addition of these struggling low income accounts without  
6 providing them necessary assistance likely imposes additional costs on other ratepayers.<sup>5</sup> To that  
7 end, he recommends that UGI Gas be directed to screen customers who the Company assists in  
8 their conversion to natural gas to identify those converted customers as Confirmed Low Income  
9 customers and to enroll those customers in CAP where appropriate.<sup>6</sup>

10 **Q: What is your response to this recommendation?**

11 A: I support Mr. Colton’s recommendation and agree that screening gas conversion customers  
12 for CAP will help ensure that these customers can afford service and reduce uncollectible costs  
13 passed on to other customers. However, screening gas conversion customers for CAP enrollment  
14 will not address the low CAP participation numbers for UGI’s existing low income customers that  
15 I explained my direct testimony.<sup>7</sup> Thus, the Commission should direct UGI to adopt both Mr.  
16 Colton’s recommended CAP screening processes for gas conversion customers as well as my  
17 recommended CAP screening and referral processes for existing customers to help ensure that UGI  
18 achieves an adequate level of CAP enrollment to address both the existing need in its service  
19 territory and the additional need created by gas conversion.

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<sup>4</sup> Id.

<sup>5</sup> Id.

<sup>6</sup> Id. at 20.

<sup>7</sup> CAUSE-PA St. 1 at 20-21.

1           In my direct testimony I explained that less than a third of UGI’s confirmed low income  
2 customers are enrolled in CAP and that UGI has had a consistently lower CAP participation rate  
3 compared to the industry average.<sup>8</sup> I further explained that UGI’s total CAP enrollment declined  
4 over 16% when the Company resumed removing customers for failure to recertify after halting  
5 that practice due to COVID-19 concerns.<sup>9</sup> I recommended that UGI implement a process for  
6 simplified enrollment in CAP for non-CAP Low Income Home Energy Assistance Program  
7 (LIHEAP) recipients, inquire about the household income level of all customers seeking payment  
8 arrangements and provide a “warm transfer” for all potentially eligible customers to apply for CAP  
9 and other universal service programs, and conduct outreach to all customers who have been  
10 removed from CAP for failure to recertify since the expiration of the Commission’s Emergency  
11 COVID-19 Order.

12           UGI must both address its problem with low CAP participation among currently identified  
13 low income customers, as well as address the problems identified by Mr. Colton with identifying  
14 and enrolling low income customers in the process of converting to gas. Thus, the Commission  
15 should order UGI to adopt both my recommendation to bolster CAP enrollment among UGI’s  
16 existing customers and Mr. Colton’s recommendations about increasing CAP enrollment among  
17 low income customers converting to gas service.

18 **Q: Please summarize Mr. Colton’s recommendation that UGI expand its LIURP**  
19 **spending?**

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<sup>8</sup> Id. at 20-21.

<sup>9</sup> Id. St. 1 at 14, 21.

1 A: Mr. Colton recommends an additional, incremental component to its LIURP program that  
2 would provide LIURP investments to low income customers identified as part of the process of  
3 converting customers to natural gas and an expansion of UGI's existing LIURP budget.

4 Regarding the new incremental LIURP component for gas expansion customers, Mr.  
5 Colton explains that, in converting low income households from other fuels to natural gas, it should  
6 be the responsibility of UGI Gas to take reasonable steps to help control the added costs of those  
7 conversions to other residential ratepayers.<sup>10</sup> Mr. Colton recommends that UGI seek to ensure  
8 efficient natural gas usage through expanded energy efficiency and conservation.<sup>11</sup> He  
9 recommends that UGI add a new incremental component to its Low Income Usage Reduction  
10 Program (LIURP) through which it will provide LIURP investments to Confirmed Low Income  
11 customers as part of the process of converting those customers to natural gas, with a budget of  
12 \$524,450.<sup>12</sup>

13 Mr. Colton also recommends that UGI Gas undertake efforts to protect an expanded  
14 number of low income households through its LIURP due to the expanded hardships which UGI  
15 Gas will impose on its low income customers due to its rate proposal in this proceeding.<sup>13</sup> He  
16 explains that the primary way to redress the hardships which UGI's proposed rate increase will  
17 impose on the Company's low income customers is to undertake expanded efforts to make the  
18 housing of its low income customers as energy efficient as possible.<sup>14</sup> He recommends that UGI  
19 expand its LIURP program to reach 40% of confirmed low income households with usage over

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<sup>10</sup> Id. at 19

<sup>11</sup> Id. at 20.

<sup>12</sup> Id.

<sup>13</sup> OCA St. 4 at 40.

<sup>14</sup> Id.



