



**COMMONWEALTH OF PENNSYLVANIA**  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET  
HARRISBURG, PENNSYLVANIA 17120

December 8, 2022

IN REPLY, PLEASE  
REFER TO OUR FILES

M-2019-3014966  
R-2021-3030218

To: All Parties of Record at Docket Nos.:  
M-2019-3014966 – UGI Gas and Electric Joint 2020-2025 USECP  
R-2021-3030218 – UGI Gas 2022 Gas Base Rate Case

**RE: UGI Revised Joint 2020-2025 Universal Service and Energy Conservation Plan**

*Overview*

On October 28, 2022, UGI Utilities, Inc. – Gas Division (UGI Gas) filed and served a revised Joint Universal Service and Energy Conservation Plan (Revised 2020 USECP) at Docket No. M-2019-3014966 with the Pennsylvania Public Utility Commission (Commission) to incorporate certain provisions as approved in the general rate increase proceeding at *Pa. PUC, et al., v. UGI Gas*, Docket Nos. R-2021-3030218, *et al.*, (Sept. 15, 2022) (2022 UGI Gas Base Rate Case).<sup>1</sup> Although the changes in the Revised 2020 USECP are consistent with the universal service provisions approved in the 2022 UGI Gas Base Rate Case, this Secretarial Letter details additional clarifications required relative to two of the changes made to the Revised 2020 USECP.

*Background*

On January 28, 2022, UGI Gas filed its general rate increase at Docket No. R-2021-3030218, and the matter was assigned to the Office of Administrative Law Judge (OALJ) for hearing.<sup>2</sup> On June 24, 2022, a Joint Petition<sup>3</sup> for settlement was filed (2022 UGI Gas Settlement) at the rate case docket that, *inter alia*, proposed changes to UGI Gas' universal service programs.

As articulated in the 2022 UGI Gas Settlement, UGI Gas, *inter alia*, agreed that it would:

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<sup>1</sup> UGI's Joint 2020-2025 USECP reflects the universal service policies and procedures for both UGI Gas and UGI Utilities Inc. – Electric Division. The universal service changes approved in the 2022 UGI Gas Base Rate Case apply only to UGI Gas.

<sup>2</sup> Seven individuals filed *pro se* formal complaints opposing the proposed rate increase. None of the *pro se* complainants were active parties in this proceeding.

<sup>3</sup> The Joint Petitioners in UGI Gas' 2022 Base Rate Case were: UGI Gas, the Bureau of Investigation and Enforcement (I&E), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), the Commission on Economic Opportunity (CEO), and NRG Energy, Inc. (NRG). None of the *pro se* complainants were active parties in the 2022 UGI Gas Settlement.

- Increase the annual UGI Gas LIURP budget for 2022 by \$250,000 beginning January 1, 2023, and increase the UGI Gas LIURP budget for 2023 by \$250,000 beginning January 1, 2024.
- Increase the maximum UGI Gas per-job spend from \$11,000 to \$14,000 on LIURP projects involving a furnace replacement.
- Expand UGI Gas LIURP access to customers between 151%-200% of the Federal Poverty Income Guidelines (FPIG) beginning no earlier than January 1, 2023.
- Provide a Warm Referral for customers at 151%-200% of FPIG who are rejected from UGI Gas' customer assistance program (CAP) for being over-income.
- Lower the minimum usage threshold for UGI Gas' LIURP to 73.1 Ccf per month for customers at or below 200% of FPIG no later than 90 days after the effective date of rates in the 2022 UGI Gas Base Rate Case.
- Expand eligibility of the Operation Share hardship fund grant program to 250% of FPIG.
- Increase the maximum grant size from \$400 to \$600 for the UGI Gas Operation Share hardship fund grant program.
- Provide a one-time payment to the UGI Gas Operation Share hardship fund grant program to \$500,000 during the winter of 2022-2023.

#### 2022 UGI Gas Settlement at 12-15.

On July 28, 2022, the Administrative Law Judge issued a Recommended Decision recommending approval of the 2022 UGI Gas Settlement without modification. On September 15, 2022, the Commission entered an order adopting the Recommended Decision.

