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File #: 198618

July 14, 2023

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: PA Public Utility Commission, *et al.* v. UGI Utilities, Inc. – Electric Division
Docket Nos. R-2022-3037368, *et al.***

Dear Secretary Chiavetta:

Attached for filing is the Joint Petition for Approval of Settlement in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,



Devin Ryan

DR/dmc
Attachment

cc: The Honorable Christopher P. Pell (*w/attachments*)
The Honorable Charece Z. Collins (*w/attachments*)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Dated: July 14, 2023



Devin T. Ryan

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2022-3037368
Office of Consumer Advocate	:	C-2023-3038105
Office of Small Business Advocate	:	C-2023-3038172
William Ostroski	:	C-2023-3037880
Travis Clay Buchanan	:	C-2023-3038072
Bridget Gimbi	:	C-2023-3038293
James Stambaugh	:	C-2023-3038131
Beverly A. Howell	:	C-2023-3038300
Bernadette Truskowski	:	C-2023-3038357
Summer Newell	:	C-2023-3038215
Kayla Bloom-Trosky	:	C-2023-3038337
Kayla Bloom-Trosky	:	C-2023-3038341
Michele Gingo	:	C-2023-3038229
Jennifer Patla	:	C-2023-3038238
Melissa Pugh	:	C-2023-3038244
Brittany Shannon	:	C-2023-3038245
Chuck Lipinski	:	C-2023-3038354
John Fleschut	:	C-2023-3038399
Charles M. Mangan	:	C-2023-3038538
Robyn Wood	:	C-2023-3038346
Kathleen Yurkoski	:	C-2023-3038417
Lindsey Wosik	:	C-2023-3038547
Nicholas Scavone	:	C-2023-3038548
Patricia King	:	C-2023-3038549
Christina Bauserman	:	C-2023-3038597
Phyllis Johnson	:	C-2023-3038684
Tara Yamelski	:	C-2023-3038886
Andrew Timko	:	C-2023-3038980
Christopher Dorr	:	C-2023-3039127
Michael L. Oresick, Sr.	:	C-2023-3039230
	:	
v.	:	
	:	
UGI Utilities, Inc. Electric Division	:	

JOINT PETITION FOR APPROVAL OF SETTLEMENT OF ALL ISSUES

TO THE ADMINISTRATIVE LAW JUDGES CHRISTOPHER P. PELL AND CHARECE Z. COLLINS:

I. INTRODUCTION

UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”), the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), 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”), and the Commission on Economic Opportunity (“CEO”) (collectively, “Joint Petitioners”), all active parties in the above-captioned base rate proceeding,¹ hereby file this Joint Petition for Approval of Settlement of All Issues (“Settlement”) and respectfully request that Deputy Chief Administrative Law Judge Christopher P. Pell (“ALJ Pell”) and Administrative Law Judge Charece Z. Collins (“ALJ Collins”) (collectively, “ALJs”) and the Pennsylvania Public Utility Commission (“Commission”) approve UGI Electric’s distribution base rate increase filing subject to the terms and conditions of the Settlement.

This Settlement represents a full settlement of all issues and concerns raised in the instant proceeding. The Settlement provides for increases in base rates, as set forth in the *pro forma* tariff supplement attached hereto as **Appendix A** and the proof of revenues attached hereto as **Appendix B**, designed to produce a net increase in annual distribution operating revenues of \$8.50 million, based upon a Fully Projected Future Test Year (“FPFTY”) ending September 30, 2023.

The effect of the Settlement on representative Residential, Small Commercial, Large Commercial, and Industrial customer rates (on both a total bill basis and a distribution only basis) is set forth in the tables in **Appendix C**.

¹ A number of individuals filed *pro se* formal complaints opposing the proposed rate increase. None of these complainants were active parties in this proceeding. A complete copy of this Settlement is being served on all formal complainants.

Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs are provided as **Appendices D through F**, respectively. Finally, the Joint Petitioners' respective Statements in Support of the Settlement are included as **Appendices G through L**.

In support of the Settlement, the Joint Petitioners state the following:

II. BACKGROUND

1. This proceeding was initiated on January 27, 2023, when UGI Electric filed Supplement No. 51 to UGI Electric Service Tariff -- Pa. P.U.C. No. 6 ("Tariff No. 6") and Supplement No. 7 to UGI Electric Generation Supplier Coordination Tariff -- Pa. P.U.C. No. 2S ("Tariff No. 2S") with the Commission to be effective for service rendered on or after March 28, 2023. The filing proposed changes to UGI Electric's base distribution rates designed to produce an increase in revenues of approximately \$11.4 million, based upon data for a FPFTY ending September 30, 2024 ("2023 Base Rate Case"). The filing was made in compliance with the Commission's regulations and contained all supporting data and testimony required to be submitted in conjunction with a tariff change seeking a general rate increase.

2. On January 27, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by William Ostroski, which was docketed at Docket No. C-2023-3037880.

3. On February 2, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Travis Clay Buchanan, which was docketed at Docket No. C-2023-3038072.

4. On February 3, 2023, the OCA filed a Notice of Appearance, a Public Statement, and a Formal Complaint in the 2023 Base Rate Case, which was docketed at Docket No. C-2023-3038105.

5. On February 3, 2023, UGI Electric was also served with a Formal Complaint in the 2023 Base Rate Case filed by Bridget Gimbi, which was docketed at Docket No. C-2023-3038293.

6. On February 6, 2023, UGI Electric was served with Formal Complaints in the 2023 Base Rate Case filed by James Stambaugh and Beverly A. Howell, which were docketed at Docket No. C-2023-3038131 and Docket No. C-2023-3038300, respectively.

7. On February 7, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Bernadette Truszkowski, which was docketed at Docket No. C-2023-3038357.

8. On February 8, 2023, the OSBA filed a Notice of Appearance, a Public Statement, and a Formal Complaint in the 2023 Base Rate Case, which was docketed at Docket No. C-2023-3038172.

9. On February 8, 2023, the Commission's I&E filed its Notice of Appearance.

10. On February 9, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Summer Newell, which was docketed at Docket No. C-2023-3038215.

11. On February 9, 2023, UGI Electric was also served with two Formal Complaints in the 2023 Base Rate Case filed by Kayla Bloom-Trosky, which were docketed at Docket No. C-2023-3038337 and Docket No. C-2023-3038341, respectively.

12. On February 10, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Michele Gingo, which was docketed at Docket No. C-2023-3038229.

13. On February 13, 2023, CAUSE-PA filed a Petition to Intervene in the 2023 Base Rate Case.

14. On February 13, 2023, UGI Electric was also served with Formal Complaints in the 2023 Base Rate Case filed by Jennifer Patla, Melissa Pugh, and Brittany Shannon, which were docketed at Docket No. C-2023-3038238, Docket No. C-2023-3038244, and Docket No. C-2023-3038245, respectively.

15. On February 14, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Chuck Lipinski, which was docketed at Docket No. C-2023-3038354.

16. On February 16, 2023, UGI Electric was served with Formal Complaints in the 2023 Base Rate Case filed by John Fleschut and Charles M. Mangan, which were docketed at Docket No. C-2023-3038399 and Docket No. C-2023-3038538, respectively.

17. On February 17, 2023, UGI Electric was served with Formal Complaints in the 2023 Base Rate Case filed by Robyn Wood and Kathleen Yurkoski, which were docketed at Docket No. C-2023-3038346 and Docket No. C-2023-3038417, respectively.

18. On February 23, 2023, UGI Electric was served with Formal Complaints in the 2023 Base Rate Case filed by Lindsey Wosik and Nicholas Scavone, which were docketed at Docket No. C-2023-3038547 and Docket No. C-2023-3038548, respectively.

19. On February 27, 2023, UGI Electric was served with Formal Complaints in the 2023 Base Rate Case filed by Patricia King, Christina Bauserman, and Phyllis Johnson, which were docketed at Docket No. C-2023-3038549, Docket No. C-2023-3038597, and Docket No. C-2023-3038684, respectively.

20. On March 2, 2023, the Commission issued an Order suspending Tariff No. 6 and Tariff No. 2S until October 28, 2023, unless permitted by Commission Order to become effective at an earlier date.

21. Also on March 2, 2023, the Commission issued a Hearing Notice scheduling a telephonic Prehearing Conference for March 9, 2023, at 9:00 a.m. and assigning the ALJs as the presiding officers.

22. Also on March 2, 2023, the Prehearing Conference Order was issued and, among other things, directed the parties to submit Prehearing Conference Memoranda on or before 3:00 p.m. on March 7, 2023.

23. On March 9, 2023, a telephonic Prehearing Conference was held as scheduled. Thereafter, the ALJs issued an Evidentiary Hearing Notice scheduling telephonic evidentiary hearings to be held on June 13 and 14, 2023.

24. Also on March 9, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Tara Yamelski, which was docketed at Docket No. C-2023-3038886.

25. On March 10, 2023, UGI Electric filed tariff supplements suspending Tariff No. 6 and Tariff No. 2S, pursuant to the Commission's Order issued March 2, 2023.

26. On March 14, 2023, a Motion for Protective Order was filed.

27. On March 15, 2023, the ALJs issued a Protective Order.

28. Also on March 15, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Andrew Timko, which was docketed at Docket No. C-2023-3038980.

29. On March 17, 2023, the Commission issued a Notice of Public Input Hearings.

30. On March 21, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Christopher Dorr, which was docketed at Docket No. C-2023-3039127.

31. On March 24, 2023, UGI Electric was served with a Formal Complaint in the 2023 Base Rate Case filed by Michael L. Oresick, Sr., which was docketed at Docket No. C-2023-3039320.

32. On April 11, 2023, two telephonic public input hearings were held.

33. The Parties engaged in extensive discovery throughout the proceeding. UGI Electric responded to more than 340 interrogatories and requests for production of documents, many of which included multiple subparts.

34. In accordance with the procedural schedule, I&E, OCA, OSBA, and CEO submitted the following written direct testimony,² including associated exhibits, on April 25, 2023:

- (a) I&E: I&E Statement No. 1, Direct Testimony of Vanessa Okum; I&E Statement No. 2, Direct Testimony of Christopher Keller; I&E Statement No. 3, Direct Testimony of D.C. Patel; I&E Statement No. 4, Direct Testimony of Ethan H. Cline; and I&E Statement No. 5, Direct Testimony of Esyan A. Sakaya.
- (b) OCA: OCA Statement No. 1, Direct Testimony of Dante Mugrace; OCA Statement No. 2, Direct Testimony of Aaron L. Rothschild; OCA Statement No. 3, Direct Testimony of Karl R. Pavlovic; OCA Statement No. 4, Direct Testimony of Roger D. Colton; and OCA Statement No. 5, Direct Testimony of Morgan N. DeAngelo.
- (c) OSBA: OSBA Statement No. 1, Direct Testimony of Robert D. Knecht.
- (d) CEO: CEO Statement No. 1, Direct Testimony of Jennifer Warabak.

35. On May 25, 2023, UGI Electric, I&E, OCA, and OSBA submitted the following written rebuttal testimony, including associated exhibits:

- (a) UGI Electric: UGI Electric Statement No. 1-R, Rebuttal Testimony of Christopher R. Brown; UGI Electric Statement No. 2-R, Rebuttal Testimony of Tracy A. Hazenstab; UGI Electric Statement No. 3-R, Rebuttal Testimony of Vivian K. Ressler; UGI Electric Statement No. 4-R, Rebuttal Testimony of Eric W. Sorber; UGI Electric Statement No. 5-R, Rebuttal Testimony of Vicky A. Schappell; UGI Electric Statement No. 6-R, Rebuttal Testimony of John D. Taylor; UGI Electric Statement No. 9-R, Rebuttal Testimony of Paul R. Moul; UGI Electric Statement No. 10-R, Rebuttal Testimony of Sherry A. Epler; and UGI Electric Statement No. 11-R, Rebuttal Testimony of Daniel V. Adamo.
- (b) I&E: I&E Statement No. 2-R, Rebuttal Testimony of Christopher Keller.
- (c) OCA: OCA Statement No. 3R, Rebuttal Testimony of Karl R. Pavlovic.

² CAUSE-PA did not submit any testimony in this proceeding.

- (d) OSBA: OSBA Statement No. 1-R, Rebuttal Testimony of Robert D. Knecht.

36. On June 7, 2023, I&E, OCA, and OSBA submitted the following written surrebuttal testimony, including associated exhibits:

- (a) I&E: I&E Statement No. 1-SR, Surrebuttal Testimony of Vanessa Okum; I&E Statement No. 2-SR, Surrebuttal Testimony of Christopher Keller; I&E Statement No. 3-SR, Surrebuttal Testimony of D.C. Patel; and I&E Statement No. 4-SR, Surrebuttal Testimony of Ethan H. Cline.
- (b) OCA: OCA Statement No. 1SR, Surrebuttal Testimony of Dante Mugrace; OCA Statement No. 2SR, Surrebuttal Testimony of Aaron L. Rothschild; OCA Statement No. 3SR, Surrebuttal Testimony of Karl R. Pavlovic; OCA Statement No. 4SR, Surrebuttal Testimony of Roger D. Colton; and OCA Statement No. 5SR, Surrebuttal Testimony of Morgan N. DeAngelo.
- (c) OSBA: OSBA Statement No. 1-S, Surrebuttal Testimony of Robert D. Knecht.

37. On June 12, 2023, UGI Electric submitted the following written rejoinder testimony, including associated exhibits.

- (a) UGI Electric: UGI Electric Statement No. 1-RJ, Rejoinder Testimony of Christopher R. Brown; UGI Electric Statement No. 2-RJ, Rejoinder Testimony of Tracy A. Hazenstab; UGI Electric Statement No. 3-RJ, Rejoinder Testimony of Vivian K. Ressler; UGI Electric Statement No. 4-RJ, Rejoinder Testimony of Eric W. Sorber; UGI Electric Statement No. 6-RJ, Rejoinder Testimony of John D. Taylor; UGI Electric Statement No. 9-RJ, Rejoinder Testimony of Paul R. Moul; and UGI Electric Statement No. 11-RJ, Rejoinder Testimony of Daniel V. Adamo.

38. Also on June 12, 2023, as a result of settlement discussions held in this proceeding, and the efforts of the parties to examine the issues raised, UGI Electric and the other active parties had reached an agreement in principle to settle all issues in the 2023 Base Rate Case, except revenue allocation issues. UGI Electric and the other active parties also requested that the June 14, 2023, hearing date be cancelled, that the testimony and exhibits of witnesses not subject to cross examination be admitted via written verification, and that witnesses not subject to cross examination be excused from the hearings. ALJ Collins granted the requests to admit the

testimony and exhibits of witnesses not subject to cross examination via written verification, and to excuse such witnesses.

39. On June 13, 2023, a telephonic evidentiary hearing was held for the purpose of admitting pre-served testimony and exhibits into the record. The ALJs granted the request to cancel the June 14, 2023 hearing and issued a Hearing Cancellation Notice. The ALJs further directed that any settlement and associated proposed findings of fact, proposed conclusions of law, proposed ordering paragraphs, and statements in support of the Settlement be submitted July 14, 2023.

40. On June 15, 2023, the ALJs issued a Briefing Order.

41. The parties continued to engage in settlement negotiations, attempting to reach a full settlement on all issues in this proceeding.

42. On June 27, 2023, counsel for UGI Electric notified the ALJs via e-mail that the full settlement of all issues, including revenue allocation, had been reached.

43. As a result of the settlement efforts described above, the Joint Petitioners have agreed to a settlement that fully resolves all issues among them. The Joint Petitioners are in full agreement that the Settlement is in the public interest as a reasonable resolution of their respective interests and should be approved without modification. The Settlement agreed to by the Joint Petitioners is set forth in the following Section III.

III. SETTLEMENT

A. GENERAL

44. The following terms of this Settlement reflect a carefully balanced compromise of the Joint Petitioners' positions on various issues. The Joint Petitioners agree that the Settlement is in the public interest.

45. The Joint Petitioners agree that UGI Electric’s distribution base rate increase filing should be approved, including those tariff changes included in and specifically identified in **Appendix A**, subject to the terms and conditions of this Settlement that are specified below.

B. REVENUE REQUIREMENT

46. UGI Electric shall be permitted to submit a revised tariff supplement that is designed to produce an annual distribution revenue increase of \$8.5 million, to become effective on or before October 1, 2023, for service rendered thereafter. The increase in annual distribution rate revenue is in lieu of the as-filed increase of approximately \$11.4 million. The Settlement as to revenue requirement shall be a “black box” settlement, except for the items set forth below.

C. REVENUE ALLOCATION AND RATE DESIGN

47. Billing Determinants. For all billing determinants, the use per customer and number of customer billing determinants utilized in UGI Electric Exhibit E, Proof of Revenue as set forth in the Company’s initial filing are approved.

48. Revenue Allocation. For purposes of this Settlement, class revenue allocation is as shown in **Appendix B**, the settlement proof of revenue.

49. Monthly Customer Charges. The Company’s proposed customer charges shall be approved, except as set forth below:

- a) Rates R and GS-5: \$10.75 per month (\$9.50 currently; \$13.50 proposed)
- b) Rate GS-1: \$17.00 per month (\$13.00 currently; \$14.00 proposed)
- c) Rate GS-4: \$18.00 per month (\$15.00 currently; no change proposed)

D. DSIC REPORTING

50. DSIC Eligible Plant. As of the effective date of rates in this proceeding, UGI Electric will be eligible to include plant additions in the Distribution System Improvement Charge (“DSIC”) once the Company’s total gross plant balance exceeds \$275,000,001. The foregoing

provision is included solely for purposes of calculating the DSIC and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing.

51. DSIC Equity Return. For purposes of calculating its DSIC, UGI Electric shall use the equity return rate for electric utilities contained in the Commission’s most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1).

52. Test Year Plant Reporting. The Company shall submit an update to UGI Electric Exhibit A, Schedule C-2 no later than January 2, 2024, which will include actual capital expenditures, plant additions, and retirements by month from October 1, 2022, through September 30, 2023. An additional update for actuals from October 1, 2023, through September 30, 2024, shall be filed no later than January 2, 2025.

E. ACCOUNTING

53. Depreciation Rates. For purposes of this Settlement, UGI Electric’s as-filed depreciation rates are accepted. (*See* UGI Electric St. No. 7; *see also* UGI Electric Exhibit C (Fully Projected Future).)

54. ADIT/EDFIT. The Company’s Accumulated Deferred Income Tax (“ADIT”) and pro-rationing methodology as required by Treasury Regulation 1.167(l)-1(h)(6)(ii) is accepted. (UGI Electric St. No. 8 at 7.) Further, the Company’s method to amortize Excess Accumulated Deferred Federal Income Taxes (“EDFIT”) according to the Average Rate Assumption Method (“ARAM”) is accepted. (UGI Electric St. No. 8 at 6.) Absent a change in federal or state law, regulation, judicial precedent, or policy, the remaining unamortized EDFIT balance will continue as a reduction to rate base in all future proceedings until the full amount is returned to ratepayers.

55. Repairs Allowance. For purposes of determining the revenue requirement in this case, all capitalized repairs deductions claimed on a tax return have been normalized for ratemaking purposes, and the appropriate related amount of tax effect of those deductions has been treated similarly to ADIT as a reduction to UGI Electric's rate base.

56. COVID-19 Cost Deferral. The Company's revenue increase provided in this Settlement is reflective of a three-year non-reconcilable amortization of the Company's COVID-19 regulatory assets related to incremental uncollectible accounts expense, as follows:

- a) A continuing amortization of \$337,666 per year, which includes all incremental uncollectible expense through September 30, 2020; plus
- b) A new amortization of \$105,000 per year, which includes incremental uncollectible expense from October 1, 2020, through September 30, 2021.

57. Rate Case Expense. The Company's revenue increase provided in this Settlement is reflective of a 30-month (2.5 year) normalization for ratemaking purposes and a 30-month (2.5 year) amortization for accounting purposes. The Company will not claim any unamortized amount in a future rate case and agrees that normalization of rate case expense (as opposed to amortization) is the proper treatment for ratemaking purposes.

F. UNIVERSAL SERVICE ISSUES

58. Hardship Fund (Operation Share). Effective January 1, 2024, the Company will expand eligibility of the Electric Operation Share grant program from 200% Federal Poverty Level ("FPL") to 250% FPL and will increase its annual funding contribution by \$30,000. This will bring the Company's annual funding for Operation Share to a total of \$117,423 for 2024 and each year thereafter until a change in hardship fund contribution levels is otherwise ordered in a subsequent proceeding. Effective January 1, 2024, the Company will also increase the maximum grant size from \$400 to \$600, to the extent funds are available.

59. Low Income Usage Reduction Program (“LIURP”). As a part of this Settlement, UGI Electric agrees that:

- a) Within 60 days after a final order is entered in this proceeding, UGI Electric will issue a Request For Proposal (“RFP”) seeking an additional LIURP resource(s) that is able to perform 20 additional baseload and 10 additional heating jobs annually. Organizations that would be sent the RFP shall include community-based-organizations in the Company’s service territory. UGI Electric shall provide an update on the results of the RFP during its first Universal Service Advisory Committee (“USAC”) meeting after the RFP is completed. All associated incremental costs shall be recoverable as expanded through Rider USP as LIURP costs.
- b) Effective January 1, 2024, UGI Electric will expand its Electric LIURP heating and baseload job access to customers between 151% and 200% FPL; a limit of 20% of the overall LIURP budget shall apply for jobs related to customers falling between 151% and 200% FPL.

60. Customer Assistance Program (“CAP”), Winter Moratorium, and Low-Income Home Energy Assistance Program (“LIHEAP”). As a part of this Settlement, UGI Electric agrees that:

- a) UGI Electric will solicit customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company’s CAP 2 times a year until at least the effective date of the Company’s next Universal Service and Energy Conservation Plan (“USECP”). For each solicitation, UGI Electric will provide an update to the USAC on the results of the solicitation.

- b) UGI Electric will accept verbal self-reported income eligibility for customers at or below 250% of the FPL during the Winter Moratorium for purposes of winter shutoff protections, requests for deferred payment arrangements, or any other customer contact with the call center for an unpaid bill. Normal income verification requirements maintained by the Company shall apply upon the end of the Winter Moratorium period. No fewer than two times a year, the Company will provide an update to the USAC of the number of customers identified through such verbal self-reported income.

- c) At such time that the Pennsylvania Department of Human Services (“DHS”) notifies the LIHEAP Advisory Committee that it is ready to share LIHEAP participant income data with utilities, currently anticipated to begin in Fall 2024, UGI Electric will implement required modifications to its IT system and processes, within a reasonable time frame, such that it may utilize that data to automatically enroll non-shopping LIHEAP recipients into CAP and/or recertify their income and eligibility. Until such time as IT system and process changes are made, the Company will use best efforts to implement manual processing as soon as practicable, not to exceed three (3) months from the date data is first received. All related costs to modify IT systems and processes shall be eligible for timely recovery through the Company’s Rider USP as CAP costs, including any related interim costs related to manual processing. All automatically enrolled LIHEAP

recipients will be deemed by UGI Electric as confirmed low-income customers and will be eligible for winter shutoff protections.

d) UGI Electric will conduct an interim pilot to auto-enroll non-shopping customers who receive LIHEAP into CAP, pending implementation of the auto-enrollment process identified in Paragraph 60(c). The interim pilot will contain the following elements:

i) UGI Electric will auto-enroll non-shopping customers who received LIHEAP during the 2022/2023 LIHEAP season and will continue to enroll new LIHEAP recipients during each subsequent LIHEAP season until the time that DHS begins sharing LIHEAP income participant data with utilities (as described in Paragraph 60(c)).

ii) Auto-enrolled customers will be placed on CAP under the average bill methodology, unless they provide the Company with proof of income documentation demonstrating qualification for the opportunity to be placed on the lesser of a percent of income (“PIP”) bill or minimum bill amount.

iii) Auto-enrolled customers will receive a notification by mail or email as applicable from the Company explaining: (a) the reason for the auto-enrollment; (b) the ability to opt-out of the auto-enrollment; and (c) the opportunity to be placed on the lesser of the CAP minimum bill or PIP bill by providing proof of income.

iv) Auto-enrolled customers will be required to recertify their CAP enrollment one year after they are auto-enrolled.

- v) Auto-enrolled customers, who are enrolled through the interim pilot and for whom UGI Electric later receives detailed income information from DHS through the data-sharing process identified in Paragraph 60(c), will be transitioned to the best available CAP rate (*i.e.*, PIP, average bill, or minimum bill).
- vi) Auto-enrolled CAP customers with arrearages less than \$300 at the time of auto-enrollment will be eligible to include their pre-program arrearage (“PPA”) debt forgiveness if they later reenroll in the program.
- vii) Auto-enrolled customers will be eligible for a one-time payment arrangement (after they leave or are otherwise removed from CAP) on arrears incurred while enrolled in CAP at the average bill rate.
- e) Within 30 days of a final order in this proceeding, UGI Electric will convene a collaborative with interested parties to this proceeding to identify the following:
 - i) The manner and method of outreach and education for auto-enrolled customers to verify their income and inform them of the program rights and responsibilities.
 - ii) Data points that can be tracked to measure the effectiveness of the pilot program.
 - iii) Associated pilot program action dates related to outreach, education, and auto-enrollment start.

- iv) During the term of the interim pilot, UGI Electric will provide updates during each USAC meeting regarding the data points identified in Paragraph 60(e)(ii) to determine whether adjustments to the pilot are necessary.
- v) The pilot program will cease operation if and when the terms of Paragraph 60(c) take effect.

G. ADDITIONAL PROVISIONS

61. Ruckle Hill Road. The Company will complete a project to upgrade the highest risk section of the circuit servicing Ruckle Hill Road customers in order to improve reliability and implement storm hardening techniques. This solution will include the replacement of older non-standard wood poles with Class 2 – 45’ and 50’ wood poles where appropriate, and the installation of approximately 10,000’ of spacer-cable construction and associated conductor. This work will increase pole and conductor resistance to tree contact and damage. The Company anticipates completing the project by the end of the FPFTY and will provide notice to the parties to this proceeding upon completion, including a report on the actual costs of the work.

62. Vegetation Management. The Company agrees to report actual monthly vegetation management expenses on an annual basis for the 12-month period ending September 30, with the first report being due as part of the Company’s 2024 Annual Asset Optimization Plan (“AAOP”) filing. The report shall include quantities of vegetation management work performed, along with a summary overview of the Company’s vegetation management program.

IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST

63. Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and, at the same time,

conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See id.* § 69.401. To accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. PUC v. C.S. Water & Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

64. This Settlement was achieved by the Joint Petitioners after an extensive investigation of UGI Electric's filing, including extensive informal and formal discovery and the filing of substantial testimony by the active parties.

65. Approval of the Settlement without modification will reduce the time and expenses that the active parties and the Commission must expend on the proceeding.

66. The Joint Petitioners will further supplement the reasons that the Settlement is in the public interest in their Statements in Support. The Statements in Support are attached to this Settlement as **Appendices G through L**. In their respective Statements in Support, each Joint Petitioner explains why, in its view, the Settlement is fair, just, and reasonable and reflects a reasonable compromise of the disputed issues in this proceeding.³

V. **SETTLEMENT CONDITIONS**

67. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Settlement without modification. If the Commission modifies the Settlement, any Joint Petitioner may elect to withdraw from the Settlement and may proceed with litigation, and, in such event, the Settlement shall be void and of no effect. Such election to

³ It is noted that, because certain Joint Petitioners only participated with regard to certain issues in this proceeding, some of the Statements in Support may be limited in the scope of issues addressed.

withdraw must be made in writing, filed with the Secretary of the Commission, and served upon all Joint Petitioners within five business days after the entry of an Order modifying the Settlement.

68. If the Commission approves the Settlement without modification, the Joint Petitioners acknowledge and agree that the rates, rules, and proposals set forth in the 2023 Base Rate Case filing, as modified by the Settlement, shall be Commission-made rates.

69. This Settlement is proposed by the Joint Petitioners to settle all issues in the instant proceeding. If the Commission does not approve the Settlement without modification and the proceeding continues, the Joint Petitioners reserve their respective procedural rights to evidentiary hearings, submission of additional testimony and exhibits, cross-examination of witnesses, briefing, and argument of their respective positions. The Settlement is made without any admission against, or prejudice to, any position that any Joint Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

70. The Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any Joint Petitioner's position with respect to any issues raised in this proceeding. The terms and conditions of the Settlement are limited to the facts of this specific case and are the product of compromise for the sole purpose of settling this case. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the Parties may advance on the merits of the issues in future proceedings. This Settlement does not preclude the Joint Petitioners from taking other positions in proceedings of other public utilities under Section 1308 of the Public Utility Code, 66 Pa.C.S. § 1308, or any other proceeding.

71. If the ALJs recommend adopting the Settlement without modification, the Joint Petitioners waive their right to file Exceptions.

VI. CONCLUSION

WHEREFORE, the Joint Petitioners respectfully request that the Administrative Law Judges Christopher P. Pell and Charece Z. Collins recommend approval of, and the Pennsylvania Public Utility Commission approve, this Joint Petition for Approval of Settlement of All Issues without modification.

Respectfully submitted,



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Appendix A

***Pro Forma* Tariff Supplements**

UGI Electric Pa. P.U.C. No. 6

UGI UTILITIES, INC. – ELECTRIC DIVISION

ELECTRIC SERVICE TARIFF

**RULES AND RATES
FOR ELECTRIC DISTRIBUTION SERVICE AND
CHOICE AGGREGATION SERVICE**

in the following service territory:

LUZERNE COUNTY

City of Nanticoke, and Boroughs of Courtdale, Dallas, Edwardsville, Forty-Fort, Harvey's Lake, Kingston, Larksville, Luzerne, New Columbus, Plymouth, Pringle, Shickshinny, Sugar Notch, Swoyersville, Warrior Run, West Wyoming and Wyoming.

First Class Townships of Hanover and Newport, and Second Class Townships, of Lehman, Plymouth, Ross and Union.

WYOMING COUNTY

Townships of Monroe and Noxen

Issued:

Effective for Service Rendered on and after

Issued by:
Paul J. Szykman
Chief Regulatory Officer
1 UGI Drive
Denver, PA 17517

<https://www.ugi.com/tariffs>

NOTICE

This tariff makes increases, decreases, and changes to existing rates (see pages 2-2(d)).

LIST OF CHANGES MADE BY THIS SUPPLEMENT
(Page Numbers Refer to Official Tariff)

Cover Page

- Updated to reflect Supplement Number, Notice Language, Issue and Effective Dates.

Table of Contents, Page 3.

- Pagination changes.
- Removed 'and' from 'Rider G – Distribution System and Improvement Charge'
- Change in capitalization of 'lighting' to 'Lighting' for Rate Schedule OL.

Definitions General, Page 5.

- Definition added for Contribution in Aid of Construction.
- Term 'Electric Service: or service' was updated to 'Electric Service (or Service or service):'.
- Definition for Residential Applicant's reference to 'Residential Customers' was revised to 'Residential Customer'.

Rule 1 – General, Page 7.

- Capitalization in Subsection 1-b, was revised changing 'use of Service' to 'Use of Service'.
- Subsection 1-c was updated adding clarification for the application of rates and combined billing. The colon in the rule title was replaced with a period. Within the section 'service' was updated to 'Service'.
- Subsection 1-d was revised changing 'use of electric by the Customer' to 'use of electric service by the Customer'. The colon in the title of the section was replaced with a period. Commas were added following 'defend' and 'state'.

Rule 5 – Service and Supply System Extensions, Pages 15-17.

- In Subsections 5-e and 5-f, all references to 'aid to construction' and 'aid in construction' were revised to 'Contribution in Aid of Construction'.
- Capitalization changes in subsection 5-e revised 'residential' to 'Residential', 'commercial' to 'Commercial', and 'industrial' to 'Industrial'.
- In Subsection 5-f (2), all references to 'customer' or 'customer's' were updated to 'Customer' or 'Customer's'.
- Additional language was added to Subsection 5-g to clarify that payment is a Contribution in Aid of Construction. In addition, a hyphen was added to 'Company-Provided', 'system on private' was changed to 'system on a private' and 'The' was changed to 'the' immediately following subsection (b).
- In Subsection 5-h, a hyphen was added to 'Customer-Owned', a comma was added between 'may' and 'at' as well as between 'expense' and 'furnish', 'its' was replaced with 'their', a hyphen was added to 'Customer-owned' and 'Customer supplied' was changed to 'Customer-owned'.
- In Subsection 5-i, a space was added to '§§ 57.81', and 'year-around' was changed to 'year-round'. In subparts (2) and (3), 'its' was changed to 'Applicant's'.
- In Subsections 5-k and 5-l, all references to 'contribution' were revised to 'Contribution in Aid of Construction'.
- In Subsection 5-l 'pilot' was added to 'EV infrastructure pilot'.

Rule 16 – Administration of Rates, Page 29.

- Subsection 16-b's title was changed from 'Billing Changes' to 'Billing Corrections' along with other revisions for clarity and completeness.
- Subsection 16-c was revised to clarify Company and Customer obligations as pertaining to changing rates.
- Subsection 16-d was revised to clarify Company and Customer obligations as pertaining to changing rates during construction or emergency. At the end of subpart (3) 'or' was added. The last two sentences of subpart (4) were moved to become a standalone paragraph that relates to all of Rule 16-d. In the same section, 'contract' was changed to 'Contract'.

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LIST OF CHANGES MADE BY THIS SUPPLEMENT – (Continued)

(Page Numbers Refer to Official Tariff)

Rule 17 – Net Metering, Page 31.

- Language was added to Subsection 17-b(2) and 17-b(3) to clarify that payment is a Contribution in Aid of Construction.
- In Subsection 17-b(4), 'his' was changed to 'their' and 'measureable' was corrected to 'measurable'.

Rule 19 – Pole Removal and Relocation Charges, Page 37.

- Subsections 19-b and 19-c have been updated to clarify that payment is a Contribution in Aid of Construction.
- Capitalization updates in Subsection 19-c to change 'non-residential' to 'Non-Residential' and 'company' to 'Company'.

Rider A – State Tax Adjustment Surcharge, Page 38.

- The State Tax Adjustment Surcharge rate was reset to 0.00%.

Rider C – Universal Service Plan Rider, Pages 42-43.

- Applicability and Purpose – capitalization updated to change 'residential' to 'Residential' and 'customers' to 'Customers'.
- Rate – capitalization was updated to change 'customers' to 'Customers'.
- Calculation of Rate – quotation marks were added to ("LIURP") and 'Customer Assistance Program (CAP)' was updated to 'CAP' because it was previously defined. An open parenthesis was added to 1) 2) and 3). At the end of item (1), 'and' was removed. In item (2) an extra space was removed between 'have' and 'been'. Quotation marks were added to "CAP Credit" and 'customer' was updated to 'Customer'.
- Quarterly Adjustment – capitalization was updated to change 'residential customers' to 'Residential Customers'.
- Annual Reconciliation – the CAP credit bad debt offset language was updated and will apply where CAP enrollment exceeds the number of CAP enrollees as of September 30, 2023.

Rider G – Distribution System Improvement Charge, Page 50.

- The Distribution System Improvement Charge rate was reset to 0.00%.
- Reference to prior docket number was removed and effective date was updated
- A.1 Purpose – capitalization was updated to change 'customers' to 'Customers'.

Rate Schedule R – Residential Service, Page 53.

- Availability – capitalization was updated to change 'non-residential' to 'Non-Residential'.
- The customer charge and distribution charge were increased on Page 53.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule OL – Outdoor Lighting Service, Pages 54-55.

- Availability – updated to address market phase-out of mercury vapor lighting.
- The distribution charge was increased on Page 54.
- A hyphen was removed which changed 'back-filling' to 'backfilling'.
- Standard Construction – clarifies that payments related to additional facilities are a Contribution in Aid of Construction. A hyphen was added to '120-volt'.
- Maintenance – language added to address market phase-out of mercury vapor lamps.
- Surcharges and Riders – a space was added to change 'Rider E-' to 'Rider E -' and 'Rider G-' to 'Rider G -'. The word 'and' was removed from Rider G.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

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LIST OF CHANGES MADE BY THIS SUPPLEMENT – (Continued)

(Page Numbers Refer to Official Tariff)

Rate Schedule SOL – Sodium Outdoor Lighting Service, Pages 56-57.

- The distribution charge was increased on Page 56.
- A spelling error was corrected which changed 'backfiling' to 'backfilling'.
- General Provisions (a) – a hyphen was added to '120-volt'.
- General Provisions (c) – clarifies that payments related to additional facilities are a Contribution in Aid of Construction.
- General Provisions (f) – new subsection added to address market phase-out of sodium vapor lamps.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule MHOL – Metal Halide Outdoor Lighting Service, Pages 58-59.

- Availability – update to address market phase-out of metal halide lighting.
- The distribution charge was increased on Page 58.
- General Provisions (a) – a hyphen was added to '120-volt'.
- General Provisions (c) - reference to Contribution in Aid of Construction has been added.
- General Provisions (f) – new subsection added to address market phase-out of metal halide lamps
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule LED-OL – Light-Emitting Diode Outdoor Lighting Service, Pages 60-61.

- The distribution charge was increased on Page 60.
- New rates were added for a standard decorative lighting fixture and decorative pole offering on Page 60.
- General Provisions (a) – a hyphen was added to '120-volt'.
- General Provisions (c) – clarifies that payments related to additional facilities are a Contribution in Aid of Construction.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule GS-1 – General Service, Page 62.