1 151 CCF or more within the next ten years.<sup>15</sup> To achieve this goal, he recommends that UGI  
2 expand its annual LIURP budget by \$1.425 million.<sup>16</sup>

3 **Q: What is your response to Mr. Colton’s recommendations regarding expanding UGI’s**  
4 **LIURP program?**

5 A: I agree that the additional LIURP measures and funding proposed by Mr. Colton are  
6 necessary to offset the increased hardships that will be caused by UGI’s proposed rate increase  
7 and to help reduce the additional cost to UGI customers from gas conversion customers. In my  
8 direct testimony, I recommended that UGI increase its LIURP budget by ***at least*** a percentage  
9 equal to the percentage increase of any approved residential rate increase.<sup>17</sup> After reviewing Mr.  
10 Colton’s testimony, I believe that the additional \$1.425 million LIURP increase recommended by  
11 Mr. Colton is necessary to adequately address need for energy efficiency measures among high  
12 usage, low income customers in light of UGI’s proposed rate increase. UGI’s LIURP is a critical  
13 universal service program designed to improve bill affordability, and that UGI’s average bill  
14 savings per LIURP job was 20-25%.<sup>18</sup> However, the program is not operating at a rate sufficient  
15 to fulfill the estimated need for comprehensive usage reduction services within a reasonable  
16 amount of time. At UGI’s current rate of production, it would take between 25-40 years for UGI  
17 to serve all eligible households in need of LIURP services.<sup>19</sup> Expanding UGI’s LIURP budget by  
18 the \$1.425 million recommended by Mr. Colton will substantially increase the rate at which UGI  
19 can provide LIURP services to serve the existing need in its service territory.

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<sup>15</sup> Id. at 40-41.

<sup>16</sup> Id. at 41.

<sup>17</sup> CAUSE-PA St. 1 at 29.

<sup>18</sup> Id. at 26.

<sup>19</sup> Id. at 27.

1 I also agree that Mr. Colton’s recommended \$524,450 incremental LIURP investments to  
2 low income customers identified as part of the process of converting customers to natural gas is  
3 necessary to both help low income gas conversion customers to afford service and to mitigate the  
4 potential impact of these customers struggles to afford service could have on existing customers.  
5 I also agree with Mr. Colton that this amount should be added on top of UGI’s existing LIURP  
6 budget because the existing funds are necessary to serve the existing need in UGI’s service  
7 territory.<sup>20</sup>

8 **Q: Please summarize Mr. Colton’s recommendation about establishing measurable**  
9 **outcomes for its universal service performance.**

10 A: Mr. Colton voices many concerns similar to those raised in my direct testimony about  
11 UGI’s need to better identify confirmed low income customers and enroll them in CAP and to  
12 have customers remain in CAP once enrolled.<sup>21</sup> Mr. Colton recommends the Commission  
13 establish three measurable Outcome Objectives that UGI Gas should seek to accomplish with  
14 respect to CAP.<sup>22</sup>

15 The Outcome Objectives he recommends are:

- 16 1. UGI Gas should achieve a Confirmed Low Income identification rate, as a percentage of  
17 estimated low income customers, no less than the Confirmed Low Income identification  
18 rate of Pennsylvania natural gas utilities as a whole (excluding the UGI Gas companies).

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<sup>20</sup> Id. at 21.

<sup>21</sup> See OCA St. 4 at 27-31; See also CAUSE-PA St. 1 at 20-21.

<sup>22</sup> OCA St. 4 at 5.

- 1           2. UGI Gas should achieve a CAP participation rate, as a percentage of Confirmed Low  
2           Income customers, no less than the CAP participation rate of Pennsylvania natural gas  
3           utilities as a whole (excluding the UGI Gas companies).
- 4           3. UGI Gas should achieve a CAP default rate as a percentage of participants in the lowest  
5           poverty level range that is no less than the CAP default rate in that poverty level range for  
6           Pennsylvania gas utilities as a whole.<sup>23</sup>

7           Mr. Colton indicates that he would not recommend a system of rewards or penalties at this time  
8           but reserves the right to propose a system of penalties or rewards in a future rate case.<sup>24</sup>

9           **Q:     What is your response to these recommended measurable outcomes?**

10          A:     I support Mr. Colton’s general idea to quantify established outcomes in CAP enrollment  
11          and retention. However, while it is concerning that UGI’s identification of confirmed low income  
12          customers and CAP participation rates fall well below the industry standards for Pennsylvania  
13          natural gas utilities,<sup>25</sup> I do not believe that basing the measurable outcomes on the industry average  
14          statistics reported by other utilities is the appropriate metric against which to measure UGI’s  
15          performance. The Public Utility Code requires that universal service programs are appropriately  
16          funded and available to meet the need for such services in the utility’s service territory.<sup>26</sup> Nothing  
17          under the Code nor Commission regulations indicate that anything less than appropriate funding  
18          to fully meet low income needs is appropriate.

19                 I believe that the success in identifying confirmed low income customers should be  
20          measured against full identification of all estimated low income customers and CAP enrollment

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<sup>23</sup> Id.

<sup>24</sup> Id. at 26.

<sup>25</sup> CAUSE-PA St. 1 at 20-21; OCA St. 4 at 27-31.

<sup>26</sup> 66 Pa. C.S. § 2203(8).

1 should be measured against full enrollment of all confirmed low income customers. Any future  
2 penalty or rewards based on UGI's success in achieving these goals over time should be measured  
3 in percentage point increments as the Company progresses toward full identification and  
4 enrollment of all low income customers.

5 **Q: Does this conclude your direct testimony?**

6 A: Yes.

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3030218
	:	
UGI Utilities, Inc. - Gas Division	:	

SURREBUTTAL TESTIMONY OF HARRY S. GELLER, ESQ.