On October 28, 2022, UGI filed and served clean and redline versions of the Revised 2020 USECP to incorporate the universal service provisions from the 2022 UGI Gas Settlement.<sup>4</sup> There were no objections filed regarding the Revised 2020 UGI USECP.

Staff in the Commission's Bureau of Consumer Services (BCS) has reviewed the Revised 2020 USECP and has not identified any areas of non-compliance with the 2022 UGI Gas Settlement, but has, however, identified two instances where the proposed revisions require clarification.

#### *Expanded LIURP Access Clarification*

The 2022 UGI Gas Settlement and the Revised 2020 USECP state that "UGI Gas will expand LIURP access to customers between 151% and 200% of the [FPIG] to commence no earlier than January 1, 2023." 2022 UGI Gas Settlement at 13, Revised 2020 USECP at 29. The Revised 2020 USECP is not clear on when LIURP will be available to customers in the 151%-200% FPIG tier. Accordingly, UGI must file and serve a letter at Docket Nos. M-2019-3014966 and R-2021-3030218 when LIURP access is available to customers with incomes between 151%-200% of the FPIG. It is essential that the Commission be advised when this new LIURP benefit becomes available in order for Commission staff to respond to questions from customers of UGI Gas.

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<sup>4</sup> Citations to the Revised 2020 USECP refer to the "clean" version.

### *Warm Referral Clarification*

The 2022 UGI Gas Settlement and the Revised 2020 USECP states that “UGI Gas will expand LIURP access to customers between 151% and 200% of the [FPIG] to commence no earlier than January 1, 2023. UGI Gas will provide a Warm Referral for customers in this income tier who are rejected from UGI Gas’ [CAP] for being over-income.” 2022 UGI Gas Settlement at 13, Revised 2020 USECP at 8, 16. The term “Warm Referral” is not defined in the 2022 UGI Gas Settlement or in the Revised 2020 USECP. Accordingly, UGI is directed to explain in its Revised 2020 USECP what a Warm Referral is and how it benefits customers in its Revised 2020 USECP. It is essential that the 2020 USECP describe what a “Warm Referral” is in order for Commission staff to respond to questions from customers of UGI Gas on how it benefits customers.

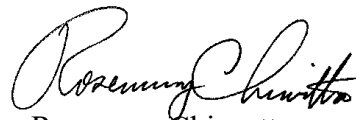
### *Conclusion*

Although BCS finds the proposed revisions in UGI’s Revised 2020 USECP consistent with the language of the universal service provisions in the 2022 UGI Gas Settlement, UGI Gas must provide clarification on what date expanded LIURP Access will be completed and what a “Warm Referral” consists of. Accordingly, UGI Gas must submit a further revised 2020 USECP within 20 days of issuance of this Secretarial Letter that clarifies what date expanded LIURP Access will be completed and that explains its “Warm Referral” process. UGI Gas is invited to submit its further Revised 2020 USECP to BCS for review prior to filing. Additionally, UGI Gas must file and serve a letter at these dockets when LIURP services are available to UGI Gas customers at 151%-200% of the FPIG.

Parties have the right to seek reconsideration of this staff action. These staff determinations relative to the review of the October 2022 Filing will be deemed to be the final action of the Commission unless reconsideration is sought from the Commission within 20 days after service of this Secretarial Letter. *See* 52 Pa. Code § 5.44 (relating to petitions for appeal from actions of the staff).

If you have any questions, please contact Jennifer Johnson at [jennifjohn@pa.gov](mailto:jennifjohn@pa.gov).

Sincerely,



Rosemary Chiavetta  
Secretary

cc: Jennifer Johnson, BCS, [jennifjohn@pa.gov](mailto:jennifjohn@pa.gov)  
Joseph Magee, BCS, [jmagee@pa.gov](mailto:jmagee@pa.gov)  
Louise Fink Smith, Law Bureau, [finksmith@pa.gov](mailto:finksmith@pa.gov)  
Gladys Brown Dutrieuille, Chairman  
Stephen M. DeFrank, Vice Chairman

UGI Utilities, Inc. Revised Joint 2020-2025 USECP  
M-2019-3014966; R-2021-3030218  
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Ralph V. Yanora, Commissioner  
Kathryn L. Zerfuss, Commissioner  
John F. Coleman, Jr., Commissioner  
Natural Gas Assistants