- The customer charge and distribution charge were increased on Page 62.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule GS-4 – General Service (5 kW minimum), Page 63.

- Revised language addressing character of service to consider other reasonable service configurations as determined by the Company.
- The distribution charge was increased on Page 63.
- Revised language to clarify that the minimum monthly charge includes the Customer Charge and billing demand amount.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule GS-5 – General Service, Page 65.

- The customer charge and distribution charge were increased on Page 65.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

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LIST OF CHANGES MADE BY THIS SUPPLEMENT – (Continued)

(Page Numbers Refer to Official Tariff)

Rate Schedule LP – Large Power Service, Pages 66 - 67.

- Clarifying language was added addressing availability and character of service.
- The distribution charge was increased on Page 66.
- Surcharges and Riders – a space was added to change ‘Rider G-’ to ‘Rider–G -’ and the word ‘and’ was removed.
- Payment Terms – reference to ‘Section 13’ was changed to ‘Rule 13’.

Rate Schedule HTP – High Tension Power Service, Page 68.

- Payment Terms – reference to ‘Section 13’ was changed to ‘Rule 13’.

Rate Schedule SL – Street Lighting Service, Pages 69-70.

- Availability – update to address market phase-out of mercury vapor lighting. A comma was added after ‘parks’.
- The distribution charge was increased on Page 69.
- A hyphen was removed which changed ‘back-filling’ to ‘backfilling’.
- Surcharges and Riders – a space was added to change ‘Rider G-’ to ‘Rider G -’ and the word ‘and’ was removed.
- Revised language addressing lamp renewals to address market phase-out of mercury vapor lamps. A comma was also added to ‘broken, or giving’.
- Spacing of Lamps and Relocation of Lamps – clarified that payments made are a Contribution in Aid of Construction.
- Change in Lamp Size – a semi colon and ‘and’ were added to the end of item (2).
- Payment Terms – reference to ‘Section 13’ was changed to ‘Rule 13’.

Rate Schedule SSL – Sodium Street Lighting Service, Pages 71 and 72.

- The distribution charge was increased on Page 71.
- A hyphen was removed which changed ‘back-filling’ to ‘backfilling’.
- Surcharges and Riders – a space was added to change ‘Rider G-’ to ‘Rider G -’ and the word ‘and’ was removed.
- General Provisions (d) – added new language to address market phase-out of sodium lamps.
- Original General Provisions (d) – was relabeled as (e) and language changed to clarify that payments made are a Contribution in Aid of Construction.
- Payment Terms – reference to ‘Section 13’ was changed to ‘Rule 13’.

Rate Schedule MHSL – Metal Halide Street Lighting Service, Pages 73 and 74.

- Availability – updated to address market phase-out of metal halide lighting. A comma was also added after ‘parks’.
- The distribution charge was increased on Page 73.
- A hyphen was removed which changed ‘back-filling’ to ‘backfilling’.
- Surcharges and Riders – a space was added to change ‘Rider G-’ to ‘Rider G -’ and the word ‘and’ was removed.
- General Provisions (e) – clarified that payments made are a Contribution in Aid of Construction.
- General Provisions (f) – added new language to address market phase-out of metal halide lamps.
- Payment Terms – reference to ‘Section 13’ was changed to ‘Rule 13’.

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UGI Utilities, Inc. – Electric Division

UGI Electric Pa. P.U.C. No. 6
Page No. 2(d)

LIST OF CHANGES MADE BY THIS SUPPLEMENT – (Continued)

(Page Numbers Refer to Official Tariff)

Rate Schedule LED-SL – Light-Emitting Diode Street Lighting Service, Pages 75 and 76.

- Availability – a comma was added after 'parks'.
- The distribution charge was increased on Page 75.
- New rates were added for a standard decorative lighting fixture and decorative pole option on Page 75.
- Removal of Mercury Vapor, High Pressure Sodium and Metal Halide – the underline for this header was modified to no longer extend beyond the text.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- General Provisions (d) and (e) – clarifies that payments made are a Contribution in Aid of Construction.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule LED-CO – Customer-Owned Light-Emitting Diode Street Lighting Service, Pages 77 and 79.

- Availability – capitalization updated to change 'non-residential' to 'Non-Residential'.
- The distribution charge was increased on Page 77.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule FCP – Flood Control Power Service, Page 80.

- The distribution charges were increased on Page 80.
- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Rate Schedule BLR – Borderline Resale Service, Page 81.

- Surcharges and Riders – a space was added to change 'Rider G-' to 'Rider G -' and the word 'and' was removed.
- Payment Terms – reference to 'Section 13' was changed to 'Rule 13'.

Issued:

Effective for Service Rendered on and after

UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 3
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(C) Indicates Change

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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 5
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DEFINITIONS – GENERAL

Applicant:	Any person, corporation or other entity that (i) desires Electric Service from the Company, (ii) complies completely with all Company requirements for obtaining Electric Service, (iii) has filed and is awaiting Company approval of its application for Electric Service, and (iv) is not yet lawfully receiving Electric Service from the Company.	
Automatic Meter Reading (AMR):	Metering using technologies that automatically read and collect data from metering devices and transfer that data to a central database for billing and other purposes and does not include a Remote Meter Reading Device.	
Contribution in Aid of Construction:	A non-refundable cash contribution from an Applicant or Customer for those costs associated with a line extension, temporary service, or relocation of Company facilities including all related activities.	(C)
Commercial Customer:	A Customer who is not classified as an Industrial Customer or a Residential Customer.	
Company:	UGI Utilities, Inc. – Electric Division	
Creditworthiness:	An assessment of an Applicant’s or Customer’s ability to meet bill payment obligations for Electric Service.	
Customer:	Any person, corporation or other entity receiving Electric Service from the Company.	
Discontinuance of Service:	The cessation of Electric Service with the consent of Customer.	
EGS:	A supplier of electric generation that has been licensed by the PUC to sell electricity directly to retail customers within the Commonwealth of Pennsylvania in accordance with the Electric Generation Customer Choice and Competition Act, 66 Pa.C.S. § 2801 <i>et seq.</i> and has met all requirements specified in the Company’s Electric Generation Supplier Coordination Tariff.	
Electric Service (or Service or service):	The provision of electric distribution service in accordance with statutory and PUC requirements.	(C)
Industrial Customer:	A Customer engaged in the process which creates or changes raw materials or unfinished materials into another form or product.	
Occupant:	A natural person who resides in the premises to which Electric Service is provided.	
PUC:	The Pennsylvania Public Utility Commission	
Remote Meter Reading Device:	A device which by electrical impulse or otherwise transmits readings from a meter, usually located within a residence, to a more accessible location outside a residence. The term does not include AMR and devices that permit direct interrogation of the meter.	
Residential Applicant:	A person who is (1) a natural person at least 18 years of age not currently receiving Electric Service who applies for residential Electric Service or (2) an adult Occupant whose name appears on the mortgage, deed or lease of the property for which the residential Electric Service is requested. The term does not include (1) a Residential Customer who seeks to transfer Electric Service between locations in the Company’s service territory, or (2) a Residential Customer who, within 30 days after Termination of Discontinuance of Service, seeks to have Electric Service reconnected within the Company’s service territory.	(C)

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 7
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RULES AND REGULATIONS

1. GENERAL

- 1-a Tariff Availability. A copy of this Tariff is on file with the PUC and is available on Company’s website at <https://www.ugi.com/tariffs> and on the PUC’s website at <https://www.puc.pa.gov/filing-resources/tariffs/electric-tariffs/>. This Tariff may be amended from time-to-time in accordance with the rules of the PUC.
- 1-b Scope and Application of Tariff. The Tariff, which is subject to a PUC-established review and approval process, contains rates, rules and regulations governing the supply by Company of Electric Service to all Customers, including, as applicable, Users Without Contract and those engaged in the Unauthorized Use of Service. It is the responsibility of Company and each of its employees to apply the provisions of the Tariff without unlawful privilege or advantage to any Customer, and mandatory provisions of the Tariff may not be modified by Company, any Company employee or representative, or Customer, whether by written agreement or otherwise, without the approval of the PUC. The failure by the Company to enforce any of the provisions of this Tariff shall not be deemed a waiver of its right to do so. (C)
- 1-c Application of Rates. The rates in this Tariff are based upon supply of service to one Customer through one meter at the same or contiguous property. Each service to a different location and/or of a different rate classification shall be billed as a separate Customer; the use of service at two or more properties will not be combined for billing purposes. However, customers who take service at two or more locations on the same or contiguous property under the same rate schedule may, by request, and at the Company’s sole discretion, have their use combined for billing purposes by electing to take primary service at 13,800 volts. Customers electing to have their use combined shall pay a Contribution in Aid of Construction for the cost of all additional facilities required unless, in the Company’s sole judgment, the Company’s investment in such connections is warranted by the revenue anticipated from the Service to be supplied; the Company will not own, install, or maintain any facilities, including transformers, after the point of delivery as determined by the Company. The Company will provide Customers with a written explanation regarding its analysis of the arrangement’s economics. Customers may not pool together for purposes of qualifying for a rate schedule. (C)
- 1-d Liability and Legal Remedies. The Customer will indemnify, defend, and hold harmless the Company against all claims, demands, costs or expenses for loss, damage or injury to person or property in any manner either directly or indirectly connected with or growing out of the supply or use of electric service by the Customer at or on the Customer’s side of the point of delivery. Neither the Company nor the Customer will be liable to each other for any act or omission caused either directly or indirectly by strikes, labor troubles, accidents, litigation, federal, state, or municipal laws or interference, or other causes not a result of each party’s own negligence or intentional misconduct. (C)

(C) Indicates Change

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RULES AND REGULATIONS (continued)

5. SERVICE AND SUPPLY SYSTEM EXTENSIONS

- 5-e Supply Line Extensions to Seasonal Residential Customers and Temporary Commercial and Industrial Customers. Seasonal Residential Customers and temporary Commercial and Industrial Customers shall pay for new supply line extensions in advance a Contribution in Aid of Construction, equal to the estimated cost of construction of the required facilities. For temporary extensions, the aid shall include the estimated removal costs less anticipated salvage values. Where the Customer requires the Company's service or supply line to be disconnected but the Company facilities left in place, the Customer shall pay for the cost of each reconnection and disconnection prior to each reconnection. **(C)**
- 5-f Single-Phase Supply Line Extensions and Polyphase Line Extensions Exceeding Established Limits.
- (1) Single-phase overhead supply line extensions - The Company will provide single-phase overhead supply line extensions to serve permanent residential, commercial, and industrial Customers in excess of twenty-five hundred (2500) feet along public road right-of-way and/or in excess of five hundred (500) feet on private right-of-way not along public road right-of-way provided the Customer pays in advance a Contribution in Aid of Construction equal to the estimated cost to extend the excess facilities. **(C)**
- (2) Polyphase overhead supply line extensions - The Company will determine the necessary minimum annual revenue guarantee or Contribution in Aid of Construction when warranted, required for all polyphase extensions regardless of length. The minimum annual revenue guarantee shall be calculated by dividing the estimated polyphase line extension cost by five (5). This minimum annual revenue guarantee will be compared, on an annual basis, to the Customer's actual billings for distribution services, over the five (5) year period following the commencement of service to the Customer through the polyphase overhead supply line extension. Any shortfall between a Customer's actual billings for distribution services and the minimum annual revenue guarantee will be assessed to the Customer. Contributions in Aid of Construction will be utilized in lieu of minimum annual revenue guarantees when the Company has concluded that the polyphase line extension is associated with a speculative project, where the Company has determined the Customer/developer is a credit risk, or when the Customer/developer prefers to pay a Contribution in Aid of Construction rather than the minimum annual revenue guarantee. The Contribution in Aid of Construction will be calculated by subtracting the Customer's projected five (5) year distribution service billing revenue from the estimated polyphase line extension cost. The result of this calculation will be the required Contribution in Aid of Construction that shall be paid to the Company before construction of the extension is undertaken. On an annual basis, over the five (5) year period following the commencement of service to the Customer through the polyphase overhead supply line extension, the Customer's projected annual distribution service billing revenue will be compared to the Company's actual distribution charges billed to the Customer. Any shortfall between the estimated annual distribution billing used in the calculation of the Contribution in Aid of Construction and the Customer's actual distribution billing will be assessed to the Customer. On a case-by-case basis, the Company may allow a Customer to pay, via installments, any required Contribution in Aid of Construction. The terms and conditions of such arrangements shall be at the sole discretion of the Company. In cases where installment payment of a Contribution in Aid of Construction is permitted, the Customer will, unless the Company otherwise agrees, be required to provide financial security to the Company in a form acceptable to the Company. **(C)**

(C) Indicates Change

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RULES AND REGULATIONS (continued)

5. SERVICE AND SUPPLY SYSTEM EXTENSIONS

- 5-g Company-Provided Underground Service and Supply Facilities. The Company may provide underground service and supply facilities to a new Customer, except as provided in Rule 5-i below, when, in the Company's opinion, the circumstances justify the investment. In such a case, the Customer at its sole expense must provide service entrance equipment suitable to receive service from underground equipment. On request of a new Customer, the company may establish an underground system on a private right-of-way on condition that: (a) the Customer pays the Company, in advance a Contribution in Aid of Construction equal to the entire cost of underground facilities in excess of five hundred (500) feet; (b) the Customer provides all trenching and backfilling and conduit required to establish an underground system according to the Company's specifications; (c) the supply line to be installed underground is not located along public road right-of-way; and (d) the Customer provides the Company a suitable right-of-way over all properties crossed by the new line. **(C)**
- 5-h Customer-Owned Underground Service Line. Where in the opinion of the Company it is not practical for the Company to provide an underground service line, the Customer may, at their own expense, furnish their own underground service line from the Customer's meter location to a point specified by the Company. Such Customer-owned service lines shall be built to Company specifications. Sufficient wire shall be provided for the Company to terminate the Customer-owned service line to the Company supply facilities. The Company will terminate the Customer-owned service lines to its supply facilities without charge to the Customer. The Customer shall be responsible for ownership, operation, maintenance, relocation, and replacement of such Customer-owned service line. **(C)**
- 5-i Underground Electric Service in New Residential Developments. Company shall install underground distribution and service facilities in new residential developments as required in the PUC regulations at 52 Pa. Code §§ 57.81 – 57.88 or any successor thereto. Such service shall only be provided for new residential developments being developed pursuant to a recorded plot plan with five or more adjoining unoccupied lots to be used for single-family residences, detached or otherwise, mobile homes or apartment houses, all of which are intended for year-round occupancy. Tracts of land which are subdivided, but not developed into utility-ready lots by a bona fide developer shall not qualify for the service. Applicants for such service must:

 - (1) Request electric service at such time that the lines may be installed before curbs, pavements and sidewalks are laid; carefully coordinate scheduling of the Company's line and facility installation with the general project construction schedule, including coordination with any other Company sharing the same trench; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the Company to avoid unnecessary cost and delay; and
 - (2) At Applicant's own cost, provide the Company with a copy of the recorded development plot plan identifying property boundaries, and with easements satisfactory to the Company for occupancy by distribution, service and street-light lines and related facilities; and **(C)**

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RULES AND REGULATIONS (continued)

5. SERVICE AND SUPPLY SYSTEM EXTENSIONS

(3) At Applicant's own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation shall consist only of laying of the lines and installing other service-related facilities. Excavating and backfilling performed or provided by the applicant shall follow the Company's underground construction standards and specifications set forth by the Company in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the Company. If the Company's specifications have not been met by the Applicant's excavating and backfilling, such excavating and backfilling shall be corrected or redone by the applicant or its authorized agent. Failure to comply with the Company's construction standards and specifications permits the Company to refuse service until such standards and specification are met. **(C)**

5-j Other Extension. The Company's obligation to extend its facilities to a new point of delivery, other than as set forth above, is limited to the assumption of new investment to the extent warranted by the revenue anticipated from the service to be supplied. Where the anticipated revenue does not warrant the investment required to serve, the Company will determine for each case what guarantees of revenue, financing or term of contract shall be required of the Customer.

5-k Taxes on Contributions in Aid of Construction. For any Contribution in Aid of Construction or other like amounts received from an Applicant or Customer which constitute taxable income as defined by the Internal Revenue Service, the Company shall maintain a segregated deferred income tax account for inclusion in rate base in a future rate proceeding. Such income taxes associated with a Contribution in Aid of Construction or other like amount will not be charged to the Applicant or Customer. **(C)**

5-l Service to Electric Vehicle Supply Equipment. Where Company provides service to Qualified Electric Vehicle Charging Stations ("Qualified EV Charging Stations") which will be accessible to the public for charging access, the Company shall provide all required investment without Contribution in Aid of Construction and will design and install the required infrastructure facilities necessary for operation of such Qualified EV Charging Stations (including any new conductor replacement, transformers, services, and meters; inclusive of any make ready work). Such facilities shall be provided at no required Contribution in Aid of Construction to the customer as part of an EV infrastructure pilot which will end September 30, 2026. Qualified EV Charging Stations may be supplied electricity by an EGS. **(C)**

5-m Qualified EV Charging Stations shall be defined as one (1) to four (4) DC Fast Charge ("DCFC") stations of 50kW or greater, or at least four (4) Level 2 charging stations, which are compatible with the Company's distribution system and are located within 400 feet of a Company 3-phase primary distribution circuit line, or in another location where the Company, in its sole discretion, anticipates that adequate public availability and access is being provided. DCFC installation locations may also be inclusive of one or more adjacent Level 2 charging stations. All qualifying chargers must have smart or network capabilities and be tested for safety by a national testing laboratory such as UL. Qualifying Level 2 chargers must be ENERGY STAR certified.

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RULES AND REGULATIONS (continued)

16. ADMINISTRATION OF RATES

- 16-a Load Inspections. Where the supply of Electric Service is under rates which base the billing demand or minimum charge upon the Customer's connected load, Company's representative shall have access to the premises at reasonable times to inspect and count the connected load.
- 16-b Billing Corrections. Where demands or consumption are reassessed, or redetermined, or power factor recomputed or remeasured or Customers are found to be on an improper rate, as the result of investigation made at Customer's request or by Company initiative, the change of billing to the new demand or power factor, or to the proper rate or consumption will apply to the bill(s) for the month(s) over which the investigation period is related. **(C)**
- 16-c Change in Rate. After Customer provides actual notice of service conditions, including a change thereof, and upon request, Company will reasonably assist Customer in determining the most advantageous rate for which Customer may qualify. Company will notify Customer in writing or by new contract of the change in rate contemplated, provided that not more than one such change of rate shall be made in any twelve (12) month period, except as provided in Rule 16-d. **(C)**
- 16-d Billing During Periods of Construction or Emergency. After the Customer provides actual notice of service conditions, including a change thereof, and upon request, Company will reasonably assist the Customer in determining the applicable rate most advantageous to Customer or modify or waive the requirements of the applicable rate as to billing demand, minimum billing demand and/or minimum monthly charge when: **(C)**
 - (1) Customer is forced to suspend operations in part or entirely due to fire or flood;
 - (2) Unusual high demands are established by emergency pumping, or other abnormal load conditions;
 - (3) Customer's plant is under construction or gradual electrification; or **(C)**
 - (4) Government Orders, applicable to special classes of Customers, require changes in such Customer's loads.

Written request for relief must be made in all cases except (4), stating fully the circumstances on which the request is based. If appropriate, the contract term shall be extended for a period equal to that of the relief granted. **(C)**

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RULES AND REGULATIONS (continued)

17. NET METERING

- (2) If the customer-generator's existing electric metering equipment does not meet the requirements under option (1) above, the Company shall install new metering equipment for the customer-generator at the Company's expense. Any subsequent metering equipment change necessitated by the customer-generator shall be paid for by the customer-generator as a Contribution in Aid of Construction. The customer-generator has the option of utilizing a qualified meter service provider to install metering equipment for the measurement of generation at the customer-generator's expense. **(C)**
- (3) Additional metering equipment for the purpose of qualifying alternative energy credits owned by the customer-generator shall be paid for by the customer-generator as a Contribution in Aid of Construction. The Company shall take title to the alternative energy credits produced by a customer-generator where the customer-generator has expressly rejected title to the credits. In the event that the Company takes title to the alternative energy credits, the Company will pay for and install the necessary metering equipment to qualify the alternative energy credits. The Company shall, prior to taking title to any alternate energy credits, fully inform the customer-generator of the potential value of those credits and options available to the customer-generator for the disposition of those credits. **(C)**
- (4) Virtual meter aggregation on properties owned or leased and operated by the same customer-generator shall be allowed for purposes of net metering. Virtual meter aggregation shall be limited to meters located on properties owned or leased and operated by the same customer-generator within two (2) miles of the boundaries of the customer-generator's property and within the Company's service territory. All service locations to be aggregated must be Company service location accounts held by the same individual or legal entity receiving retail electric service from the Company and have measurable load independent of any alternative energy system. Physical meter aggregation shall be at the customer-generator's expense. The Company shall provide the necessary equipment to complete physical aggregation. If the customer-generator requests virtual meter aggregation, it shall be provided by the Company at the customer-generator's expense. The customer-generator shall be responsible only for any incremental expense entailed in processing their account on a virtual meter aggregation basis. **(C)**

17-c Billing Provisions. The following billing provisions apply to customer-generators in conjunction with service under applicable Rate Schedule R, GS-1, GS-4, GS-5, and LP.

- (1) The customer-generator will receive a credit for each kilowatt-hour received by the Company up to the total amount of electricity delivered to the Customer during the billing period at full retail rate, consistent with Commission regulations. If a customer-generator supplies more electricity to the electric distribution system than the Company delivers to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's kilowatt-hour usage in subsequent billing periods at the full retail rate. Any excess kilowatt hours that are not offset by electricity used by the customer-generator in subsequent billing periods shall continue to accumulate until the end of the year. At the end of each year, the Company will compensate the customer-generator for any remaining excess kilowatt-hours generated by the customer-generator that were not previously credited against the customer-generator's usage in prior billing periods at the Company's Price to Compare rate. The customer-generator is responsible for the customer charge, demand charge and other applicable charges under the applicable Rate Schedule.

(C) Indicates Change

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RULES AND REGULATIONS (continued)

19. POLE REMOVAL AND RELOCATION CHARGES

- 19-a For the purpose of this Rule only, the following terms shall have the meanings indicated for them.
- (1) "Contractor Costs" - The amount paid by the Company to a contractor for work performed on a pole removal or relocation.
 - (2) "Direct Labor Costs" - The pay and expenses of Company employees directly attributable to work performed on pole removals or relocations, excluding construction overheads or payroll taxes, workmen's compensation expenses or similar expenses.
 - (3) "Direct Material Costs" - The purchase price of materials used in performing a pole removal or relocation, excluding related stores expenses. In computing direct materials costs, proper allowance shall be made for unused materials, materials recovered from temporary structures, and for discounts allowed and realized in the purchase of materials.
 - (4) "Pole Removal or Relocation" - The removal or relocation of distribution or transmission line poles and their associated attachments made under the request of a residential property owner who is not entitled to receive condemnation damages to cover the cost of the pole removal or relocation. The term does not include pole repairs or replacements necessitated by the intentional or negligent conduct of a party.
- 19-b When a Residential Customer requests the Company to remove or relocate a Company pole on said Customer's residential property the Residential Customer shall be required to pay the contractor costs, direct labor costs, and direct material costs associated with the pole removal or relocation less an amount equal to any maintenance expenses avoided as a result of such work as a Contribution in Aid of Construction. The Company shall provide the Residential Customer with an estimate of the above costs for performing such work and the Residential Customer shall pay that amount to the Company prior to construction. After completion of the work, the Company shall bill, or refund to, the Residential Customer the difference between the estimated cost and the actual direct cost of such work. **(C)**
- 19-c In all other respects, Non-Residential Customers or parties that request the removal, relocation or changes to Company facilities shall bear the total cost and expenses of the work, including the total direct and indirect costs. Where required by the Company, the Non-Residential Customer or party shall pay to the Company in advance a Contribution in Aid of Construction for the estimated cost to perform such work. After completion of the work, the Company shall bill, or refund to the non-residential Customer or party, the difference between the estimated cost and the total direct and indirect cost of such work. **(C)**
- 19-d All Customers or parties that request the removal, relocation or change of Company facilities shall furnish, without expense to the Company, satisfactory rights-of-way acceptable to the Company for the construction, maintenance and operation of the relocated facilities.

(C) Indicates Change

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RIDER A

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge is applicable to the net monthly rates and minimum charges contained in this Tariff. The surcharge shown below will be recomputed when a tax rate used in the calculation changes and/or the Company implements a change in rates.

The recomputation of the surcharge will be submitted to the PUC within 10 days after the occurrence of a reason for surcharge recomputation shown above. If the recomputed surcharge is less than the one in effect the Company will, and if more may, submit a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after the filing.

Rider A - State Tax Adjustment Surcharge is 0.00%.

(D)

(D) Indicates Decrease

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**RIDER C
 UNIVERSAL SERVICE PROGRAM RIDER**

APPLICABILITY AND PURPOSE

This Rider shall be applicable to all Residential Customers except Customers in the Company’s Customer Assistance Program (“CAP”). This Rider has been established to recover costs related to the Company’s Universal Service and Conservation Programs, excluding internal administrative costs. (C)

RATE

In addition to the charges provided in this tariff, an amount shall be added to the otherwise applicable charge for each kWh of sales volumes or distribution volumes distributed by the Company to Customers receiving service under Rate Schedule R. (C)

The USP rate: 1.150 ¢/kWh

CALCULATION OF RATE

The Rider USP rate shall be calculated to recover costs for the following programs: Low Income Usage Reduction Program (“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. (C)

LIURP costs will be calculated based on the projected number of Level 1 income homes to be weatherized. Hardship Fund costs will be calculated on the projected level of an allocated share of administrative funds incurred by the UGI Operation Share Energy Fund.

CAP costs will be calculated to include:

- (1) the projected CAP credit; (C)
- (2) projected CAP customer application and administrative costs paid to external agencies that would not have been incurred in the absence of CAP; and
- (3) projected CAP pre-program arrearage forgiveness.

“CAP Credit” shall be defined as the difference between the total calculated Rate R bill, excluding Rider USP, and the CAP bill and an adjustment for unearned credit amounts based upon the current discounts at normalized annual volumes of the then-current CAP participants and the projected CAP Credit for projected Customer additions to CAP during the period that the CAP Rider rate will be in effect at the average discount of current CAP participants at normalized annual volumes. (C)

QUARTERLY ADJUSTMENT

Any time that the Company makes a change in base rates or GSR rate affecting Residential Customers, the Company shall recalculate the Rider USP rate pursuant to the calculation described above to reflect the Company’s current data for the components used in the USP rate calculation. The Company shall file the updated rate with the PUC to be effective one (1) day after filing. (C)

ANNUAL RECONCILIATION

On or before November 1 of each year, the Company shall file with the PUC data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended September. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the CAP quarterly rate adjustment to be effective December 1. Actual recoverable costs shall reflect actual CAP costs, actual application costs, actual pre-program arrearage forgiveness, actual LIURP costs, actual Hardship Administrative costs. Actual recoverable CAP credit costs and pre-program arrearage forgiveness shall be based upon actual CAP credits granted and pre-program arrearage forgiveness granted less a 7.40% adjustment for amounts granted to participants in excess of the number of CAP enrollees as of September 30, 2023. The 7.40% adjustment related to CAP credits and pre-program arrearage forgiveness will be based on the following: (C)

(C) Indicates Change

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RIDER C

UNIVERSAL SERVICE PROGRAM RIDER (Continued)

For each reconciliation period, the average annual CAP credit per participant will be determined by dividing the total actual CAP credits granted during the reconciliation period by the average monthly number of participants receiving CAP credits during the reconciliation period. The average monthly number of participants receiving CAP credits exceeding the number of CAP enrollees as of September 30, 2023 will be multiplied by the average annual CAP credit granted per participant and then multiplied by 0.0740 in order to determine the amount of the CAP Credits recovered through Rider USP. **(C)**

For each reconciliation period, the average pre-program arrearage forgiveness per participant will be determined by dividing the total actual pre-program arrearage forgiven during the reconciliation period by the number of participants receiving pre-program arrearage forgiveness. The number of participants receiving pre-program arrearage forgiveness exceeding the number of CAP enrollees as of September 30, 2023 will be multiplied by the average pre-program arrearage forgiveness per participant and then multiplied by 0.0740 in order to determine the amount of the pre-program arrearage forgiveness which will not be recovered through Rider USP. **(C)**

(C) Indicates Change

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RIDER G

DSIC – DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply. (D)

A.1 Purpose. To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new Customers are not recoverable through the DSIC. (C)

A.2 Eligible Property.

The DSIC-eligible property will consist of the following:

- Poles and Tower (Acct. 364);
- Overhead conductors (Acct. 365)
- Underground Conduit and Conductors (Accts. 366 & 367)
- Line Transformers (Acct. 368)
- Substation Equipment (Acct. 362)
- Any fixture or device related to eligible property listed above, including insulators, circuit breakers, fuses, reclosers, grounding wires, crossarms and brackets, relays, capacitors, convertors and condensers;
- Unreimbursed costs related to highway relocation projects where an electric distribution company must relocate its facilities; and
- Other related capitalized costs.

A.3 Effective Date. The DSIC will become effective for bills rendered on and after, . (C)

A.4 Computation of the DSIC. The DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update.

Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date of Change</u>	<u>Date to which DSIC-Eligible Plant Additions Reflected</u>
April 1	December 1 through February 28
July 1	March 1 through May 31
October 1	June 1 through August 31
January 1	September 1 through November 30

(D) Indicates Decrease (C) Indicates Change

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**RATE R
 RESIDENTIAL SERVICE**

AVAILABILITY

Available to Customers located on Company's distribution lines and desiring service for household and Non-Residential uses (where the Non-Residential use(s) is limited to less than 2 kW) in a single private dwelling, or an individual dwelling unit in a multiple dwelling structure, and its appurtenant detached buildings. **(C)**

CHARACTER OF SERVICE

Alternating current, 60 cycles, single phase; 120 volts, 2 wire; 120-208 volts, 3 wire; or 120-240 volts, 3 wire.

RATE TABLE

Customer Charge: \$10.75 per Month **(I)**

Distribution Charge (all usage): 5.290 ¢/kWh **(I)**

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider C - Universal Service Program Rider
- Rider E - Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge **(C)**

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be the Customer Charge.

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. **(C)**

(I) Indicates Increase (C) Indicates Change

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**RATE OL
 OUTDOOR LIGHTING SERVICE**

AVAILABILITY

This Rate is available for outdoor lighting in the entire territory served by the Company, where contracted for by a Customer for private area lighting. Effective , Rate OL is no longer available to new Customers or Applicants, or for new installations for existing Customers. (C)

CONTRACT TERM AND BILLING

Standard contracts are on a yearly basis with monthly payments for service.

RATE TABLE

Rates per month for standard construction with monthly payments for service rendered.

Flood Lighting Luminaire – Mercury Vapor

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
11,000 Lumen	\$7.20	4.812 (I)	\$6.79	5.626 (I)
20,000 Lumen	\$8.05	4.812 (I)	\$7.43	5.626 (I)
60,000 Lumen	\$8.24	4.812 (I)	\$6.69	5.626 (I)

Street Lighting Luminaire – Mercury Vapor

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
7,000 Lumen	\$4.54	4.812 (I)	\$4.26	5.626 (I)
11,000 Lumen	\$7.20	4.812 (I)	\$6.79	5.626 (I)
20,000 Lumen	\$8.05	4.812 (I)	\$7.43	5.626 (I)
60,000 Lumen	\$8.24	4.812 (I)	\$6.69	5.626 (I)

Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that in addition to charge (C)
 no trenching and backfilling is required in Rate Tables above

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

STANDARD CONSTRUCTION

The prices specified in the Rate Table for Standard Construction cover the supply of lamps and equipment to mount floodlighting or street lighting luminaires and photo-electric switch control on Company's existing wood pole or other support approved by the Company and located within one span (150 feet) of existing 120-volt facilities. If Customer requires an additional wood pole, or poles, to be installed, a monthly charge of \$5.99 per pole shall be added to the above Rates for standard installation poles. Any additional facilities other than specified herein shall be paid by the Customer in advance as a Contribution in Aid of Construction. (C)

HOURS OF BURNING

Operation shall be from dusk until dawn, a total of approximately 4,000 hours per year. Credit shall not be allowed for lamp outages.

(I) Indicates Increase (C) Indicates Change

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RATE OL - (Continued)
OUTDOOR LIGHTING SERVICE

MAINTENANCE

All facilities shall be owned and maintained by the Company. Lamp renewal service, during normal working hours will be provided upon notice to the Company for lamps burned out or broken. Burned out or broken lamps will be replaced as long as the supply of mercury vapor lighting is readily available at reasonable costs to the Company. Customer will be required to move to a different available lighting service rate when lamps cannot be replaced or replaced at reasonable cost. (C)

RURAL LINE MINIMUMS

Rural line minimums shall not be applicable to charges under this Rate.

APPROVAL

Customer shall obtain proper approval for lights to be located on public thoroughfares.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E- Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge (C)

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. (C)

(C) Indicates Change

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**RATE SOL
 SODIUM OUTDOOR LIGHTING SERVICE**

AVAILABILITY

This Rate for high pressure sodium outdoor lighting is available in the entire territory served by the Company, where contracted for by a Customer for private area lighting.

CONTRACT TERM

Two years and thereafter in accordance with contract provisions. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party.

NET MONTHLY RATE

Rates per month for standard construction with monthly payments for service rendered.

Floodlighting Luminaire – High Pressure Sodium

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
16,000 Lumen	\$7.96	4.812 (I)	\$7.65	5.626 (I)
25,000 Lumen	\$8.35	4.812 (I)	\$7.88	5.626 (I)
50,000 Lumen	\$10.42	4.812 (I)	\$9.72	5.626 (I)

Street Lighting Luminaire – High Pressure Sodium

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
9,500 Lumen	\$7.87	4.812 (I)	\$7.66	5.626 (I)
16,000 Lumen	\$7.96	4.812 (I)	\$7.65	5.626 (I)
25,000 Lumen	\$8.35	4.812 (I)	\$7.88	5.626 (I)
50,000 Lumen	\$10.42	4.812 (I)	\$9.72	5.626 (I)

Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and backfilling is required in Rate Table above (C)

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

GENERAL PROVISIONS

- (a) The prices specified in the Rate Table for Standard Overhead Construction cover the supply of lamps and equipment to mount flood lighting or street lighting luminaires and photo-electric switch control on Company's existing wood pole or other support approved by Company and located within 150 feet of existing 120-volt facilities. (C)
- (b) If Customer requires an additional wood pole, or poles, to be installed for mounting heights up to 25 feet, a monthly charge of \$5.99 per pole shall be added to the above rates.
- (c) Any additional facilities other than specified herein shall be paid by the Customer in advance as a Contribution in Aid of Construction. (C)

(I) Indicates Increase (C) Indicates Change

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**RATE SOL - (Continued)
 SODIUM OUTDOOR LIGHTING SERVICE**

- (d) Customer shall obtain proper approval for lights to be located on public thoroughfares
- (e) Operation shall be from dusk to dawn, a total of approximately 4,000 hours per year. Lamp renewal service, during normal working hours, will be provided upon notice to Company for lamps burned out or broken and no credit for outages allowed. Company will supply, install, operate, and maintain necessary lighting facilities.
- (f) Burned out or broken lamps will be replaced as long as the supply of sodium vapor lighting is readily available at reasonable costs to the Company. Customer will be required to move to a different available lighting service rate when lamps cannot be replaced or replaced at reasonable cost. **(C)**

REMOVAL OF MERCURY VAPOR

When, at the request of the Customer, a sodium vapor light replaces a fully operational mercury vapor light that has been installed for less than 10 years, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a sodium vapor light replaces a failed mercury vapor light that can neither be repaired nor replaced, the installation will be completed at no charge to the Customer.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider **(C)**
- Rider G - Distribution System Improvement Charge

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. **(C)**

(C) Indicates Change

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**RATE MHOL
 METAL HALIDE OUTDOOR LIGHTING SERVICE**

AVAILABILITY

This Rate is available in the entire territory served by the Company, where contracted for by a Customer for private area lighting. Effective , Rate MHOL is no longer available to new Customers or Applicants, or for new installations for existing Customers. (C)

CONTRACT TERM

Two years and thereafter in accordance with contract provisions. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party.