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND  
ENERGY EFFICIENCY IN PENNSYLVANIA (“CAUSE-PA”)

May 27, 2022

1           **PREPARED SURREBUTTAL TESTIMONY OF HARRY S. GELLER, ESQ.**

2   **Q:     Please state your name, occupation, and business address.**

3   A.     My name is Harry S. Geller. I am an attorney. I am retired as the Executive Director of the  
4   Pennsylvania Utility Law Project (PULP), but have maintained an office at 118 Locust Street,  
5   Harrisburg, PA 17101 for the purpose of providing consulting services and assistance to low  
6   income individuals and the organizations which represent them in utility and energy matters.

7   **Q:     Did you previously submit testimony in this proceeding?**

8   A:     Yes. I submitted direct testimony and rebuttal testimony pre-marked as CAUSE-PA  
9   Statement 1 and CAUSE-PA Statement 1-R on behalf of the Coalition for Affordability Utility  
10  Services and Energy Efficiency in Pennsylvania (CAUSE-PA).

11 **Q:     What is the purpose of your surrebuttal testimony?**

12 A:     My surrebuttal testimony responds to the rebuttal testimony of UGI witnesses Sherry A.  
13 Epler,<sup>1</sup> Constance E. Heppenstall,<sup>2</sup> John D. Taylor,<sup>3</sup> and Daniel V. Adamo;<sup>4</sup> and Bureau of  
14 Investigation and Enforcement (I&E) witness Zachari Walker.<sup>5</sup> My surrebuttal testimony is not  
15 intended to address every issue raised or otherwise discussed by these or other witnesses in  
16 rebuttal. Absence of response to any specific recommendation or position of any witness does not  
17 indicate my agreement. Unless required for context in providing a further response to rebuttal  
18 testimony, I will not reiterate the extensive arguments and evidence that I provided in my direct  
19 and rebuttal testimony. To the extent an argument raised by any party in rebuttal was already

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<sup>1</sup> UGI St. 8-R

<sup>2</sup> UGI St. 10-R.

<sup>3</sup> UGI St. 11-R.

<sup>4</sup> UGI St. 12-R.

<sup>5</sup> I&E St. 1-R.

1 sufficiently addressed in direct, I do not intend to respond, and stand firmly on the evaluation,  
2 analysis, and recommendations contained in my direct testimony.

3 **Q: How is your surrebuttal testimony organized?**

4 A: I will begin by responding to the rebuttal testimony of UGI witness Adamo and I&E  
5 witness Walker regarding the Company’s universal service programs. I will then respond to the  
6 rebuttal testimony of UGI witnesses Eppler and Adamo regarding my recommendation that the  
7 Company cease charging late fees and reconnection fees to confirmed low income customers.  
8 Finally, I will respond to UGI witnesses Eppler, Happenstal, and Taylor regarding the Company’s  
9 proposal to increase its residential fixed customer charge.

10 **I. UNIVERSAL SERVICE PROGRAMS**

11 *a. Low Income Usage Reduction Program*

12 **Q: Did you make recommendations in your direct testimony regarding UGI’s Low**  
13 **Income Usage Reduction Program (LIURP)?**

14 A: Yes. In my direct testimony I explained that UGI’s LIURP is a critical program that helps  
15 low income customers reduce energy usage, thus improving bill affordability and, in turn, helping  
16 to reduce associated arrearages and terminations.<sup>6</sup> However, I further explained that despite the  
17 program’s value and impressive results, UGI’s LIURP is not operating at a rate sufficient to fulfill  
18 the demonstrated need within a reasonable amount of time.<sup>7</sup> As such I recommended that UGI  
19 increase its LIURP budget by an amount at least proportional to the percentage residential bill  
20 increase in this case.<sup>8</sup>

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<sup>6</sup> CAUSE-PA St. 1 at 26.

<sup>7</sup> Id.

<sup>8</sup> Id.

1 **Q: Please briefly summarize the testimony regarding the Company’s LIURP to which**  
2 **you wish to respond.**

3 A: UGI witness Adamo argues that the LIURP regulations set forth factors to be considered  
4 when revising a utility’s LIURP funding and that none of the parties in this proceeding have  
5 testified to any of those factors.<sup>9</sup> Also, both UGI witness Adamo and I&E witness Walker argue  
6 that it is not appropriate to increase LIURP funding through this proceeding because the LIURP  
7 budget was approved in the Company’s most recent USECP proceeding.<sup>10</sup> Mr. Walker also points  
8 out that I made a miscalculation regarding UGI’s current LIURP budget.<sup>11</sup>

9 **Q: How do you respond to Mr. Walker’s assertion that you made a calculation error**  
10 **regarding the Company’s LIURP budget?**

11 A: Mr. Walker is correct. In my direct testimony, I recommended that the Company increase  
12 its LIURP budget by a percentage at least equal to the percentage of any residential bill increase  
13 approved in this proceeding.<sup>12</sup> I provided an example based on the Company’s proposed increase  
14 of 9.5% to the bill of a residential customer with average usage.<sup>13</sup> However, in my example, I only  
15 included the LIURP budget for UGI’s former North and South divisions and failed to account for  
16 the LIURP budget attributable to the Central division. So, Mr. Walker is correct, that my example  
17 should have been based on a total LIURP budget of \$3,714,350, and the 9.5% an increase should  
18 have resulted in a budget of \$352,863. However, I did subsequently, in rebuttal, adjust my LIURP  
19 budget recommendation based on the testimony and recommendation of OCA witness Colton.

