



Michael S. Swerling, Esq.

UGI Corporation
460 North Gulph Road
King of Prussia, PA
19406

Post Office Box 858
Valley Forge, PA 19482-0858

(610) 992-3763 Telephone
(direct)

April 5, 2023

VIA ELECTRONIC FILING

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

**Re: Petition Requesting Initiation of a Proceeding on Federal Funding
Opportunities for Utilities Under the Infrastructure Investment and Jobs Act;
Docket No. P-2022-3032929**

Dear Secretary Chiavetta:

Please find UGI Utilities Inc., - Electric and Gas Division's Petition for Clarification of the Pennsylvania Public Utility Commission's ("Commission") Order (entered on March 21, 2023) regarding the Petition of the Office of Consumer Advocate, Office of Small Business Advocate, and the Pennsylvania Utility Law Project in the above-referenced docket.

If you have any questions, please contact me directly at (610) 992-3763.

Very truly yours,

/s/ Michael S. Swerling
Michael S. Swerling
Counsel for UGI

Enclosure

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|-----------------------------------|---|---------------------------|
| Petition Requesting Initiation of | : | |
| A Proceeding on Federal Funding | : | Docket No. P-2022-3032929 |
| Opportunities for Utilities Under | : | |
| The Infrastructure and Jobs Act | : | |

CERTIFICATE OF SERVICE

I hereby certify that I have, this 5th day of April 2023, 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 MAIL:

Richard A. Kanaskie, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
rkanaskie@pa.gov

Steven C. Gray, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
sgray@pa.gov

Elizabeth Marx, Esquire
Ria Pereira, Esquire
John W. Sweet, Esquire
Pennsylvania Utility Law Project
118 Locust St.
Harrisburg, PA 17101
pulp@pautilitylawproject.org

Joseph L. Vullo
Burke Vullo Reilly Roberts
1460 Wyoming Avenue
Forty Fort, PA 18704
JLVullo@aol.com

Patrick Cicero, Consumer Advocate
Office of Consumer Advocate
555 Walnut St
Forum Place, 5th Floor
Harrisburg, PA 17101-1921
CAppleby@paoca.org
DLawrence@paoca.org

John Kelchner
Nate Johnson
Citizens Electric of Lewisburg
1775 Industrial Blvd.
Lewisburg, PA 17837
kelchnerj@citizenselectric.com
johnsonn@citizenselectric.com

Pamela Polacek
Chief Legal & Regulatory Officer
C&T Enterprises, Inc.
1775 Industrial Blvd.
Lewisburg, PA 17837
ppolacek@ctenterprises.org

Tori Giesler
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001
tgiesler@firstenergycorp.com

Ed Verbraak
Pike County Like & Power
105 Schneider Lane
Milford, PA 18337
everbraak@pclpeg.com

Barney Farnsworth
Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901
barneyf@ctenterprises.org

Anthony Gay
Jack R. Garfinkle
Amy Neufeld
PECO Energy Company
2301 Market Street
Philadelphia, PA 19103
anthony.gay@exeloncorp.com
jack.garfinkle@exeloncorp.com
amy.neufeld@exeloncorp.com

Michael Huwar
Carol Scanlon
Peoples Gas Company
375 North Shore Drive
Pittsburgh, PA 15212
michael.huwar@peoples-gas.com
Carol.Scanlon@peoples-gas.com

Stephanie Raymond
PPL Services Corporation
Two North Ninth St.
Allentown, PA 18101
sraymond@pplweb.com

Raquel Guzman
Philadelphia Gas Works
800 West Montgomery Ave.
Philadelphia, Pa 19122
raquel.guzman@pgworks.com

Peter Trufahnestock
Columbia Gas of Pennsylvania
800 N. Third Street
Harrisburg, PA 17102
ptrufahnestock@nisource.com

Mike German
Leatherstocking Gas Company
330 Williams Street
Corning, NY 14830
mgerman@corninggas.com

Michael Colpoys
National Fuel Gas Distribution Corp
800 N. Third Street
PO Box 2081
Erie, PA 16512
ColpoysM@natfuel.com

Kriss Brown, Deputy Chief Counsel
PA Public Utility Commission
Law Bureau
Keystone Building
400 North Street
Harrisburg, PA 17120
kribrown@pa.gov

David Fisfis
Lindsay Baxter
Duquesne Light Company
411 Seventh Avenue, 16-1
Pittsburgh, PA 15219
dfisfis@duqlight.com
baxter@duqlight.com