NET MONTHLY RATE

Flood Lighting Luminaire

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
20,500 Lumen	\$9.05	4.812 (I)	\$8.65	5.626 (I)
36,000 Lumen	\$9.20	4.812 (I)	\$8.57	5.626 (I)
110,000 Lumen	\$16.11	4.812 (I)	\$14.58	5.626 (I)

Street Lighting Luminaire

	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
9,000 Lumen	\$8.07	4.812 (I)	\$7.86	5.626 (I)
12,900 Lumen	\$6.83	4.812 (I)	\$6.57	5.626 (I)
13,000 Lumen	\$6.36	4.812 (I)	\$6.07	5.626 (I)
20,500 Lumen	\$9.05	4.812 (I)	\$8.65	5.626 (I)
36,000 Lumen	\$9.20	4.812 (I)	\$8.57	5.626 (I)

Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and backfilling is required in Rate Table above

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

GENERAL PROVISIONS

- (a) The prices specified in the Rate Table for Standard Overhead Construction cover the supply of lamps and equipment to mount flood lighting or street lighting luminaries and photo-electric switch control on Company's existing wood pole or other support approved by Company and located within 150 feet of existing 120-volt facilities. (C)
- (b) If Customer requires an additional wood pole, or poles, to be installed for mounting heights up to 25 feet, a monthly charge of \$5.99 per pole shall be added to the above rates.
- (c) Any additional facilities other than specified herein shall be paid by the Customer in advance as a Contribution in Aid of Construction. (C)

(I) Indicates Increase (C) Indicates Change

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RATE MHOL - (Continued)
METAL HALIDE OUTDOOR LIGHTING SERVICE

- (d) Customer shall obtain proper approval for lights to be located on public thoroughfares.
- (e) Operation shall be from dusk to dawn, a total of approximately 4,000 hours per year. Lamp renewal service, during normal working hours, will be provided upon notice to Company for lamps burned out or broken and no credit for outages allowed. Company will supply, install, operate, and maintain necessary lighting facilities.
- (f) Burned out or broken lamps will be replaced as long as the supply of metal halide lighting is readily available at reasonable costs to the Company. Customer will be required to move to a different available lighting service rate when lamps cannot be replaced or replaced at reasonable cost. **(C)**

REMOVAL OF MERCURY VAPOR & HIGH PRESSURE SODIUM

When, at the request of the Customer, a metal halide light replaces a fully operational mercury vapor or high pressure sodium light that has been installed for less than 1 or 2 years respectively, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a metal halide light replaces a failed mercury vapor light that can neither be repaired nor replaced, the installation will be completed at no charge to the Customer.

TERMINATION

If Customer terminates outdoor lighting service under this schedule for any reason prior to expiration of the two-year term, Customer shall pay removal cost.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge **(C)**

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. **(C)**

(C) Indicates Change

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**RATE LED-OL
 LIGHT-EMITTING DIODE OUTDOOR LIGHTING SERVICE**

AVAILABILITY

This Rate is available in the entire territory served by the Company, where contracted for by a Customer for private area lighting.

CONTRACT TERM

Two years and thereafter in accordance with contract provisions, which shall be consistent with this rate schedule and shall be of a standard form provided by and satisfactory to the Company. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party subject to the termination provision below.

NET MONTHLY RATE

Flood Lighting Luminaire

Nominal Lamp Wattage Range	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
85-100	\$15.42	4.812 (I)	\$15.42	5.626 (I)
170-210	\$22.64	4.812 (I)	\$22.64	5.626 (I)
250-280	\$26.08	4.812 (I)	\$26.08	5.626 (I)

Street Lighting Luminaire

Nominal Lamp Wattage Range	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
50-60	\$10.29	4.812 (I)	\$10.29	5.626 (I)
100-110	\$12.16	4.812 (I)	\$12.16	5.626 (I)
140-160	\$14.00	4.812 (I)	\$14.00	5.626 (I)
250-280	\$21.25	4.812 (I)	\$21.25	5.626 (I)

Standard Decorative Luminaire (for installations on or after effective date of October 1, 2023)

(C)

Nominal Lamp Wattage Range	Residential		Commercial	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)	Customer Charge (Per Lamp)	Distribution (¢/kWh)
60-80	\$11.77	4.812	\$11.77	5.626

(C)

Low mounted, decorative pole\$ 13.62 per month
 for underground service, provided that in addition to charge
 no trenching and backfilling is required in Rate Table above

(C)

(I) Indicates Increase (C) Indicates Change

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**RATE LED-OL (continued)
 LIGHT-EMITTING DIODE OUTDOOR LIGHTING SERVICE**

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. Service hereunder is unmetered with the number of kWh billed for each size lamp calculated based on the estimated input wattage of the lamp and approximately 4,000 burning hours per year.

GENERAL PROVISIONS

- (a) The prices specified in the Rate Table for Customer Charger (Per Lamp) cover the supply of lamps, fixtures, luminaries, and equipment, and installation of flood lighting or street lighting luminaries and photo-electric switch control on Company's existing wood pole or other support approved by Company and located within 150 feet of existing 120-volt facilities. Such charges include normal operation and maintenance. (C)
- (b) If Customer requires an additional wood pole, or poles, to be installed for mounting heights up to 25 feet, a monthly charge of \$5.99 per pole shall be added to the above rates.
- (c) Any additional facilities other than specified herein and the cost of rearranging facilities required to change mounting height shall be paid by the Customer in advance as a Contribution in Aid of Construction. (C)
- (d) Customer shall obtain proper approval for lights to be located on public thoroughfares.
- (e) Operation shall be from dusk to dawn, a total of approximately 4,000 hours per year. Lamp renewal service, during normal working hours, will be provided upon notice to Company for lamps burned out or broken and with no credit for outages. Company will supply, install, operate, and maintain necessary lighting facilities.

REMOVAL OF MERCURY VAPOR, HIGH PRESSURE SODIUM AND METAL HALIDE

When, at the request of the Customer, a LED light replaces a fully operational mercury vapor, high pressure sodium or metal halide light that has been installed for less than the applicable contract term, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a LED light replaces a failed mercury vapor, high pressure sodium or metal halide light that can neither be repaired nor replaced, the installation will be completed at no charge to the Customer.

TERMINATION

If Customer terminates outdoor lighting service under this schedule for any reason prior to expiration of the two-year term, Customer shall pay removal cost.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge (C)

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. (C)

(C) Indicates Change

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**RATE GS-1
 GENERAL SERVICE**

AVAILABILITY

Available to Customers located on Company's distribution lines desiring electric service for general lighting and/or power service outside the scope of the Residence Service Rate Schedules and whose demand at any time of the year is not in excess of five (5) kilowatts, and any building the primary use of which is public worship.

CHARACTER OF SERVICE

Alternating current, 60 cycles, single phase, 120 volts, 2 wire; or 120-240 volts, 3 wire; and 3 phase, 120-240 volts, 4 wire, except in areas where only 120/208 volts are available.

CONTRACT TERM AND BILLING

Standard contracts are on a yearly basis with monthly payments for service taken.

RATE TABLE

Customer Charge: \$17.00 per Month (I)

Distribution Charge (all usage): 5.987 ¢/kWh (I)

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge is the Customer Charge.

DETERMINATION OF DEMAND

The demand will be determined at the option of the Company by estimate or by test at the time of maximum use or by demand meter measurement. Demands of Customers with monthly consumption over two thousand (2,000) kilowatt-hours on a recurring basis will be metered unless otherwise shown to be eligible for this rate.

SURCHARGES AND RIDERS

Rider A - State Tax Adjustment Surcharge

Rider B - Generation Supply Service

Rider E - Energy Efficiency and Conservation Rider

Rider G - Distribution System Improvement Charge (C)

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. (C)

(I) Indicates Increase (C) Indicates Change

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RATE GS-4 SERVICE
 (5 kW minimum)

AVAILABILITY

Available to Customers located on Company's distribution lines desiring electric service for general lighting and/or power service and whose minimum billing demand is not less than five (5) kilowatts.

CHARACTER OF SERVICE

Alternating current, 60 cycles, 3 phase, 120-240 volts, 4 wire; 120-208 volts, 4 wire; or 240 volts, 3 wire; 480 volts, 3 wire; 277-480 volts, 4 wire, may be supplied. In addition, alternating current, 60 cycles, single phase, 120-240 volts, 3 wire, and where available 120-208 volts, 3 wire, or as otherwise determined to be reasonable by the Company. (C)

CONTRACT TERM AND BILLING

Contracts shall be for a term of not less than one (1) year with monthly payments for service taken. Contracts for a longer term may be required where new investment by Company is necessary.

RATE TABLE

Customer Charge: \$18.00 per Month

	Distribution (\$/kW)	Distribution (¢/kWh)	
First 20 kW of billing demand	\$3.59		
Over 20 kW of billing demand	\$2.20		
First 200 hours use of demand		3.399	(I)
Next 300 hours use of demand		2.142	(I)
All over 500 hours use of demand		1.785	(I)

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge is the Customer Charge plus the charge in the Rate Table for the billing demand. The minimum billing demand will not be less than five (5) kilowatts nor less than the minimum value stated in a contract for service. (C)

DETERMINATION OF DEMAND

The demand shall be the greatest fifteen (15) minute load in kilowatts established during the month, taken for billing purposes to the nearest kilowatt.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider F - Power Factor Surcharge
- Rider G - Distribution System Improvement Charge (C)

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. (C)

POWER FACTOR

The Power Factor Charge contained in this Tariff is applied to this Rate

(I) Indicates Increase (C) Indicates Change

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**RATE GS-5 (continued)
 GENERAL SERVICE
 (VOLUNTEER FIRE COMPANY, NON-PROFIT SENIOR CITIZEN CENTER, NON-PROFIT RESCUE
 SQUAD, AND NON-PROFIT AMBULANCE SERVICE)**

RATE TABLE

Customer Charge: \$10.75 per Month (I)
 Distribution Charge (all usage): 5.290 ¢/kWh (I)

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be the Customer Charge.

SURCHARGES AND RIDERS

Rider A - State Tax Adjustment Surcharge
 Rider B - Generation Supply Service
 Rider E - Energy Efficiency and Conservation Rider
 Rider G - Distribution System Improvement Charge (C)

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. (C)

(I) Indicates Increase (C) Indicates Change

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**RATE LP
 LARGE POWER SERVICE**

AVAILABILITY

Available to Customers taking general light and power service at each delivery point and whose minimum demand is not less than one hundred (100) kilowatts based on Customer's highest billing demand in the most recent twelve-month period ending September 30th. (C)

CHARACTER OF SERVICE

Alternating current, 60 cycles, 3 phase, primary service at 13,800 volts, or one (1) transformation to a lower available standard Company voltage with metering on the primary side of transformers and substation equipment supplied by the Company. (C)

CONTRACT TERM AND BILLING

Contracts shall be for a term of not less than one (1) year with monthly payments for service taken. Contracts for a longer term may be required where new investment by Company is necessary.

RATE TABLE

The Customer's monthly bill shall be the sum of the demand and energy charges.

	Distribution (\$/kW)	Distribution (¢/kWh)	
Demand Charge:			
First 100 kW of billing demand	\$135.80 *		
Next 400 kW of billing demand	\$0.94		
Over 500 kW of billing demand	\$0.69		
First 100 hours use of billing demand		2.506	(I)
Next 200 hours use of billing demand but not more than 200,000 kWh		1.809	(I)
Next 200 hours use of billing demand but not more than 200,000 kWh		1.656	(I)
Excess		1.555	(I)

* Charge is for the First 100 kW of billing demand or any part thereof.

(I) Indicates Increase (C) Indicates Change

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RATE LP - (Continued)
LARGE POWER SERVICE

DETERMINATION OF DEMAND

The demand shall be determined by meters which will, at the option of the Company, either indicate or record the demand. The billing demand shall be the highest fifteen (15) minute demand recorded during the month, provided that the Company reserves the right to use for billing purposes the single maximum demand established during a five (5) minute interval when power installation includes hoists, elevators, welding machines, electric furnaces, or other load having high intermittent peak load requirements. In no event, however, shall the billing demand be less than one hundred (100) kilowatts.

SECONDARY SERVICE

At the Company's option, service may be metered at secondary voltage of transforming equipment. When so metered energy charges will be increased two (2) percent.

POWER FACTOR

The Power Factor Charge contained in this Tariff is applied to this Rate.

MINIMUM MONTHLY CHARGE

The Minimum Monthly Charge shall be an amount equal to the demand charge plus the power factor charge for the month.

SURCHARGES AND RIDERS

Rider A - State Tax Adjustment Surcharge

Rider B - Generation Supply Service

Rider E - Energy Efficiency and Conservation Rider

Rider F - Power Factor Surcharge

Rider G – Distribution System Improvement Charge

(C)

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f.

(C)

(C) Indicates Change

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**RATE HTP
HIGH TENSION POWER SERVICE**

AVAILABILITY

This rate is available for large general service Customers taking supply from available transmission lines of 66,000 volts or higher.

CHARACTER OF SERVICE

Alternating current, 60 cycles, 3 phase, 66,000 volts (or higher) with metering on the primary side of transformers and substation equipment supplied by the Customer.

CONTRACT TERM AND BILLING

Contract shall be for a term of not less than one (1) year with monthly payments for service taken. Contracts for a longer term may be required where new investment by Company is necessary.

RATE TABLE

Customer Charge, Distribution Charge, Demand Charge, and Power Factor Surcharge are all fully negotiated rates.

MINIMUM MONTHLY CHARGE

As determined by negotiation between Customer and Company.

SURCHARGES AND RIDERS

Rider A - State Tax Adjustment Surcharge

Rider B - Generation Supply Service

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. **(C)**

(C) Indicates Change

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**RATE SL
 STREET LIGHTING SERVICE**

AVAILABILITY

This Rate is available for street, bridge, parks, and outdoor lighting in the entire territory served by the Company. Effective , Rate SL is no longer available to new Customers or Applicants, or for new installations for existing Customers. (C)

CONTRACT TERM

Standard contracts are for the term of five (5) years. Contracts for a longer term may be required where new investment by Company is necessary.

RATE TABLE

Rates per lamp per month for standard construction with monthly payments for service rendered.

Mercury Vapor

	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
3,750 Lumen	\$3.88	5.626 (I)
7,000 Lumen	\$4.05	5.626 (I)
11,000 Lumen	\$6.37	5.626 (I)
20,000 Lumen	\$7.65	5.626 (I)
60,000 Lumen	\$6.43	5.626 (I)

Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and backfilling is required in Rate Table above (C)

Additional wood pole installed for the sole \$ 5.99 per month
 purpose of supporting lighting fixtures or circuits

The number of kWh supplied is based upon the average hours' use and size of lamps.

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

SURCHARGES AND RIDERS

Rider A - State Tax Adjustment Surcharge

Rider B - Generation Supply Service

Rider E - Energy Efficiency and Conservation Rider

Rider G - Distribution System Improvement Charge (C)

STANDARD CONSTRUCTION

The prices specified in the Rate Table for Standard Construction cover the supply of lamps and equipment to mount lighting fixtures on wood poles and include electric current and maintenance for complete street lighting service when supplied from circuits, mast arms, and fixtures of overhead construction. When Customer desires an underground or ornamental system, or non-standard construction conditions exist, the additional cost shall be borne by Customer; also, if Customer desires to supply equipment such as conductors, conduit, poles and fixtures, a monthly construction credit for such equipment supplied shall be given Customer over the term of the contract.

Other special equipment such as is used for channel lighting on bridges shall be installed and maintained by Customer except lamp bulbs which shall be furnished and renewed by Company.

(I) Indicates Increase (C) Indicates Change

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**RATE SL - (Continued)
 STREET LIGHTING SERVICE**

HOURS OF BURNING

All night lamps from one-half (1/2) hour after sunset to one-half (1/2) hour before sunrise, a total of approximately 4,000 hours per year.

LAMP RENEWALS

Free Lamp renewal service is provided upon notice to the Company for lamps burned out, broken, or giving less than eighty percent (80%) of initial lumens as rated by the manufacturers. Burned out or broken lamps will be replaced as long as the supply of mercury vapor lighting is readily available to the Company at a reasonable cost. Customer will be required to move to a different available lighting service rate when lamps cannot be replaced or are not available at reasonable cost. (C)

SPACING OF LAMPS

The standard spacing of lamps shall be a distance not to exceed four hundred (400) feet. Non-standard construction costs shall be paid by the customer as a Contribution in Aid of Construction. (C)

NOTE 1: 3,750 Lumen-Mercury Vapor Lamp Rate restricted to units installed as of July 27, 1994.

ADDITIONAL LAMPS

Additional lamps and fixtures of the type currently being used by the Company may be ordered installed by Customer at any time during the first four (4) years of a standard five (5) year contract. Additional lamps and fixtures ordered installed during last year of standard contract or contracts less than five (5) years may be deferred at Company's option until a new standard contract is executed, unless the Customer is willing to pay the cost of installation, subject to refund by Company when new standard five (5) year contract is executed.

No additional lamps and fixtures are available after July 1, 2007.

RELOCATION OF LAMPS

The cost of any change of location of lamps, from the original location specified by Customer, shall be borne by the Customer and paid to the Company as a Contribution in Aid of Construction. (C)

CHANGE IN SIZE OF LAMP

In the event that change in size of lamps is desired by the Customer, Company will make such change in accordance with the following requirements:

- (1) That no further investment, except lamps, by Company in new fixtures shall be required;
- (2) Mercury vapor lamps are available to the Company; and (C)
- (3) Changes of lamp size other than those covered under Clause 1 hereof shall be subject to further agreement between Customer and Company.

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. (C)

(C) Indicates Change

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**RATE SSL
 SODIUM STREET LIGHTING SERVICE**

AVAILABILITY

This Rate schedule for high pressure sodium vapor lighting is available for public roadway, bridge and parks.

CONTRACT TERM

Ten years and thereafter in accordance with contract provisions. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party.

NET MONTHLY RATE

	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
9,500 Lumen	\$7.51	5.626 (I)
16,000 Lumen	\$7.58	5.626 (I)
25,000 Lumen	\$8.57	5.626 (I)
50,000 Lumen	\$9.10	5.626 (I)

Low mounted, decorative fixture and pole \$ 7.46 per month
 for underground service, provided that
 no trenching and backfilling is required in addition to charge (C)
 in Rate Table above

Additional wood pole installed for the sole..... \$ 5.99 per month
 purpose of supporting lighting fixtures or circuits

The number of kWh supplied is based upon the average hours' use and size of lamp.

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge (C)

GENERAL PROVISIONS

- (a) Necessary street lighting facilities are supplied and installed, operated and maintained by Company and are connected to Company's available general distribution system.
- (b) Prices include the standard type luminaire currently being offered at the time service is contracted for and up to 150 circuit feet of overhead secondary extension.
- (c) Customer shall pay the cost of any additional facilities required to extend service and the cost of rearranging facilities required to change mounting height.
- (d) Burned out or broken lamps will be replaced as long as the supply of sodium vapor lighting is readily available at reasonable costs to the Company. Customer will be required to move to a different available lighting service rate when lamps cannot be replaced or replaced at reasonable cost. (C)

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 72
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**RATE SSL - (Continued)
 SODIUM STREET LIGHTING**

- (e) Company will provide underground and decorative systems of a type being offered by the Company at the time service is contracted for when the additional cost in excess of the estimated cost of a standard overhead system for the same application is paid by Customer as a Contribution in Aid of Construction. Company shall take title to this system and shall operate and maintain the facilities. At the termination, for any reason, of the useful life of these systems or designated components, a new system or component shall be installed under similar conditions. **(C)**

SPECIAL CUSTOMER EQUIPMENT

Upon request, the Company may, at its option, operate and maintain special lighting equipment of a type not being offered by Company provided Customer installs equipment and supplies any nonstandard replacement parts at no cost to Company.

REMOVAL OF MERCURY VAPOR

When, at the request of the Customer, a sodium vapor light replaces a fully operational mercury vapor light that has been installed for less than 10 years, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a sodium vapor light replaces a failed mercury vapor light that can neither be repaired nor replaced, the installation will be completed at no charge to the Customer.

TERMINATION

If Customer terminates street lighting service under this schedule for any reason prior to expiration of any 10-year term, Customer shall pay removal cost plus remaining value of system.

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. **(C)**

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 73
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**RATE MHS�
 METAL HALIDE STREET LIGHTING SERVICE**

AVAILABILITY

This Rate is available to municipalities or other public authorities for street, bridge, parks, and outdoor lighting in the entire territory served by the Company. Effective , Rate MHS� is no longer available to new Customers or Applicants, or to for installations for existing Customers.

(C)

CONTRACT TERM

Ten years and thereafter in accordance with contract provisions. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party

NET MONTHLY RATE

	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
9,000 Lumen	\$6.71	5.626 (I)
12,900 Lumen	\$5.42	5.626 (I)
13,000 Lumen	\$4.92	5.626 (I)
20,500 Lumen	\$7.29	5.626 (I)
36,000 Lumen	\$6.20	5.626 (I)

(1) Low mounted, decorative fixture and pole..... \$ 7.46 per month
 for underground service, provided that in addition to charge
 no trenching and backfilling is required in Rate Table above

(C)

Additional wood pole installed for the sole..... \$ 5.99 per month
 purpose of supporting lighting fixtures or circuits

The number of kWh supplied is based upon the average hours' use and size of lamp.

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. The number of kWh supplied is based upon the average hours' use and size of lamps.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge

(C)

GENERAL PROVISIONS

- (a) Necessary street lighting facilities are supplied and installed, operated and maintained by Company and are connected to Company's available general distribution system.
- (b) Prices include the standard type luminaries currently being offered at the time service is contracted for and up to 150 circuit feet of overhead secondary extension.
- (c) Customer shall pay the cost of any additional facilities required to extend service and the cost of rearranging facilities required to change mounting height.
- (d) The cost of any change of location of lamps, from the original location specified by Customer, shall be borne by the Customer and paid to the Company.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 74
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RATE MHSL - (Continued)
METAL HALIDE STREET LIGHTING SERVICE

- (e) Company will provide underground and decorative systems of a type being offered by the Company at the time service is contracted for when the additional cost in excess of the estimated cost of a standard overhead system for the same application is paid by Customer as a Contribution in Aid of Construction. Company shall take title to this system and shall operate and maintain the facilities. At the termination, for any reason, of the useful life of these systems or designated components, a new system or component shall be installed under similar conditions. **(C)**
- (f) Burned out or broken lamps will be replaced as long as the supply of metal halide lighting is readily available at reasonable costs to the Company. Customer will be required to move to a different available lighting service rate when lamps cannot be replaced or replaced at reasonable cost. **(C)**

SPECIAL CUSTOMER EQUIPMENT

Upon request, the Company may, at its option, operate and maintain special lighting equipment of a type not being offered by Company provided Customer installs equipment and supplies any nonstandard replacement parts at no cost to Company.

REMOVAL OF MERCURY VAPOR AND HIGH PRESSURE SODIUM

When, at the request of the Customer, a metal halide light replaces a fully operational mercury vapor or high pressure sodium light that has been installed for less than 5 or 10 years respectively, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a metal halide light replaces a fully operational mercury vapor light that can neither be repaired nor replaced, the installation will be completed at no charge to the customer.

TERMINATION

If Customer terminates street lighting service under this schedule for any reason prior to expiration of any 10-year term, Customer shall pay removal cost plus the estimated remaining value of system.

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. **(C)**

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 75
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**RATE LED-SL
 LIGHT-EMITTING DIODE STREET LIGHTING SERVICE**

AVAILABILITY

This Rate is available to municipalities or other public authorities for street, bridge, parks, and outdoor public lighting in the entire territory served by the Company. (C)

CONTRACT TERM

Ten years and thereafter in accordance with contract provisions, which shall be consistent with this rate schedule and shall be of a standard form provided by and satisfactory to the Company. The contract may be terminated with sixty (60) days' notice prior to expiration period of contract by either party subject to the termination provision below.

NET MONTHLY RATE

Nominal Lamp Wattage Range	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
50-60	\$10.29	5.626 (I)
100-110	\$12.16	5.626 (I)
140-160	\$14.00	5.626 (I)
250-280	\$21.25	5.626 (I)

Additional wood pole installed for the sole.....\$ 5.99 per month
 purpose of supporting lighting fixtures or circuits

Standard Decorative Luminaire (for installations on or after effective date of October 1, 2023) (C)

Nominal Lamp Wattage Range	Municipal or Public Authority	
	Customer Charge (Per Lamp)	Distribution (¢/kWh)
60-80	\$11.77	5.626

Low mounted, decorative pole\$ 13.62 per month
 for underground service, provided that in addition to charge
 no trenching and backfilling is required in Rate Table above (C)

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. Service hereunder is unmetered with the number of kWh billed for each size lamp calculated based on the estimated input wattage of the lamp and approximately 4,000 burning hours per year.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge (C)

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 76
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**RATE LED-SL (continued)
 LIGHT-EMITTING DIODE STREET LIGHTING SERVICE**

GENERAL PROVISIONS

- (a) Necessary street lighting facilities are supplied and installed, operated and maintained by Company and are connected to Company’s available general distribution system.
- (b) Prices include the standard type luminaries currently being offered at the time service is contracted for and up to 150 circuit feet of overhead secondary extension. Prices include normal operation and maintenance.
- (c) Customer shall pay the cost of any additional facilities required to extend service and the cost of rearranging facilities required to change mounting height.
- (d) The cost of any change of location of lamps, from the original location specified by Customer, shall be borne by the Customer and paid to the Company as a Contribution in Aid of Construction. **(C)**
- (e) Company will provide underground and decorative systems of a type being offered by the Company at the time service is contracted for when the additional cost in excess of the estimated cost of a standard overhead system for the same application is paid by Customer as a Contribution in Aid of Construction. Company shall take title to this system and shall operate and maintain the facilities. At the termination, for any reason, of the useful life of these systems or designated components, a new system or component shall be installed under similar conditions. **(C)**
- (f) Operation shall be from dusk to dawn, a total of approximately 4,000 hours per year. Lamp renewal service, during normal working hours, will be provided upon notice to Company for lamps burned out or broken and with no credit for outages.

SPECIAL CUSTOMER EQUIPMENT

Upon request, the Company may, at its option, operate and maintain special lighting equipment of a type not being offered by Company provided Customer installs equipment and supplies any nonstandard replacement parts at no cost to Company.

REMOVAL OF MERCURY VAPOR, HIGH PRESSURE SODIUM AND METAL HALIDE

When, at the request of the Customer, a LED light replaces a fully operational mercury vapor, high pressure sodium or metal halide light that has been installed for less than the applicable contract term, the Customer shall pay the Company for the Company’s estimated cost of removal and rehabilitation plus the estimated remaining value of the system. When, at the request of the Customer, a LED light replaces a fully operational mercury vapor, high pressure sodium or metal halide light that can neither be repaired nor replaced, the installation will be completed at no charge to the Customer. **(C)**

TERMINATION

If Customer terminates street lighting service under this schedule for any reason prior to expiration of any 10-year term, Customer shall pay removal cost plus the estimated remaining value of system.

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. **(C)**

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 77
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**RATE LED-CO
 CUSTOMER-OWNED LIGHT-EMITTING DIODE STREET LIGHTING SERVICE**

AVAILABILITY

This Rate is available to Non-Residential Customers and municipalities or other public authorities in the entire territory served by the Company for the operation of Light-Emitting Diode (“LED”) street lighting systems on private or public areas where the Customer wholly owns and installs the street lighting system. (C)

CONTRACT TERM

Ten years and thereafter in accordance with contract provisions, which shall be consistent with this rate schedule and shall be of a standard form provided by and satisfactory to the Company. The contract may be terminated with sixty (60) days’ notice prior to expiration period of contract by either party subject to the termination provision below.

NET MONTHLY RATE

Distribution Charge.....	5.626 (¢/kWh)	(I)
Customer Charge (Per Lamp)*.....	\$2.00 per month	

* Applicable where, upon Customer election, Company provides operation and maintenance of Customer-owned street lighting system in accordance with the provisions below.

Additional wood pole installed for the sole.....\$ 5.99 per month
 purpose of supporting lighting fixtures or circuits

Distribution and Generation Supply rates will be applied to per kilowatt hour of energy used each month. Service hereunder is unmetered with the number of kWh billed for each size lamp calculated based on the estimated input wattage of the lamp and approximately 4,000 burning hours per year. Rate offering applicable to Customer-owned street lights sized within the standard nominal lamp wattage ranges offered by the Company under Rate Schedule LED-SL, not to exceed 280 nominal lamp wattage. If the Customer-owned street light is of a size outside of the Company’s standard size offerings under Rate Schedule LED-SL, but in no event not to exceed 280 nominal lamp wattage, the Customer’s kWh billed will be determined based on the next higher nominal lamp wattage range set forth under Rate Schedule LED-SL.

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge

(C)

STANDARD INSTALLATION AND SERVICE

Upon Customer election, the Company shall operate and maintain the Customer-owned street lighting system subject to Customer payment of the monthly Customer charge (per lamp) above.

Customer-owned street lighting equipment shall be installed in accordance with company and industry safety codes and, where installed on Company poles, in accordance with general Company specifications for similar equipment.

Company shall make all connections of Customer’s street lighting system to the Company’s available general distribution system.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 79
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RATE LED-CO (continued)
CUSTOMER-OWNED LIGHT-EMITTING DIODE STREET LIGHTING SERVICE

- (c) All luminaires served hereunder are operated at alternating current, 60 hertz, single phase and are controlled by photo control for dusk to dawn operation every night, approximately 4,000 hours per year.
- (d) The Attachment Agreement for the Customer-owned lighting system on Company’s poles shall include indemnification of Company by Customer and provide for purchase of public liability and property damage insurance by Customer.

REMOVAL OF COMPANY-OWNED LIGHTS

When, at the request of the Customer, a Customer-owned lighting system replaces a fully operational Company-owned mercury vapor, high pressure sodium, metal halide or LED light that has been installed for less than the applicable contract term, the Customer shall pay the Company for the Company's estimated cost of removal and rehabilitation plus the estimated remaining value of the system.

AUDITING

The Company has the right to periodically audit the number and size of lamps of Customer’s street lighting system. The Customer agrees to cooperate with Company during such audits.

TERMINATION

If Customer terminates street lighting service under this schedule for any reason prior to expiration of any 10-year term, Customer shall pay removal cost plus the estimated remaining value of system.

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f.

(C)

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 80
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**RATE FCP
 FLOOD CONTROL POWER SERVICE**

AVAILABILITY

This Rate is available to municipalities and townships in Company's territory requiring power service for the operation of flood pumping stations during periods of public emergency, and for periodic testing of same as hereinafter provided.

CHARACTER OF SERVICE

Alternating current, 60 cycles, three phase, 13,800 volts.

CONTRACT TERM AND BILLING

Term of contract shall be not less than one (1) year, with monthly payments for service taken.

RATE TABLE

	Distribution (\$/Month)	Distribution (¢/kWh)	
First 100 kWh or less per month for each electrically driven pump installed	\$6.03		(I)
All additional kWh		2.733	(I)

SURCHARGES AND RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Generation Supply Service
- Rider E - Energy Efficiency and Conservation Rider
- Rider G - Distribution System Improvement Charge **(C)**

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f. **(C)**

SPECIAL PROVISIONS

- (1) The Customer shall own, install, operate and maintain the lines necessary to connect its pumping stations to the Company's existing facilities, and the transforming equipment and auxiliary apparatus necessary to secure voltages less than the supply voltage specified above.
- (2) Periodic testing shall be prearranged between the Customer and Company upon at least twenty-four (24) hours' notice to the Company and shall occur on weekdays during the hours between 12 midnight and 6 A.M. unless otherwise justified by load conditions on Company's system, of which conditions the Company's judgment shall be final.
- (3) Supply lines at each pumping station shall normally be disconnected and shall be connected only when necessary during periods of public emergency and for periodic testing.

(I) Indicates Increase (C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Utilities, Inc. – Electric Division	UGI Electric Pa. P.U.C. No. 6 Page No. 81
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**RATE BLR
BORDERLINE RESALE SERVICE**

AVAILABILITY

Available under reciprocal agreements to neighboring public utilities supplying electric service for resale in territory immediately adjacent to the charter territory of the Company, provided the Company, in its opinion has available capacity over and above that required to meet the demands, present and prospective, for service in its own territory.

CHARACTER OF SERVICE

Alternating current, 60 cycles, single or three phase, 2,400 volts, 4,160 volts, 8,320 volts, or 13,800 volts.

CONTRACT TERM AND BILLING

Standard contracts are for a term of five (5) years with monthly payments for service taken.

RATE TABLE

Service will be provided under the appropriate Company Tariff Rate. The appropriate rate is that under which the Customer would be served if they were located within the Company's franchised service territory.

SURCHARGES AND RIDERS

Rider A - State Tax Adjustment Surcharge

Rider B - Generation Supply Service

Rider E - Energy Efficiency and Conservation Rider

Rider F - Power Factor Surcharge

Rider G - Distribution System Improvement Charge

(C)

PAYMENT TERMS

Late Payment Charges shall be billed in accordance with Rule 13, Payment Terms, paragraph 13-f.

(C)

POWER FACTOR

The Power Factor Charge contained in this Tariff is applied to this Rate.

(C) Indicates Change

Issued:	Effective for Service Rendered on and after
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UGI Electric Pa. P.U.C. No. 2S

UGI UTILITIES, INC. – ELECTRIC DIVISION

**ELECTRIC GENERATION SUPPLIER
COORDINATION TARIFF**

Issued:

Effective:

Issued by:
Paul J. Szykman
Chief Regulatory Officer
1 UGI Drive
Denver, PA 17517

NOTICE

<https://www.ugi.com/tariffs>

This tariff makes Changes to existing rules and regulations (see page 2).

LIST OF CHANGES MADE BY THIS TARIFF
(Page Numbers Refer to Official Tariff)

Cover Page

- The issue and effective dates have been updated.
- The supplement number has been updated.

Definition of Terms and Explanation of Abbreviations, Pages 4 - 7.

- Definition of Commission has been moved to Page 4 from Page 7.
- Definition of The Company has been changed to Definition of Company and has been moved to Page 4 from Page 7.
- A period has been added to the end of the Definition of Coordination Services on Page 4.
- Definitions of both EDEWG and EGS Representative have been reordered and moved to appear before Electric Distribution Company on Page 5.
- The hyphen following Definition of Price to Compare (“PTC”) has been changed from – to -.

Rule 1 – The Tariff, Page 8.

- Subsection 1.1 language has been updated to provide website links where a copy of the Company Tariff can be found and the capitalization of ‘coordination’ has been updated to ‘Coordination’.

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Active Load Management - the process for arranging to have firm load become interruptible in accordance with criteria established by the PJM OI.

Appropriate Similar Day - hourly forecasted load comparable based on week day, month, season, and weather.

Bad Credit - an EGS has bad credit if it is insolvent (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due) or has failed to pay Company invoices when they became due on two or more occasions within the last twelve billing cycles.

Charge - any fee or charge that is billable by the Company to an EGS under this Tariff, including any Coordination Services Charge.

Commission - The Pennsylvania Public Utility Commission. (C)

Company - UGI Utilities, Inc. - Electric Division (C)

Competition Act - the Electricity Generation Customer Choice and Competition Act, 66 Pa. C.S. §2801, et seq.

Competitive Energy Supply - unbundled energy and/or capacity provided by an Electric Generation Supplier.

Coordination Activities - all activities related to the provision of Coordination Services.

Coordination Obligations - all obligations identified in Rule 4 of the Tariff, relating to the provision of Coordination Services.

Coordination Services - those services that permit the type of interface and coordination between EGSs and the Company in connection with the delivery of Competitive Energy Supply to serve Customers located within the Company's service territory, including: load forecasting, certain scheduling-related functions and reconciliation. (C)

Coordination Services Charges - all Charges stated in this Tariff that are billed by the Company for Coordination Services performed hereunder.

Coordinated Supplier - an Electric Generation Supplier that has appointed a Scheduling Coordinator as its designated agent for the purpose of submitting energy schedules to the PJM OI.

(C) Indicates Change

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS (continued)

Creditworthy - a creditworthy EGS pays the Company's charges as and when due and otherwise complies with the Rules and Regulations of this Tariff or the Commission. To determine whether an EGS is creditworthy, the Company will evaluate the EGS's record of paying Company charges and may also take into consideration the EGS's credit.

Customer - any person, partnership, association, or corporation receiving Competitive Energy Supply from an Electric Generation Supplier in accordance with the Competition Act.

Deliver - to "Deliver" a document or other item under this Tariff shall mean to tender by certified mail, hand delivery, or overnight express package delivery service.

Direct Access - "Direct Access" shall have the meaning set forth in the Competition Act.

EDC Tariff - the Company's Electric Service Tariff, denominated Electric Pa. P.U.C. No. 6. (C)

EDEWG - the Commission's Electronic Data Exchange Working Group. (C)

EGS Representative - any officer, director, employee, consultant, contractor, or other agent or representative of an EGS in connection with the EGS's activity solely as an EGS. To the extent an EGS is a division or group of a company, the term EGS Representative does not include any person in that company who is not part of the EGS division.

Electric Distribution Company or "EDC" - a public utility that owns electric distribution facilities. At times, this term is used to refer to the role of the Company as a deliverer of Competitive Energy Supply in a Direct Access environment as contemplated in the Competition Act.

Electric Generation Supplier or "EGS" - a supplier of electric generation that has been certified or licensed by the Pennsylvania Public Utility Commission to sell electricity to retail customers within the Commonwealth of Pennsylvania in accordance with the Competition Act.

FERC - the Federal Energy Regulatory Commission.

Hourly or Sub-Hourly Metering Equipment - metering equipment that supplies half-hourly readings of kW and power factor via remote communications, and not metering equipment from which half-hourly or hourly demand readings may be obtained through on-site querying of the metering equipment.

Interest Index - an annual interest rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year.

(C) Indicates Change

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS (continued)

Kilowatt or kW - unit of measurement of useful power equivalent to 1000 watts.

Load Serving Entity or "LSE" - an entity that has been granted the authority or has an obligation pursuant to State or local law, regulation or franchise to sell electric energy to end-users located within the PJM Control Area.

Locational Marginal Price or "LMP" - the hourly integrated marginal price to serve load at individual locations throughout PJM, calculated by the PJM OI as specified in the PJM Open Access Transmission Tariff.