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<sup>9</sup> UGI St. 12-R at 29-30.

<sup>10</sup> Id. at 30-31; I&E St. 1-R at 4.

<sup>11</sup> I&E St. 1 at 5.

<sup>12</sup> CAUSE-PA St. 1 at 29.

<sup>13</sup> Id.



1 **Q: What adjustments did you make to this recommendation in your rebuttal testimony?**

2 A: After reviewing the testimony of OCA witness Roger Colton,<sup>14</sup> I agreed with Mr. Colton  
3 that the additional \$1.425 million LIURP increase recommended by Mr. Colton is necessary to  
4 adequately address the need for energy efficiency measures among high usage, low income  
5 customers in light of UGI's proposed rate increase.<sup>15</sup>

6 **Q: What are the LIURP funding factors that witness Adamo claims were not addressed**  
7 **by the parties?**

8 A: Mr. Adamo states that no parties addressed the factors to be considered regarding LIURP  
9 funding, as set forth in 52 Pa. Code § 58.4(c).<sup>16</sup> Those factors are:

10 (c) Guidelines for revising program funding. A revision to a covered utility's  
11 program funding level is to be computed based upon factors listed in this section.  
12 These factors are the following:

13 (1) The number of eligible customers that could be provided cost-effective  
14 usage reduction services. The calculation shall take into consideration the  
15 number of customer dwellings that have already received, or are not  
16 otherwise in need of, usage reduction services.

17 (2) Expected customer participation rates for eligible customers. Expected  
18 participation rates shall be based on historical participation rates when  
19 customers have been solicited through approved personal contact methods.

20 (3) The total expense of providing usage reduction services, including costs  
21 of program measures, conservation education expenses and prorated  
22 expenses for program administration.

23 (4) A plan for providing program services within a reasonable period of  
24 time, with consideration given to the contractor capacity necessary for  
25 provision of services and the impact on utility rates.

26 **Q: Did you address these factors in your direct testimony?**

27 A: Yes. I addressed all of these factors in my direct testimony.

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<sup>14</sup> OCA St. 4 at 40-41.

<sup>15</sup> CAUSE-PA St. 1 at 6-7.

<sup>16</sup> UGI St. 12-R at 29-30.

1 (1) Regarding the number of eligible customers, I cited to UGI’s most recent needs assessment,  
2 which indicates that, based on the number of customer dwellings that have already  
3 received, or are not otherwise in need of, usage reduction services, “In UGI’s former South  
4 District, it would take 25 years to serve estimated need; while in UGI’s former North  
5 District, it would take an estimated 40 years to serve those in need.”<sup>17</sup>

6 (2) Regarding the expected participation rates, I pointed out that, “In 2021, LIURP services  
7 were provided to just 378 households across its service territory.”<sup>18</sup>

8 (3) Regarding the total expense of providing LIURP services, I explained that, “The  
9 Company’s current total LIURP budget is \$3,705,350. Thus, if UGI’s rates were approved  
10 as proposed, UGI’s LIURP budget should be increased, at a minimum, by 9.5% or  
11 \$352,008 – distributed proportionately according to the existing need in UGI’s former  
12 North, South, and Central rate districts.”<sup>19</sup>

13 (4) Regarding a plan for providing program services within a reasonable period of time, I  
14 explained that I further explained that, it will take between 25-40 years for UGI to serve  
15 identified needs across its service territory,<sup>20</sup> and that “UGI’s LIURP is not operating at a  
16 rate sufficient to fulfill the estimated need for comprehensive usage reduction services  
17 within a reasonable amount of time.”<sup>21</sup>

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<sup>17</sup> CAUSE-PA St. 1 at 27.  
<sup>18</sup> Id. at 26-27.  
<sup>19</sup> Id. at 29.  
<sup>20</sup> Id. at 27.  
<sup>21</sup> Id. at 26.

1   **Q:     How do you respond to UGI witness Adamo’s and I&E witness Walker’s assertions**  
2   **that it is not appropriate to increase LIURP funding through this proceeding because the**  
3   **LIURP budget was approved in the Company’s most recent USECP proceeding.**

4   A:     I disagree. It is both appropriate and relevant for a utility and the Commission to examine  
5   the Company’s LIURP budget in the context of a proposed rate increase in order to help mitigate  
6   the impact of the proposed increase on its low income customers. UGI is proposing to substantially  
7   increase residential rates through this proceeding, and if approved, the proposed rate increase will  
8   exacerbate existing levels of unaffordability for UGI’s low income, high usage customers, causing  
9   additional need for LIURP services to help mitigate the bill impacts and prevent additional  
10  arrearsages and terminations. It is common for LIURP budgets to be adjusted in rate cases in order  
11  to help mitigate the impact of the rate increases on low income, high usage customers and help  
12  prevent increased arrearsages and terminations associated with the residential bill increase.

13         As I explained in my direct testimony, low income customers already suffer  
14  disproportionate energy burdens and struggle to pay their UGI bills and often make impossible  
15  trade-offs to stay connected to service.<sup>22</sup> If the Commission approves any rate increase in this  
16  proceeding, an adjustment to UGI’s LIURP budget will be needed to help mitigate the substantial  
17  financial impact on UGI’s most vulnerable customers.