Christopher H. Franklin
Marc A. Lucca
Rick Fox
Colleen M. Arnold
Kim Joyce
Alexander R. Stahl
Aqua America/Aqua PA Inc.
762 Lancaster Avenue
Bryn Mawr, PA 19010
chfranklin@aquaamerica.com
malucca@aquaamerica.com
rsfox@aquaamerica.com
cmarnold@aquaamerica.com
kajoyce@aquaamerica.com
astahl@aquaamerica.com

Ed Rogers
Valley Energy
523 S. Keystone Ave.
Sayre, PA 18840
erogers@ctenterprises.org

Paul Diskin, Director
Bureau of TUS
400 North Street
Harrisburg, PA 17120
pdiskin@pa.gov

Steve Lubertozi, President
Community Utilities of PA
2335 Sanders Road
Northbrook, IL 6002
steve.lubertozi@uiwater.com

Jennifer Maaskant
Audubon Water
2650 Eisenhower Ave. #103A
Valley Forge Corp. Center
Norristown, PA 19403
jennifer@audubonwater.com

Mike Doran
Andrew Clarkson
Joseph Woodward
Sean Graves
Laura Martin
Susan Marsh
PA American Water
852 Wesley Drive
Mechanicsburg, PA 17055
mike.doran@amwater.com
andrew.clarkson@amwater.com
joseph.woodward@amwater.com
sean.graves@amwater.com
laura.martin@amwater.com
susan.marsh@amwater.com

JT Hand
Mark Wheeler
York Water Co.
130 E. Market Street
York, PA 17401
jth@yorkwater.com
markw@yorkwater.com

Will Pickering
Jenn Presutti
Debra Gibson
Pittsburg Water & Sewer Authority
1200 Penn Avenue
Pittsburgh, PA 15222
wpickering@pgh2o.com
jpresutti@pgh2o.com
dgibson@pgh2o.com

Richard Pierone
Dan Angove
Newtown Artesian Water Co.
Newtown, PA 18940
richard.pierone@newtownwater.com
dan@newtownwater.com

Judith McCoy Jordan
John Hollenbach
Mark Baker
SUEZ Water PA
6310 Allentown Blvd.
Harrisburg, PA 17112
judith.jordan@suez.com
john.hollenbach@suez.com
mark.baker@suez.com

David Lewis
Columbia Water
220 Locust Street
Columbia, PA 17512
dlewis@columbiawater.net

Patricia Gendler, CPA CFO
CAN DO Greater Hazleton
One S. Church St. Suite 200
Hazleton, PA 18201
pgendler@hazletoncando.com

Robert Powelson
Rik Hull
Nat. Assoc. of Water Co.
Two Liberty Place
50 S. 16th Street
Philadelphia, PA 19102
RFP@nawc.com
Rick@nawc.com

Thomas J. Sniscak
Whitney Snyder, Esquire
Hawke McKeon & Sniscak, LLP
100 N. 10th Street
Harrisburg, PA 17101
wesnyder@hmslegal.com
tjsniscak@hmslegal.com

Jeanne Shearer
Brian Harman
Windstream Communications
124 East Main St.
Ephrata, PA 17522
Jeanne.Shearer@windstream.com
brian.harman@windstream.com

Joshua Motzer
Sue E. Benedek
Century Link
37 W. Broad St., Suite 470
Columbus, OH 43215
josh.motzer@centurylink.com
Sue.Benedek@centurylink.com

Douglas R. Smith
Susan D. Paiva
Verizon PA LLC
900 Race Street, 6th Floor
Philadelphia, PA 19107
douglas.r.smith@verizon.com
suzan.d.paiva@verizon.com

Russell Johnson
Carl Yastremski
Cassandra Guinness
Frontier Communications
100 CTE Drive
Dallas PA 18612
russell.johnson@ftr.com
Carl.Yastremski@FTR.com
cassandra.guinness@ftr.com

Jim Warta
Consolidated Comm. Of PA
4008 Gibsonia Road
Gibsonia, PA 15044
james.warta@consolidated.com