Megawatt or MW - one thousand kilowatts.

Meter Read Date - the date on which the Company schedules a meter to be read for purposes of producing a customer bill in accordance with the regularly scheduled billing cycles of the Company.

Month - a month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular consecutive readings of the Company's meter or meters installed on the customer's premises.

Network Integration Transmission Service Reservation - a reservation under the PJM Tariff of Network Integration Transmission Service, which allows a transmission customer to integrate and economically dispatch generation resources located at one or more points in the PJM Control Area to serve its Network load therein.

PJM - the Pennsylvania-New Jersey-Maryland Interconnection.

(C)

PJM Control Area - that certain Control Area encompassing systems in Pennsylvania, New Jersey, Maryland, Delaware and the District of Columbia and which is recognized by the North American Electric Reliability Council as the "PJM Control Area."

PJM InSchedule System - software program administered by the PJM OI through which energy load schedules may be submitted., or any successor system.

PJM OI - the PJM Office of Interconnection, the system operator for the PJM Control Area.

PJM Tariff - the PJM Open Access Transmission Tariff on file with the FERC and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area.

PLR Service - Provider of Last Resort Service.

(C) Indicates Change

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS (continued)

Price to Compare or “PTC” - the dollar amount charged by the Company, used by customers to compare prices with those offered by Electric Generation Suppliers. (C)

Scheduling Coordinator - an entity that performs one or more of an EGS's Coordination Obligations, including the submission of energy schedules to the PJM OI, and that either is (1) a member of the PJM Interconnection, L.L.C. or (2) is the agent, for scheduling purposes, of one or more Electric Generation Suppliers that are members of the PJM Interconnection, L.L.C.

Tariff - this Electric Generation Supplier Coordination Tariff.

(C) Indicates Change

Issued:

Effective:

RULES AND REGULATIONS

1. THE TARIFF

- 1.1 Filing and Posting.** A copy of this Tariff, which comprises the Charges, Rules, and Regulations and Riders under which the Company will provide Coordination Services to EGSs, is on file with the PUC and is available on Company's website at <https://www.ugi.com/tariffs> and on the PUC's website at <https://www.puc.pa.gov/filing-resources/tariffs/electric-tariffs/>. This Tariff may be amended from time-to-time in accordance with the rules of the PUC. (C)
- 1.2 Revisions.** This Tariff may be revised, amended, supplemented, or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.
- 1.3 Application.** The Tariff provisions apply to all EGSs providing Competitive Energy Supply to Customers located in the Company's service territory including an affiliate or division of the Company that provides Competitive Energy Supply, and with whom the Company has executed an Individual Coordination Agreement as required herein. In addition, the Charges herein shall apply to anyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services.
- 1.4 Rules and Regulations.** The Rules and Regulations, filed as part of this Tariff, are a part of every Individual Coordination Agreement entered into by the Company pursuant to this Tariff and govern all Coordination Activities, unless specifically modified by a Charge or Rider provision. The obligation imposed by EGSs in the Rules and Regulations shall apply as well to everyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services.
- 1.5 Use of Riders.** The terms governing the supply of Coordination Services under this Tariff or a Charge therein may be modified or amended only by the application of those standard Riders, filed as part of this Tariff.
- 1.6 Statement by Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto.

(C) Indicates Change

Issued:

Effective:

Appendix B

Proof of Revenue

UGI Utilities, Inc. - Electric Division
Proof of Revenue Summary - Total Revenue
for 12-months Ended September 30, 2024

Rate	Customers	Fixtures	Sales	Total Present Revenue	Proposed Revenue	Revenue Change	Percent Change from Present Revenue	Percent of Total Rate Increase
R	54,998		610,229,801	\$ 117,079,865	\$ 124,476,222	\$ 7,396,357	6.3%	87.0%
GS-1	5,275		32,013,892	\$ 6,493,626	\$ 6,859,195	\$ 365,569	5.6%	4.3%
GS-4	2,330		115,648,153	\$ 14,320,768	\$ 14,679,169	\$ 358,401	2.5%	4.2%
GS-5	56		1,011,703	\$ 152,923	\$ 165,414	\$ 12,491	8.2%	0.1%
FCP	7		763,235	\$ 19,104	\$ 22,373	\$ 3,269	17.1%	0.0%
Lighting		9,120	7,066,465	\$ 1,842,691	\$ 1,842,504	\$ (186)	0.0%	0.0%
LP	211		289,197,391	\$ 11,679,885	\$ 12,044,001	\$ 364,116	3.1%	4.3%
Total - Rate Class	62,877		1,055,930,640	\$ 151,588,862	\$ 160,088,878	\$ 8,500,017	5.6%	
Other Operating Revenue				\$ 1,102,849	\$ 1,102,849	\$ -		
Total Revenue				\$ 152,691,711	\$ 161,191,727	\$ 8,500,017	5.6%	

UGI Utilities, Inc. - Electric Division
Residential Service - Rate Schedule R
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Customer Charge	659,976		\$ 9.50	\$ 6,269,772	\$ 10.75	\$ 7,094,742	\$ 824,970	
Distribution Charge		610,229,801	\$ 0.03907	\$ 23,841,678	\$ 0.05290	\$ 32,281,156	\$ 8,439,478	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 11,707	0.00%	-	\$ (11,707)	
Generation Supply Rate (GSR) - Rider B		605,209,142	\$ 0.12902	\$ 78,084,084	\$ 0.12902	\$ 78,084,084	-	
Universal Service Program (USP) - Rider C		578,800,352	\$ 0.01150	\$ 6,656,204	\$ 0.01150	\$ 6,656,204	-	
Energy Efficiency & Conservation Rider (EEC) - Rider E		610,229,801	\$ 0.00059	\$ 360,036	\$ 0.00059	\$ 360,036	-	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,856,384	0.00%	-	\$ (1,856,384)	
Total - Rate R	659,976	610,229,801		\$ 117,079,865		\$ 124,476,222	\$ 7,396,357	6.3%
<i>Choice Power Supply</i>		<i>5,020,659</i>	<i>\$ 0.12902</i>	<i>\$ 647,765</i>	<i>\$ 0.12902</i>	<i>\$ 647,765</i>	<i>\$ -</i>	
Total - Rate R (including Choice Power Supply)	659,976	610,229,801		\$ 117,727,630		\$ 125,123,987	\$ 7,396,357	

UGI Utilities, Inc. - Electric Division
General Service - Rate Schedule GS-1 - General Service Customers
Demand under 5 kW
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Customer Charge	63,300		\$ 13.00	\$ 822,900	\$ 17.00	\$ 1,076,100	\$ 253,200	
Distribution Charge		32,013,892	\$ 0.05237	\$ 1,676,568	\$ 0.05987	\$ 1,916,672	\$ 240,104	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 649	0.00%	\$ -	\$ (649)	
Generation Supply Rate (GSR) - Rider B		29,640,094	\$ 0.12902	\$ 3,824,165	\$ 0.12902	\$ 3,824,165	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		32,013,892	\$ 0.00132	\$ 42,258	\$ 0.00132	\$ 42,258	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 127,086	0.00%	\$ -	\$ (127,086)	
Total - GS-1	63,300	32,013,892		\$ 6,493,626		\$ 6,859,195	\$ 365,569	5.6%
<i>Choice Power Supply</i>		<i>2,373,798</i>	<i>\$ 0.12902</i>	<i>\$ 306,267</i>	<i>\$ 0.12902</i>	<i>\$ 306,267</i>	<i>\$ -</i>	
Total - GS-1 (including Choice Power Supply)	63,300	32,013,892		\$ 6,799,894		\$ 7,165,462	\$ 365,569	

UGI Utilities, Inc. - Electric Division
General Service - Rate Schedule GS-4 - General Service Customers
Demand over 5 kW
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Customer Charge	27,960		\$ 15.00	\$ 419,400	\$ 18.00	\$ 503,280	\$ 83,880	
Distribution Charges								
First 200 hours of demand		74,604,193	\$ 0.02882	\$ 2,150,093	\$ 0.03399	\$ 2,535,797	\$ 385,704	
Next 300 hours of demand		38,214,145	\$ 0.01816	\$ 693,969	\$ 0.02142	\$ 818,547	\$ 124,578	
All over 500 hours of demand		2,829,815	\$ 0.01513	\$ 42,815	\$ 0.01785	\$ 50,512	\$ 7,697	
Total Distribution		115,648,153		\$ 2,886,877		\$ 3,404,856	\$ 517,979	
Demand Charges								
First 20 kW		297,099	\$ 3.59000	\$ 1,066,585	\$ 3.59000	\$ 1,066,585	\$ -	
Over 20 kW		143,179	\$ 2.20000	\$ 314,994	\$ 2.20000	\$ 314,994	\$ -	
Total Demand		440,278		\$ 1,381,579		\$ 1,381,579	\$ -	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 1,432	0.00%	\$ -	\$ (1,432)	
Generation Supply Rate (GSR) - Rider B		84,753,679	\$ 0.10898	\$ 9,236,799	\$ 0.10898	\$ 9,236,799	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		115,648,153	\$ 0.00132	\$ 152,656	\$ 0.00132	\$ 152,656	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 242,026	0.00%	\$ -	\$ (242,026)	
Total - GS-4	27,960	115,648,153		\$ 14,320,768		\$ 14,679,169	\$ 358,401	2.5%
<i>Choice Power Supply</i>		30,894,474	\$ 0.10898	\$ 3,367,005	\$ 0.10898	\$ 3,367,005	\$ -	
Total - GS-4 (including Choice Power Supply)	27,960	115,648,153		\$ 17,687,773		\$ 18,046,174	\$ 358,401	

UGI Utilities, Inc. - Electric Division
General Service - Rate Schedule GS-5 - General Service Customers
Volunteer Fire Company and Non-Profit Senior Citizen Center, Rescue Squad and Ambulance Service
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Customer Charge	672		\$ 9.50	\$ 6,384	\$ 10.75	\$ 7,224	\$ 840	
Distribution Charges		1,011,703	\$ 0.03907	\$ 39,527	\$ 0.05290	\$ 53,519	\$ 13,992	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 15	0.00%	\$ -	\$ (15)	
Generation Supply Rate (GSR) - Rider B		806,648	\$ 0.12902	\$ 104,074	\$ 0.12902	\$ 104,074	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		1,011,703	\$ 0.00059	\$ 597	\$ 0.00059	\$ 597	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 2,325	0.00%	\$ -	\$ (2,325)	
Total - GS-5	672	1,011,703		\$ 152,923		\$ 165,414	\$ 12,491	8.2%
<i>Choice Power Supply</i>		<i>205,055</i>	<i>\$ 0.12902</i>	<i>\$ 26,456</i>	<i>\$ 0.12902</i>	<i>\$ 26,456</i>	<i>\$ -</i>	
Total - GS-5 (including Choice Power Supply)	672	1,011,703		\$ 179,379		\$ 191,870	\$ 12,491	

UGI Utilities, Inc. - Electric Division
Flood Control Power Service - Rate Schedule FCP
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Distribution Charges								
Rate FCP								
1st 100 kWh		84	\$ 4.69000	\$ 394	\$ 6.03000	\$ 507	\$ 113	
Over 100 kWh		763,235	\$ 0.02200	\$ 16,791	\$ 0.02733	\$ 20,859	\$ 4,068	
Total Rate FCP		763,319		\$ 17,185		\$ 21,366	\$ 4,181	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 2	0.00%	\$ -	\$ (2)	
Generation Supply Rate (GSR) - Rider B		-	\$ 0.12902	\$ -	\$ 0.12902	\$ -	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		763,319	\$ 0.00132	\$ 1,008	\$ 0.00132	\$ 1,008	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 910	0.00%	\$ -	\$ (910)	
Total - FCP	84	763,319		\$ 19,104		\$ 22,373	\$ 3,269	17.1%
<i>Choice Power Supply</i>		763,319	\$ 0.12902	\$ 98,483	\$ 0.12902	\$ 98,483		
Total - FCP (including Choice Power Supply)	84	763,319		\$ 117,588		\$ 120,857	\$ 3,269	

UGI Utilities, Inc. - Electric Division
Large Power Service - Rate Schedule LP
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Distribution Charges								
First 100 hours of demand		75,476,166	\$ 0.02199	\$ 1,659,721	\$ 0.02506	\$ 1,891,433	\$ 231,712	
Next 200 hours of demand		111,304,800	\$ 0.01588	\$ 1,767,520	\$ 0.01809	\$ 2,013,504	\$ 245,984	
Next 200 hours of demand		61,722,574	\$ 0.01453	\$ 896,829	\$ 0.01656	\$ 1,022,126	\$ 125,297	
All over 500 hours of demand		40,693,851	\$ 0.01365	\$ 555,471	\$ 0.01555	\$ 632,789	\$ 77,318	
Total Distribution		289,197,391		\$ 4,879,541		\$ 5,559,852	\$ 680,311	
Demand Charges								
First 100 kW		2,532	\$ 135.80	\$ 343,846	\$ 135.80	\$ 343,846	\$ -	
Next 400 kW		289,777	\$ 0.94000	\$ 272,390	\$ 0.94000	\$ 272,390	\$ -	
Over 500 kW		231,454	\$ 0.69000	\$ 159,703	\$ 0.69000	\$ 159,703	\$ -	
Total Demand		523,763		\$ 775,939		\$ 775,939	\$ -	
Power Factor & Secondary Service Charges				\$ 57,989		\$ 57,989	\$ -	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 1,168	0.00%	\$ -	\$ (1,168)	
Generation Supply Rate (GSR) - Rider B		78,819,050	\$ 0.06424	\$ 5,063,150	\$ 0.06424	\$ 5,063,150	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		289,197,391	\$ 0.00203	\$ 587,071	\$ 0.00203	\$ 587,071	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 315,027	0.00%	\$ -	\$ (315,027)	
Total - LP	2,532	289,197,391		\$ 11,679,885		\$ 12,044,001	\$ 364,116	3.1%
<i>Choice Power Supply</i>		210,378,341	\$ 0.06424	\$ 13,514,209	\$ 0.06424	\$ 13,514,209	\$ -	
Total - LP (including Choice Power Supply)	2,532	289,197,391		\$ 25,194,094		\$ 25,558,209	\$ 364,116	

UGI Utilities, Inc. - Electric Division
Outdoor Lighting Service - Rate Schedule OL - Residential
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Flood Lighting								
11,000 Lumen	12		\$ 7.20	\$ 86	\$ 7.20	\$ 86	\$ -	
20,000 Lumen	-		\$ 8.05	\$ -	\$ 8.05	\$ -	\$ -	
60,000 Lumen	-		\$ 8.24	\$ -	\$ 8.24	\$ -	\$ -	
Street Lighting								
7,000 Lumen	5,088		\$ 4.54	\$ 23,100	\$ 4.54	\$ 23,100	\$ -	
11,000 Lumen	24		\$ 7.20	\$ 173	\$ 7.20	\$ 173	\$ -	
20,000 Lumen	12		\$ 8.05	\$ 97	\$ 8.05	\$ 97	\$ -	
60,000 Lumen	-		\$ 8.24	\$ -	\$ 8.24	\$ -	\$ -	
Total Fixture Charges	5,136			\$ 23,455		\$ 23,455	\$ -	
Distribution Charges								
Flood Lighting								
11,000 Lumen		1,160	\$ 0.03962	\$ 46	\$ 0.04812	\$ 56	\$ 10	
20,000 Lumen		-	\$ 0.03962	\$ -	\$ 0.04812	\$ -	\$ -	
60,000 Lumen		-	\$ 0.03962	\$ -	\$ 0.04812	\$ -	\$ -	
Street Lighting								
7,000 Lumen		343,658	\$ 0.03962	\$ 13,616	\$ 0.04812	\$ 16,537	\$ 2,921	
11,000 Lumen		2,320	\$ 0.03962	\$ 92	\$ 0.04812	\$ 112	\$ 20	
20,000 Lumen		1,771	\$ 0.03962	\$ 70	\$ 0.04812	\$ 85	\$ 15	
60,000 Lumen		-	\$ 0.03962	\$ -	\$ 0.04812	\$ -	\$ -	
Total Distribution Charges		348,911		\$ 13,824		\$ 16,790	\$ 2,966	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 8	0.00%	\$ -	\$ (8)	
Generation Supply Rate (GSR) - Rider B		344,850	\$ 0.12902	\$ 44,493	\$ 0.12902	\$ 44,493	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		348,911	\$ 0.00059	\$ 206	\$ 0.00059	\$ 206	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,874	0.00%	\$ -	\$ (1,874)	
Total - OL - R	5,136	348,911		\$ 83,860		\$ 84,943	\$ 1,083	1.3%
Choice Power Supply		4,061	\$ 0.12902	\$ 524	\$ 0.12902	\$ 524	\$ -	
Total - OL - R (including Choice Power Supply)	5,136	348,911		\$ 84,384		\$ 85,467	\$ 1,083	

UGI Utilities, Inc. - Electric Division
Outdoor Lighting Service - Rate Schedule OL - Commercial/Industrial
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Flood Lighting								
11,000 Lumen	60		\$ 6.79	\$ 407	\$ 6.79	\$ 407	\$ -	
20,000 Lumen	144		\$ 7.43	\$ 1,070	\$ 7.43	\$ 1,070	\$ -	
60,000 Lumen	-		\$ 6.69	\$ -	\$ 6.69	\$ -	\$ -	
Street Lighting								
7,000 Lumen	2,964		\$ 4.26	\$ 12,627	\$ 4.26	\$ 12,627	\$ -	
11,000 Lumen	36		\$ 6.79	\$ 244	\$ 6.79	\$ 244	\$ -	
20,000 Lumen	180		\$ 7.43	\$ 1,337	\$ 7.43	\$ 1,337	\$ -	
60,000 Lumen	12		\$ 6.69	\$ 80	\$ 6.69	\$ 80	\$ -	
Total Fixture Charges	3,396			\$ 15,766		\$ 15,766	\$ -	
Distribution Charges								
Flood Lighting								
11,000 Lumen		5,801	\$ 0.04776	\$ 277	\$ 0.05626	\$ 326	\$ 49	
20,000 Lumen		21,257	\$ 0.04776	\$ 1,015	\$ 0.05626	\$ 1,196	\$ 181	
60,000 Lumen		-	\$ 0.04776	\$ -	\$ 0.05626	\$ -	\$ -	
Street Lighting								
7,000 Lumen		199,907	\$ 0.04776	\$ 9,548	\$ 0.05626	\$ 11,247	\$ 1,699	
11,000 Lumen		3,481	\$ 0.04776	\$ 166	\$ 0.05626	\$ 196	\$ 30	
20,000 Lumen		26,571	\$ 0.04776	\$ 1,269	\$ 0.05626	\$ 1,495	\$ 226	
60,000 Lumen		4,462	\$ 0.04776	\$ 213	\$ 0.05626	\$ 251	\$ 38	
Total Distribution Charges		261,479		\$ 12,488		\$ 14,711	\$ 2,223	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 6	0.00%	\$ -	\$ (6)	
Generation Supply Rate (GSR) - Rider B		247,378	\$ 0.12902	\$ 31,917	\$ 0.12902	\$ 31,917	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		261,479	\$ 0.00132	\$ 345	\$ 0.00132	\$ 345	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,430	0.00%	\$ -	\$ (1,430)	
Total - OL - C/I	3,396	261,479		\$ 61,952		\$ 62,739	\$ 786	1.3%
Choice Power Supply		14,101	\$ 0.12902	\$ 1,819	\$ 0.12902	\$ 1,819	\$ -	
Total - OL - C/I (including Choice Power Supply)	3,396	261,479		\$ 63,772		\$ 64,558	\$ 786	

UGI Utilities, Inc. - Electric Division
Sodium Outdoor Lighting Service - Rate Schedule SOL - Residential
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Flood Lighting								
16,000 Lumen	264		\$ 7.96	\$ 2,101	\$ 7.96	\$ 2,101	\$ -	
25,000 Lumen	60		\$ 8.35	\$ 501	\$ 8.35	\$ 501	\$ -	
50,000 Lumen	12		\$ 10.42	\$ 125	\$ 10.42	\$ 125	\$ -	
Street Lighting								
9,500 Lumen	2,520		\$ 7.87	\$ 19,832	\$ 7.87	\$ 19,832	\$ -	
16,000 Lumen	156		\$ 7.96	\$ 1,242	\$ 7.96	\$ 1,242	\$ -	
25,000 Lumen	12		\$ 8.35	\$ 100	\$ 8.35	\$ 100	\$ -	
50,000 Lumen	-		\$ 10.42	\$ -	\$ 10.42	\$ -	\$ -	
Total Fixture Charges	3,024			\$ 23,902		\$ 23,902	\$ -	
Distribution Charges								
Flood Lighting								
16,000 Lumen		18,769	\$ 0.03962	\$ 744	\$ 0.04812	\$ 903	\$ 160	
25,000 Lumen		6,540	\$ 0.03962	\$ 259	\$ 0.04812	\$ 315	\$ 56	
50,000 Lumen		2,015	\$ 0.03962	\$ 80	\$ 0.04812	\$ 97	\$ 17	
Street Lighting								
9,500 Lumen		126,274	\$ 0.03962	\$ 5,003	\$ 0.04812	\$ 6,076	\$ 1,073	
16,000 Lumen		11,091	\$ 0.03962	\$ 439	\$ 0.04812	\$ 534	\$ 94	
25,000 Lumen		1,308	\$ 0.03962	\$ 52	\$ 0.04812	\$ 63	\$ 11	
50,000 Lumen		-	\$ 0.03962	\$ -	\$ 0.04812	\$ -	\$ -	
Total Distribution Charges		165,997		\$ 6,577		\$ 7,988	\$ 1,411	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 5	0.00%	\$ -	\$ (5)	
Generation Supply Rate (GSR) - Rider B		165,997	\$ 0.12902	\$ 21,417	\$ 0.12902	\$ 21,417	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		165,997	\$ 0.00059	\$ 98	\$ 0.00059	\$ 98	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G		165,997	5.00%	\$ 1,529	0.00%	\$ -	\$ (1,529)	
Total - SOL - R	3,024	165,997		\$ 53,528		\$ 53,404	\$ (123)	-0.2%
Choice Power Supply		-	\$ 0.12902	\$ -	\$ 0.12902	\$ -	\$ -	
Total - SOL - R (including Choice Power Supply)	3,024	165,997		\$ 53,528		\$ 53,404	\$ (123)	

UGI Utilities, Inc. - Electric Division
Sodium Outdoor Lighting Service - Rate Schedule SOL - Commercial/Industrial
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Flood Lighting								
16,000 Lumen	2,016		\$ 7.65	\$ 15,422	\$ 7.65	\$ 15,422	\$ -	
25,000 Lumen	2,928		\$ 7.88	\$ 23,073	\$ 7.88	\$ 23,073	\$ -	
50,000 Lumen	2,328		\$ 9.72	\$ 22,628	\$ 9.72	\$ 22,628	\$ -	
Street Lighting								
9,500 Lumen	2,568		\$ 7.66	\$ 19,671	\$ 7.66	\$ 19,671	\$ -	
16,000 Lumen	900		\$ 7.65	\$ 6,885	\$ 7.65	\$ 6,885	\$ -	
25,000 Lumen	612		\$ 7.88	\$ 4,823	\$ 7.88	\$ 4,823	\$ -	
50,000 Lumen	132		\$ 9.72	\$ 1,283	\$ 9.72	\$ 1,283	\$ -	
Total Fixture Charges	11,484			\$ 93,785		\$ 93,785	\$ -	
Distribution Charges								
Flood Lighting								
16,000 Lumen		143,327	\$ 0.04776	\$ 6,845	\$ 0.05626	\$ 8,064	\$ 1,218	
25,000 Lumen		319,134	\$ 0.04776	\$ 15,242	\$ 0.05626	\$ 17,955	\$ 2,713	
50,000 Lumen		390,865	\$ 0.04776	\$ 18,668	\$ 0.05626	\$ 21,990	\$ 3,322	
Street Lighting								
9,500 Lumen		128,680	\$ 0.04776	\$ 6,146	\$ 0.05626	\$ 7,240	\$ 1,094	
16,000 Lumen		63,985	\$ 0.04776	\$ 3,056	\$ 0.05626	\$ 3,600	\$ 544	
25,000 Lumen		66,704	\$ 0.04776	\$ 3,186	\$ 0.05626	\$ 3,753	\$ 567	
50,000 Lumen		22,162	\$ 0.04776	\$ 1,058	\$ 0.05626	\$ 1,247	\$ 188	
Total Distribution Charges		1,134,858		\$ 54,201		\$ 63,847	\$ 9,646	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 28	0.00%	\$ -	\$ (28)	
Generation Supply Rate (GSR) - Rider B		950,127	\$ 0.12902	\$ 122,585	\$ 0.12902	\$ 122,585	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		1,134,858	\$ 0.00132	\$ 1,498	\$ 0.00132	\$ 1,498	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 7,474	0.00%	\$ -	\$ (7,474)	
Total - SOL - C/I	11,484	1,134,858		\$ 279,571		\$ 281,715	\$ 2,144	0.8%
Choice Power Supply		184,731	\$ 0.12902	\$ 23,834	\$ 0.12902	\$ 23,834	\$ -	
Total - SOL - C/I (including Choice Power Supply)	11,484	1,134,858		\$ 303,405		\$ 305,549	\$ 2,144	

UGI Utilities, Inc. - Electric Division
Metal Halide Outdoor Lighting Service - Rate Schedule MHOL - Residential
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Flood Lighting								
20,500 Lumen	96		\$ 9.05	\$ 869	\$ 9.05	\$ 869	\$ -	
36,000 Lumen	216		\$ 9.20	\$ 1,987	\$ 9.20	\$ 1,987	\$ -	
110,000 Lumen	120		\$ 16.11	\$ 1,933	\$ 16.11	\$ 1,933	\$ -	
Street Lighting								
9,000 Lumen	1,260		\$ 8.07	\$ 10,168	\$ 8.07	\$ 10,168	\$ -	
12,900 Lumen	60		\$ 6.83	\$ 410	\$ 6.83	\$ 410	\$ -	
13,000 Lumen	-		\$ 6.36	\$ -	\$ 6.36	\$ -	\$ -	
20,500 Lumen	36		\$ 9.05	\$ 326	\$ 9.05	\$ 326	\$ -	
36,000 Lumen	48		\$ 9.20	\$ 442	\$ 9.20	\$ 442	\$ -	
Total Fixture Charges	1,836			\$ 16,135		\$ 16,135	\$ -	
Distribution Charges								
Flood Lighting								
20,500 Lumen		9,359	\$ 0.03962	\$ 371	\$ 0.04812	\$ 450	\$ 80	
36,000 Lumen		32,903	\$ 0.03962	\$ 1,304	\$ 0.04812	\$ 1,583	\$ 280	
110,000 Lumen		43,869	\$ 0.03962	\$ 1,738	\$ 0.04812	\$ 2,111	\$ 373	
Street Lighting								
9,000 Lumen		63,106	\$ 0.03962	\$ 2,500	\$ 0.04812	\$ 3,037	\$ 536	
12,900 Lumen		3,859	\$ 0.03962	\$ 153	\$ 0.04812	\$ 186	\$ 33	
13,000 Lumen		-	\$ 0.03962	\$ -	\$ 0.04812	\$ -	\$ -	
20,500 Lumen		3,509	\$ 0.03962	\$ 139	\$ 0.04812	\$ 169	\$ 30	
36,000 Lumen		7,312	\$ 0.03962	\$ 290	\$ 0.04812	\$ 352	\$ 62	
Total Distribution Charges		163,916		\$ 6,494		\$ 7,888	\$ 1,393	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 4	0.00%	\$ -	\$ (4)	
Generation Supply Rate (GSR) - Rider B		90,518	\$ 0.12902	\$ 11,679	\$ 0.12902	\$ 11,679	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		163,916	\$ 0.00059	\$ 97	\$ 0.00059	\$ 97	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,136	0.00%	\$ -	\$ (1,136)	
Total - MHOL - R	1,836	163,916		\$ 35,544		\$ 35,798	\$ 253	0.7%
Choice Power Supply		73,399	\$ 0.12902	\$ 9,470	\$ 0.12902	\$ 9,470	\$ -	
Total - MHOL - R (including Choice Power Supply)	1,836	163,916		\$ 45,014		\$ 45,267	\$ 253	

UGI Utilities, Inc. - Electric Division
Metal Halide Outdoor Lighting Service - Rate Schedule MHOL - Commercial/Industrial
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Flood Lighting								
20,500 Lumen	708		\$ 8.65	\$ 6,124	\$ 8.65	\$ 6,124	\$ -	
36,000 Lumen	2,280		\$ 8.57	\$ 19,540	\$ 8.57	\$ 19,540	\$ -	
110,000 Lumen	432		\$ 14.58	\$ 6,299	\$ 14.58	\$ 6,299	\$ -	
Street Lighting								
9,000 Lumen	684		\$ 7.86	\$ 5,376	\$ 7.86	\$ 5,376	\$ -	
12,900 Lumen	108		\$ 6.57	\$ 710	\$ 6.57	\$ 710	\$ -	
13,000 Lumen	684		\$ 6.07	\$ 4,152	\$ 6.07	\$ 4,152	\$ -	
20,500 Lumen	180		\$ 8.65	\$ 1,557	\$ 8.65	\$ 1,557	\$ -	
36,000 Lumen	372		\$ 8.57	\$ 3,188	\$ 8.57	\$ 3,188	\$ -	
Total Fixture Charges	5,448			\$ 46,945		\$ 46,945	\$ -	
Distribution Charges								
Flood Lighting								
20,500 Lumen		69,019	\$ 0.04776	\$ 3,296	\$ 0.05626	\$ 3,883	\$ 587	
36,000 Lumen		347,309	\$ 0.04776	\$ 16,587	\$ 0.05626	\$ 19,540	\$ 2,952	
110,000 Lumen		157,929	\$ 0.04776	\$ 7,543	\$ 0.05626	\$ 8,885	\$ 1,342	
Street Lighting								
9,000 Lumen		34,257	\$ 0.04776	\$ 1,636	\$ 0.05626	\$ 1,927	\$ 291	
12,900 Lumen		6,946	\$ 0.04776	\$ 332	\$ 0.05626	\$ 391	\$ 59	
13,000 Lumen		47,696	\$ 0.04776	\$ 2,278	\$ 0.05626	\$ 2,683	\$ 405	
20,500 Lumen		17,547	\$ 0.04776	\$ 838	\$ 0.05626	\$ 987	\$ 149	
36,000 Lumen		55,350	\$ 0.04776	\$ 2,644	\$ 0.05626	\$ 3,114	\$ 470	
Total Distribution Charges		736,054		\$ 35,154		\$ 41,410	\$ 6,256	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 18	0.00%	\$ -	\$ (18)	
Generation Supply Rate (GSR) - Rider B		706,702	\$ 0.12902	\$ 91,179	\$ 0.12902	\$ 91,179	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		736,054	\$ 0.00132	\$ 972	\$ 0.0013	\$ 972	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 4,154	0.00%	\$ -	\$ (4,154)	
Total - MHOL - C/I	5,448	736,054		\$ 178,421		\$ 180,506	\$ 2,085	1.2%
Choice Power Supply		29,352	\$ 0.12902	\$ 3,787	\$ 0.12902	\$ 3,787	\$ -	
Total - MHOL - C/I (including Choice Power Supply)	5,448	736,054		\$ 182,208		\$ 184,293	\$ 2,085	

UGI Utilities, Inc. - Electric Division
Light Emitting Diode Outdoor Lighting Service - Rate Schedule LED-OL - Residential
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Appendix B
Proof of Revenue
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Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Flood Lighting								
85-100 Watts	84		\$ 15.42	\$ 1,295	\$ 15.42	\$ 1,295	\$ -	
170-210 Watts	24		\$ 22.64	\$ 543	\$ 22.64	\$ 543	\$ -	
250-280 Watts	-		\$ 26.08	\$ -	\$ 26.08	\$ -	\$ -	
Street Lighting								
50-60 Watts	2,352		\$ 10.29	\$ 24,202	\$ 10.29	\$ 24,202	\$ -	
100-110 Watts	48		\$ 12.16	\$ 584	\$ 12.16	\$ 584	\$ -	
140-160 Watts	12		\$ 14.00	\$ 168	\$ 14.00	\$ 168	\$ -	
250-280 Watts	-		\$ 21.25	\$ -	\$ 21.25	\$ -	\$ -	
Standard Decorative Lighting								
60-80 Watts	-		\$ -	\$ -	\$ 11.77	\$ -	\$ -	
Total Fixture Charges	2,520			\$ 26,792		\$ 26,792	\$ -	
Distribution Charges								
Flood Lighting								
85-100 Watts		2,632	\$ 0.03962	\$ 104	\$ 0.04812	\$ 127	\$ 22	
170-210 Watts		1,544	\$ 0.03962	\$ 61	\$ 0.04812	\$ 74	\$ 13	
250-280 Watts		-	\$ 0.03962	\$ -	\$ 0.04812	\$ -	\$ -	
Street Lighting								
50-60 Watts		43,794	\$ 0.03962	\$ 1,735	\$ 0.04812	\$ 2,107	\$ 372	
100-110 Watts		1,708	\$ 0.03962	\$ 68	\$ 0.04812	\$ 82	\$ 15	
140-160 Watts		610	\$ 0.03962	\$ 24	\$ 0.04812	\$ 29	\$ 5	
250-280 Watts		-	\$ 0.03962	\$ -	\$ 0.04812	\$ -	\$ -	
Standard Decorative Lighting								
60-80 Watts		-	\$ -	\$ -	\$ 0.04812	\$ -	\$ -	
Total Distribution Charges		50,288		\$ 1,992		\$ 2,420	\$ 427	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 4	0.00%	\$ -	\$ (4)	
Generation Supply Rate (GSR) - Rider B		50,288	\$ 0.12902	\$ 6,488	\$ 0.12902	\$ 6,488	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		50,288	\$ 0.00059	\$ 30	\$ 0.00059	\$ 30	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,441	0.00%	\$ -	\$ (1,441)	
Total - LED-OL - R	2,520	50,288		\$ 36,747		\$ 35,730	\$ (1,017)	-2.8%
Choice Power Supply		-	\$ 0.12902	\$ -	\$ 0.12902	\$ -	\$ -	
Total - LED-OL - R (including Choice Power Supply)	2,520	50,288		\$ 36,747		\$ 35,730	\$ (1,017)	

UGI Utilities, Inc. - Electric Division
Light Emitting Diode Outdoor Lighting Service - Rate Schedule LED-OL - Commercial/Industrial
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Appendix B
Proof of Revenue
Page 15 of 19

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Flood Lighting								
85-100 Watts	456		\$ 15.42	\$ 7,032	\$ 15.42	\$ 7,032	\$ -	
170-210 Watts	588		\$ 22.64	\$ 13,312	\$ 22.64	\$ 13,312	\$ -	
250-280 Watts	660		\$ 26.08	\$ 17,213	\$ 26.08	\$ 17,213	\$ -	
Street Lighting								
50-60 Watts	18,636		\$ 10.29	\$ 191,764	\$ 10.29	\$ 191,764	\$ -	
100-110 Watts	480		\$ 12.16	\$ 5,837	\$ 12.16	\$ 5,837	\$ -	
140-160 Watts	900		\$ 14.00	\$ 12,600	\$ 14.00	\$ 12,600	\$ -	
250-280 Watts	264		\$ 21.25	\$ 5,610	\$ 21.25	\$ 5,610	\$ -	
Standard Decorative Lighting								
60-80 Watts	-		\$ -	\$ -	\$ 11.77	\$ -	\$ -	
Total Fixture Charges	21,984			\$ 253,368		\$ 253,368	\$ -	
Distribution Charges								
Flood Lighting								
85-100 Watts		14,289	\$ 0.04776	\$ 682	\$ 0.05626	\$ 804	\$ 121	
170-210 Watts		37,828	\$ 0.04776	\$ 1,807	\$ 0.05626	\$ 2,128	\$ 322	
250-280 Watts		59,235	\$ 0.04776	\$ 2,829	\$ 0.05626	\$ 3,333	\$ 503	
Street Lighting								
50-60 Watts		347,405	\$ 0.04776	\$ 16,592	\$ 0.05626	\$ 19,545	\$ 2,953	
100-110 Watts		17,079	\$ 0.04776	\$ 816	\$ 0.05626	\$ 961	\$ 145	
140-160 Watts		45,751	\$ 0.04776	\$ 2,185	\$ 0.05626	\$ 2,574	\$ 389	
250-280 Watts		23,694	\$ 0.04776	\$ 1,132	\$ 0.05626	\$ 1,333	\$ 201	
Standard Decorative Lighting								
60-80 Watts		-	\$ -	\$ -	\$ 0.05626	\$ -	\$ -	
Total Distribution Charges		545,281		\$ 26,043		\$ 30,677	\$ 4,635	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 36	0.00%	\$ -	\$ (36)	
Generation Supply Rate (GSR) - Rider B		473,181	\$ 0.12902	\$ 61,050	\$ 0.12902	\$ 61,050	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		545,281	\$ 0.00132	\$ 720	\$ 0.0013	\$ 720	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 14,007	0.00%	\$ -	\$ (14,007)	
Total - LED-OL - C/I	21,984	545,281		\$ 355,222		\$ 345,815	\$ (9,407)	-2.6%
Choice Power Supply		72,100	\$ 0.12902	\$ 9,302	\$ 0.12902	\$ 9,302	\$ -	
Total - LED-OL - C/I (including Choice Power Supply)	21,984	545,281		\$ 364,524		\$ 355,117	\$ (9,407)	