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<sup>22</sup> CAUSE-PA St. 1 at 9-10.

1                    *b. Operation Share*

2    **Q:     Did you make recommendations in your direct testimony regarding UGI’s Hardship**  
3 **Fund (Operation Share)?**

4    A:     Yes. In my direct testimony, I explained that UGI’s low income termination rates have  
5 increased significantly since the expiration of COVID-19 emergency measures.<sup>23</sup> I further  
6 explained that these high termination rates amongst confirmed low income and CAP customers  
7 demonstrates there is need for substantial improvements in UGI’s Operation Share Program.<sup>24</sup> To  
8 that end, I recommended that UGI increase its Operation Share budget and increase the maximum  
9 grant amounts available to low income customers at risk of termination.<sup>25</sup>

10 **Q:     Please briefly summarize the testimony regarding Operation Share to which you wish**  
11 **to respond.**

12    A:     UGI witness Adamo argues that a funding increase for Operation Share is not necessary  
13 because the Company has already supplemented funding to the program over the past few years  
14 due to the COVID-19 pandemic and because federal programs, such as Emergency Rental  
15 Assistance Program (ERAP) and Pennsylvania Homeowner Assistance Fund (PAHAF), and the  
16 Low Income Home Energy Assistance Program (LIHEAP), support low income customers.<sup>26</sup> He  
17 also argues that increasing the maximum grant amount for customers would reduce the number of  
18 customers who are able to take advantage of the program’s funding due to the proposed higher  
19 grant levels.<sup>27</sup>

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<sup>23</sup> Id. at 14-17.  
<sup>24</sup> CAUSE-PA St. 1 at 30.  
<sup>25</sup> Id. at 30-32.  
<sup>26</sup> UGI St. 12-R at 33.  
<sup>27</sup> Id.

1   **Q:     How do you respond to UGI witness Adamo’s argument that additional Operation**  
2   **Share funds are not necessary?**

3   A:     I recognize that the Company has increased Operation Share funds over the past few years  
4   due to the unprecedented need caused by the COVID-19 pandemic; however, more is needed to  
5   help reduce low income termination rates in UGI’s service territory. As I explained in my direct  
6   testimony, despite the availability of these additional Operation Share funds and the increase in  
7   the number of grants awarded, UGI low income customers still experienced a disproportionate  
8   increase in termination rates – clear evidence of existing unaffordability.<sup>28</sup> I further explained:

9           In 2021, UGI’s confirmed low income termination rate was more than double its  
10          2019 rate and its CAP termination rate was more than triple 2019 levels, while  
11          UGI’s general residential termination rate remained in line with 2019 levels. At  
12          the end of the 2021-2022 winter moratorium, 7% of confirmed low income  
13          customers and 23% of CAP customers were at risk of termination, compared to  
14          only 5% of residential customers as a group. **This disproportionate increase in**  
15          **low income termination rates occurred despite the fact that the Operation**  
16          **Share program was carrying a significantly increased budget throughout**  
17          **2021.**<sup>29</sup>

18   Moreover, ERAP and PAHAF are only temporary programs and will not be available to help offset  
19   the impact of this rate increase. These emergency relief programs are time-limited, and some have  
20   already run out of funds or will soon close to new applicants.<sup>30</sup> Additional Operation Share  
21   funding is needed to reduce UGI’s disproportionately high low income termination rates.

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<sup>28</sup> CAUSE-PA St. 1 at 30.

<sup>29</sup> *Id.* (emphasis added).

<sup>30</sup> See Pa. Department of Human Services, Emergency Rental Program (ERAP) Instructions and Requirements,  
March 2021, available at:

<https://www.dhs.pa.gov/ERAP/Documents/ERAP%20I%20R%20Revised%20December%202021.pdf> ;

See also Pa. Housing Finance Agency, Pa. Homeowner Assistance Fund Program Plan, October 2021, available at:  
<https://www.phfa.org/forms/haf/pahaf-plan.pdf> .

1    **Q:     How do you respond to UGI witness Adamo’s argument that increasing the grant**  
2    **amount will reduce the number of customers able to access grants?**

3    A:     I stand by my recommendation that increased grant amounts are needed to curb  
4    disproportionately high low income termination rates in UGI’s service territory.<sup>31</sup> The documented  
5    increase in UGI’s low income termination rates shows that additional assistance is needed to offset  
6    the financial impact of UGI’s rate increase and keep low income customers connected to service.  
7    Increasing the Operation Share budget as recommended in my direct testimony, as well as that of  
8    OCA witness Colton and CEO witness Brady, will help ensure that funds are available to  
9    customers, in crisis, who need them.

10                   ***c. OCA Recommended Measurable Outcomes***

11   **Q:     Are there other issues regarding low income customer service that you wish to**  
12   **address?**

13   A:     Yes. In his direct testimony, OCA witness Roger Colton recommended that UGI adopt  
14   several measurable outcomes in an effort to improve the Company’s performance identifying  
15   confirmed low income customers, enrolling them in CAP, and keeping them in the program once  
16   enrolled.<sup>32</sup> In my rebuttal testimony, I voiced support for Mr. Colton’s recommendations and  
17   suggested some clarifications.<sup>33</sup>

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<sup>31</sup> CAUSE-PA St. 1 at 30-31.