VIA FIRST CLASS MAILING

Andreassi Gas Company
1073 Kittanning Pike
Chicora, PA 16025

C.E. Dunmire Gas Company
165 Roundtop Drive
Kittanning, PA 16201

Chartiers Natural Gas Company
203 Kalmar Way
Jeannette, PA 15644

Herman Oil & Gas Company Inc.
137 Harris Rd.
Butler, PA 16002

Kaib & Kaib LLC
501 Grant St., Suite 100
Pittsburgh, PA 15219

Larkin Oil & Gas Company
217 Main St.
Callensburg, PA 16213

North East Heat & Light Company
10700 W Main St
North East, PA 16428

Pine-Roe Natural Gas Company Inc.
151 Hotel Dr
Clarion, PA 16214

Riemer Natural Gas LLC
137 Harris Rd
Butler, PA 16002

SAR Gas Company
431 Phipps Rd
Kennerdell, PA 16374

Sigel Gas Company
1990 Packing Road
New Bethlehem, PA 16242

Wally Gas Company
105 Front St.
Chicora, PA 16025

Dated: April 5, 2023

/s/ Michael S. Swerling
Michael S. Swerling

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | |
|---|----------------------------------|
| PETITION OF THE OFFICE OF CONSUMER : | |
| ADVOCATE, THE OFFICE OF SMALL : | |
| BUSINESS ADVOCATE, AND THE : | |
| PENNSYLVANIA UTILITY LAW : | DOCKET NO. P-2022-3032929 |
| PROJECT REQUESTING INITIATION OF : | |
| A PROCEEDING ON FEDERAL FUNDING : | |
| OPPORTUNITIES UNDER THE : | |
| INFRASTRUCTURE INVESTMENT AND : | |
| JOBS ACT : | |

**PETITION OF UGI UTILITIES, INC. – GAS & ELECTRIC DIVISIONS
FOR CLARIFICATION OF THE MARCH 21, 2023 ORDER OF THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

I. INTRODUCTION

UGI Utilities, Inc. – Gas and Electric Divisions (“UGI” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (“Commission”) pursuant to 52 Pa. Code § 5.572 for clarification of the Commission’s Order entered on March 21, 2023, at Docket No. P-2022-3032929 (“Order”).¹ UGI supports the Commission’s efforts in its Order, and believes that transparency with the Commission and other parties will assist entities in Pennsylvania in fully assessing and accessing federal resources that can benefit the continued provision of safe and

¹ In the Order, the Commission granted in part, and denied in part, the *Petition of the Office of Consumer Advocate, the Office of Small Business Advocate, and the Pennsylvania Utility Law Project Requesting Initiation of a Proceeding on Federal Funding Opportunities for Utilities Under the Infrastructure Investment and Jobs Act*, Docket No. P-2022-3032929 (filed on June 10, 2022) (“Petition”). The Petition recommended that the Commission initiate a docket where utilities would submit plans/reports for Commission and public review regarding Infrastructure Investment and Jobs Act (“IIJA”), passed November 15, 2021, Pub. L. No. 117-58, 135 Stat. 429 (2021), grant funding activities. Petition at 4. The Commission agreed with the Office of Consumer Advocate (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Pennsylvania Utility Law Project (“PULP”) (collectively, “Petitioners”) that utilities should file simple periodic reports when IIJA grant funds are received (identifying the funds received, and the associated grant program). Order at 12.

reliable distribution service for all Pennsylvania consumers.² Indeed, the recent federal actions reflect extraordinary and non-recurring activity that make available “potentially substantial” funding (e.g., hundreds of billions of dollars nationally, and potentially hundreds of millions of dollars in Pennsylvania) for utility infrastructure investment. By this Petition for Clarification, the Company respectfully requests that the Commission clarify: (1) whether the costs incurred by utilities to prepare, apply, administer and otherwise execute on opportunities for federal programs will qualify for regulatory asset accounting treatment, along with related offsetting funding receipts; and (2) that the Commission will engage Pennsylvania utilities to the extent it seeks federal funding as an eligible entity, so utilities may plan for any related impact those additional funds may have on their operations. Clarification of these items will aid utilities in seeking and managing federal funding opportunities in a manner which best benefits all interested parties, including customers.

II. BACKGROUND

1. On November 15, 2021, the IIJA was enacted. The IIJA provides the opportunity for substantial federal funds for investment in utility infrastructure, which are described in the Order. Order at 2.