UGI Utilities, Inc. - Electric Division
Street Lighting Service - Rate Schedule SL
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Street Lighting								
3,750 Lumen	3,132		\$ 3.88	\$ 12,152	\$ 3.88	\$ 12,152	\$ -	
7,000 Lumen	11,232		\$ 4.05	\$ 45,490	\$ 4.05	\$ 45,490	\$ -	
11,000 Lumen	24		\$ 6.37	\$ 153	\$ 6.37	\$ 153	\$ -	
20,000 Lumen	36		\$ 7.65	\$ 275	\$ 7.65	\$ 275	\$ -	
60,000 Lumen	-		\$ 6.43	\$ -	\$ 6.43	\$ -	\$ -	
Total Fixture Charges	14,424			\$ 58,070		\$ 58,070	\$ -	
Distribution Charges								
Street Lighting								
3,750 Lumen		132,502	\$ 0.04776	\$ 6,328	\$ 0.05626	\$ 7,455	\$ 1,126	
7,000 Lumen		760,457	\$ 0.04776	\$ 36,319	\$ 0.05626	\$ 42,783	\$ 6,464	
11,000 Lumen		2,315	\$ 0.04776	\$ 111	\$ 0.05626	\$ 130	\$ 20	
20,000 Lumen		5,301	\$ 0.04776	\$ 253	\$ 0.05626	\$ 298	\$ 45	
60,000 Lumen		-	\$ 0.04776	\$ -	\$ 0.05626	\$ -	\$ -	
Total Distribution Charges		900,575		\$ 43,011		\$ 50,666	\$ 7,655	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 15	0.00%	\$ -	\$ (15)	
Generation Supply Rate (GSR) - Rider B		305,358	\$ 0.12902	\$ 39,397	\$ 0.12902	\$ 39,397	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		900,575	\$ 0.00132	\$ 1,189	\$ 0.0013	\$ 1,189	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 5,114	0.00%	\$ -	\$ (5,114)	
Total - SL	14,424	900,575		\$ 146,796		\$ 149,322	\$ 2,527	1.7%
Choice Power Supply		595,217	\$ 0.12902	\$ 76,795	\$ 0.12902	\$ 76,795	\$ -	
Total - SL (including Choice Power Supply)	14,424	900,575		\$ 223,591		\$ 226,117	\$ 2,527	

UGI Utilities, Inc. - Electric Division
Sodium Street Lighting Service - Rate Schedule SSL
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Street Lighting								
9,500 Lumen	21,468		\$ 7.51	\$ 161,225	\$ 7.51	\$ 161,225	\$ -	
16,000 Lumen	6,588		\$ 7.58	\$ 49,937	\$ 7.58	\$ 49,937	\$ -	
25,000 Lumen	6,060		\$ 8.57	\$ 51,934	\$ 8.57	\$ 51,934	\$ -	
50,000 Lumen	1,752		\$ 9.10	\$ 15,943	\$ 9.10	\$ 15,943	\$ -	
Total Fixture Charges	35,868			\$ 279,039		\$ 279,039	\$ -	
Distribution Charges								
Street Lighting								
9,500 Lumen		1,075,738	\$ 0.04776	\$ 51,377	\$ 0.05626	\$ 60,521	\$ 9,144	
16,000 Lumen		468,371	\$ 0.04776	\$ 22,369	\$ 0.05626	\$ 26,351	\$ 3,981	
25,000 Lumen		660,504	\$ 0.04776	\$ 31,546	\$ 0.05626	\$ 37,160	\$ 5,614	
50,000 Lumen		294,156	\$ 0.04776	\$ 14,049	\$ 0.05626	\$ 16,549	\$ 2,500	
Total Distribution Charges		2,498,769		\$ 119,341		\$ 140,581	\$ 21,240	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 55	0.00%	\$ -	\$ (55)	
Generation Supply Rate (GSR) - Rider B		1,010,931	\$ 0.12902	\$ 130,430	\$ 0.12902	\$ 130,430	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		2,498,769	\$ 0.00132	\$ 3,298	\$ 0.0013	\$ 3,298	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 20,084	0.00%	\$ -	\$ (20,084)	
Total - SSL	35,868	2,498,769		\$ 552,248		\$ 553,349	\$ 1,100	0.2%
Choice Power Supply		1,487,838	\$ 0.12902	\$ 191,961	\$ 0.12902	\$ 191,961	\$ -	
Total - SSL (including Choice Power Supply)	35,868	2,498,769		\$ 744,209		\$ 745,309	\$ 1,100	

UGI Utilities, Inc. - Electric Division
Metal Halide Street Lighting Service - Rate Schedule MHSL
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Street Lighting								
9,000 Lumen	2,028		\$ 6.71	\$ 13,608	\$ 6.71	\$ 13,608	\$ -	
12,900 Lumen	804		\$ 5.42	\$ 4,358	\$ 5.42	\$ 4,358		
13,000 Lumen	84		\$ 4.92	\$ 413	\$ 4.92	\$ 413	\$ -	
20,500 Lumen	156		\$ 7.29	\$ 1,137	\$ 7.29	\$ 1,137	\$ -	
36,000 Lumen	408		\$ 6.20	\$ 2,530	\$ 6.20	\$ 2,530	\$ -	
Total Fixture Charges	3,480			\$ 22,046		\$ 22,046	\$ -	
Distribution Charges								
Street Lighting								
9,000 Lumen		101,570	\$ 0.04776	\$ 4,851	\$ 0.05626	\$ 5,714	\$ 863	
12,900 Lumen		51,709	\$ 0.04776	\$ 2,470	\$ 0.05626	\$ 2,909	\$ 440	
13,000 Lumen		5,857	\$ 0.04776	\$ 280	\$ 0.05626	\$ 330	\$ 50	
20,500 Lumen		15,208	\$ 0.04776	\$ 726	\$ 0.05626	\$ 856	\$ 129	
36,000 Lumen		62,150	\$ 0.04776	\$ 2,968	\$ 0.05626	\$ 3,497	\$ 528	
Total Distribution Charges		236,494		\$ 11,295		\$ 13,305	\$ 2,010	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 5	0.00%	\$ -	\$ (5)	
Generation Supply Rate (GSR) - Rider B		134,796	\$ 0.12902	\$ 17,391	\$ 0.12902	\$ 17,391	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		236,494	\$ 0.00132	\$ 312	\$ 0.0013	\$ 312	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 1,683	0.00%	\$ -	\$ (1,683)	
Total - MHSL	3,480	236,494		\$ 52,732		\$ 53,054	\$ 322	0.6%
Choice Power Supply		101,698	\$ 0.12902	\$ 13,121	\$ 0.12902	\$ 13,121	\$ -	
Total - MHSL (including Choice Power Supply)	3,480	236,494		\$ 65,853		\$ 66,175	\$ 322	

UGI Utilities, Inc. - Electric Division
Light Emitting Diode Lighting Service - Rate Schedule LED-CO
Calculation of the Effect of Proposed Rates
12-Months Ending September 30, 2024

Description	Number of Fixture Charges (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Fixture Charge								
Street Lighting								
50-60 Watts	444		\$ 2.00	\$ 888	\$ 2.00	\$ 888	\$ -	
100-110 Watts	300		\$ 2.00	\$ 600	\$ 2.00	\$ 600	\$ -	
140-160 Watts	96		\$ 2.00	\$ 192	\$ 2.00	\$ 192	\$ -	
250-280 Watts	-		\$ 2.00	\$ -	\$ 2.00	\$ -	\$ -	
Total Fixture Charges	840			\$ 1,680		\$ 1,680	\$ -	
Distribution Charges								
Street Lighting								
50-60 Watts		8,288	\$ 0.04776	\$ 396	\$ 0.05626	\$ 466	\$ 70	
100-110 Watts		10,674	\$ 0.04776	\$ 510	\$ 0.05626	\$ 601	\$ 91	
140-160 Watts		4,880	\$ 0.04776	\$ 233	\$ 0.05626	\$ 275	\$ 41	
250-280 Watts		-	\$ 0.04776	\$ -	\$ 0.05626	\$ -	\$ -	
Total Distribution Charges		23,843		\$ 1,139		\$ 1,341	\$ 203	
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 1	0.00%	\$ -	\$ (1)	
Generation Supply Rate (GSR) - Rider B		23,843	\$ 0.12902	\$ 3,076	\$ 0.12902	\$ 3,076	\$ -	
Energy Efficiency & Conservation Rider (EEC) - Rider E		23,843	\$ 0.00132	\$ 31	\$ 0.0013	\$ 31	\$ -	
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 143	0.00%	\$ -	\$ (143)	
Total - LED-CO	840	23,843		\$ 6,070		\$ 6,129	\$ 60	1.0%

Appendix C

Bill and Rate Impact Tables

UGI Utilities, Inc. - Electric Division
Customer Class Rate Impact Analysis - Total Bill (52 Pa. Code § 53.45)

	<u>Average Usage</u>	<u>Current</u>	<u>Increase 10/1/2023</u>	<u>Increase (Decrease)</u>	<u>Total</u>
Residential	1,000 kWh	\$ 192.73	\$ 204.76	\$ 12.03	6.2%
Small Commercial	1,000 kWh	\$ 199.06	\$ 207.21	\$ 8.15	4.1%
Industrial	50,000 kWh	\$ 6,455.07	\$ 6,556.36	\$ 101.29	1.6%
Large Power Service	200,000 kWh	\$ 23,100.75	\$ 23,356.70	\$ 255.95	1.1%

Residential Service - Rate Schedule R

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Customer Charge	1		\$ 9.50	\$ 9.50	\$ 10.75	\$ 10.75	\$ 1.25	13.2%
Distribution Charges		1,000	\$ 0.03907	\$ 39.07	\$ 0.05290	\$ 52.90	\$ 13.83	35.4%
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 0.02	0.00%	\$ -	\$ (0.02)	-100.0%
Generation Supply Rate (GSR) - Rider B		1,000	\$ 0.12902	\$ 129.02	\$ 0.12902	\$ 129.02	\$ -	0.0%
Universal Service Program (USP) - Rider C		1,000	\$ 0.01150	\$ 11.50	\$ 0.01150	\$ 11.50	\$ -	0.0%
Energy Efficiency & Conservation Rider (EEC) - Rider E		1,000	\$ 0.00059	\$ 0.59	\$ 0.00059	\$ 0.59	\$ -	0.0%
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 3.03	0.00%	\$ -	\$ (3.03)	-100.0%
Total - Rate R	1	1,000		\$ 192.73		\$ 204.76	\$ 12.03	6.2%
Total - Rate R (Distribution only, excluding GSR)	1	1,000		\$ 63.71		\$ 75.74	\$ 12.03	18.9%

General Service - Rate Schedule GS-1 - General Service Customers

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Customer Charge	1		\$ 13.00	\$ 13.00	\$ 17.00	\$ 17.00	\$ 4.00	30.8%
Distribution Charges		1,000	\$ 0.05237	\$ 52.37	\$ 0.05987	\$ 59.87	\$ 7.50	14.3%
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 0.02	0.00%	\$ -	\$ (0.02)	-100.0%
Generation Supply Rate (GSR) - Rider B		1,000	\$ 0.12902	\$ 129.02	\$ 0.12902	\$ 129.02	\$ -	0.0%
Energy Efficiency & Conservation Rider (EEC) - Rider E		1,000	\$ 0.00132	\$ 1.32	\$ 0.0013	\$ 1.32	\$ -	0.0%
Distribution System Improvement Charge (DSIC) - Rider G		1,000	5.00%	\$ 3.33	0.00%	\$ -	\$ (3.33)	-100.0%
Total - Rate GS-1	1	1,000		\$ 199.06		\$ 207.21	\$ 8.15	4.1%
Total - Rate GS-1 (Distribution only, excluding GSR)	1	1,000		\$ 70.04		\$ 78.19	\$ 8.15	11.6%

General Service - Rate Schedule GS-4 - General Service Customers

Description	Number of Bills (1)	Pro Forma Consumption kwh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (6)	Proposed Revenue (7)	Proposed Revenue Change (8)	% Change (9)
Customer Charge								
Rate GS-4 - Rate GS-4	1		\$ 15.00	\$ 15.00	\$ 18.00	\$ 18.00	\$ 3.00	20.0%
Distribution Charges								
Rate GS-4 - Rate GS-4								
First 200 hours of demand		3,312	\$ 0.02882	\$ 95.46	\$ 0.03399	\$ 112.59	\$ 17.12	17.9%
Next 300 hours of demand		4,968	\$ 0.01816	\$ 90.23	\$ 0.02142	\$ 106.43	\$ 16.20	18.0%
All over 500 hours of demand		41,719	\$ 0.01513	\$ 631.21	\$ 0.01785	\$ 744.69	\$ 113.48	18.0%
Total Rate GS-4 - Rate GS-4		50,000		\$ 816.90		\$ 963.70	\$ 146.80	18.0%
Demand Charges								
Rate GS-4 - Rate GS-4								
First 20 kw		16.56	\$ 3.59000	\$ 59.46	\$ 3.59000	\$ 59.46	\$ -	0.0%
Over 20 kw		-	\$ 2.20000	\$ -	\$ 2.20000	\$ -	\$ -	0.0%
Total Rate GS-4 - Rate GS-4		16.56		\$ 59.46		\$ 59.46	\$ -	0.0%
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 0.65	0.00%	\$ -	\$ (0.65)	-100.0%
Generation Supply Rate (GSR) - Rider B		50,000	\$ 0.10898	\$ 5,449.20	\$ 0.10898	\$ 5,449.20	\$ -	0.0%
Energy Efficiency & Conservation Rider (EEC) - Rider E		50,000	\$ 0.00132	\$ 66.00	\$ 0.0013	\$ 66.00	\$ -	0.0%
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 47.87	0.00%	\$ -	\$ (47.87)	-100.0%
Total - Rate GS-4	1	50,000		\$ 6,455.07		\$ 6,556.36	\$ 101.28	1.6%
Total - Rate GS-4 (Distribution only, excluding GSR)	1	50,000		\$ 1,005.87		\$ 1,107.15	\$ 101.28	10.1%

Rate Schedule LP - Large Power Service

Description	Number of Bills (1)	Pro Forma Consumption kWh (2)	Current Rate (3)	Current Revenue (4)	Proposed Rate (5)	Proposed Revenue (6)	Proposed Revenue Change (7)	% Change (8)
Distribution Charges								
First 100 hours of demand		50,000	\$ 0.02199	\$ 1,099.50	\$ 0.02506	\$ 1,253.00	\$ 153.50	14.0%
Next 200 hours of demand		100,000	\$ 0.01588	\$ 1,588.00	\$ 0.01809	\$ 1,809.00	\$ 221.00	13.9%
Next 200 hours of demand		50,000	\$ 0.01453	\$ 726.50	\$ 0.01656	\$ 828.00	\$ 101.50	14.0%
All over 500 hours of demand		-	\$ 0.01365	\$ -	\$ 0.01555	\$ -	\$ -	0.0%
Total Distribution		200,000		\$ 3,414.00		\$ 3,890.00	\$ 476.00	13.9%
Demand Charges								
First 100 kW		100	\$ 135.80	\$ 135.80	\$ 135.80	\$ 135.80	\$ -	0.0%
Next 400 kW		400	\$ 0.94000	\$ 376.00	\$ 0.94000	\$ 376.00	\$ -	0.0%
Over 500 kW		-	\$ 0.69000	\$ -	\$ 0.69000	\$ -	\$ -	0.0%
Total Demand		500		\$ 511.80		\$ 511.80	\$ -	0.0%
Power Factor & Secondary Service Charges				\$ 22.90		\$ 22.90	\$ -	0.0%
State Tax Adjustment Surcharge (STAS) - Rider A			0.01%	\$ 2.31	0.00%	\$ -	\$ (2.31)	-100.0%
Generation Supply Rate (GSR) - Rider B		200,000	\$ 0.09263	\$ 18,526.00	\$ 0.09263	\$ 18,526.00	\$ -	0.0%
Energy Efficiency & Conservation Rider (EEC) - Rider E		200,000	\$ 0.00203	\$ 406.00	\$ 0.00203	\$ 406.00	\$ -	0.0%
Distribution System Improvement Charge (DSIC) - Rider G			5.00%	\$ 217.74	0.00%	\$ -	\$ (217.74)	-100.0%
Total - LP	2,532	200,000		\$ 23,100.75		\$ 23,356.70	\$ 255.96	1.1%
Total - LP (Distribution only, excluding GSR)		200,000		\$ 4,574.75		\$ 4,830.70	\$ 255.96	5.6%

Appendix D
Proposed Findings of Fact

APPENDIX D

PROPOSED FINDINGS OF FACT

1. UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) is a “public utility” and “electric distribution company” (“EDC”) as those terms are defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa. C.S. §§ 102, 2803, subject to the regulatory jurisdiction of the Pennsylvania Public Utility Commission (“Commission”), and provides electric distribution, transmission, and default electric supply services to customers located in its certificated service territory.

2. On January 27, 2023, UGI Electric filed with the Commission its 2023 Base Rate Case filing (“2023 Base Rate Case”), which consisted of Supplement No. 51 to Electric Pa. P.U.C. No. 6 (“Tariff No. 6”) and Supplement No. 7 to UGI Electric Tariff – Pa. P.U.C. No. 2S (“Tariff No. 2S”), responses to filing requirements and standard data requests, and supporting direct testimony and exhibits. The Company proposed changes to UGI Electric’s base retail distribution rates designed to produce an increase in revenues of approximately \$11.4 million, based upon data for a fully projected future test year (“FPFTY”) ending September 30, 2024.

3. On June 12, 2023, UGI Electric notified Deputy Chief Administrative Law Judge Christopher P. Pell and Administrative Law Judge Charece Z. Collins (“ALJs”) that a settlement in principle was achieved with respect to all issues except for revenue allocation. UGI Electric and the other active parties also requested that the June 14, 2023, hearing date be cancelled, that the testimony and exhibits of witnesses not subject to cross examination be admitted via written verification, and that witnesses not subject to cross examination be excused from the hearings. ALJ Collins granted the requests to admit the testimony and exhibits of witnesses not subject to cross examination via written verification, and to excuse such witnesses.

4. On June 13, 2023, the evidentiary hearing was held, where the active parties' written testimony and exhibits were admitted into the record.

5. On June 27, 2023, UGI Electric informed the ALJs that the parties reached a settlement in principle on all issues, including revenue allocation.

6. The Settlement is supported by the active parties in this case: UGI Electric, the Commission's 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"), and the Commission on Economic Opportunity ("CEO") (collectively, "Joint Petitioners").

7. Several customers filed *pro se* formal complaints opposing the proposed rate increase, specifically: (1) William Ostroski at Docket No. C-2023-3037880; (2) Travis Clay Buchanan at Docket No. C-2023-3038072; (3) Bridget Gimbi at Docket No. C-2023-3038293; (4) James Stambaugh at Docket No. C-2023-3038131; (5) Beverly A. Howell at Docket No. C-2023-3038300; (6) Bernadette Truskowski at Docket No. C-2023-3038357; (7) Summer Newell at Docket No. C-2023-3038215; (8) Kayla Bloom-Trosky at Docket Nos. C-2023-3038337 and C-2023-3038341; (9) Michele Gingo at Docket No. C-2023-3038229; (10) Jennifer Patla at Docket No. C-2023-3038238; (11) Melissa Pugh at Docket No. C-2023-3038244; (12) Brittany Shannon at Docket No. C-2023-3038245; (13) Chuck Lipinski at Docket No. C-2023-3038354; (14) John Fleschut at Docket No. C-2023-3038399; (15) Charles M. Mangan at Docket No. C-2023-3038538; (16) Robyn Wood at Docket No. C-2023-3038346; (17) Kathleen Yurkoski at Docket No. C-2023-3038417; (18) Lindsey Wosik at Docket No. C-2023-3038547; (19) Nicholas Scavone at Docket No. C-2023-3038548; (20) Patricia King at Docket No. C-2023-3038549; (21) Christina Bauserman at Docket No. C-2023-3038597; (22) Phyllis Johnson at Docket No. C-2023-3038684;

(23) Tara Yamelski at Docket No. C-2023-3038886; (24) Andrew Timko at Docket No. C-2023-3038980; (25) Christopher Dorr at Docket No. C-2023-3039127; and (26) Michael L. Oresick, Sr. at Docket No. C-2023-3039230. None of the *pro se* complainants have been active parties.

8. The Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners.

9. Under the Settlement, UGI Electric will be permitted to increase annual distribution rate revenue by \$8.5 million, to become effective on or before October 1, 2023, for service rendered thereafter. (Settlement ¶ 46.)

10. The agreed upon revenue requirement is a “black box” settlement, under which the parties do not specifically identify or resolve all of the individual rate base, revenue, expenses, and rate of return issues. (Settlement ¶ 46.)

11. The distribution rate revenue increase of \$8.5 million is 74.4% of the proposed revenue increase of \$11.425 million requested in UGI Electric’s 2023 Base Rate Case filing. (Settlement ¶ 46; UGI Electric St. No. 1 at 6.)

12. The Company claimed that its current rates do not provide it with a reasonable opportunity to earn a fair rate of return on its investments made to serve the public in the provision of safe and reliable electric distribution service. (UGI Electric St. No. 1 at 8.)

13. Absent rate relief, UGI Electric projected that, for the 12 months ending September 30, 2024, its operations would produce an overall return on rate base of just 3.768%, which equates to a return on common equity of only 3.28%. (UGI Electric St. No. 1 at 8.)

14. UGI Electric claimed that without its requested rate relief, the Company’s returns would continue to decline, deny the Company an opportunity to earn a fair and reasonable rate of return, and jeopardize the Company’s ability to attract the capital needed to make the system

investments necessary to support and ensure continued system reliability, safety, and customer service performance. (UGI Electric St. No. 1 at 8-9.)

15. During the course of the proceeding, the differences between the parties' litigation positions changed. In its rebuttal testimony, UGI Electric explained that its most recent data and updates supported an annual revenue increase of \$11.435 million. (UGI Electric St. No. 2-R at 4-5; UGI Electric Exhibit A – Fully Projected (REBUTTAL).) In surrebuttal testimony, I&E updated its recommended revenue requirement increase to \$6.864 million, and the OCA updated its recommended revenue requirement increase of \$5.591 million. (I&E St. No. 1-SR at 3; OCA St. No. 1-SR at 2.)

16. The revenue increase under the Settlement represents a compromise of the parties' competing litigation positions. The increase under the Settlement is within the range proposed by the parties, is in the public interest, and should be adopted without modification.

17. UGI Electric relied upon a class cost of service study to allocate its proposed total revenue and costs to each of the retail customer classes. (UGI Electric St. No. 6 at 4-18, 21-24; UGI Electric Exh. D.)

18. While UGI Electric, OCA, and OSBA took differing positions on revenue allocation, all of these parties agreed that the majority of the revenue increase should be allocated to the residential customer class. (*See, e.g.*, UGI Electric St. No. 6 at 22; OCA St. No. 3 at 20; OSBA St. No. 1 at 17, 19.)

19. Appendix B to the Settlement sets forth the proof of revenues, which reflects the agreed-upon revenue allocation, changes to monthly customer charges for Rates R, GS-1, GS-4, and GS-5, and shows how all of the changes in customer charges and distribution rates by class

are designed to produce the net increase in distribution operating revenues of \$8.5 million. (Settlement Appx. B; Settlement ¶ 49.)

20. The Company originally proposed increasing the Rate R customer charge to \$13.50, which was an increase of \$4.00 from the current charge of \$9.50, and increasing the Rate GS-1 customer charge to \$14.00, which was an increase of \$1.00 from the current charge of \$13.00. (UGI Electric St. No. 6 at 24-25.)

21. The Company's proposed increase for the Rate R customer charge was opposed by OCA and CEO. (*See, e.g.*, OCA St. No. 3 at 23-24; OCA St. No. 4 at 22-32; CEO St. No. 1 at 4-5, 7.)

22. I&E proposed that the Rates R and GS-5 customer charges increase to \$12.00, instead of the \$13.50 proposed by the Company, and that those customer charges be subject to a scale-back if the Commission granted less than the Company's full requested base rate increase. (I&E St. No. 3 at 8.)

23. OSBA opposed UGI Electric's proposed customer charge levels for Rates GS-1 and GS-4, proposing higher customer charges of \$17.00 and \$18.00, respectively. (OSBA St. No. 1 at 21-22.)

24. Under the Settlement, the parties have reached a reasonable compromise of their respective positions on the proposed increases to the monthly customer charges. Specifically, the parties have agreed to the customer charges proposed by the Company, except that: (1) the Rates R and GS-5 customer charges will be \$10.75 per month, instead of the \$13.50 per month proposed by UGI Electric; (2) the Rate GS-1 customer charge will be \$17.00 per month, rather than the \$14.00 per month originally proposed by the Company; and (3) the Rate GS-4 customer charge

will be \$18.00 per month, rather than the \$15.00 per month originally proposed by UGI Electric. (Settlement ¶ 49.)

25. Regarding the Company's Distribution System Improvement Charge ("DSIC"), the Settlement provides that, as of the effective date of rates in this proceeding, UGI Electric will be eligible to include plant additions in the DSIC once the Company's total gross plant balances exceed a level of \$275,000,001. (Settlement ¶ 50.)

26. The Settlement further states that, for purposes of calculating its DSIC, UGI Electric shall use the equity return rate for electric utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1). (Settlement ¶ 51.)

27. The Settlement also provides that the Company will submit an update to UGI Electric Exhibit A, Schedule C-2 no later than January 2, 2024, which will include actual capital expenditures, plant additions, and retirements by month from October 1, 2022, through September 30, 2023. (Settlement ¶ 52.) An additional update for actuals from October 1, 2023, through September 30, 2024, shall be filed no later than January 2, 2025. (Settlement ¶ 52.)

28. UGI Electric presented detailed depreciation studies on the Company's electric plant for the Historic Test Year ("HTY"), Future Test Year ("FTY"), and FPPTY. (See UGI Electric Exhibit C – Fully Projected, UGI Electric Exhibit C – Future, and UGI Electric Exhibit C – Historic.) The depreciation studies were sponsored by, and supported by the direct testimony of, UGI Electric witness Mr. Wiedmayer. (See UGI Electric St. No. 7.)

29. Under the Settlement, the Joint Petitioners accept UGI Electric's as-filed depreciation rates. (Settlement ¶ 53.)

30. In its initial rate filing, UGI Electric included an FPFTY Accumulated Deferred Income Tax ("ADIT") calculation, based upon a pro-rationing methodology required under Treasury Regulation 1.167(l)-1(h)(6)(ii) that is necessary to be in compliance with Internal Revenue Service ("IRS") normalization requirements. (UGI Electric St. No. 8 at 6-7.)

31. Under the Settlement, the Company's ADIT and pro-rationing methodology as required by Treasury Regulation 1.167(l)-1(h)(6)(ii) is accepted. (Settlement ¶ 54); *see* 26 C.F.R. § 1.167(l). The Settlement also provides that the Company's method to amortize Excess Accumulated Deferred Federal Income Taxes ("EDFIT") according to the Average Rate Assumption Method ("ARAM") is accepted. (Settlement ¶ 54.)

32. In its tax return for the year ended September 30, 2009, UGI Electric adopted a tax accounting method to expense as repairs certain items capitalized for book purposes in accordance with federal tax regulations. (UGI Electric St. No. 8 at 7.)

33. As it did in the Company's previous base rate case at Docket No. R-2021-3023618, UGI Electric chose to normalize its federal income tax expense claim, inclusive of the repairs tax deduction. (UGI Electric St. No. 8 at 7.)

34. This difference between accelerated tax depreciation versus book depreciation in the calculation of federal tax expense creates ADIT. (UGI Electric St. No. 8 at 7.) Therefore, the Company reduced its rate base by the sum of the federal ADIT balance and the state repair regulatory liability. (UGI Electric St. No. 8 at 7.)

35. The Settlement states that, for purposes of determining the revenue requirement in this case, all capitalized repairs deductions claimed on a tax return have been normalized for

ratemaking purposes, and the appropriate related amount of tax effect of those deductions has been treated similarly to ADIT as a reduction to UGI Electric's rate base. (Settlement ¶ 55.)

36. UGI Electric has experienced increased uncollectible accounts expenses due to the COVID-19 pandemic. (UGI Electric St. No. 3 at 16-17.)

37. As a result of these increased costs, the Company proposed to: (1) adjust budgeted uncollectible accounts expense to reflect a three-year average rate of uncollectible accounts expense for FY 2020-2022, where the baseline amounts for FY 2020 and FY 2021 include \$1.013 million and \$0.315 million, respectively, of amounts recorded as a regulatory asset; (2) amortize the regulatory asset balance of \$1.013 million for COVID-19 Pandemic uncollectible costs over a three-year amortization period (in accordance with Ordering Paragraph 63 in the Commission's Order for settlement of the 2021 UGI Electric rate case, entered October 28, 2021 at Docket No. R-2021-3023618); and (3) amortize over a three-year amortization period the regulatory asset balance for FY 2021 of \$0.315 million for COVID-19 Pandemic uncollectible costs, which were deferred for recovery because these costs were incurred between October 1, 2020, and the November 9, 2021 effective date of the new rates established in UGI Electric's 2020 base rate case at Docket No. R-2021-3023618. (UGI Electric St. No. 3 at 16-17.)

38. Under the Settlement, the Company's revenue increase provided in the Settlement is reflective of a three-year non-reconcilable amortization of the Company's COVID-19 regulatory assets related to incremental uncollectible accounts expense, as follows: (a) a continuing amortization of \$337,666 per year, which includes all incremental uncollectible expense through September 30, 2020; plus (b) a new amortization of \$105,000 per year, which includes incremental uncollectible expense from October 1, 2020, through September 30, 2021. (Settlement ¶ 56.)

39. UGI Electric proposed to recover rate case expenses totaling \$769,000 as a part of its initial filing. (UGI Electric St. No. 2 at 16.)

40. I&E recommended that the rate case expenses be normalized over a 30-month period, thereby reducing the Company's claim for the FPFTY by \$77,400. (I&E St. No. 1 at 6.)

41. OCA recommended a five-year normalization, thereby reducing the Company's claim by \$231,200. (OCA St. No. 1 at 35-36.)

42. The Settlement provides that the Company's revenue increase reflects a 30-month (2.5 year) normalization for ratemaking purposes and a 30-month (2.5 year) amortization for accounting purposes. (Settlement ¶ 57.)

43. Further, the Company will not claim any unamortized amount in a future rate case and agrees that normalization of rate case expense (as opposed to amortization) is the proper treatment for ratemaking purposes. (Settlement ¶ 57.)

44. The Company's hardship fund (Operation Share) provides energy assistance grants up to \$400 to qualified customers who experience difficulty paying their heating bills. (UGI Electric St. No. 11-R at 14-15.)

45. CEO proposed that UGI Electric make a contribution to its hardship fund in an amount commensurate to the approved increase in the residential rate. (CEO St. No. 1 at 7.)

46. UGI Electric claimed that an increase to Operation Share's budget was not required. (UGI Electric St. No. 11-R at 41; *see* UGI Electric St. No. 6-R at 23-31.)

47. Under the Settlement, effective January 1, 2024, the Company will expand eligibility of the Electric Operation Share grant program from 200% Federal Poverty Level ("FPL") to 250% FPL and will increase its annual funding contribution by \$30,000, which will bring the Company's annual funding for Operation Share to a total of \$117,423 for 2024 and each

year thereafter until a change in hardship fund contribution levels is otherwise ordered in a subsequent proceeding. (Settlement ¶ 58.)

48. Effective January 1, 2024, the Company will also increase the maximum grant size from \$400 to \$600, to the extent funds are available. (Settlement ¶ 58.)

49. The Low Income Usage Reduction Program (“LIURP”) helps reduce energy consumption for low-income customers through installation of energy efficiency and conservation measures and education. (UGI Electric St. No. 11-R at 15.)

50. OCA recommended that the Company’s LIURP budget be increased to fund: (1) an additional 66 electric baseload jobs per year; (2) an additional 66 electric heating jobs per year; and (3) an additional 27 jobs aimed at customers within 151-200% of the FPL. (OCA St. No. 4 at 32-37.)

51. CEO proposed to increase the annual LIURP budget “by the commensurate increase in rates to residential customers that result from this proceeding.” (CEO St. No. 1 at 6.) CEO also recommended that the Company “continue to partner with the [community-based organizations]” that “it has traditionally employed to provide LIURP services to its customers. (CEO St. No. 1 at 6.)

52. UGI Electric disputed these recommendations in its rebuttal testimony. (See UGI Electric St. No. 11-R at 4, 12-34.)

53. I&E also disputed OCA’s and CEO’s recommendations to increase the Company’s LIURP budget as part of this proceeding. (I&E St. No. 2-R at 2-7.)

54. The Settlement provides that within 60 days after a final order is entered in this proceeding, UGI Electric will issue a Request For Proposal (“RFP”) seeking an additional LIURP

resource(s) that is able to perform 20 additional baseload and 10 additional heating jobs annually. (Settlement ¶ 59.)

55. Organizations that would be sent the RFP shall include community-based-organizations (“CBOs”) in the Company’s service territory. (Settlement ¶ 59.)

56. UGI Electric shall provide an update on the results of the RFP during its first Universal Service Advisory Committee (“USAC”) meeting after the RFP is completed. (Settlement ¶ 59.)

57. All associated incremental costs shall be recoverable as expanded through Rider USP as LIURP costs. (Settlement ¶ 59(a).)

58. Additionally, the Settlement states that effective January 1, 2024, UGI Electric will expand its Electric LIURP heating and baseload job access to customers between 151% and 200% FPL; a limit of 20% of the overall LIURP budget shall apply for jobs related to customers falling between 151% and 200% FPL. (Settlement ¶ 59(b).)

59. OCA alleged that UGI Electric failed to comply with certain settlement obligations from the Company’s 2018 and 2021 base rate cases related to the Customer Assistance Program (“CAP”), the Low-Income Home Energy Assistance Program (“LIHEAP”), and other low-income issues. (OCA St. No. 4 at 37-44.)

60. UGI Electric argued that the Company complied with these settlement obligations. (UGI Electric St. No. 11-R at 6-11; UGI Electric St. No. 11-RJ at 1-10.)

61. The Settlement sets forth several provisions related to CAP solicitation and enrollment, income verification requirements, and Pennsylvania Department of Human Services (“DHS”) data sharing, all of which balance the parties’ positions in this proceeding on these issues. (See Settlement ¶ 60.)

62. UGI Electric will solicit customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company's CAP two times a year until at least the effective date of the Company's next USECP. (Settlement ¶ 60(a).)

63. For each solicitation, UGI Electric will provide an update to the USAC on the results of the solicitation. (Settlement ¶ 60(a).)

64. UGI Electric will accept verbal self-reported income eligibility for customers at or below 250% of the FPL during the Winter Moratorium for purposes of winter shutoff protections, requests for deferred payment arrangements, or any other customer contact with the call center for an unpaid bill. (Settlement ¶ 60(b).)

65. Normal income verification requirements maintained by the Company shall apply upon the end of the Winter Moratorium period. (Settlement ¶ 60(b).)

66. No fewer than two times a year, the Company will provide an update to the USAC of the number of customers identified through such verbal self-reported income. (Settlement ¶ 60(b).)

67. The Settlement states that at such time that DHS notifies the LIHEAP Advisory Committee that it is ready to share LIHEAP participant income data with utilities, currently anticipated to begin in Fall 2024, UGI Electric will implement required modifications to its IT system and processes, within a reasonable time frame, such that it may utilize that data to automatically enroll non-shopping LIHEAP recipients into CAP and/or recertify their income and eligibility. (Settlement ¶ 60(c).)

68. Until such time as Information Technology ("IT") system and process changes are made, the Company will use best efforts to implement manual processing as soon as practicable, not to exceed three (3) months from the date data is first received. (Settlement ¶ 60(c).)

69. All related costs to modify IT systems and processes shall be eligible for timely recovery through the Company's Rider USP as CAP costs, including any related interim costs related to manual processing. (Settlement ¶ 60(c).)

70. All automatically enrolled LIHEAP recipients will be deemed by UGI Electric as confirmed low-income customers and will be eligible for winter shutoff protections. (Settlement ¶ 60(c).)

71. UGI Electric will conduct an interim pilot to auto-enroll non-shopping customers who receive LIHEAP into CAP, pending implementation of the auto-enrollment process identified in Paragraph 60(c). (Settlement ¶ 60(d).)