<sup>32</sup> OCA St. 4 at 5.

<sup>33</sup> CAUSE-PA St. 1-R at 7-9.

1 **Q: Is there testimony from the Company about this subject to which you wish to**  
2 **respond?**

3 A: Yes. UGI witness Adamo argues that there is not enough time to investigate and evaluate  
4 proposals related to the Company's universal service programs in the context of this base rate  
5 case.<sup>34</sup> He argues that these changes should be considered in the context of UGI's next Universal  
6 Service and Energy Conservation Plan (USECP).<sup>35</sup>

7 **Q: What is your response?**

8 A: Mr. Colton's recommended measurable outcomes are not necessarily related to making  
9 changes to the Company's universal service programs but are instead focused on ensuring that the  
10 Company be required to improve its customer service to low income customers.<sup>36</sup> All of these  
11 metrics are customer service metrics, necessary to assess UGI's operations, management  
12 efficiencies, and quality of service. These customer service issues are squarely within the bounds  
13 of the current rate case. Further, the Company's universal service rider, uncollectible expenses,  
14 and terminations are all tied to the performance of its universal service programs. The Choice Act  
15 requires that universal service programs are appropriately funded and available and operated in a  
16 cost-effective manner.<sup>37</sup> The Choice Act also requires that the Commission, *at a minimum*,  
17 continue the level and nature of the consumers protections, policies and services to assist low  
18 income retail gas customers to afford natural gas services.<sup>38</sup>

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<sup>34</sup> UGI St. 12-R at 10.

<sup>35</sup> Id.

<sup>36</sup> OCA St. 4 at 5.

<sup>37</sup> 66 Pa. C.S. §2203(8).

<sup>38</sup> 66 Pa. C.S. §2203(7).

1           Despite Mr. Adamo’s claim that there is not enough time to evaluate these  
2 recommendations in the context of a rate case, universal service programming has a direct impact  
3 on rates for participants and other ratepayer and must not be divorced from base rate proceedings,  
4 which provide a more appropriate level of due process review. USECP proceedings only provide  
5 a limited ability for noncompany parties to evaluate the level and nature of the consumer  
6 protections, policies and services to assist low income customers. Unlike a rate case, where parties  
7 are able to engage in a factual inquiry into a utility’s provision of service to all consumers through  
8 discovery and submit sworn expert testimony before an Administrative Law Judge, a USECP  
9 offers only a brief comment and reply comment period with no opportunity for formal discovery  
10 or to be heard by an Administrative Law Judge. As such, this rate case is an appropriate venue for  
11 the evaluation of the customer service and collections metrics proposed by Mr. Colton, as well as  
12 the program modifications which I proposed in my direct testimony.

13           **II.     LATE FEES AND RECONNECTION FEES**

14           **Q:     Did you make recommendations in your direct testimony regarding UGI’s late fees**  
15 **and reconnection fees?**

16           A:     Yes. In my direct testimony I explained that late fees function as a punitive measure for  
17 low income customers by punishing them for their inability to afford their bills and add additional  
18 costs that contribute to the disproportionately high rate of low income terminations.<sup>39</sup> I further  
19 explained that these regressive charges disproportionately impact low income Black and Hispanic  
20 households, families with young children, and medically vulnerable households.<sup>40</sup> I also explained  
21 that the combination of UGI’s late fees and reconnection fees raise additional barriers to the ability

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<sup>39</sup> CAUSE-PA St. 1 at 38.

<sup>40</sup> Id.



1 of low income households to reconnect to service, which increases the public safety risks  
2 associated with termination of natural gas service.<sup>41</sup> As such, I recommended that UGI stop  
3 charging late fees and reconnection fees to low income customers.<sup>42</sup>

4 **Q: Please briefly summarize the testimony regarding the Company’s late fees and**  
5 **reconnection fees to which you wish to respond.**

6 A: UGI witness Adamo states that he partially agrees with my position and indicates that  
7 confirmed low income customers who receive LIHEAP crisis grants or who are on CAP are not  
8 assessed late fees by the Company.<sup>43</sup> However, he argues that reconnection fees facilitate customer  
9 engagement in order to prevent customers from being terminated.<sup>44</sup> UGI witness Eppler responded  
10 to my recommendation by stating that if UGI were to waive reconnection fees, rate revenues would  
11 need to be adjusted downward and would add to the Company’s requested increase by \$275,000  
12 to recover the lost revenue.<sup>45</sup>

13 **Q: How do you respond to Mr. Adamo’s indication that low income customers enrolled**  
14 **in CAP or receive LIHEAP are not currently charged late fees?**

15 A: I stand by my recommendation that UGI exempt all its confirmed low income customers  
16 from both late fees and reconnection fees. UGI’s confirmed low income customers are not limited  
17 to only CAP customers and LIHEAP recipients. The Company also identifies and confirms low  
18 income status for LIURP Participants with income at or below 150% of the federal poverty level  
19 (FPL), Operation Share participants with income at or below 150% FPL, and customers who

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<sup>41</sup> Id. at 38.

<sup>42</sup> Id. at 39.

<sup>43</sup> UGI St. 12-R at 48.

<sup>44</sup> Id.

<sup>45</sup> UGI St. 8-R at 27-28.