2. On June 10, 2022, the Petition was filed at Docket No. P-2022-3032929. The Petitioners asked the Commission to initiate a docket where utilities could submit plans and reports for review regarding efforts to seek federal funding. (Petition at 4.) More specifically, the Petitioners stated that utilities should develop and file plans that are open for public input and

² Federal funding also is currently available through the, and the Inflation Reduction Act (“IRA”), passed August 16, 2022, Pub. L. No. 117-169, 136 Stat. 1818 (2022).

accessible by other Pennsylvania state agencies. (Petition at 4.)

3. On June 23, 2022, the Commission issued a Secretarial Letter instructing the Petitioners to serve the Petition on all jurisdictional fixed utilities³ and setting July 25, 2022 as the date for responsive pleadings.

4. On July 25, 2022, various stakeholders, including UGI, filed answers or letters in response to the Petition. Order at 2.

5. On March 21, 2023, the Commission entered its Order granting, in part, and denying, in part, the Petition. Regarding its denial, the Commission recognized that it cannot act as a super board of directors for utility companies. Order at 9 (citing *Met. Edison Co. v. Pa. PUC*, 437 A.2d 76, 80 (Pa. Cmwlth. 1981)). To that end, the Commission identified reasons why a utility may decide not to pursue funding, and reasoned that it cannot penalize utilities that decide not to pursue federal funds absent a showing of abuse of discretion or arbitrary action by a utility. *Id.*⁴ The Commission also acknowledged the private nature of grant applications as well as the potential chilling impact that publicly disclosing grant application details could have on the competitive grant application process. *Id.* at 11.

6. Regarding its granting of the Petition, the Commission determined that:

[D]ue to the potentially substantial amount of funding available to utilities under the IIJA, we believe that it is in the public interest to require jurisdictional fixed public utilities to file simple periodic reports identifying the full amount of all public grants monies that have been received pursuant to the IIJA in the preceding calendar year, the date the funds were received, and the program(s) in which the funding is associated. (Order at 12).

³ Initially, the Petitioners only served the Commission's Bureau of Investigation and Enforcement ("I&E"), the Energy Association of Pennsylvania ("EAP"), the Pennsylvania Telephone Association ("PTA") and the York Water Company. Order at 1-2.

⁴ The Order cited *Joint Application of Verizon Communications Inc., and MCI, Inc., MCI Metro Access Transmission Services LLC MCI WorldCom Communications, Inc., MCI WorldCom Network Services, Inc., TTI National Inc., Teleconnect Long Distance Services and System Co. d/b/a Telecom USA for approval of Agreement and Plan of Merger (Verizon MCI)*, Docket Nos. A-310580F0009; A-310752F0006; A-310364F0003; A-312025F0005; A-310407F0003; A-310401F0006 (Initial Decision issued November 15, 2005, adopted by Opinion and Order entered January 11, 2006).

The reports are due April 30 of each year and shall commence in 2023 and expire on May 1, 2027. *Id.* at 16. Additionally, related to its authority to ensure just and reasonable rates, the Commission directed utilities who receive federal funding to include testimony in rate cases explaining the accounting treatment for those funds. *Id.*

7. Finally, the Commission detailed outreach efforts it has taken with various stakeholders (e.g., Pennsylvania Department of Environment Protection Energy Office, the United States Department of Energy, PENNVEST, EAP, etc.) to coordinate and facilitate funding opportunities for public utility companies. *Id.* at 12-16.

III. REQUEST FOR CLARIFICATION

a. The Commission Should Clarify That Utilities Can Track And Defer Costs Incurred To Seek Federal Funding Opportunities As A Regulatory Asset

8. UGI believes that support from the Commission can play a vital role in assisting utilities to access funding that may benefit Pennsylvania consumers. The IIJA is a historic federal action that could make substantial funds available to public utilities in Pennsylvania. Order at 12.⁵ In this regard, the IIJA presents an extraordinary and non-recurring opportunity for Pennsylvania, and utilities like UGI, to seek substantial federal funds to invest in Pennsylvania utility infrastructure. The Order encourages utilities to seek this funding, but clarification regarding the

⁵ See also Joint Motion of Chairman Stephen M. DeFrank and Commissioner Kathryn L. Zerfuss, Docket No. P-202203932929, at p. 1 (dated March 2, 2023) (“The IIJA...provides for the availability of substantial federal funds for investment in utility infrastructure.”); *In The Matter Of The Federal Grant Opportunities For Utilities Under The Infrastructure Investment And Jobs Act*, MD PSC Order No. 90272 (dated June 29, 2022) (“The IIJA authorizes an historic investment of billions of dollars in federal funds in the country’s utility infrastructure...”). The White House reports that the IIJA appropriates approximately \$55 billion to expand access to invest in water infrastructure and eliminate lead service pipes, \$65 billion to upgrade electric infrastructure and fund new clean energy programs, and \$50 billion to protect utility and other infrastructure against climate change, cyber-attacks and extreme weather events, among other things. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/11/06/fact-sheet-the-bipartisan-infrastructure-deal/>.

appropriate regulatory accounting treatment of the incremental costs incurred to seek these funding opportunities is needed.