72. The interim pilot will contain the following elements: (1) UGI Electric will auto-enroll non-shopping customers who received LIHEAP during the 2022/2023 LIHEAP season and will continue to enroll new LIHEAP recipients during each subsequent LIHEAP season until the time that DHS begins sharing LIHEAP income participant data with utilities (as described in Paragraph 60(c)); (2) auto-enrolled customers will be placed on CAP under the average bill methodology, unless they provide the Company with proof of income documentation demonstrating qualification for the opportunity to be placed on the lesser of a percent of income ("PIP") bill or minimum bill amount; (3) auto-enrolled customers will receive a notification by mail or email as applicable from the Company explaining (a) the reason for the auto-enrollment, (b) the ability to opt-out of the auto-enrollment, and (c) the opportunity to be placed on the lesser of the CAP minimum bill or PIP bill by providing proof of income; (4) auto-enrolled customers will be required to recertify their CAP enrollment one year after they are auto-enrolled; (5) auto-enrolled customers, who are enrolled through the interim pilot and for whom UGI Electric later receives detailed income information from DHS through the data-sharing process identified in

Paragraph 60(c), will be transitioned to the best available CAP rate (*i.e.*, PIP, average bill, or minimum bill); (6) auto-enrolled CAP customers with arrearages less than \$300 at the time of auto-enrollment will be eligible to include their pre-program arrearage (“PPA”) debt forgiveness if they later reenroll in the program; and (7) auto-enrolled customers will be eligible for a one-time payment arrangement (after they leave or are otherwise removed from CAP) on arrears incurred while enrolled in CAP at the average bill rate. (Settlement ¶ 60(d).)

73. Further, within 30 days of a final order in this proceeding, UGI Electric will convene a collaborative with interested parties to this proceeding to identify the following: (1) the manner and method of outreach and education for auto-enrolled customers to verify their income and inform them of the program rights and responsibilities; (2) data points that can be tracked to measure the effectiveness of the pilot program; (3) associated pilot program action dates related to outreach, education, and auto-enrollment start; (4) during the term of the interim pilot, UGI Electric will provide updates during each USAC meeting regarding the data points identified in Paragraph 60(e)(ii) to determine whether adjustments to the pilot are necessary; and (5) the pilot program will cease operation if and when the terms of Paragraph 60(c) take effect. (Settlement ¶ 60(e).)

74. In the 2021 Electric Rate Case at Docket No. R-2021-3023618, the Commission approved a settlement provision allowing UGI Electric to install a 1.25 MWh battery storage project as a targeted means to enhance resiliency and improve reliability to customers served off the Ruckle Hill Road circuit (“Ruckle Hill”). (UGI Electric St. No. 4 at 17.)

75. The Company averred that it is not continuing to pursue the battery storage project currently because “[a]fter a comprehensive review of the battery storage project options available, none of the options currently on the market were able to provide a cost-effective solution that met

the intended design parameters necessary to move forward with project construction at this time.” (UGI Electric St. No. 4 at 18-19.)

76. OCA recommended that the Company prioritize its efforts in searching for a reliability solution for the Ruckle Hill customers, be required to provide a status report at the end of the FPFTY (including any information or developments it has made toward the battery storage projects), and be required to provide an explanation of where the \$1.5 million for the battery projected has been reallocated. (OCA St. No. 5 at 2-5, 7.)

77. In its surrebuttal testimony, OCA additionally recommended that: (1) the Company develop a plan that will keep it accountable in finding a long-term reliability solution; (2) every six months, the Company report the status of its long-term approaches on a separate basis from the AAOP to the Commission and all stakeholders in this proceeding; and (3) the Company be required to reallocate \$1.5 million for a reliability solution specifically for Ruckle Hill Road and keep these funds separate from any other budget, as they should be used toward the battery storage project or an alternative solution to resolve reliability issues. (OCA St. No. 5-SR at 1-5.)

78. UGI Electric responded to OCA’s claims and recommendations in its testimony, averring that the Company continues to explore alternative reliability solutions for Ruckle Hill Road, undertook efforts to improve the circuit’s reliability (such as targeted vegetation management work) and will continue to pursue other efforts, is willing to report on identified long-term approaches to address the circuit’s reliability as part of its November 2024 Annual Asset Optimization Plan (“AAOP”) filing, and reallocated the \$1.5 million planned for the battery storage project to other capital projects focused on reliability and end of life replacements. (See UGI Electric St. No. 4-R at 13-14; UGI Electric St. No. 4-RJ at 8-10.)

79. Under the Settlement, the Company will complete a project to upgrade the highest risk section of the circuit servicing Ruckle Hill Road customers in order to improve reliability and implement storm hardening techniques. (Settlement ¶ 61.)

80. This solution will include the replacement of older non-standard wood poles with Class 2 – 45’ and 50’ wood poles where appropriate, and the installation of approximately 10,000’ of spacer-cable construction and associated conductor. (Settlement ¶ 61.)

81. This work will increase pole and conductor resistance to tree contact and damage. (Settlement ¶ 61.)

82. The Company anticipates completing the project by the end of the FPFTY and will provide notice to the parties to this proceeding upon completion, including a report on the actual costs of the work. (Settlement ¶ 61.)

83. Regarding vegetation management practices, UGI Electric explained in its direct testimony that it continues its accelerated efforts in critical areas to support system reliability, including robust vegetation management practices on a shorter cycle. (UGI Electric St. No. 4 at 5.)

84. OCA claimed that the planned vegetation management expense proposed by UGI Electric should be reduced by \$1,431,151 to a level of approximately \$2,500,626. (OCA St. No. 1 at 24-25.)

85. This adjustment was based on OCA’s use of a five-year historic average for 2018 through 2022. (OCA St. No. 1 at 24.)

86. However, in response to the “Company’s need to remove the deteriorating and rotting trees to maintain service reliability and safety issues,” OCA reduced its proposed disallowance by 50% to \$715,565 in its surrebuttal testimony. (OCA St. No. 1-SR at 13.)

87. OCA also claimed that the Company has not provided a specific plan for acceleration or details regarding its approach to vegetation management and, consequently, recommended that the Company prepare a report on an annual or semi-annual basis addressing these elements. (OCA St. No. 1-SR at 13.)

88. Under the Settlement, the Company agrees to report actual monthly vegetation management expenses on an annual basis for the 12-month period ending September 30, with the first report being due as part of the Company's 2024 AAOP filing. (Settlement ¶ 62.)

89. The report shall include quantities of vegetation management work performed, along with a summary overview of the Company's vegetation management program. (Settlement ¶ 62.)

Appendix E
Proposed Conclusions of Law

APPENDIX E

PROPOSED CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding. 66 Pa. C.S. §§ 1301, 1308(d).

2. Under Section 1301 of the Public Utility Code, a public utility's rates must be just and reasonable. 66 Pa. C.S. § 1301.

3. The Commission possesses a great deal of flexibility in its ratemaking function. *See Popowsky v. Pa. PUC*, 665 A.2d 808, 812 (Pa. 1995). "In determining just and reasonable rates, the [Commission] has discretion to determine the proper balance between the interests of ratepayers and utilities." *Id.*

4. The term "just and reasonable" is not intended to confine the ambit of regulatory discretion to an absolute or mathematical formulate; rather, the Commission is granted the power to balance the prices charged to utility customers and returns on capital to utility investors. *Pa. PUC v. Pa. Gas & Water Co.*, 424 A.2d 1213, 1219 (Pa. 1980), *cert. denied*, 454 U.S. 824, 102 S. Ct. 112, 70 L. Ed. 2d 97 (1981).

5. Commission policy promotes settlements. 52 Pa. Code § 5.231. Settlements lessen the time and expense the parties must expend litigating a case and at the same time conserve administrative resources.

6. Settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.

7. The Commission encourages black box settlements. *Pa. PUC v. Aqua Pa., Inc.*, Docket No. R-2011-2267958, pp. 26-27 (Order entered June 7, 2012); *Pa. PUC v. Peoples TWP LLC*, Docket No. R-2013-2355886, p. 27 (Order entered Dec. 19, 2013); Statement of Chairman

Robert F. Powelson, *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611, Public Meeting, August 2, 2012.

8. To accept a settlement, the Commission must determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket Nos. R-2015-2518438, *et al.* (Order entered Oct. 14, 2016); *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered Jan. 7, 2004).

9. The Joint Petitioners have the burden to prove that the Settlement is in the public interest. *Pa. PUC v. Pike Cnty. Light & Power (Electric)*, Docket Nos. R-2013-2397237, C-2014-2405317, *et al.* (Order entered Sept. 11, 2014).

10. The decision of the Commission must be supported by substantial evidence. 2 Pa. C.S. § 704.

11. “Substantial evidence” is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Comp. Bd. of Review*, 166 A.2d 96 (Pa. Super. 1961); *Murphy v. Comm., Dept. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlt. 1984).

12. The rates and terms of service set forth in the Settlement are supported by substantial evidence and are in the public interest. Therefore, consistent with the terms and conditions set forth in the Settlement, UGI Electric’s proposed rate increase should be granted.

Appendix F
Proposed Ordering Paragraphs

APPENDIX F

PROPOSED ORDERING PARAGRAPHS

1. That the Pennsylvania Public Utility Commission approve this Settlement, including all the terms and modifications thereof, without modification;
2. That the investigation into this matter be terminated and the matter marked closed; and
3. That the Commission issue an Opinion and Order terminating the proceeding, and authorizing UGI Electric to file the *pro forma* tariff supplements attached to the Settlement as **Appendix A** to become effective on or before October 1, 2023, for service rendered thereafter.

Appendix G
UGI Electric's Statement in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2022-3037368
Office of Consumer Advocate	:	C-2023-3038105
Office of Small Business Advocate	:	C-2023-3038172
William Ostroski	:	C-2023-3037880
Travis Clay Buchanan	:	C-2023-3038072
Bridget Gimbi	:	C-2023-3038293
James Stambaugh	:	C-2023-3038131
Beverly A. Howell	:	C-2023-3038300
Bernadette Truskowski	:	C-2023-3038357
Summer Newell	:	C-2023-3038215
Kayla Bloom-Trosky	:	C-2023-3038337
Kayla Bloom-Trosky	:	C-2023-3038341
Michele Gingo	:	C-2023-3038229
Jennifer Patla	:	C-2023-3038238
Melissa Pugh	:	C-2023-3038244
Brittany Shannon	:	C-2023-3038245
Chuck Lipinski	:	C-2023-3038354
John Fleschut	:	C-2023-3038399
Charles M. Mangan	:	C-2023-3038538
Robyn Wood	:	C-2023-3038346
Kathleen Yurkoski	:	C-2023-3038417
Lindsey Wosik	:	C-2023-3038547
Nicholas Scavone	:	C-2023-3038548
Patricia King	:	C-2023-3038549
Christina Bauserman	:	C-2023-3038597
Phyllis Johnson	:	C-2023-3038684
Tara Yamelski	:	C-2023-3038886
Andrew Timko	:	C-2023-3038980
Christopher Dorr	:	C-2023-3039127
Michael L. Oresick, Sr.	:	C-2023-3039230
	:	
v.	:	
	:	
UGI Utilities, Inc. Electric Division	:	

UGI UTILITIES, INC. – ELECTRIC DIVISION

**STATEMENT IN SUPPORT OF
JOINT PETITION FOR APPROVAL OF
SETTLEMENT OF ALL ISSUES**

Date: July 14, 2023

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I. INTRODUCTION

UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) hereby submits this Statement in Support of the Joint Petition for Approval of Settlement of All Issues (“Settlement”) entered into by UGI Electric, the Pennsylvania Public Utility Commission’s (“Commission” or “PUC”) 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”), and Commission on Economic Opportunity (“CEO”) (collectively, “Joint Petitioners”).¹ The Settlement represents a full resolution of all issues raised in the instant proceeding.

The Joint Petitioners unanimously agree that UGI Electric’s January 27, 2023 distribution base rate increase filing (“2023 Base Rate Case”) should be approved, subject to the terms and conditions of the Settlement. The Settlement provides for increases in rates, as set forth in the *pro forma* tariff supplement attached hereto as **Appendix A** and the proof of revenues attached hereto as **Appendix B**, designed to produce a net increase in annual distribution operating revenues of \$8.50 million, based upon a Fully Projected Future Test Year (“FPFTY”) ending September 30, 2024.

The Settlement reflects a carefully balanced compromise of the interests of the Joint Petitioners, who represent a broad array of residential, commercial, and other important customer interests. UGI Electric submits that the Settlement is in the public interest, just and reasonable, and supported by substantial evidence.

¹ A number of individuals filed *pro se* formal complaints opposing the proposed rate increase. None of these complainants were active parties in this proceeding. A complete copy of this Settlement is being served on all formal complainants.

For these reasons, and as explained in further detail below, UGI Electric respectfully requests that Deputy Chief Administrative Law Judge Christopher P. Pell (“ALJ Pell”) and Administrative Law Judge Charece Z. Collins (“ALJ Collins”) (collectively, “ALJs”) and the Commission approve the Settlement without modification.

II. STANDARD FOR APPROVAL OF SETTLEMENT

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense that parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See* 52 Pa. Code § 69.401.

The Commission has explained that parties to settled cases are afforded flexibility in reaching amicable resolutions, so long as the settlement is in the public interest. *Pa. PUC v. MXenergy Electric Inc.*, Docket No. M-2012-2201861, 2013 Pa. PUC LEXIS 789, 310 P.U.R.4th 58 (Order entered Dec. 5, 2013). To approve a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. Windstream Pa., LLC*, Docket No. M-2012-2227108, 2012 Pa. PUC LEXIS 1535 (Opinion and Order entered Sept. 27, 2012); *Pa. PUC v. C.S. Water & Sewer Assocs.*, Docket No. R-881147, 74 Pa. PUC 767 (Order entered July 22, 1991).

As explained in the next section of this Statement in Support, the Settlement is just and reasonable and in the public interest and, therefore, should be approved without modification.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. GENERAL

The Joint Petitioners agree that the Settlement is in the public interest. (Settlement ¶ 44.) The Settlement was achieved only after a comprehensive investigation of UGI Electric's proposals set forth in its 2023 Base Rate Case. In addition to informal discovery, UGI Electric responded to over 340 formal discovery requests, many of which included multiple subparts. The active parties submitted several rounds of written testimony, including UGI Electric's direct testimony, other parties' direct testimony, rebuttal testimony, surrebuttal testimony, and rejoinder testimony. Further, the parties engaged in numerous settlement discussions and formal negotiations, which ultimately led to the Settlement.

The Joint Petitioners undertook a significant effort to reach a full settlement of all issues. The Joint Petitioners each had to compromise on many different and competing issues and proposals raised in this case. In some instances, and in exchange for reaching an agreement on other issues, the Joint Petitioners collectively agreed to accept or reject a certain party's litigation position or to meet somewhere in between competing litigation positions. As such, when determining whether the Settlement is reasonable and in the public interest, the Commission should view the Settlement as a whole instead of focusing on individual terms and conditions.

As noted previously, the Settlement reflects a carefully balanced compromise of the competing and broad array of interests of the Joint Petitioners in this proceeding. The Joint Petitioners, their counsel, and their expert consultants have considerable experience in base rate proceedings. Their knowledge, experience, and ability to evaluate the strengths and weaknesses of their litigation positions provided a strong foundation upon which to build a consensus in this proceeding. The fact that the Settlement is supported by parties representing a diversity of constituents and interests, in and of itself, provides substantial evidence that the Settlement is

reasonable and in the public interest, particularly given the active role of the parties in this proceeding as well as the many negotiations required to achieve the Settlement.

The Joint Petitioners have agreed that UGI Electric's distribution base rate increase filing should be approved, including those tariff changes included in and specifically identified in **Appendix A** attached thereto, subject to the terms and conditions of the Settlement. (Settlement ¶ 45.) Thus, the terms and conditions of the Settlement, as detailed and supported in the following sections, should be approved without modification.

B. REVENUE REQUIREMENT

UGI Electric will submit a revised tariff supplement that is designed to produce an annual distribution revenue increase of \$8.5 million, to become effective on or before October 1, 2023, for service rendered thereafter, in lieu of the as-filed increase of approximately \$11.4 million. (Settlement ¶ 46.) The agreed upon revenue requirement is a "black box" settlement, with certain exceptions discussed below. (Settlement ¶ 46.)

Under a "black box" settlement, parties do not specifically identify or resolve individual rate base, revenue, expenses, and rate of return issues. This "black box" concept often facilitates settlement agreements because it permits parties to retain their positions on important ratemaking issues for the proceeding at hand as well as for future proceedings. The Commission encourages black box settlements. *See, e.g., Pa. PUC v. Aqua Pa., Inc.*, Docket No. R-2011-2267958, pp. 26-27 (Order entered June 7, 2012); *Pa. PUC v. Peoples TWP LLC*, Docket No. R-2013-2355886, pp. 27-28 (Order entered Dec. 19, 2013); Statement of Chairman Robert F. Powelson, Implementation of Act 11 of 2012, Docket No. M-2012-2293611 (Public Meeting, Aug. 2, 2012). Under a "black box" settlement, it is not necessary for the ALJs to decide individual rate base or revenue and expense adjustments proposed by the parties or determine the return on equity under the Settlement in order to ascertain the reasonableness of the proposed revenue increase under the Settlement.

The settled revenue increase is essential to UGI Electric's continued ability to attract capital on reasonable terms, and continued extensive efforts to repair, replace, improve and modernize the aging portions of its distribution system. (UGI Electric St. No. 1 at 6.) The Company's current rates do not provide it with a reasonable opportunity to earn a fair rate of return on its investments made to serve the public in the provision of safe and reliable electric distribution service. (UGI Electric St. No. 1 at 8.) Absent rate relief, UGI Electric projected that its operations at current rates would produce an overall return on rate base of just 3.768%, which equates to a return on common equity of only 3.28%, for the twelve months ending September 30, 2024. (UGI Electric St. No. 1 at 8.) Those returns are not adequate based upon the applicable financial analyses and the risks confronted by the Company, as detailed by UGI Electric witness Paul R. Moul. (UGI Electric St. No. 1 at 8.) Unless UGI Electric receives the requested rate relief, those returns will continue declining, deny the Company an opportunity to earn a fair and reasonable rate of return, and jeopardize the Company's ability to attract the capital needed to make the system investments necessary to support and ensure continued system reliability, safety, and customer service performance. (UGI Electric St. No. 1 at 8.)

In this proceeding, UGI Electric, I&E, and OCA presented testimony on the overall revenue requirement. In its initial filing, UGI Electric proposed a revenue increase of \$11.425 million (UGI Electric St. No. 1 at 6), which included a proposed return on equity of 11.30% (UGI Electric St. No. 9 at 1). In its rebuttal testimony, UGI Electric explained that its originally proposed revenue increase was justified, even though its most recent data and updates supported an annual revenue increase of \$11.435 million. (UGI Electric St. No. 2-R at 4-5; UGI Electric Exhibit A – Fully Projected (REBUTTAL).)

By comparison, I&E initially recommended a revenue requirement increase of approximately \$6.829 million (I&E St. No. 1 at 3) with a return on equity of 8.76% (I&E St. No. 3 at 6, 25) in its direct testimony. Subsequently, in I&E's surrebuttal testimony, I&E updated its recommended revenue requirement to a revenue increase of \$6.864 million. (I&E St. No. 1-SR, at 3.) The OCA, on the other hand, initially recommended a revenue requirement increase of \$3,540,663 (OCA St. No. 1 at 3-4), based on a hypothetical capital structure of 55.25% debt and 44.75% equity and a return on equity of 8.44% (OCA St. No. 2 at 8-10). In its surrebuttal testimony, the OCA updated its recommended revenue requirement increase to \$5,591,225. (OCA St. No. 1-SR at 2.)

Through extensive negotiations, the Joint Petitioners were able to reach a compromise within a range of their competing litigation positions. The \$8.50 million settlement increase falls within the range of the parties' overall revenue requirement proposals, is just and reasonable, is in the public interest, and supported by substantial evidence. Thus, the Commission should approve the "black box" \$8.50 million revenue requirement increase without modification.

C. REVENUE ALLOCATION AND RATE DESIGN

1. Revenue Allocation

UGI Electric relied upon a class cost of service study to allocate its proposed total revenue and costs to each of the retail customer classes. (UGI Electric St. No. 6 at 4-18, 21-24; UGI Electric Exh. D.) UGI Electric, OCA, and OSBA all presented evidence regarding revenue and cost allocation. (*See* UGI Electric St. Nos. 6, 6-R, and 6-RJ; OCA St. Nos. 3, 3-R, and 3-SR; OSBA St. Nos. 1, 1-R, and 1-S.) While UGI Electric, OCA, and OSBA took differing positions on revenue allocation, all of these parties agreed that the majority of the revenue increase should

be allocated to the residential customer class. (*See, e.g.*, UGI Electric St. No. 6 at 22; OCA St. No. 3 at 20; OSBA St. No. 1 at 17, 19.)

Ultimately, the Joint Petitioners were able to reach a full settlement that allocated the revenue in a manner that will move all classes closer to the cost of service. (Settlement ¶ 48.) The rate impact of the settled revenue allocation can be derived using the Proof of Revenue attached as Appendix B to the Settlement.

UGI Electric believes that the revenue allocation under the Settlement is fully consistent with the Commonwealth Court's decision in *Lloyd*² and prior Appellate Court precedent regarding revenue allocation. In addition, in considering the *Lloyd* decision, it is important to recognize that *Lloyd* did not overturn prior judicial precedent regarding revenue allocation and the applicability of cost of service studies. When allocating revenues to the rate classes, the Commission is not required to adopt a single cost of service study or strictly allocate revenues according to the study's results. In *Executone of Philadelphia, Inc. v. Pa. PUC*, 415 A.2d 445, 448 (Pa. Cmwlth. 1980), the Court stated as follows:

[T]here is no single correct cost study or methodology that can be used to answer all questions pertaining to costs; there are only appropriate and inappropriate cost analyses depending upon the type of service under study and the management and regulatory decision in question.

Likewise, in *Peoples Natural Gas Co. v. Pa. PUC*, 409 A.2d 446, 456 (Pa. Cmwlth. 1979), the Court stated as follows with respect to rate design:

. . . there is no set formula for determining proper ratios among the rates of different customer classes. *Natona Mills v. Pennsylvania Public Utility Commission*, 179 Pa. Super. 263, 116 A.2d 876 (1955). What is reasonable under the circumstances, the proper

² *See Lloyd v. Pa. PUC*, 904 A.2d 1010 (Pa. Cmwlth. 2006) ("*Lloyd*"), *allocatur denied*, 916 A.2d 1104 (Pa. 2007).

difference among rate classes, is an administrative question for the commission to decide. This court's scope of review is limited.

As *Lloyd* and the other cases cited above demonstrate, the Commission retains considerable discretion in designing rates, is not required to follow any particular cost of service study, and can consider other factors, including gradualism and extenuating economic circumstances, in designing just and reasonable rates, as long as cost of service is the primary guiding factor. The agreed-upon revenue allocation under the Settlement provides movement towards cost of service for all rate classes. As such, UGI Electric submits that the Settlement's proposed revenue allocation is fully consistent with the *Lloyd* decision and other relevant precedent regarding revenue allocation.

2. Rate Design

The primary objective of the Company's proposed rate design was to develop rate schedules that would produce the requested revenues when applied to forecasted conditions for the FPFTY. Under the comprehensive Settlement, the parties have agreed that the pro forma annual revenue increase will be incorporated through the Company's volumetric distribution charges and monthly customer charges and will be based on the Company's filed usage billing determinants. (Settlement ¶¶ 47 and 49.)

The Company's proposed increase for the Rate R customer charge was opposed by OCA and CEO, based predominantly on their belief that higher fixed customer charges discourage energy conservation and adversely affect low-income customers. (*See, e.g.*, OCA St. No. 3 at 23-24; OCA St. No. 4 at 22-32; CEO St. No. 1 at 4-5, 7.) Relatedly, I&E proposed that the Rates R and GS-5 customer charges increase to \$12.00, instead of the \$13.50 proposed by the Company, and that those customer charges be subject to a scale-back if the Commission granted less than the Company's full requested base rate increase. (I&E St. No. 3 at 8.) OSBA opposed UGI Electric's

proposed customer charge levels for Rates GS-1 and GS-4, proposing higher customer charges of \$17.00 and \$18.00, respectively. (OSBA St. No. 1 at 21-22.)

UGI Electric agreed with OSBA's increases of the Rates GS-1 and GS-4 customer charges and provided thorough and substantial evidence in support of its other proposed customer charges, including testimony demonstrating that OCA's and CEO's claims about the impact of higher customer charges on energy efficiency and conservation and low-income customers lack merit. (*See, e.g.*, UGI Electric St. No. 6 at 28-29; UGI Electric St. No. 6-R at 21-32; UGI Electric St. No. 6-RJ at 4-6.)

Under the Settlement, the parties have reached a reasonable compromise of their respective positions on the proposed increases to the monthly customer charges. Specifically, the parties have agreed to the customer charges proposed by the Company, except that: (1) the Rates R and GS-5 customer charges will be \$10.75 per month, instead of the \$13.50 per month proposed by UGI Electric; (2) the Rate GS-1 customer charge will be \$17.00 per month, rather than the \$14.00 per month originally proposed by the Company; and (3) the Rate GS-4 customer charge will be \$18.00 per month, rather than the \$15.00 per month originally proposed by UGI Electric. (Settlement ¶ 49.)

Thus, the overall rate design reflects a gradual increase in rates over the course of the FPFTY, moves all customer classes toward the overall cost of service, and strikes a reasonable balance between the interests of customers and the Company. For these reasons, the revenue allocation and rate design are just, reasonable, and in the public interest and, therefore, should be approved without modification.

D. DSIC REPORTING

The Settlement provides that, as of the effective date of rates in this proceeding, UGI Electric will be eligible to include plant additions in the Distribution System Improvement Charge

(“DSIC”) once the total gross plant balances exceed a level of \$275,000,001. (Settlement ¶ 50.) The Joint Petitioners agree that this provision is included solely for purposes of calculating the DSIC and is not determinative for future ratemaking purposes of the projected additions to be included in rate base in a FPFTY filing. (Settlement ¶ 50.) This provision fully complies with the requirements of 66 Pa.C.S. § 1358 and the Commission’s Model Tariff that the DSIC be set to zero as of the effective date of new base rates that include the DSIC-eligible plant.

This threshold provides UGI Electric a reasonable opportunity to recover its capital costs incurred to repair, improve, or replace its aging distribution infrastructure that is placed in service between base rate cases, which, in turn, provides customers with enhanced electric service safety and reliability benefits. UGI Electric also notes that this settlement provision is similar to other settlement provisions the Commission has adopted in recent proceedings. *See, e.g., Pa. PUC, et al. v. Pennsylvania-American Water Co.*, 2021 Pa. PUC LEXIS 55, Docket Nos. R-2020-3019369, *et al.* (Order entered Feb. 25, 2021) (approving a similar rate case settlement provision); *Pa. PUC, et al. v. PECO Energy Co. – Electric Division*, 2018 Pa. PUC LEXIS 459, Docket Nos. R-2018-3000164, *et al.* (Order entered Dec. 20, 2018) (approving similar rate case settlement provision). For these reasons, UGI Electric submits that this settlement provision should be approved without modification.

The Settlement further provides that for purposes of calculating its DSIC, UGI Electric shall use the equity return rate for electric utilities contained in the Commission’s most recent Quarterly Report on the Earnings of Jurisdictional Utilities as updated each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings Report, consistent with 66 Pa.C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa.C.S. § 1358(b)(1). (Settlement ¶ 51.) This Settlement provision

is in the public interest because it satisfies the Commission’s request that parties to a rate case settlement identify a return on equity for DSIC computation purposes. *See, e.g., Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket No. R-2015-2518438, p. 27 (Order entered Oct. 14, 2016).

In addition, the Settlement provides that the Company will submit an update to UGI Electric Exhibit A, Schedule C-2 no later than January 2, 2024, which will include actual capital expenditures, plant additions, and retirements by month from October 1, 2022, through September 30, 2023. (Settlement ¶ 52.) An additional update for actuals from October 1, 2023, through September 30, 2024, shall be filed no later than January 2, 2025. (Settlement ¶ 52.) This will enable the parties and interested stakeholders to track the Company’s actual capital expenditures, plant additions, and retirements for the FPFTY and evaluate to what extent the actual figures match the Company’s projections in this case. Accordingly, the Commission should approve this Settlement provision without modification.

E. ACCOUNTING

1. Depreciation Rates

UGI Electric presented detailed depreciation studies on the Company’s plant for the Historic Test Year (“HTY”), Future Test Year (“FTY”), and FPFTY. (*See* UGI Electric Exhibit C – Fully Projected, UGI Electric Exhibit C – Future, and UGI Electric Exhibit C – Historic.) The depreciation studies were sponsored and supported by the direct testimony of UGI Electric witness Mr. Wiedmayer. (*See* UGI Electric St. No. 7.) No party filed testimony in opposition to the Company’s claimed depreciation rates.

Under the Settlement, the Joint Petitioners accept UGI Electric’s as-filed depreciation rates. (Settlement ¶ 53.) UGI Electric submits that this Settlement provision is in the public interest because it properly accounts for the Company’s outlook and plans and is consistent with the depreciation procedure used by most other Pennsylvania utilities.

2. ADIT/EDFIT

Under the Settlement, the Joint Petitioners agree the Company's Accumulated Deferred Income Tax ("ADIT") and pro-rationing methodology as required by Treasury Regulation 1.167(l)-1(h)(6)(ii) is accepted. (Settlement ¶ 54); *see* 26 C.F.R. § 1.167(l). The Settlement also provides that the Company's method to amortize Excess Accumulated Deferred Federal Income Taxes ("EDFIT") according to the Average Rate Assumption Method ("ARAM") is accepted. (Settlement ¶ 54.)

In its filing, the Company calculated an FPFTY ending balance for federal ADIT and deducted this amount from rate base. (UGI Electric St. No. 8 at 6.) Company witness Mr. Espigh explained that the federal ADIT amount "reflects the difference in income tax expense for book and tax purposes attributable to the difference between the accelerated tax depreciation and straight-line book depreciation on test year plant balances, net of offsets associated with contributions in aid of construction." (UGI Electric St. No. 8 at 6.) In addition, as the state tax consequence of accelerated depreciation is flowed through, there is no associated state ADIT balance. (UGI Electric St. No. 8 at 6.) The Company also included a reduction to rate base associated with the unamortized EDFIT in its ADIT balance. (UGI Electric St. No. 8 at 7.) Finally, Company witness Mr. Espigh testified that the Company's calculation of its federal ADIT rate base deduction properly reflects the pro-rationing concept in accordance with Treasury Regulation 1.167(l)-1(h)(6)(ii) that it must follow for ratemaking purposes to comply with IRS normalization requirements. (UGI Electric St. No. 8 at 7.) None of the parties challenged UGI Electric's proposals regarding ADIT/EDFIT.

The Settlement provision reflects that the Company's claim is based on a FPFTY and ensures compliance with IRS normalization requirements. The Settlement further provides that absent a change in federal or state law, regulation, judicial precedent or policy, the remaining

unamortized EDFIT balance will continue as a reduction to rate base in all future proceedings until the full amount is returned to ratepayers. (Settlement ¶ 54.) Therefore, this provision of the Settlement is reasonable and in the public interest and should be approved without modification.

3. Repairs Allowance

UGI Electric explained in its initial filing that in its tax return for the year ended September 30, 2009, UGI Electric adopted a tax accounting method to expense as repairs certain items capitalized for book purposes in accordance with federal tax regulations. (UGI Electric St. No. 8 at 7.) As it did in the Company's previous base rate case at Docket No. R-2021-3023618, UGI Electric chose to normalize its federal income tax expense claim, inclusive of the repairs tax deduction. (UGI Electric St. No. 8 at 7.) This difference between accelerated tax depreciation versus book depreciation in the calculation of federal tax expense creates ADIT. (UGI Electric St. No. 8 at 7.) Therefore, the Company reduced its rate base by the sum of the federal ADIT balance and the state repair regulatory liability. (UGI Electric St. No. 8 at 7-8.) None of the parties challenged UGI Electric's proposed treatment of the repairs allowance.

The Settlement states that, for purposes of determining the revenue requirement in this case, all capitalized repairs deductions claimed on a tax return have been normalized for ratemaking purposes, and the appropriate related amount of tax effect of those deductions has been treated similarly to ADIT as a reduction to UGI Electric's rate base. (Settlement ¶ 55.) The Settlement continues the practice that UGI Electric has followed since its adoption of the current methodology used for calculating the repairs allowance. Normalization benefits customers by ensuring that they receive a fair portion of the benefit of the repairs allowance deduction through rate base, over the life of the plant giving rise to the deductions, regardless of when UGI Electric files a rate case. Moreover, normalizing the repairs allowance deduction provides an important

source of cash flow to UGI Electric that can be used to support UGI Electric's large, related capital spending program and reduce outside borrowing.

4. COVID-19 Related Costs

UGI Electric has experienced increased uncollectible accounts expenses due to the COVID-19 pandemic. (UGI Electric St. No. 3 at 16-17.) As a result of these increased costs, the Company proposed to: (1) adjust budgeted uncollectible accounts expense to reflect a three-year average rate of uncollectible accounts expense for FY 2020-2022, where the baseline amounts for FY 2020 and FY 2021 include \$1.013 million and \$0.315 million, respectively, of amounts recorded as a regulatory asset; (2) amortize the regulatory asset balance of \$1.013 million for COVID-19 Pandemic uncollectible costs over a three-year amortization period (in accordance with Ordering Paragraph 63 in the Commission's Order for settlement of the 2021 UGI Electric rate case, entered October 28, 2021 at Docket No. R-2021-3023618); and (3) amortize over a three-year amortization period the regulatory asset balance for FY 2021 of \$0.315 million for COVID-19 Pandemic uncollectible costs, which were deferred for recovery because these costs were incurred between October 1, 2020, and the November 9, 2021 effective date of the new rates established in UGI Electric's 2020 base rate case at Docket No. R-2021-3023618. (UGI Electric St. No. 3 at 16-17.)

None of the parties challenged UGI Electric's adjustments to its uncollectibles accounts expense due to the COVID-19 pandemic. In addition, the Commission has allowed public utilities to defer costs for accounting and financial reporting purposes on numerous occasions. More specifically, the Commission has repeatedly authorized public utilities to defer incremental uncollectibles expenses incurred due to the COVID-19 pandemic, including in its approval of the

settlements in the Company's last base rate proceeding.³ See, e.g., *Pa. PUC v. UGI Utilities, Inc. – Electric Division*, Docket Nos. R-2021-3023618, et al., pp. 44-45 (Order entered Oct. 28, 2021).

Under the Settlement, the Joint Petitioners agree that Company's revenue increase provided in this Settlement is reflective of a three-year non-reconcilable amortization of the Company's COVID-19 regulatory assets related to incremental uncollectible accounts expense, as follows: (a) a continuing amortization of \$337,666 per year, which includes all incremental uncollectible expense through September 30, 2020; plus (b) a new amortization of \$105,000 per year, which includes incremental uncollectible expense from October 1, 2020 through September 30, 2021. (Settlement ¶ 56.) This provision is a reasonable because it: (1) reflects incremental uncollectibles expenses incurred due to the pandemic; and (2) balances the Company's interest in recovering these costs with customers' interests in having these extraordinary and unforeseeable costs be recovered over a reasonable period of time. Thus, this Settlement provision is just, reasonable, and in the public interest and should be approved without modification.

5. Rate Case Expense

Consistent with accepted ratemaking principles, UGI Electric proposed to recover rate case expenses totaling \$769,000 as a part of its initial filing. (UGI Electric St. No. 2 at 16.) While none

³ Recovery of these costs is also consistent with prior Commission orders wherein the Commission has granted deferred accounting for expenses that are extraordinary, not reasonably foreseeable, and non-recurring. See, e.g., *Petition of PPL Electric Utilities Corporation for Authority to Defer, for Accounting Purposes, Certain Unanticipated Expenses Relating to Storm Damage*, Docket No. P-2012-2338996 (Feb. 14, 2013) (authorizing the deferral and amortization of certain expenses related to extraordinary and non-recurring storm damage); *Petition of PPL Electric Utilities Corporation for Authority to Defer for Accounting and Financial Reporting Purposes Certain Losses from Extraordinary Winter Storm Damage and to Amortize Such Losses*, Docket No. P-00052148 (August 25, 2005) (authorizing deferral and amortization of extraordinary winter storm damage); *Petition of PPL Electric Utilities Corporation for Authority to Defer for Accounting and Financial Reporting Purposes Certain Losses from Extraordinary Storm Damage and to Amortize Such Losses*, 231 P.U.R.4th 521 (2004) (Commission approved deferral of expenses associated with storm related damages); *Petition of Mechanicsburg Water Co.*, Docket No. P-910500 (September 25, 1991) (Approved deferral for accounting purposes of capital and other costs associated with water treatment plant expansion.); *Petition of Pennsylvania Gas & Water Co.*, Docket No. P-900454 (September 5, 1990) (Approved deferral of costs of four water treatment plants that were nearing completion.); and *Petition of Pennsylvania Gas & Water Co.*, Docket No. P-920586 (October 21, 1992) (Approved deferral for accounting purposes of water treatment plant costs.).

of the parties opposed the Company's claimed total expenses, both I&E and OCA recommended different normalization periods for the recovery of this expense.

I&E recommended that the rate case expenses be normalized over a 30-month period, thereby reducing the Company's claim for the FPFTY by \$77,400. (I&E St. No. 1 at 6.) OCA recommended a five-year normalization, thereby reducing the Company's claim by \$231,200. (OCA St. No. 1 at 35-36.) UGI Electric opposed these adjustments and explained that I&E's and OCA's proposed normalization periods were not reflective of the Company's anticipated rate case filing frequency, which was based upon its assessment of future capital requirements, continued information system improvements through the UNITE project, and the cost of other improvements as detailed in the Company's second Long-Term Infrastructure Improvement Plan ("LTIIIP"). (UGI Electric St. No. 2-R at 9-14.)