1 provided income information to their local Community Based Organization (CBO) for purposes  
2 of security deposit waivers.<sup>46</sup> All of these subgroups have provided evidence demonstrating their  
3 inability to afford natural gas service without assistance. Late fees and reconnection fees are a  
4 hinderance to these customers' ability to maintain service. The Company should exempt them from  
5 these regressive, burdensome charges.

6 **Q: How do you respond to Mr. Adamo's statement that late fees and reconnection fees**  
7 **serve as a deterrent to terminations?**

8 A: Late fees and reconnection fees should not be used as a deterrent or punishment for low  
9 income customers who do not earn enough to pay their monthly expenses. Furthermore, I am  
10 unable to see the logic that charging these fees serves to facilitate engagement in order to prevent  
11 disconnects from occurring in the first place. My recommendation was limited to confirmed low  
12 income customers, which is a segment of UGI's customer base in need of assistance. My personal  
13 experience, and likely the philosophy behind UGI's current policy of waiving fees for its LIHEAP  
14 and CAP recipients, is that these households are unable to pay the current level of their bills and  
15 adding additional fees will only serve to further push them to delinquency and service loss. As I  
16 indicated in my direct, the average income for UGI's confirmed low income customers is just  
17 \$1,007 per month and, under the Company's rate proposal, the average residential heating  
18 customer's bill would be \$108.01 per month.<sup>47</sup> Thus, the natural gas bill burden for the average  
19 confirmed low income customer at average usage levels would be 10.7 % – *not including the*  
20 *additional burden of electric service*. Adding UGI's \$73.00 reconnection charge to a customer

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<sup>46</sup> CAUSE-PA to UGI IV-1.

<sup>47</sup> CAUSE-PA St. 1 at 38.

1 who cannot afford this overwhelming energy burden and is subsequently terminated would require  
2 an additional 7.2% of their monthly income to reconnect to service.<sup>48</sup>

3 The confirmed low income customers who have demonstrated eligibility for a deposit  
4 waiver, for LIURP, or Operation Share crisis assistance are in the same economic category as those  
5 LIHEAP and CAP recipients for whom UGI already waives late fees. Further, UGI's reconnection  
6 fees add a substantial barrier to reconnection for customers in this situation and it is not just or  
7 reasonable to penalize these customers for their inability to pay, or to throw up additional barriers  
8 that compound unaffordability and impede their ability to reconnect to service.

9 **Q: How do you respond to Mr. Eppler's concerns about lost revenue from not charging**  
10 **reconnection fees to low income customers?**

11 A: I recognize Mr. Eppler's concerns about the possibility of lost revenue from reconnection  
12 fees charged to confirmed low income customers. As I explained above, the purpose of late fees  
13 and reconnection fees should not be to punish or deter late payment. In the context of the  
14 Company's proposed \$82.7 million dollar proposed increase, the reduction of \$275,000 as a result  
15 of the eliminated reconnection fees for confirmed low income customers is a reasonable amount  
16 to help ensure that confirmed low income customers who are terminated for nonpayment are not  
17 unduly hindered from reconnecting to service.

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<sup>48</sup> Id.

1        **III.    RESIDENTIAL FIXED CUSTOMER CHARGE**

2        **Q:    Did you make recommendations in your direct testimony regarding UGI’s proposal**  
3        **to increase its residential fixed customer charge?**

4        A: Yes. In my direct testimony I explained that increasing the fixed residential customer charge  
5        undermines the ability of consumers to control costs through energy efficiency and conservation,  
6        which is problematic for low income customers who struggle to afford service and rely on  
7        offsetting high bills through usage reduction.<sup>49</sup> I further explained that increasing the fixed  
8        residential charge undermines the explicit goals of the Low Income Usage Reduction Program  
9        (LIURP) to “reduce residential energy bills.”<sup>50</sup> I recommended that the fixed charge not be  
10       increased and that if the Commission grants any rate increase it should be assessed to the  
11       volumetric charge.<sup>51</sup>

12       **Q:    Please briefly summarize the Rebuttal testimony regarding the Company’s**  
13       **residential fixed customer charge to which you wish to respond.**

14       A:    UGI witness Eppler states that low income customers are, on average, higher use customers  
15       and will thus benefit from a higher fixed charge.<sup>52</sup> He also argues that increasing the fixed charge  
16       will not affect customers’ incentive to conserve because the Company will still increase its  
17       volumetric charge as well.<sup>53</sup> UGI witness Taylor argues that dedicating resources to reducing  
18       customer bills through energy efficiency measures does not reduce the costs incurred by the utility  
19       and, therefore, these actions are “not an efficient use of our resources as a society.”<sup>54</sup>

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<sup>49</sup> CAUSE-PA St. 1 at 32-33.  
<sup>50</sup> 52 Pa. Code § 58.1.  
<sup>51</sup> CAUSE-PA St. 1 at 35.  
<sup>52</sup> UGI St. 8-R at 19.  
<sup>53</sup> UGI St. 8-R at 19.  
<sup>54</sup> UGI St. 11-R at 31.