9. UGI and many other utilities will likely require additional resources to prepare, apply, administer and otherwise execute on opportunities for federal programs. This includes potential modifications to existing programs (such as Long Term Infrastructure Investment Plan (“LTIIIP”) work) and related incremental project work, including the development of processes for tracking and reporting received funds. In particular, utilities likely will need to utilize expert resources (e.g., third-party consultants) to successfully and effectively navigate and access federal funding opportunities, or procure and devote substantial internal resources to accomplish the same.

10. Moreover, the process for obtaining federal funding is extensive and intensive. The magnitude of costs related to seeking, obtaining and implementing the extraordinary amount of federal funds made available by the IIJA and other recent legislation will vary depending on the size of the utility, the availability of internal/external resources to support these efforts, and the need to add or modify existing programs (such as LTIIIP) to accommodate federally funded programs. In particular, targeted programs and funding are available for small electric distribution companies (“EDCs”) serving vulnerable populations, as defined in the current administration’s Justice 40 initiative⁶. Also, certain programs maintain special funding carve outs, which provide a level of preference to small EDCs for amounts to be distributed. Nevertheless, pursuing these substantial funding opportunities will require time, resources and expenses that could not have been anticipated by utility companies.

11. In addition, many federal programs require the utility to match some portion of the costs associated with particular federal funding programs. These costs will be in addition to the

⁶ 86 Fed. Reg. 7619, Executive Order 14008 (Jan. 27, 2021).

utility's currently planned operating costs. Without the creation of a regulatory asset, the matching cost requirements to participate in the program may prohibit utilities from seeking and obtaining funding that could provide long term benefits. Further, as the significant and unprecedented federal funding flows into intended areas nationally, regionally and locally, impacts related to key resource items such as contractor availability and supply chain accessibility are to be anticipated as well, each standing to impact on project timing which may span over a period of years.

12. Uncertainty regarding the extent to which the above-described costs can be treated as a regulatory asset and deferred for recovery in a future rate case can create a significant barrier or challenge in seeking federal funds. While it is anticipated that significant funding receipt offsets will flow into the regulatory asset as well, the timing differences between expended accounts and recovery offsets can be material and span across multiple years.

13. Certainty regarding the ability to defer these costs will be timely as utilities start incurring them. The Commission's actions related to the Order are themselves an acknowledgment that expenditures related to seeking and obtaining federal funding are anticipated to be significant, extraordinary or non-recurring; thus meeting any regulatory showing required as a basis for regulatory asset treatment.

14. Other public utility and public service commissions have already identified that costs associated with seeking federal funding may be treated as a regulatory asset.⁷ Consistent with the Commission's expressed concern in the Order to keep Pennsylvania utilities competitive

⁷ See *In The Matter Of The Federal Grant Opportunities For Utilities Under The Infrastructure Investment And Jobs Act*, MD PSC Order No. 90272 (dated June 29, 2022) ("...the Commission finds that allowing each utility to establish an IJJA-specific regulatory asset to track IJJA-related incremental expenditures and savings is appropriate."); and *Formal Case No. 1172, In the Matter of the Consideration of Federal Funding Under the Infrastructure Investment And Jobs Act*, D.C. P.S.C. Order No. 21176 (dated July 8, 2022) ("The Potomac Electric Power Company and the Washington Gas Light Company are DIRECTED to establish a Bipartisan Infrastructure Law Regulatory Asset to track Bipartisan Infrastructure Law-related costs.") as modified by Order No. 21542 to incorporate and apply to Inflation Reduction Act-related costs (dated October 18, 2022).

in the fund seeking process,⁸ the Commission should place Pennsylvania utilities on equal footing with utilities in other states.