The Settlement provides that the Company's revenue increase reflects a 30-month (2.5 year) normalization for ratemaking purposes and a 30-month (2.5 year) amortization for accounting purposes. (Settlement ¶ 57.) Further, the Settlement states that the Company will not claim any unamortized amount in a future rate case and agrees that normalization of rate case expense (as opposed to amortization) is the proper treatment for ratemaking purposes. (Settlement ¶ 57.) This provision is in the public interest because it reflects information regarding the Company's presently anticipated rate case filing frequency, as well as recent historical information regarding this topic. Therefore, it should be approved without modification.

F. UNIVERSAL SERVICE ISSUES

1. Hardship Fund (Operation Share)

The Company's hardship fund (Operation Share) provides energy assistance grants up to \$400 to qualified customers who experience difficulty paying their heating bills. (UGI Electric St. No. 11-R at 14-15.) CEO proposed that UGI Electric make a contribution to its hardship Fund in

an amount commensurate to the approved increase in the residential rate. (CEO St. No. 1 at 7.) UGI Electric argued that an increase to Operation Share’s budget was not required because the Company’s rate design protects low-income customers from the proposed customer charge change, as explained in UGI Electric witness Taylor’s rebuttal testimony. (UGI Electric St. No. 11-R at 41; *see* UGI Electric St. No. 6-R at 23-31.)

Under the Settlement, effective January 1, 2024, the Company will expand eligibility of the Electric Operation Share grant program from 200% Federal Poverty Level (“FPL”) to 250% FPL and will increase its annual funding contribution by \$30,000. (Settlement ¶ 58.) This will bring the Company’s annual funding for Operation Share to a total of \$117,423 for 2024 and each year thereafter until a change in hardship fund contribution levels is otherwise ordered in a subsequent proceeding. (Settlement ¶ 58.) Effective January 1, 2024, the Company will also increase the maximum grant size from \$400 to \$600, to the extent funds are available. (Settlement ¶ 58.) These provisions reasonably balance the parties’ positions on the funding and design of the Company’s Operation Share program. Thus, they should be approved without modification.

2. Low Income Usage Reduction Program (“LIURP”)

LIURP consists of Weatherization and Rehabilitation Programs. (UGI Electric St. No. 11-R at 15.) The Weatherization Program helps reduce energy consumption for low-income customers through installation of conservation measures and education. (UGI Electric St. No. 11-R at 15.) Through the Rehabilitation Program, the Company funds the installation of energy efficient measures during construction/rehabilitation of low-income households. (UGI Electric St. No. 11-R at 15.)

OCA recommended that the Company’s LIURP budget be increased to fund: (1) an additional 66 electric baseload jobs per year; (2) an additional 66 electric heating jobs per year; and (3) an additional 27 jobs aimed at customers within 151-200% of the FPL. (OCA St. No. 4 at

32-37.) OCA made these recommendations because, according to OCA, the Company's proposed base rate increase and customer charge would adversely affect low-income customers. (OCA St. No. 4 at 6-32.) Also, CEO proposed to increase the annual LIURP budget "by the commensurate increase in rates to residential customers that result from this proceeding." (CEO St. No. 1 at 6.) CEO also recommended that the Company "continue to partner with the [community-based organizations]" that "it has traditionally employed to provide LIURP services to its customers. (CEO St. No. 1 at 6.)

UGI Electric rebutted these recommendations in detail. In particular, UGI Electric averred that its Universal Service and Energy Conservation Plan ("USECP") programs, including LIURP, are performing well and that nothing presented by OCA or CEO establishes that the increased spending amount is justified or reasonably attainable. (UGI Electric St. No. 11-R at 4, 12-34.) The Company also argued that there was no evidence that the alleged benefits from increasing the LIURP spending would significantly offset the increased costs, all of which are borne by non-low-income residential customers. (UGI Electric St. No. 11-R at 4, 29-34.) I&E also disputed OCA's and CEO's recommendations to increase the Company's LIURP budget as part of this proceeding, reasoning that such issues are better addressed in the USECP proceeding. (I&E St. No. 2-R at 2-7.) OCA responded to UGI Electric's and I&E's arguments in its surrebuttal testimony, maintaining that its proposed LIURP funding increases should be granted as part of this proceeding. (OCA St. No. 4-SR at 1-5, 10-12, 19-37.)

Under the Settlement, the parties have reached a reasonable compromise of their positions on the LIURP-related issues and recommendations. The Settlement provides that within 60 days after a final order is entered in this proceeding, UGI Electric will issue a Request For Proposal ("RFP") seeking an additional LIURP resource(s) that is able to perform 20 additional baseload

and 10 additional heating jobs annually. (Settlement ¶ 59.) Organizations that would be sent the RFP shall include community-based-organizations (“CBOs”) in the Company’s service territory. (Settlement ¶ 59.) UGI Electric shall provide an update on the results of the RFP during its first Universal Service Advisory Committee (“USAC”) meeting after the RFP is completed. (Settlement ¶ 59.) All associated incremental costs shall be recoverable as expanded through Rider USP as LIURP costs. (Settlement ¶ 59(a).) Additionally, the Settlement states that effective January 1, 2024, UGI Electric will expand its Electric LIURP heating and baseload job access to customers between 151% and 200% FPL; a limit of 20% of the overall LIURP budget shall apply for jobs related to customers falling between 151% and 200% FPL. (Settlement ¶ 59(b).) Therefore, the Settlement adequately balances the parties’ positions on LIURP’s design and funding. Thus, these provisions should be approved without modification.

3. Customer Assistance Program (“CAP”), Winter Moratorium, and Low-Income Home Energy Assistance Program (“LIHEAP”)

OCA alleged that UGI Electric failed to comply with certain settlement obligations from the Company’s 2018 and 2021 base rate cases related to CAP, LIHEAP, and other low-income issues. (OCA St. No. 4 at 37-44.) Specifically, OCA contended that UGI Electric did not comply with: (1) Paragraph 68(d) of the 2021 base rate case settlement because the Company does not accept “verification of income eligibility ‘by any community organization delivering public or private assistance’”; (2) Paragraphs 68(a), 68(b), 68(f), and 68(g) of the 2021 base rate case settlement concerning CAP solicitations of customers who received LIHEAP and who self-reported Level 1 income; (3) Paragraph 68(e) of the 2021 base rate case settlement regarding contacting Pennsylvania Department of Human Services (“DHS”) administrators and deeming any

household identified by the administrators as confirmed low-income; and (4) Paragraph 11(b)⁴ of the 2018 base rate case partial stipulation because the Company does not “accept self-certification of low-income status for purposes of identifying ‘confirmed low-income customers’ in the same way that self-certification is required to be accepted by the UGI gas affiliates.” (OCA St. No. 4 at 37-44.)

UGI Electric presented detailed rebuttal testimony and exhibits demonstrating the Company’s compliance with these settlement obligations. (UGI Electric St. No. 11-R at 6-11.) In particular, the Company explained that contrary to OCA’s allegations, the Company’s designation of a customer as confirmed low-income is not dependent on the customer enrolling in CAP, receiving LIURP and weatherization services, receiving an Operation Share grant, or receiving a LIHEAP Cash or Crisis payment, nor is it dependent on any specific type of CBO providing that information to UGI Electric. (UGI Electric St. No. 11-R at 8.) Therefore, the Company is and has been complying with Paragraph 68(d) of the 2021 base rate case settlement. (UGI Electric St. No. 11-R at 8.) UGI Electric also provided details on the solicitations of customers for enrollment in CAP and the provision of CAP solicitation materials to various entities that were required under Paragraphs 68(a), 68(b), 68(f), and 68(g) of the 2021 base rate case settlement. (UGI Electric St. No. 11-R at 8-10.) UGI Electric also established that it contacted DHS administrators and deemed any household identified by the administrators as confirmed low-income, as required by Paragraph 68(e) of the Settlement. (UGI Electric St. No. 11-R at 10-11.) As part of that discussion, UGI Electric noted DHS’s position on data sharing with utilities—that those issues would have to be addressed between DHS and the LIHEAP Advisory Committee, of which UGI Electric is a member. (UGI Electric St. No. 11-R at 10.) As for Paragraph 11(c) of the 2018 base rate case

⁴ OCA incorrectly stated Paragraph 11(c) in its direct testimony. The correct paragraph reference is Paragraph 11(b), as explained in UGI Electric’s rebuttal testimony. (UGI Electric St. No. 11-R, p. 11.)

partial stipulation, UGI Electric explained that it complies with this provision because UGI Electric's self-certification practices are consistent with UGI Utilities, Inc. – Gas Division's practices. (UGI Electric St. No. 11-R at 11.) OCA and UGI Electric continued to debate these points in surrebuttal and rejoinder testimony. (See OCA St. No. 4-SR at 12-21; UGI Electric St. No. 11-RJ at 1-10.)

The Settlement sets forth several provisions related to CAP solicitation and enrollment, income verification requirements, and DHS data sharing, all of which balance the parties' positions in this proceeding on these issues. Specifically, UGI Electric will solicit customers who self-reported Level 1 income in the prior 12 months for enrollment in the Company's CAP two times a year until at least the effective date of the Company's next USECP. (Settlement ¶ 60(a).) For each solicitation, UGI Electric will provide an update to the USAC on the results of the solicitation. (Settlement ¶ 60(a).)

Additionally, UGI Electric will accept verbal self-reported income eligibility for customers at or below 250% of the FPL during the Winter Moratorium for purposes of winter shutoff protections, requests for deferred payment arrangements, or any other customer contact with the call center for an unpaid bill. (Settlement ¶ 60(b).) Normal income verification requirements maintained by the Company shall apply upon the end of the Winter Moratorium period. (Settlement ¶ 60(b).) No fewer than two times a year, the Company will provide an update to the USAC of the number of customers identified through such verbal self-reported income. (Settlement ¶ 60(b).)

The Settlement also states that at such time that DHS notifies the LIHEAP Advisory Committee that it is ready to share LIHEAP participant income data with utilities, currently anticipated to begin in Fall 2024, UGI Electric will implement required modifications to its

Information Technology (“IT”) system and processes, within a reasonable time frame, such that it may utilize that data to automatically enroll non-shopping LIHEAP recipients into CAP and/or recertify their income and eligibility. (Settlement ¶ 60(c).) Until such time as IT system and process changes are made, the Company will use best efforts to implement manual processing as soon as practicable, not to exceed three (3) months from the date data is first received. (Settlement ¶ 60(c).) All related costs to modify IT systems and processes shall be eligible for timely recovery through the Company’s Rider USP as CAP costs, including any related interim costs related to manual processing. (Settlement ¶ 60(c).) All automatically enrolled LIHEAP recipients will be deemed by UGI Electric as confirmed low-income customers and will be eligible for winter shutoff protections. (Settlement ¶ 60(c).)

Relatedly, UGI Electric will conduct an interim pilot to auto-enroll non-shopping customers who receive LIHEAP into CAP, pending implementation of the auto-enrollment process identified in Paragraph 60(c). (Settlement ¶ 60(d).) The interim pilot will contain the following elements: (1) UGI Electric will auto-enroll non-shopping customers who received LIHEAP during the 2022/2023 LIHEAP season and will continue to enroll new LIHEAP recipients during each subsequent LIHEAP season until the time that DHS begins sharing LIHEAP income participant data with utilities (as described in Paragraph 60(c)); (2) auto-enrolled customers will be placed on CAP under the average bill methodology, unless they provide the Company with proof of income documentation demonstrating qualification for the opportunity to be placed on the lesser of a percent of income (“PIP”) bill or minimum bill amount; (3) auto-enrolled customers will receive a notification by mail or email as applicable from the Company explaining (a) the reason for the auto-enrollment, (b) the ability to opt-out of the auto-enrollment, and (c) the opportunity to be placed on the lesser of the CAP minimum bill or PIP bill by providing proof of income; (4) auto-

enrolled customers will be required to recertify their CAP enrollment one year after they are auto-enrolled; (5) auto-enrolled customers, who are enrolled through the interim pilot and for whom UGI Electric later receives detailed income information from DHS through the data-sharing process identified in Paragraph 60(c), will be transitioned to the best available CAP rate (*i.e.*, PIP, average bill, or minimum bill); (6) auto-enrolled CAP customers with arrearages less than \$300 at the time of auto-enrollment will be eligible to include their pre-program arrearage (“PPA”) debt forgiveness if they later reenroll in the program; and (7) auto-enrolled customers will be eligible for a one-time payment arrangement (after they leave or are otherwise removed from CAP) on arrears incurred while enrolled in CAP at the average bill rate. (Settlement ¶ 60(d).)

Lastly, within 30 days of a final order in this proceeding, UGI Electric will convene a collaborative with interested parties to this proceeding to identify the following: (1) the manner and method of outreach and education for auto-enrolled customers to verify their income and inform them of the program rights and responsibilities; (2) data points that can be tracked to measure the effectiveness of the pilot program; (3) associated pilot program action dates related to outreach, education, and auto-enrollment start; (4) during the term of the interim pilot, UGI Electric will provide updates during each USAC meeting regarding the data points identified in Paragraph 60(e)(ii) to determine whether adjustments to the pilot are necessary; and (5) the pilot program will cease operation if and when the terms of Paragraph 60(c) take effect. (Settlement ¶ 60(e).)

Thus, the Settlement contains several provisions that reflect a reasonable compromise of the parties’ positions on UGI Electric’s settlement compliance and the related issues of CAP solicitation, income verification requirements, and DHS data sharing. Moreover, the Settlement sets forth well-designed parameters for the pilot program, which will enable the Company to

conduct the auto-enrollment pilot program and will allow interested parties to track and evaluate the pilot program's performance. Accordingly, the Commission should approve these settlement provisions without modification.

G. ADDITIONAL PROVISIONS

1. Ruckle Hill Road

In the 2021 Electric Rate Case at Docket No. R-2021-3023618, the Commission approved a settlement provision allowing UGI Electric to install a 1.25 MWh battery storage project as a targeted means to enhance resiliency and improve reliability to customers served off the Ruckle Hill Road circuit ("Ruckle Hill" or "Ruckle Hill Road"). (UGI Electric St. No. 4 at 17.) UGI Electric witness Mr. Sorber explained that it is not continuing to pursue the battery storage project currently because "[a]fter a comprehensive review of the battery storage project options available, none of the options currently on the market were able to provide a cost-effective solution that met the intended design parameters necessary to move forward with project construction at this time." (UGI Electric St. No. 4 at 18-19.) However, the Company redirected approximately \$1.5 million of battery storage funding to other reliability projects. (UGI Electric St. No. 4 at 19.)

In its direct testimony, OCA recommended that the Company prioritize its efforts in searching for a reliability solution for the Ruckle Hill customers, be required to provide a status report at the end of the FPFTY (including any information or developments it has made toward the battery storage projects), and be required to provide an explanation of where the \$1.5 million for the battery projected has been reallocated. (OCA St. No. 5 at 2-5, 7.)

In rebuttal, UGI Electric explained that it has continued to explore long-term potential solutions for the reliability challenges associated with Ruckle Hill Road but that "[i]n the interim, the Company has already undertaken additional targeted vegetation work that is expected to provide short-term relief[,] and the Ruckle Hill Road customers have benefited in part from the

installation of a redundant primary distribution circuit across the Susquehanna River which provides a second source of supply to that segment of the UGI Electric distribution system.” (UGI Electric St. No. 4-R at 13-14.) The Company also stated that it is willing to report on identified long-term approaches as part of its November 2024 Annual Asset Optimization Plan (“AAOP”) filing. (UGI Electric St. No. 4-R at 14.) Further, UGI Electric provided details on how the Company reallocated the \$1.5 million to other capital projects focused on reliability and end of life replacements. (UGI Electric St. No. 4-R at 14.)

In surrebuttal, OCA reiterated its recommendations related to Ruckle Hill Road and additionally recommended that: (1) the Company develop a plan that will keep it accountable in finding a long-term reliability solution; (2) every six months, the Company report the status of its long-term approaches on a separate basis from the AAOP to the Commission and all stakeholders in this proceeding; and (3) the Company be required to reallocate \$1.5 million for a reliability solution specifically for Ruckle Hill Road and keep these funds separate from any other budget, as they should be used toward the battery storage project or an alternative solution to resolve reliability issues. (OCA St. No. 5-SR at 1-5.)

UGI Electric responded to these additional recommendations in its rejoinder testimony. The Company explained that it had exhausted low-cost and readily available solutions, and the only options for long-term reliability solutions involved extensive capital projects, which the Company described in its rebuttal testimony in the 2021 base rate case. (UGI Electric St. No. 4-RJ at 8.) The Company disagreed with OCA’s proposals that UGI Electric develop a plan to identify a project and to provide a status report every six months. (UGI Electric St. No. 4-RJ at 9.) UGI Electric also opposed the recommendation to keep \$1.5 million separately earmarked for a Ruckle Hill Road project because: (1) the Company already spent the \$1.5 million included in

the Company's budget for the 2021 FPFTY (*i.e.*, FY2022) and ultimately spent that money on reliability projects that improved reliability for hundreds of customers, including in part the 67 customers that would have been originally served by the battery storage project; and (2) earmarking those funds would come at the expense of the rest of the Company's customers and may compromise other reliability projects with an equal or greater impact. (UGI Electric St. No. 4-RJ at 9-10.)

Under the Settlement, the Company will complete a project to upgrade the highest risk section of the circuit servicing Ruckle Hill Road customers in order to improve reliability and implement storm hardening techniques. (Settlement ¶ 61.) This solution will include the replacement of older non-standard wood poles with Class 2 – 45' and 50' wood poles where appropriate, and the installation of approximately 10,000' of spacer-cable construction and associated conductor. (Settlement ¶ 61.) This work will increase pole and conductor resistance to tree contact and damage. (Settlement ¶ 61.) The Company anticipates completing the project by the end of the FPFTY and will provide notice to the parties to this proceeding upon completion, including a report on the actual costs of the work. (Settlement ¶ 61.) Thus, the Settlement reasonably balances and addresses the issues raised regarding the Company's reliability investments for Ruckle Hill Road and should be approved without modification.

2. Vegetation Management

As explained by UGI Electric witness Mr. Sorber, UGI Electric continues its accelerated efforts in critical areas to support system reliability, including robust vegetation management practices on a shorter cycle. (UGI Electric St. No. 4 at 5.) Nevertheless, OCA claimed that the planned vegetation management expense proposed by UGI Electric should be reduced by \$1,431,151 to a level of approximately \$2,500,626. (OCA St. No. 1 at 24-25.) This adjustment

was based on OCA's use of a five-year historic average for 2018 through 2022. (OCA St. No. 1 at 24.)

UGI Electric disagreed with OCA's recommendation. In rebuttal, the Company explained that utilizing a five-year historic average significantly understates the Company's actual vegetation management expenses for the FPFTY because: (1) a five-year average does not consider or reflect that the Company has significantly accelerated its vegetation management activities and expenses over the five-year period; and (2) a five-year backward-looking analysis does not account for planned increases to vegetation management expense in the FTY or FPFTY. (UGI Electric St. No. 4 at 1-9.) Also, OCA's use of a five-year average includes 2020, where COVID-19 materially impacted the Company's vegetation management spend. (UGI Electric St. No. 4 at 6.)

In surrebuttal, OCA continued to oppose the Company's total vegetation management expense. (OCA St. No. 1-SR at 11-14.) However, in response to the "Company's need to remove the deteriorating and rotting trees to maintain service reliability and safety issues," OCA reduced its proposed disallowance by 50% to \$715,565. (OCA St. No. 1-SR at 13.) OCA also claimed that the Company has not provided a specific plan for acceleration or details regarding its approach to vegetation management and, consequently, recommended that the Company prepare a report on an annual or semi-annual basis addressing these elements. (OCA St. No. 1-SR at 13.)

In the Company's rejoinder testimony, UGI Electric responded to these claims and recommendations, provided updated data to support its claimed level of vegetation management expense, and noted the inconsistency in OCA's position (namely that OCA considers the 2020 vegetation management expense an outlier due to COVID-19, yet includes that year in its normalization calculation for vegetation management expense). (UGI Electric St. No. 4-RJ at 2-7.) UGI Electric also opposed OCA's reporting recommendation because the Company's biennial

Inspection and Maintenance (“I&M”) Plan already provides a detailed review of the Company’s planned vegetation management activities. (UGI Electric St. No. 4-RJ, pp. 5-7.)

Under the Settlement, the Company agrees to report actual monthly vegetation management expenses on an annual basis for the 12-month period ending September 30, with the first report being due as part of the Company’s 2024 AAOP filing. (Settlement ¶ 62.) The report shall include quantities of vegetation management work performed, along with a summary overview of the Company’s vegetation management program. (Settlement ¶ 62.) Therefore, the Settlement reasonably balances the parties’ positions on vegetation management, particularly on the Company’s reporting requirements for its vegetation management work. Thus, the Commission should approve these provisions without modification.

IV. CONCLUSION

The Settlement is the result of a detailed examination of UGI Electric's proposals, substantial discovery requests, multiple rounds of testimony, numerous settlement discussions, and compromises by the active parties. UGI Electric believes that fair and reasonable compromises have been achieved on all issues in this case, particularly given the fact that the settling parties have such diverse and competing interests in this proceeding and have reached a Settlement on all issues. UGI Electric fully supports this Settlement and respectfully requests that the Administrative Law Judges Christopher P. Pell and Charece Z. Collins and the Pennsylvania Public Utility Commission:

- (i) Approve the Joint Petition for Approval of Settlement of All Issues without modification;
- (ii) Approve the proposals set forth in UGI Electric's above-captioned distribution base rate increase filing subject to the terms and conditions of the Joint Petition for Approval of Settlement of All Issues;
- (iii) Approve the *pro forma* tariff attached to the Joint Petition for Approval of Settlement of All Issues as Appendix A;
- (iv) Approve the proof of revenues attached to the Joint Petition for Approval of Settlement of All Issues as Appendix B;
- (v) Mark the Formal Complaints filed by OCA, OSBA, and the individual customer complainants as satisfied and closed; and
- (vi) Mark the investigation at Docket No. R-2022-3037368 closed.

Respectfully submitted,



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Dated: July 14, 2023

Counsel for UGI Utilities, Inc. – Electric
Division

Appendix H
I&E's Statement in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2022-3037368
	:	
UGI Utilities, Inc. – Electric Division	:	

**BUREAU OF INVESTIGATION AND ENFORCEMENT
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT
OF RATE INVESTIGATION**

TO DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE CHRISTOPHER P. PELL AND ADMINISTRATIVE LAW JUDGE CHARECE Z. COLLINS:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), by and through Prosecutor Michael A. Podskoch, Jr., hereby respectfully submits that the terms and conditions of the foregoing *Joint Petition for Approval of Settlement of All Issues* (“Joint Petition” or “Settlement”) are in the public interest and represent a fair, just, reasonable and equitable balance of the interests of UGI Utilities, Inc. – Electric Division (“UGI” or “Company”) and its customers. The parties to this settlement are UGI, 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”), and the Commission on Economic Opportunity (“CEO”) (collectively the “Joint Petitioners”). The parties to this Settlement Agreement have conducted extensive formal and informal discovery and have participated

in numerous Settlement Conferences. The extensive discussions and sharing of information culminated in the submission of the attached Settlement Agreement. The request for approval of the Joint Petition is based on I&E's conclusion that the Settlement Agreement meets all the legal and regulatory standards necessary for approval. "The prime determinant in the consideration of a proposed Settlement is whether or not it is in the public interest."¹ The Commission has recognized that a settlement "reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest."² The Settlement Agreement in the instant proceeding protects the public interest in that a comparison of the original filing submitted by the Company and the negotiated agreement demonstrates that compromises are evident throughout the Joint Petition.

The Bureau of Investigation and Enforcement is of the opinion that the terms and conditions of the Joint Petition are in the public interest. In support of this position, I&E offers the following:

I. INTRODUCTION

A. Legal Landscape Regarding Public Utilities

A business may acquire "public utility status" when that business is the sole organization that maintains the infrastructure utilized in providing an essential service to the public for compensation.³ As duplicating the vast and costly fixed physical

¹ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 Pa.PUC 1, 22 (1985).

² *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 Pa.PUC 767, 771 (1991).

³ James C. Bonbright, *Principles of Public Utility Rates*, Columbia University Press: New York (1961) at 3-14; 66 Pa.C.S. § 102.

infrastructure and allowing multiple businesses to provide the essential service would be wasteful, the public utility obtains a natural monopoly as the sole service provider in the extended geographic service territory. In order to protect consumers, the public utility's rates and services are regulated.⁴ Price regulation strives to replicate the results of effective competition.⁵

As a public utility, an electric distribution company ("EDC") shall provide just and reasonable rates to customers receiving electric service in the Commonwealth of Pennsylvania.⁶ A public utility is entitled to a rate that allows it to recover those expenses that are reasonably necessary to provide service to its customers and allows the utility an opportunity to obtain a reasonable rate of return on its investment.⁷ A public utility shall also provide safe and reliable service by furnishing and maintaining adequate facilities and reasonable services and by making the necessary improvements thereto.⁸

B. I&E's Role

Through its bureaus and offices, the Commission has the authority to take appropriate enforcement actions that are necessary to ensure compliance with the Public Utility Code and Commission regulations and orders.⁹ The Commission established I&E to serve as the prosecutory bureau to represent the public interest in ratemaking and

⁴ *Principles of Public Utility Rates*, at 3-14; 66 Pa.C.S. §§ 1301, 1501.

⁵ *See Cantor v. Detroit Edison*, 428 U.S. 579, 595-6, fn. 33 (1976).

⁶ 66 Pa.C.S. §§ 102, 1301; *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591, 602-603 (1944) (*Hope*).

⁷ *City of Lancaster v. Pennsylvania Public Utility Commission*, 793 A.2d 978, 982 (Pa. Cmwlth. 2002); *see also Hope*, 320 U.S. at 602-603.

⁸ 66 Pa.C.S. § 1501.

⁹ Act 129 of 2008, 66 Pa.C.S. § 308.2(a)(11); 66 Pa.C.S. § 101 *et seq.*; 52 Pa.Code § 1.1 *et seq.*

utility service matters and to enforce compliance with the Public Utility Code.¹⁰ By representing the public interest in rate proceedings before the Commission, I&E works to balance the interest of customers, utilities, and the regulated community as a whole to ensure that a utility's rates are just, reasonable, and nondiscriminatory.¹¹

C. Procedural History

On January 27, 2023, UGI filed Supplement No. 51 to UGI Electric Tariff Pa.P.U.C. No. 6 and Supplement No. 7 to UGI Electric Tariff Pa.P.U.C. No. 2S. The filing set forth proposed rates designed to produce an increase in UGI's annual distribution revenue of approximately \$11.4 million.

On March 2, 2023, the Commission entered an Order instituting an investigation into the lawfulness, justness and reasonableness of the Company's proposed rates. Pursuant to 66 Pa.C.S. Section 1308(d), proposed Supplement No. 51 to UGI Electric Tariff Pa.P.U.C. No. 6 and Supplement No. 7 to UGI Electric Tariff Pa.P.U.C. No. 2S were suspended by operation of law until October 28, 2023, unless permitted by Commission Order to become effective on an earlier date.

The Commission assigned the Company's filing to the Office of Administrative Law Judge ("OALJ") for the development of an evidentiary record culminating in a Recommended Decision. The OALJ subsequently assigned the suspended proceeding to Deputy Chief Administrative Law Judge Christopher P. Pell and Administrative Law Judge Charece Z. Collins (collectively the "ALJs") for investigation and scheduling of

¹⁰ *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011).

¹¹ *See* 66 Pa.C.S. §§ 1301, 1304.

hearings to consider the lawfulness, justness and reasonableness of the Company's rate increase request.

A telephonic Prehearing Conference was held on March 9, 2023, at which time a procedural schedule was established, and evidentiary hearings were scheduled on June 13 and 14, 2023. Two telephonic public input hearings were held on April 11, 2023. A telephonic evidentiary hearing was held on June 13, 2023 where the parties' written testimony and exhibits were entered into the record. The hearing on June 14, 2023 was cancelled.

II. DISCUSSION

A. The Settlement is in the Public Interest

The Commission encourages settlements, which eliminate the time, effort, and expense of litigating a matter to its ultimate conclusion.¹² Here, the Joint Petitioners successfully achieved a Settlement Agreement of all issues related to this base rate proceeding.

The Settlement Agreement is a "Black Box" agreement, which does not specifically identify the resolution of certain disputed issues.¹³ Instead, an overall increase to base rates is agreed to and Joint Petitioners retain all rights to further challenge all issues in subsequent proceedings. A "Black Box" settlement benefits ratepayers as it allows for the resolution of a proceeding in a timely manner while avoiding significant additional expenses.¹⁴

¹² *Pa. PUC v. Venango Water Co.*, Docket No. R-2014-2427035, 2015 WL 2251531, at *3 (Apr. 23, 2015 ALJ Decision) (adopted by Commission via Order entered June 11, 2015); *See* 52 Pa. Code §5.231.

¹³ *See id.* at *11.

¹⁴ *See id.*

I&E contends that an agreement as to the resolution of each and every disputed issue in this proceeding would not have been possible without judicial intervention. Additional testimony and exhibits, two days of litigious hearings, briefing, and further involvement of both ALJs would have added time and expense to an already cumbersome and complex proceeding. Ratepayers benefit when rate case expenses stay at a reasonable level.¹⁵ The request for approval of the *Joint Petition for Settlement* is based on the I&E conclusion that the Settlement Agreement meets all the legal and regulatory standards necessary for approval. “The prime determinant in the consideration of a proposed Settlement is whether or not it is in the public interest.”¹⁶ The Commission has recognized that a settlement “reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.”¹⁷ The Settlement Agreement in the instant proceeding protects the public interest in that a comparison of the original filing submitted by the Company and the negotiated agreement demonstrates that compromises are evident throughout the Joint Petition.

B. Revenue Requirement (Joint Petition ¶ 46)

The proposed Settlement will allow UGI to file new tariff rates designed to provide an overall base rate increase of \$8.5 million in operating revenues for service rendered, instead of the Company’s requested approximately \$11.4 million increase.

¹⁵ *See id.*

¹⁶ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

¹⁷ *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

The parties to the Joint Settlement have agreed upon the additional annual revenues as a Black Box settlement, subject to a few specific provisions detailed within the Joint Petition.

Based on I&E's analysis of the Company's filing and discovery responses received the rate increase under the proposed Settlement represents a result that is within the range of likely outcomes in the event that the case was fully litigated. The increase is appropriate and, when accompanied by other important provisions contained in the Settlement, yields a result that is both just and reasonable and in the public interest.

As noted above, the additional revenue in this proceeding is base rate revenue and has been agreed to in the context of a Black Box settlement. A Black Box agreement does not specifically identify the resolution of any disputed issues. Instead, an overall increase to base rates is agreed to and parties retain all rights to further challenge all issues in subsequent proceedings. A Black Box settlement benefits ratepayers as it allows for the resolution of a proceeding in a timely manner while avoiding significant additional expenses. I&E is of the opinion that an agreement as to the resolution of each and every disputed issue in this proceeding would not have been possible without judicial intervention. The involvement of the ALJ would have added time and expense to an already cumbersome proceeding. Avoiding this necessity will benefit ratepayers by keeping the expenses associated with this filing at a reasonable level. The previous Chairman of the Commission has commented on Black Box settlements and stated that the "[d]etermination of a company's revenue requirement is a calculation that involves many complex and interrelated adjustments affecting revenue, expenses, rate base and the company's cost of

capital. To reach an agreement on each component of a rate increase is an undertaking that in many cases would be difficult, time-consuming, expensive and perhaps impossible. Black Box settlements are an integral component of the process of delivering timely and cost-effective regulation.”¹⁸

This increased level of Black Box revenue adequately balances the interests of ratepayers and the Company. UGI will receive sufficient operating funds in order to provide safe and adequate service while ratepayers are protected as the resulting increase minimizes the impact of the initial proposal. Mitigation of the level of the rate increase benefits ratepayers and results in rates that satisfy the regulatory standard requiring just and reasonable rates. As such, this element supports the standard for approval of a settlement as the resulting rates are just and reasonable and in accordance with the Public Utility Code and all pertinent case law.

C. Revenue Allocation and Rate Design (Joint Petition ¶¶ 47-49, Appendix B)

Per the Settlement, UGI proposed to increase residential rates by approximately \$7 million for the residential customer class instead of the originally requested approximately \$10 million.¹⁹

In this proceeding, UGI provided a summary of various costs related to the customer charge in its Exhibit D. I&E Witness Cline specifically addressed UGI’s proposal to

¹⁸ See Statement of Commissioner Robert F. Powelson, *Pennsylvania Public Utility Commission v. Wellsboro Electric Company*, Docket No. R-2010-2172662 (Order entered January 13, 2011). See also Statement of Commissioner Robert F. Powelson, *Pennsylvania Public Utility Commission v. Citizens’ Electric Company of Lewisburg, Pennsylvania*, Docket No. R-2010-2172665 (Order entered January 13, 2011).

¹⁹ UGI Exhibit E, p. 1.

increase the fixed monthly costs for the residential customer class and the general services customer class. It is important to allow the utility to recover only those direct monthly costs that vary with the addition or loss of a customer through the Customer Charge. This charge provides the Company with a steady, predictable level of income that will allow for the proper maintenance and upkeep of the system. Establishing the proper customer charge protects ratepayers by ensuring that UGI is not being overcompensated. Moderating the requested increase in this proceeding also benefits ratepayers as it allows them to reap a greater portion of the benefit of conservation. Shifting costs to the volumetric portion of a customer's bill allows for the immediate realization of the benefit of conserving usage. Designing rates to allow customers to have greater control of their electric bills is in the public interest.

UGI proposed to increase the residential Customer Charge from its current rate of \$9.50 to \$13.50.²⁰ I&E disagreed with such a large increase in the fixed Customer Charge.²¹ Under the Settlement, UGI agreed to set the residential Customer Charge at \$10.75 per month. I&E supports the Settlement, which moderates the increase in the Customer Charge for residential customers.

Based on I&E's review of the cost of service studies presented in this proceeding, I&E views the Settlement to be within the range of reasonable outcomes that would result from full litigation of this case. Further, the mitigated level of Customer Charge

²⁰ UGI Statement No. 6, p. 24.

²¹ I&E Statement No. 4, p. 6-7.

demonstrates a compromise of the interests of the parties. As such, these provisions are in the public interest.

D. DSIC Reporting (Joint Petition ¶¶ 50-52)

The Settlement addresses UGI's eligibility to include plant additions in the DSIC once eligible account balances exceed a level of \$275,000,001. For purposes of calculating its DSIC, UGI shall use the equity return rate for electric utilities contained in the Commission's most recent Quarterly Report on the Earnings of Jurisdictional Utilities and shall update the equity return rate each quarter consistent with any changes to the equity return rate for electric utilities contained in the most recent Quarterly Earnings report, consistent with 66 Pa. C.S. § 1357(b)(3), until such time as the DSIC is reset pursuant to the provisions of 66 Pa. C.S. § 1358(b)(1). Additionally, UGI shall submit an update to UGI Electric Exhibit A, Schedule C-2 no later than January 2, 2024, which will include actual capital expenditures, plant additions, and retirements by month from October 1, 2022, through September 30, 2023. An additional update for actuals from October 1, 2023, through September 30, 2024, shall be filed no later than January 2, 2025.

I&E avers that the settlement provisions related to the DSIC are in the public interest and benefits both UGI and its ratepayers. UGI benefits because it will have access to DSIC funding for necessary infrastructure improvements which helps to ensure UGI is able to meet its obligation to provide its customers with safe and reliable service. Customers will benefit from the assurance that improved infrastructure will facilitate safe and reliable service.

E. Accounting (Joint Petition ¶¶ 53-57)

I&E has no specific comments on the settlement provisions regarding depreciation rates, UGI’s Accumulated Deferred Income Tax (“ADIT”) or Excess Accumulated Deferred Federal Income Taxes (“EDFIT”), repairs allowance, or COVID-19 cost deferral.

Regarding rate case expense, UGI’s revenue increase provided in the Settlement is reflective of a 30-month (2.5 year) normalization for ratemaking purposes and a 30-month (2.5 year) amortization for accounting purposes. Additionally, UGI will not claim any unamortized amount in a future rate case. I&E Witness Okum rejected UGI’s requested 24-month normalization period due to its speculative nature in favor of a 30-month normalization period.²² As such, I&E supports this settlement provision.

F. Universal Service Issues (Joint Petition ¶¶ 58-60)

As part of the Settlement, within 60 days after a final order is entered in this proceeding, UGI will issue a Request For Proposal (“RFP”) seeking an additional Low Income Usage Reduction Program (“LIURP”) resource(s) that is able to perform 20 additional baseload and 10 additional heating jobs annually. In rebuttal testimony, I&E Witness Keller opposed the recommendations that UGI’s LIURP budget be increased. Mr. Keller noted that UGI has been unable to exhaust its LIURP budget in the three most recent historic years.²³ I&E supports this settlement provision as the 20 additional baseload and 10 additional heating jobs represent a modest budget increase.

²² I&E St. No. 1, p. 6-7.

²³ I&E St. No. 2-R, p. 3.

The remaining terms in this section of the Settlement serve to protect vulnerable low income customers who are facing financial hardship while not imposing undue financial burden on non-low income customers who must pay for these programs. As such, I&E submits that the proposed terms are in the public interest.