1 **Q: How do you respond to Mr. Eppler’s assertion that low income customers are, on**  
2 **average, higher use customers.**

3 A: It is troubling that low income customers are experiencing the levels of high usage laid out  
4 in Mr. Eppler’s testimony. Low income households tend to live in smaller homes or apartments,  
5 which means the higher average usage is likely more easily controlled with basic efficiency  
6 measures and home repair. High usage low income customers are in need of energy efficiency and  
7 conservation programming to reduce their usage and remediate unsustainably high energy burdens.  
8 They are not helped in the long run by increasing the fixed residential customer charge. UGI should  
9 be taking additional steps to respond to the demonstrated need for energy efficiency and  
10 conservation measures through its LIURP.

11 The explicit goal of LIURP is to “reduce residential energy bills” by providing energy  
12 efficiency measures to low income households.<sup>55</sup> UGI’s LIURP is effective at achieving this goal  
13 and producing meaningful average bill savings of 20-25% for the few hundred low income  
14 households who are able to receive LIURP services each year, and the program’s effectiveness at  
15 achieving bill reduction is tied directly to volumetric rates.<sup>56</sup> However, despite these impressive  
16 results, UGI’s LIURP is not operating at a rate sufficient to fulfill the estimated need for services.<sup>57</sup>  
17 To address the problematic high usage of low income customers, UGI needs to ramp up LIURP  
18 production. Raising the fixed charge will only serve to negate the bill impact of usage reduction

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<sup>55</sup> CAUSE-PA St. 1 at 33-34; See also 52 Pa. Code § 58.1 (“The programs are intended to assist low-income customers conserve energy and reduce residential energy bills. The reduction in energy bills should decrease the incidence and risk of customer payment delinquencies and the attendant utility costs associated with uncollectible accounts expense, collection costs and arrearage carrying costs.”).

<sup>56</sup> CAUSE-PA St. 1 at 33.

<sup>57</sup> CAUSE-PA to UGI I-13.

1 measures because, as more residential customer costs are shifted to the fixed charge, the achievable  
2 bill savings will necessarily erode.<sup>58</sup>

3 **Q: How do you respond to Mr. Epplers assertion that increasing the fixed charge will**  
4 **not affect customers' incentive to conserve usage, because the Company will still increase its**  
5 **volumetric charge?**

6 A: While customers will still be able to reduce costs through energy efficiency, the achievable  
7 bill savings will decrease according to how much the fixed charge is increased. As I explained in  
8 my direct, if the proposed increase in the fixed customer charge is approved, UGI customers will  
9 lose the ability to control as much as 3.7% of their monthly bill through energy conservation, which  
10 will reduce the bill savings for customers who implement EE&C measures and negatively impact  
11 the effectiveness of LIURP to achieve meaningful bill reductions for low income consumers.<sup>59</sup>  
12 Thus, I stand by my recommendations that the fixed charge should not be increased and that the  
13 Company's LIURP production should be increased to adequately meet the demonstrated need.<sup>60</sup>

14 I also note that, setting aside the impact increased fixed charges will have on a consumers'  
15 incentive to conserve, the fact remains that increasing the fixed customer charge shifts risk and  
16 costs to consumers and skims off bill savings achievable through conservation.

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<sup>58</sup> Id.

<sup>59</sup> CASUE-PA St. 1 at 34.

<sup>60</sup> See CAUSE-PA St. 1 at 40.

1 **Q: How do you respond to UGI witness Taylor’s argument that attempting to achieve**  
2 **residential bill reduction through energy efficiency measures is “not an efficient use of our**  
3 **resources as a society” because it does not reduce the costs incurred by the utility?<sup>61</sup>**

4 A: I totally disagree. The LIURP regulations state that the program is intended to “assist low-  
5 income customers conserve energy and **reduce residential energy bills.**”<sup>62</sup> The regulation further  
6 states that, “The reduction in energy bills should decrease the incidence and risk of customer  
7 payment delinquencies and the attendant utility costs associated with uncollectible accounts  
8 expense, collection costs and arrearage carrying costs.”<sup>63</sup> Reducing energy bills for low income  
9 customers helps decrease the incidence and risk of customer payment delinquencies and the  
10 attendant utility costs associated with uncollectible accounts expense, collection costs and  
11 arrearage carrying costs. <sup>64</sup> It also helps prevent terminations, and in turn reduce homelessness,  
12 blight, fires, and the public health impacts of termination.<sup>65</sup> Furthermore, there are other non-  
13 monetary societal benefits achievable through comprehensive energy efficiency, including health  
14 benefits from improved indoor air quality and stable temperatures, improved household comfort,  
15 and reduced greenhouse gas emissions; however, my direct testimony was limited to the effect of  
16 energy efficiency measures on low income bills.

17 **Q: Does this conclude your surrebuttal testimony?**

18 A: Yes.

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<sup>61</sup> UGI St. 11-R at 31.

<sup>62</sup> 52 Pa. Code § 58.1.

<sup>63</sup> Id.

<sup>64</sup> CAUSE-PA St. 1 at 17-18, 26-27.

<sup>65</sup> Id.

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-2021-3030218  
 :  
 UGI Utilities, Inc. - Gas Division :


**VERIFICATION**

I, Harry S. Geller hereby state that the facts set forth in:

- CAUSE-PA Statement 1,
- CAUSE-PA Statement 1-R
- CAUSE-PA Statement 1-SR

are true and correct to the best of my knowledge, information, and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsifications to authorities.)

June 2, 2022  
Date

  
\_\_\_\_\_  
Harry S. Geller