15. Moreover, the Commission has previously determined that it should adopt regulatory treatment of specific costs where the accounting impacts associated with how a utility incurs and recovers those costs would frustrate a regulatory climate that accommodates and encourages new developments.⁹ Here, there is a disconnect between when a utility will incur substantial incremental costs associated with seeking the federal funding opportunities under the IIJA and when and how the utility may be permitted to recover those incremental costs, which could have the unintended effect of discouraging utilities from applying for these funding opportunities. Consistent with this duty and its desire to encourage utilities to seek out the extraordinary federal funding opportunities available, the Commission should clarify that regulatory treatment of the above-described incrementally incurred costs is appropriate.

16. Therefore, UGI requests that the Commission clarify its Order to find that that costs incurred by utilities in order to prepare, apply, administer and otherwise execute on opportunities for federal funding may be deferred and recorded as a regulatory asset for accounting purposes; along with related offsetting funding receipts.

⁸ Order at 11-12.

⁹ According to the Commission, “[i]t is the duty of this Commission to construct a regulatory climate which accommodates new technologies and capabilities in order to provide utilities with the tools necessary to satisfy and empower its customers...Further, this accounting treatment is consistent with the regulation passed by the National Association of Regulatory Utility Commissioners related to the regulatory treatment of cloud computing arrangements.” Statement of Chairman Gladys M. Brown, *Pa. PUC v. Duquesne Light Company*, Docket Nos. R-2018-30000124, et al. (dated Dec. 20, 2018) (supporting a settlement of a base rate proceeding that permitted a utility to record costs related to *the development of* cloud-based information systems as a regulatory asset at the time such costs are incurred). *See also* “Resolution Encouraging State Utility Commissions to Consider Improving the Regulatory Treatment of Cloud Computing Arrangements” – Sponsored by the Committees on Critical Infrastructure, Gas, and Water. Recommended by the NARUC Board of Directors on November 15, 2016. Adopted by the NARUC Committee of the Whole on November 16, 2016 (“The disparity in accounting treatments between these two software approaches creates a regulatory incentive for utilities to invest in on-premise software solutions and creates unintended financial hurdles that hinder utilities from realizing the benefits that so many other industries are experiencing with cloud-based software...Utilities should be free to make software investments based on which option best meets both the needs of the utility and its customers, rather than how the investment will be treated for accounting purposes...”).

b. The Commission Should Clarify That It Will Engage Pennsylvania Utilities To the Extent It Seeks Federal Funding As An Eligible Entity Under the IIJA and IRA

17. There are programs and funding opportunities under the IIJA and the IRA where funding is limited to specific eligible applicants. In some instances, the Commission itself would be the eligible applicant, rather than individual utilities. While UGI has not undertaken a comprehensive review of the funding opportunities available for the Commission, it is aware that these opportunities may be of interest to the Commission. For example, under Section 40103(b)(1)(A)(v) of the IIJA, public utility commissions are eligible entities that may apply for grant funding. The underlying grant program, titled *Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency*, aims, in relevant part, to demonstrate innovative approaches to distribution infrastructure to harden and enhance resilience and reliability.

18. UGI encourages the Commission to engage Pennsylvania utilities as part of any effort to seek funds where it is an eligible applicant. As related work activities resulting from the numerous federal funding opportunities ultimately flow into detailed projects to be managed by Pennsylvania utilities across future years, resource planning and project management stand to add significantly to the otherwise already material base levels of planned work; for example, that relate to LTIP execution. Thus, to the extent the Commission seeks any funding for which it is an eligible entity, UGI would support as much advanced collaborative communication as possible in order to effectively integrate all work activities in an efficient and cost-effective manner.

IV. CONCLUSION

WHEREFORE, the foregoing reasons, UGI Utilities, Inc. – Gas and Electric Divisions affirms its support for the Commission’s Order, and respectfully requests that the Pennsylvania

Public Utility Commission clarify its Order entered on March 21, 2023, at Docket No. P-2022-3032929 to (1) permit utilities to establish a regulatory asset to track and defer incremental costs associated with seeking federal funding as described herein and (2) confirm it will engage Pennsylvania utilities as a part of any effort to seek federal funds where the Commission is an eligible applicant and seeks to pursue such funding opportunities.

Respectfully submitted,

/s/ Michael S. Swerling
Michael S. Swerling (ID # 94748)
UGI Corporation
460 N. Gulph Road
King of Prussia, PA 19406
(610) 992-3763 (tel)
(610) 992-3258 (fax)
swerlingm@ugicorp.com

Dated: April 5, 2023