

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17120**

**Pennsylvania Public Utility Commission,  
Office of Consumer Advocate,  
Office of Small Business Advocate, et. al.**

**Public Meeting held Sept. 15, 2022  
3030218-ALJ  
Docket Nos. R-2021-3030218, et. al.**

v.

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

**STATEMENT OF CHAIRMAN GLADYS BROWN DUTRIEUILLE**

Before the Commission for consideration and disposition is the Settlement to UGI Utilities, Inc. – Gas Division’s (UGI’s) proposed rate increase. Included in the Settlement is a Weather Normalization Adjustment Pilot (Weather Normalization Adjustment or WNA). UGI recovers a significant portion of its fixed costs utilizing volumetric rates. Such fixed costs do not vary with the amount of gas delivered to customers. The Weather Normalization Adjustment here is designed to recover distribution revenues needed to satisfy the cost-of-service requirements determined in this proceeding while mitigating the variance between actual and projected revenues due to weather.

This decoupling of uncontrollable weather from revenues should stabilize UGI’s cashflow, and in turn, allow UGI to focus on operational items within its control, namely infrastructure upgrades and repairs. Further, since this decoupling mechanism is only applied to the distribution component of the bill, and not to the natural gas commodity charge, incentives for efficient consumption are maintained.

While noting such positives associated with the WNA, I also emphasize that design and administration of such mechanisms can come with challenges. I encourage UGI to closely monitor the effect the WNA has on its customer bills to ensure it does not result in any significant rate shock.

**September 15, 2022**  
**Date**



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**Gladys Brown Dutrieuille, Chairman**