G. Additional Provisions (Joint Petition ¶¶ 61-62)

I&E has no specific comments on UGI's Ruckle Hill Road project or vegetation management report.

H. I&E's Remaining Issues

The remaining issues raised in I&E's Prehearing Memorandum and testimony have been satisfactorily resolved through discovery and discussions with the Company and are incorporated into the Black Box resolution of the revenue requirement in this proceeding. The very nature of a settlement is that it incorporates compromise on the part of all parties. This particular Settlement Agreement exemplifies this principle. In addition, a Black Box settlement makes the specific identification of the resolution of disputed issues impossible. Each signatory acknowledges the ultimate revenue allowance but makes no representation as to how this addition to base rate revenue was achieved.

III. CONCLUSION

Based on I&E's analysis of the base rate revenue increase requested by UGI Utilities, Inc. – Electric Division, acceptance of this proposed Joint Petition is in the public interest. Resolution of these provisions by settlement rather than continued litigation will avoid the additional time and expense involved in formally pursuing all issues in this proceeding. Increased litigation expenses may cause an increase in revenue

beyond that agreed to in the Joint Petition. Acceptance of the foregoing Settlement Agreement will negate the need to engage in additional litigation including the preparation of Main Briefs, Reply Briefs, Exceptions, and Reply Exceptions. The avoidance of further rate case expense by settlement of these provisions in this base rate investigation proceeding best serves the interests of UGI and its customers. As litigation of this rate case is a recoverable expense, curtailment of these charges is in the public interest.

I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation or the continuation of this litigation in the event the Settlement Agreement is rejected by the Commission or otherwise properly withdrawn by any of the Joint Petitioners.

If the ALJs recommend that the Commission adopt the Settlement Agreement as proposed, I&E has agreed to waive the right to file Exceptions. However, I&E has not waived its rights to file Exceptions with respect to any modifications to the terms and conditions of the Settlement Agreement, or any additional matters, that may be proposed by the ALJs in the Recommended Decision. I&E also reserves the right to file Reply Exceptions to any Exceptions that may be filed by any party to this proceeding. The Settlement Agreement is also conditioned upon the Commission's approval of all terms and conditions contained therein, and should the Commission fail to approve or otherwise modify the terms and conditions of the Settlement, the Joint Petition may be withdrawn by I&E or any of the signatories.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the *Joint Petition for Approval of Settlement of All Issues* as being in the public interest and respectfully requests that Deputy Chief Administrative Law Judge Christopher P. Pell and Administrative Law Judge Charece Z. Collins recommend, and the Commission subsequently approve, the foregoing Settlement Agreement, including all terms and conditions contained therein.

Respectfully submitted,



Michael A. Podskoch, Jr.
Prosecutor
PA Attorney ID No. 330132

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
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(717) 783-6151

Dated: July 14, 2023

Appendix I
OCA's Statement in Support

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
 :
 :
 v. : Docket No. R-2022-3037368
 :
 :
 UGI Utilities, Inc. - Electric Division :

STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF THE
JOINT PETITION FOR APPROVAL OF
SETTLEMENT OF ALL ISSUES

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Settlement of All Issues (Settlement), finds that the proposed terms and conditions of the Settlement are in the public interest. The OCA respectfully requests that the Pennsylvania Public Utility Commission (Commission) approve the Settlement, without modification, for the reasons set forth below:

I. BACKGROUND

UGI Utilities, Inc. – Electric Division (UGI Electric, UGI, UGI-E, or the Company) is engaged in the business of furnishing electric service to approximately 62,877 residential, commercial, and industrial customers in Luzerne and Wyoming Counties and 35 municipalities throughout Pennsylvania. On January 27, 2023, the Company filed Proposed Supplement No. 51 to UGI Electric Tariff Pa. P.U.C. No. 6 (Proposed Supplement No. 51) and Proposed Supplement No. 7 to UGI Electric Tariff Pa. P.U.C. No. 2S (Proposed Supplement No. 7), with a proposed effective date of March 28, 2023.

The rates set forth therein would have increased the Company's annual jurisdictional distribution operating revenues by \$11.4 million and would have produced an increase in total revenues (distribution and generation charges) of approximately 7.5%. More specifically, the Company proposed to allocate approximately \$10.7 million of the \$11.4 million increase to the residential class based on the results of its class cost of service study. If approved, the total average monthly bill of a residential customer using 1,000 kWh per month would have increased from \$192.73 to \$209.96 per month, or by 8.9%. In addition, the Company proposed modifications to its tariff, including: changes to Rule 1-c (regarding the combination of usage for billing purposes; changes to its outdoor lighting provisions, and changes to Large Power Rate (Rate LP)). The Company's filing also addressed compliance related to its battery storage project and Flood Control Power Rate (Rate FCP). If the Company's request had been approved by the Commission, the Company would also have been allowed an overall return on rate base of 8.5%, which is based upon an 11.3% return on common equity, including a 0.2% management adder component.

On February 6, 2023, the OCA filed a Formal Complaint, Public Statement, and Notice of Appearance. On February 7, 2023, a Notice of Appearance was filed on behalf of the Bureau of Investigation and Enforcement (I&E). On February 8, 2023, a Formal Complaint, Public Statement, and Notice of Appearance was filed on behalf of the Office of Small Business Advocate (OSBA). The Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a Petition to Intervene and Answer on February 13, 2023, and the Commission on Economic Opportunity (CEO) filed a Petition to Intervene on February 15, 2023. Various consumer complainants have also filed formal complaints in this proceeding.

On March 2, 2023, the Commission issued an Order initiating an investigation into the lawfulness, justness, and reasonableness of the proposed rate increase in this filing, in addition to

the Company's existing rates, rules, and regulations, and suspended the effective date of Proposed Supplement No. 51 and Proposed Supplement No. 7 until October 28, 2023, by operation of law. The case was assigned to the Office of Administrative Law Judge (OALJ) and further assigned to Deputy Chief Administrative Law Judge Christopher Pell and Administrative Law Judge Charece Z. Collins (ALJs).

On March 9, 2023, a Prehearing Conference was held and a procedural schedule was adopted. On April 11, 2023, in accordance with the procedural schedule, two telephonic Public Input Hearings were held. On April 25, 2023, the OCA filed the Direct Testimony of its witnesses: Dante Mugrace, Aaron Rothschild, Karl Pavlovic, Morgan N. DeAngelo and Roger D. Colton. I&E, OSBA and CEO also filed Direct Testimony.

On May 25, 2023, the OCA and UGI filed Rebuttal Testimony. On June 7, 2023, the OCA, I&E, CEO and OSBA filed Surrebuttal Testimony. On June 12, 2023, UGI filed Rejoinder Testimony. On June 12, 2023, the parties advised the ALJs that a partial settlement was achieved on all issues except for revenue allocation. On June 13, 2023, an evidentiary hearing was held to admit the parties' testimony and exhibits into the record. On June 27, 2023, the parties advised the ALJs that a complete settlement had now been achieved on all issues, including revenue allocation.

The terms and conditions of the Settlement satisfactorily address the issues raised in the OCA's Formal Complaint and testimony. The OCA recognizes that this Settlement contains modifications from the original recommendations proposed by the OCA in its witnesses' testimony. The OCA submits, however, that the agreed upon Settlement achieves a fair resolution of the many complex issues presented in this proceeding.

In this Statement in Support, the OCA addresses those areas of the Settlement that specifically relate to important issues that the OCA raised in this case. The OCA expects that other

parties will discuss how the Settlement's terms and conditions address their respective issues and how those parts of the Settlement support the public interest standard required for Commission approval.

For these reasons, and those that are discussed in greater detail below, the OCA submits that the Settlement is in the public interest, and in the interest of UGI Electric's ratepayers, and should be approved by the Commission without modification.

II. SETTLEMENT TERMS AND CONDITIONS

A. Revenue Requirement (Settlement ¶ 46)

UGI Electric proposed to increase rates designed to produce additional annual operating revenue of approximately \$11.425 million, or an increase of 7.5 percent on a total revenue basis. UGI Electric St. 1 at 6. The Company stated that its proposal was driven primarily by its need to earn a fair rate of return on the Company's investments. UGI Electric St. 1 at 8-9.

Based upon the testimony of the OCA's witnesses, the OCA recommended that the Company receive a revenue increase of no more than \$5.591 million, which is approximately \$5.834 million less than the Company's request. This recommendation was based, in part, upon numerous adjustments to the Company's rate base and expenses for the Future Test Year (FTY) and Fully Projected Future Test Year (FPFTY), as well as a recommended reduction to the Company's proposed return on equity.

The Settlement provides that the Company will be permitted to increase rates to produce an annual distribution revenue increase of approximately \$8.5 million. Settlement ¶ 46. Overall, this represents an increase of approximately \$2.925 million less than the total amount requested by UGI Electric.

The Settlement represents a “black box” approach to the revenue requirement, including cost of capital issues. Black box settlements avoid the need for protracted disputes over the merits of individual revenue requirement adjustments and avoid the need for a diverse group of stakeholders to attempt to reach a consensus on each of the disputed accounting and ratemaking issues raised in this matter, as policy and legal positions can differ. As such, the parties have not specified a dollar amount for each issue or adjustment raised in this case. Attempting to reach agreement regarding each adjustment in this proceeding would have likely prevented any settlement from being reached.

Based on the OCA’s analysis of UGI Electric’s filing, discovery responses received, and testimony by all parties, the revenue increase under the Settlement represents a result that would be within the range of likely outcomes in the event of full litigation of the case. As such, the OCA submits that the increase agreed to in this Settlement is in the public interest and in the interest of UGI Electric’s ratepayers and should be approved by the Commission.

B. Revenue Allocation/Rate Design (Settlement ¶¶ 47-49)

In its filing, UGI Electric proposed to increase annual distribution revenues by \$11.425 million for a system average increase of 20.5 percent (on a distribution revenue-only basis). UGI Electric St. 6 at 22. Of that amount, the Company proposed to allocate approximately \$10.705 million, or 93.7% of the requested increase to the residential customer class. *Id.* The Company’s proposed allocation resulted in a 27.5 percent increase to the residential class on a distribution-only basis. *Id.* The Company also proposed to increase its existing fixed residential customer charge from \$9.50 to \$13.50 per month. UGI Electric St. 6 at 24.

OCA witness Karl R. Pavlovic reviewed the Company’s revenue allocation proposal and the Company’s COSS upon which the Company’s allocation was based. The OCA contested the

Company's COSS and recommended that the Commission adopt the ACOSS without minimum-size classification as a guide in determining UGI's class revenue allocation and tariff distribution rates. OCA St. 3 at 17. Based on Dr. Pavlovic's preferred COSS, Dr. Pavlovic recommended that the residential class be allocated approximately \$7.643 million of the Company's proposed increase. OCA St. 3 at 20. Lastly, Dr. Pavlovic recommended that the Company's fixed monthly customer charge remain at \$9.50. OCA St. 3 at 24.

Based on the OCA's review of the cost of service studies presented in this proceeding and the varying revenue allocation proposals, the OCA views the Settlement to be within the range of reasonable outcomes that would result from full litigation of this case. Under the Settlement, the residential customer class will be allocated approximately \$7.396 million, or 87% of the settled-upon revenue increase, which is an approximate 6.3% percent increase over present distribution revenue. Settlement ¶ 48, App. B. Moreover, the fixed monthly customer charge for residential customers will increase from \$9.50 to \$10.75 per month. Settlement ¶ 49.

Thus, the Settlement reduces the impact of this rate increase on residential customers. Moreover, reducing the amount of the increase allocated to the fixed monthly customer charge will ensure that customers have greater control over lowering their monthly bills through conservation and usage reduction efforts. Accordingly, the OCA submits that the revenue allocation is reasonable, and in the public interest, and should be approved.

C. Accounting (Settlement ¶¶ 53-57)

The Settlement provides that the Company's revenue increase provided in this Settlement is reflective of a 30-month (2.5 year) normalization for ratemaking purposes and a 30-month (2.5 year) amortization for accounting purposes. Settlement ¶ 57. Under the Settlement, the Company will not claim any unamortized amount in a future rate case and agrees that normalization of rate

case expense (as opposed to amortization) is the proper treatment for ratemaking purposes. Settlement ¶ 57.

OCA witness Dante Mugrace recommended that rate case expense should be normalized under a two-year period, as opposed to being amortized over a two-year period as proposed by the Company. OCA St. 1 at 35. The Settlement represents a reasonable compromise as an alternative to litigation on this issue as it includes a 2.5-year normalization period for ratemaking purposes.

D. Universal Service Issues (Settlement ¶¶ 58-60)

The Settlement provides for numerous provisions and modifications to its universal service programs including increased annual funding to the Company's hardship fund, Operation Share; expansion of the number of baseload and heating jobs annually for the Low Income Usage Reduction Program (LIURP) and to participants from 150-200% of the Federal Poverty Level. Settlement ¶¶ 58-59. The Settlement also includes additional important provisions relating to the Customer Assistance Program (CAP), the winter moratorium, and an auto-enrollment pilot that will utilize data provided by the Department of Human Services. Settlement ¶ 60.

The Settlement provides that the Company will increase its annual funding contribution for Operation Share by \$30,000 to an annual total of \$117, 423 for 2024 and each year thereafter. Settlement ¶ 58. The Company will also increase the maximum grant size from \$400 to \$600, to the extent that funds are available. Settlement ¶ 58. Increasing the hardship fund grants and the maximum grant size will provide important resources to help customers to maintain essential electric service, particularly in light of the rate increase proposed by the Settlement.

The Settlement also adopts some of OCA witness Roger Colton's recommendations to expand the number of baseload and heating jobs annually for the Company's Low Income Usage Reduction Program (LIURP). Settlement ¶ 59. In his Direct Testimony, Mr. Colton recommended

that the Company be directed to increase its LIURP funding sufficient to provide 66 additional electric baseload jobs per year; 66 additional LIURP heating jobs per year; and 27 additional LIURP heating job for customers with annual income exceeding 150% of the Federal Poverty Level (FPL) but not exceeding 200% of the FPL. OCA St. 4 at 4, 33-37. In response to the OCA's concerns identified in the case, the Settlement provides that within 60 days after a Final Order in this proceeding, UGI will issue a Request for Proposal (RFP) to seek an additional LIURP resource that is able to perform 20 additional baseload and 10 additional heating jobs annually. Settlement ¶ 59(a). Additionally, the Settlement provides that the RFP will include community-based organizations in the Company's service territory. *Id.* Updates will be provided to the Universal Services Advisory Committee (USAC). *Id.* Incremental costs will be recovered through the Rider USP. *Id.* The Settlement also provides that UGI will expand its electric LIURP heating and baseload job access to customers between 151-200% of the FPL, with a limit of 20% of the LIURP budget available to address the needs of customers between 151-200% of the FPL. Settlement ¶ 59(b).

The Settlement is a reasonable compromise of the concerns identified by OCA witness Colton for expanded LIURP investment and also addresses the OCA's concern that additional LIURP dollars be directed towards customers between 151-200% of the FPL. OCA witness Colton explained the importance of increasing the LIURP expenditures as a part of this base rate proceeding. Mr. Colton testified:

My recommendation is that given: (1) the additional harms imposed on low-income customers by the rate increase in this proceeding; (2) the extent to which those additional harms from this proceeding impede, if not completely prevent, low-income customers from reducing their bills by reducing their consumption; and (3) the extent to which the Company's proposed increase in its fixed monthly residential customer charge has a disproportionately adverse effect on the ability of low income customers to reduce their bills by pursuing energy efficiency

investments on their own (without external assistance), there is a need for immediate remedial action.

OCA St. 4SR at 32. LIURP benefits both the participants who receive the weatherization services and the non-CAP residential ratepayers who pay the costs of the program. The Settlement provisions should be approved as in the public interest.

Finally, the Settlement also includes additional important provisions relating to the Customer Assistance Program (CAP), the winter moratorium, and auto-enrollment of Low-Income Home Energy Assistance Program (LIHEAP) recipients. Settlement ¶ 60. Regarding CAP, the Settlement provides that UGI will solicit customers who are self-reported Level 1 income in the prior 12 months for enrollment in the Company's CAP twice a year until at least the effective date of the Company's next USECP. Settlement ¶ 60(a). The Company will update the USAC about each solicitation. *Id.* The Company also will accept verbal self-reported income eligibility for customers at or below 250% of the FPL during the winter moratorium for "purposes of winter shutoff protections, requests for deferred payment arrangements, or any other customer contact with the call center for an unpaid bill." Settlement ¶ 60(b). The Company will use "normal income verification" methods used by the Company upon the end of the Winter Moratorium period. No fewer than two times a year, the Company will provide an update to the USAC of the number of customers identified through such verbal self-reported income. Settlement ¶ 60(b). At least twice a year, the Company will update the USAC of the number of customers who were identified through verbal self-reported income. Settlement ¶ 60(b).

In Direct Testimony, OCA witness Colton identified concerns with the Company's compliance with certain provisions of the 2018 and 2021 base rate proceeding Settlements regarding the acceptance of verbal self-reported income and additional outreach to low-income customers. OCA St. 4 at 38-44. Mr. Colton recommended that the Commission direct the Company

to comply with these provisions. The Settlement incorporates several of the provisions identified in the 2018 and 2021 base rate proceeding settlements. These actions will provide important protections for vulnerable customers during the winter moratorium, and the Company will provide for additional outreach to CAP twice a year for those customers that the Company reasonably believes have Level 1 income and are eligible for enrollment in CAP.

The Settlement also provides that UGI will use its best efforts to implement a process to implement the proposed data sharing with the Pennsylvania Department of Human Services (DHS). Settlement ¶ 60(c). When DHS notifies the LIHEAP Advisory Committee that it is ready to share LIHEAP participant income data, UGI will begin to implement the required modifications to its IT system and processes within a reasonable timeframe so that the Company may begin to utilize the data to automatically enroll non-shopping LIHEAP recipients into CAP and/or recertify their income and eligibility. *Id.* Until such time as IT changes are implemented, the Company agrees to use best efforts to implement manual processing not later than three months from the date the data is received from DHS. *Id.* The costs for IT and manual processing would be recoverable through the Company's Rider USP. *Id.* Customers who are automatically enrolled will be deemed confirmed low-income customers and eligible for winter shutoff protections. *Id.*

As a part of the Settlement, UGI will conduct an interim pilot to automatically enroll non-shopping LIHEAP recipients into CAP. Settlement ¶ 60(d). The interim pilot will contain the following elements: (1) auto-enrollment of non-shopping customers who received LIHEAP during the 2022/2023 LIHEAP season and going-forward enrollment during subsequent LIHEAP seasons; (2) placement in CAP under the average bill methodology, unless the customer provides proof of income documentation demonstrating qualification for a lesser percentage of income payment bill or eligibility for the minimum bill; (3) notification by mail or email that will explain

the reason for the enrollment, ability to opt-out, and how to update income information; (4) a requirement for recertification one year after auto-enrolled; (5) eligibility for pre-program debt forgiveness for customers with arrearages less than \$300 if they later reenroll in the program; (6) eligibility if UGI later receives detailed income information to be transitioned to best available rate; and (7) eligibility for a one-time payment arrangement after they leave or are removed from CAP on any arrears incurred while enrolled in CAP at the average bill rate. Settlement ¶ 60(d)(i)-(vii). Finally, the Settlement provides that UGI will convene a collaborative to discuss the following: (1) outreach for auto-enrolled customers to verify their income and inform the customers of program rights and responsibilities; (2) data points to be tracked to measure the effectiveness of the pilot; and (3) action dates related to outreach, education and auto-enrollment start. Settlement 60(e). During the pilot, updates on the data points collected will be provided to the USAC to determine if adjustments to the pilot are needed. Settlement ¶ 60(e).

The proposal to develop a pilot program to utilize the data provided by DHS will benefit low-income customers by providing them with important access to the benefits of the CAP program at a minimum of the average bill rate. It will provide a tool to allow for outreach and extension of the benefits of CAP to LIHEAP recipients. The data tracked will allow the program to be evaluated. The OCA supports the proposed program to help increase CAP enrollment and to utilize the data provided by DHS in a manner that will benefit known low-income customers. The above provisions, taken together, provide targeted outreach to customers to ensure that they have access to the Company's assistance programs when they may need it most. The OCA submits that the Settlement provisions should be approved as in the public interest.

E. Ruckle Hill Project (Settlement ¶ 61)

The settlement from UGI's prior 2021 Base Rate Case included provisions regarding a battery storage project to increase the reliability of service to customers served off the Ruckle Hill circuit. However, UGI noted in testimony that the Company faced challenges implementing the project and that UGI is not continuing to pursue the battery storage project at this time due to not being able to find a cost-effective solution. OCA St. 5 at 2-5. OCA witness DeAngelo testified as to her disagreement with the Company's position, noting the importance of exploring possible options in enhancing the Ruckle Hill circuit reliability. OCA witness DeAngelo further noted that there are approximately 67 customers that the battery storage project was intended to support due to the reliability issues on the circuit for Rucker Hill. Utilities are responsible for providing and maintaining adequate, efficient, safe, and reasonable service. OCA St. 5 at 4. Moreover, given that customers are experiencing repeated outages, service has become unreliable. *Id.*

OCA witness DeAngelo recommended that the Company prioritize its efforts in searching for a solution and that the Company should be required to provide a status report at the end of the FPFTY including any information or developments it has made towards the battery storage project. OCA St. 5 at 4-5.

The Settlement provides that the Company will complete a project to upgrade the highest risk section of the circuit servicing Ruckle Hill Road customers in order to improve reliability and implement storm hardening techniques. This project will include the replacement of older non-standard wood poles with Class 2 – 45' and 50' wood poles where appropriate, and the installation of approximately 10,000' of spacer-cable construction and associated conductor. This work will increase pole and conductor resistance to tree contact and damage. The estimated cost of the project is \$1.5-\$2.0 million. The Company anticipates completing the project by the end of the FPFTY and will provide notice to the parties to this proceeding upon completion. The Settlement also

provides that the Company agrees to report actual monthly vegetation management expenses on an annual basis for the 12-month period ending September 30, with the first report being due as part of the Company's 2024 annual AAOP filing. The report shall include quantities of vegetation management work performed. The Settlement provisions reflect a reasonable compromise of this issue and should be approved as in the public interest.

F. Vegetation Management (Settlement ¶ 62)

Under the Settlement, the Company agrees to report actual monthly vegetation management expenses on an annual basis for the 12-month period ending September 30, with the first report being due as part of the Company's 2024 Annual Asset Optimization Plan ("AAOP") filing. Settlement ¶ 62. The report shall include quantities of vegetation management work performed, along with a summary overview of the Company's vegetation management program. Settlement ¶ 62.

During the course of the proceeding, the Company provided a schedule of its Tree Trimming and Vegetation Management expense indicating \$3,931,777 for the expense in the FPFTY period. OCA St. 1 at 24. OCA witness Mugrace recommended the use of the historical five-year average (2018-2022) of costs that reflects a disallowance of \$1,431,129. OCA St. 1 at 13. However, following receipt of new information on the Company's need to remove deteriorating and rotting trees to maintain service reliability and to ensure safety, OCA witness Mugrace recommended a sharing of this disallowance, or \$715,565 from the Company's proposed level of \$3,931,777. OCA St. 1SR at 13. OCA witness Mugrace's recommendation would provide the Company with an ongoing level of tree trimming costs of \$3,216,212. OCA St. 1SR at 13.

The Settlement represents a reasonable compromise on the issue that is within the possible outcome of litigation. The Company's agreement to report actual monthly vegetation expenses

ensures that all interested stakeholders are aware of the Company's expenses related to tree-trimming on an ongoing basis.

III. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement of this rate investigation, taken as a whole, represent a fair and reasonable resolution of the issues raised by the OCA in this matter. Therefore, the OCA submits that the Settlement should be approved by the Commission, without modification as being in the public interest and in the interest of UGI Electric's ratepayers.

Respectfully Submitted,

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Patrick M. Cicero
Consumer Advocate

DATE: July 14, 2021
311184

Appendix J
OSBA's Statement in Support

The Joint Petition

The *Joint Petition* sets forth a list of issues that were resolved through the negotiation process. The following issues were of particular significance to the OSBA when it concluded that the *Joint Petition* was in the best interests of UGI-E's small business customers.

1. Revenue Allocation

OSBA witness Robert D. Knecht summarized the Company's small commercial and industrial ("Small C&I") GS-1 and GS-4 classes, as follows:

The two primary categories for service to small and medium business customers are Rates GS-1 and GS-4.

Rate GS-1 comprises the smallest non-residential customers, with a maximum billing demand of only 5 kW. The average customer consumes about 506 kWh per month, only a little more than half that of the average residential customer.

* * *

The GS-1 tariff for distribution services consists of a monthly customer charge and a flat energy charge. The vast majority of Rate GS-1 load takes utility default service electric supply (93 percent of load).

Rate GS-4 service applies to customers with at least 5 kW in billing demand, generally up to the 100-kW minimum for Rate LP large power service. Service is generally 3-phase, although single phase service is provided to certain customers.

* * *

The GS-4 tariff for distribution services consists of a two-block demand charge (sharply declining), and a three-load-factor-block 'Wright' energy tariff. A significant share of GS-4 service load takes default service, although approximately 27 percent of the load is purchased from competitive electric generation suppliers ('EGSs').

OSBA Statement No. 1, at 2-3 (footnote omitted). In this proceeding, pursuant to the settlement in the last base rates case, Rate FCP is treated as a separate class for cost allocation purposes.

Mr. Knecht testified extensively regarding the allocated cost of service study (“ACOSS”) methodology and revenue allocation. *See, e.g.*, OSBA Statement No. 1, at 4-13.

Due to errors and oversights in the Company’s original ACOSS, Mr. Knecht created two alternative ACOSSs in this proceeding to provide a reasonable range of cost bases for this proceeding.¹ Ultimately, Mr. Knecht summarized his results compared to the Company’s filing in Table RDK-1:

Table RDK-1 Comparative ACOSS Results						
	Class Rate of Return at Current Rates			Revenue-Cost Ratios Current Rates		
	UGI Electric*	RDK WP2	RDK WP3	UGI Electric*	RDK WP2	RDK WP3
Residential	-0.33%	-0.29%	1.11%	87.2%	86.9%	92.2%
GS-1	3.10%	3.20%	9.13%	94.5%	96.1%	119.4%
GS-4	16.58%	17.42%	9.09%	155.4%	157.7%	119.9%
FCP	4.40%	4.50%	-4.46%	96.7%	98.1%	56.9%
Large Power	28.87%	30.40%	10.73%	222.6%	226.3%	128.0%
Lighting	37.71%	40.39%	34.67%	246.2%	250.1%	227.5%
System	3.77%	3.77%	3.77%	100.0%	100.0%	100.0%

* Filed version, as updated in Attachment OSBA-II-1.2, and replicated in RDK WP1.
Sources: RDK WP1, RDK WP2, RDK WP3

OSBA Statement No. 1, at 13.

Mr. Knecht then applied the results of each of his ACOSS simulations to develop alternative class revenue allocations at the originally requested Company revenue requirement. The table below shows Mr. Knecht’s proposed revenue allocations, compiled from Tables RDK-3 and RDK-4 of his direct testimony:

¹ *See* OSBA Statement No. 1, at 12-13, for a full discussion of Mr. Knecht’s ACOSS.

OSBA Revenue Allocation Proposals Summary				
	RDK WP2 Simulation		RDK WP3 Simulation	
	Increase (\$000)	Increase (%)	Increase (\$000)	Increase (%)
Residential	\$10,706	27.5%	\$10,827	27.8%
GS-1	\$714	26.3%	\$595	21.9%
GS-4	\$0	0.0%	\$0	0.0%
FCP	\$5	26.3%	\$3	16.0%
Large Power	\$0	0.0%	\$0	0.0%
Lighting	\$0	0.0%	\$0	0.0%
System	\$11,425	20.9%	\$11,425	20.9%
Sources: OSBA Statement No. 1, Tables RDK-2 and RDK-3				

OSBA Statement No. 1, at 16.

UGI-E originally requested an increase in annual revenues of approximately \$11.4 million. *Joint Petition*, at Paragraph 1. As shown in the table above, this increase represented an average base rate increase of 20.9 percent. The *Joint Petition* proposes an annual revenue increase of \$8.5 million, an average base rate increase of 15.5 percent. *Joint Petition*, at 46.

The revenue allocation positions of the parties varied widely in this proceeding. For the combined GS-1 and GS-4 rate classes, the revenue allocation positions (\$000) of the parties were as follows:

Revenue Allocation Proposals for Combined GS-1 and GS-4 Classes (\$000)		
	Full Claim	Scaled Settlement
UGI-E Filed	\$ 714	\$ 531
OCA	\$1,899	\$1,060
OSBA WP2	\$ 595	\$ 443
OSBA WP3	\$ 664	\$ 494
Settlement	--	\$ 723

The OSBA acknowledges that the UGI-E and OSBA WP2 revenue allocation proposals are based on ACOSS simulations that are consistent with established Commission precedent for the UGI-E cost allocation methodology, and that both simulations would imply a lower revenue allocation to the GS-1/GS-4 classes than that offered in this settlement. Nevertheless, the Commission has recently made it clear that precedent regarding the cost allocation methodology is not binding, that the Commission will evaluate cost allocation analyses on a case-by-case basis, and that revenue allocation settlements need not be consistent with cost allocation studies based on Commission precedent. *PUC v. Columbia Gas of Pennsylvania, Inc.* Docket No. R-2022-3031211 (Order entered December 8, 2022)

In that light, the OSBA deems that the proposed revenue allocation settlement represents a reasonable balance among the positions of the parties in this proceeding.

2. Rate Design

Regarding UGI-E's proposal for the Rate GS-1 customer charge, OSBA witness Robert D. Knecht concluded:

[T] major Pennsylvania EDCs generally have monthly customer charges well in excess of the UGI Electric proposed charge, and most have lower energy charges.

Moreover, for UGI Electric, my simulations of the ACOSS model imply a customer component of costs for GS-1 of \$42.86 under RDK WP2 and \$26.96 under RDK WP3.

Finally, as I indicated earlier, it is likely that there are a significant number of small GS-1 customers that are not small businesses. Each of these customers is attracting customer costs to the class of at least \$27 per month in the ACOSS but providing only a small fraction of that amount in the monthly customer charge.

Despite this evidence, the Company proposes only a minimal increase in the customer charge for Rate GS-1, and an enormous increase (45.4 percent) to the GS-1 commodity charge. When the effects of the DSIC are recognized, the current customer charge is

effectively \$13.65, to which the Company would apply an increase of 2.6 percent.

I disagree with this proposal. Given the substantial under-recovery of customer costs, a larger percentage increase should apply to the customer charge. At the Company's proposed class increase for the class is 26.1 percent, an increase in the customer charge to \$17.00 is cost justified and is not out of line with the practices of other Pennsylvania EDCs.

OSBA Statement No. 1, at 20-23.

The *Joint Petition* adopts Mr. Knecht's proposal in this respect. Mr. Knecht recommended a commensurate increase in the GS-4 customer charge to \$18 per month, and this proposal was also adopted in the *Joint Petition*. The OSBA therefore concludes that the *Joint Petition* reasonably represents the OSBA's positions regarding rate design for the GS-1 and GS-4 rate classes.

Consequently, the OSBA submits that the *Joint Petition's* revenue allocation and rate design proposals represent a just and reasonable resolution of these contentious issues.

Conclusion

For the reasons set forth in the *Joint Petition*, as well as the additional factors that are enumerated in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

/s/ Steven C. Gray

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Dated: July 14, 2023

Appendix K
CAUSE-PA's Statement in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2022-3037368
Office of Consumer Advocate	:	C-2023-3038105
Office of Small Business Advocate	:	C-2023-3038172
William Ostroski	:	C-2023-3037880
Travis Clay Buchanan	:	C-2023-3038072
Bridget Gimbi	:	C-2023-3038293
James Stambaugh	:	C-2023-3038131
Beverly A. Howell	:	C-2023-3038300
Bernadette Truskowski	:	C-2023-3038357
Summer Newell	:	C-2023-3038215
Kayla Bloom-Trosky	:	C-2023-3038337
Kayla Bloom-Trosky	:	C-2023-3038341
Michele Gingo	:	C-2023-3038229
Jennifer Patla	:	C-2023-3038238
Melissa Pugh	:	C-2023-3038244
Brittany Shannon	:	C-2023-3038245
Chuck Lipinski	:	C-2023-3038354
John Fleschut	:	C-2023-3038399
Charles M. Mangan	:	C-2023-3038538
Robyn Wood	:	C-2023-3038346
Kathleen Yurkoski	:	C-2023-3038417
Lindsey Wosik	:	C-2023-3038547
Nicholas Scavone	:	C-2023-3038548
Patricia King	:	C-2023-3038549
Christina Bauserman	:	C-2023-3038597
Phyllis Johnson	:	C-2023-3038684
Tara Yamelski	:	C-2023-3038886
Andrew Timko	:	C-2023-3038980
Christopher Dorr	:	C-2023-3039127
Michael L. Oresick, Sr.	:	C-2023-3039230
	:	
v.	:	
	:	
UGI Utilities, Inc. Electric Division	:	

**STATEMENT OF THE COALITION FOR AFFORDABLE UTILITY SERVICES
AND ENERGY EFFICIENCY IN PENNSYLVANIA (CAUSE-PA) IN SUPPORT OF
THE JOINT PETITION FOR SETTLEMENT OF ALL ISSUES**

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), a signatory party to the Joint Petition for Settlement of All Issues (Joint Petition or Settlement), respectfully requests that the terms and conditions of the Settlement be approved by Deputy Chief Administrative Law Judge Christopher P. Pell, Administrative Law Judge Charece Z. Collins, and the Pennsylvania Public Utility Commission (Commission). For the reasons stated more fully below, CAUSE-PA believes that the terms and conditions of the Settlement are in the public interest and should be approved.

I. INTRODUCTION

CAUSE-PA intervened in this proceeding to address, among other issues, whether the proposed rate increase would detrimentally impact the ability of UGI Utilities, Inc. – Electric Division’s (UGI’s) low-income customers to access affordable service under reasonable terms and conditions. CAUSE-PA did not submit written testimony in this proceeding, but actively participated in settlement negotiations.

The Commission’s regulations lend unambiguous support for settlements, and declare: “It is the policy of the Commission to encourage settlements.”¹ The Commission has also set explicit policy guiding settlement of a major rate case, explaining in its codified statement of policy that “the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.”² Settlements are preferred because they “lessen the time and expense that Parties must expend litigating a case and, at the same time, conserve

¹ 52 Pa. Code § 5.231.

² 52 Pa. Code § 69.401.

resources.”³ In reviewing whether to approve a proposed settlement, the Commission must determine whether the terms and conditions are in the interest of the public based on a preponderance of the evidence “showing a likelihood or probability of public benefits that need not be quantified or guaranteed.”⁴ Historically, the Commission has defined the public interest as inclusive of ratepayers, shareholders, and the regulated community at large.⁵ Of course, proposed settlement terms must also be consistent with applicable law.⁶

This Settlement was arrived at through good faith negotiation by all parties. The Settlement is in the public interest in that it (1) addresses the ability of low-income customers in UGI’s service territory to access safe and affordable electric, (2) balances the interests of the parties, and (3) fairly resolves a number of critical issues raised by the parties. If the Settlement is approved, the parties will also avoid considerable litigation and/or appeals costs.

II. BACKGROUND

For the purposes of this Statement in Support, CAUSE-PA adopts the procedural history as set forth in the attached Joint Petition. (Joint Pet. at ¶¶ 1-43).

III. SETTLEMENT

A. GENERAL

When determining whether a proposed rate increase is just and reasonable, special consideration must be given to the impact of the proposed rate increase and rate structure on the ability of vulnerable, low-income consumers to afford service. The proposed Settlement takes rate

³ See Commonwealth of Pa. et al. v. IDT Energy, Inc., Docket No. C-2014-2427657, at 35-37 (Tentative Order entered June 30, 2016).

⁴ See id. (quoting Popowsky v. Pa. PUC, 594 Pa. 583, 937 A.2d at 1040 (2007)).

⁵ See id. (citing Pa. PUC v. Bell Atlantic Pennsylvania, Inc., Docket No. R-00953409 (Order entered Sept. 29, 1995)).

⁶ See id. (citing Dauphin County Indus. Dev. Auth. v. Pa. PUC, 2015 Pa. Commw. LEXIS 381 (Sept. 9, 2015)).

affordability into account by using structural rate design to limit the disproportionate burdens on low-income households and through the adoption of critical enhancements to UGI's universal service programs. The rate design and enhancements to universal service programming contained in the proposed Settlement will better match needy households with available assistance and ensure access to stable and affordable utility services over the long term. These terms, and the reasons each are in the public interest, are discussed further below.

B. REVENUE REQUIREMENT

CAUSE-PA expressed concerns from the outset of the proceeding that UGI's rate proposal would increase the cost of basic services – imposing a severe hardship on low and moderate income residential customers. (CAUSE-PA Pet. to Intervene at ¶ 14). The proposed Settlement reduces UGI's original proposal from \$11.4 to \$8.5 million, a 25% decrease, which will help to lessen the economic hardship. Together with the other terms of the proposed Settlement, and in balance with other competing interests in this proceeding, CAUSE-PA believes the proposed revenue requirement represents a reasonable compromise and should be approved.

C. REVENUE ALLOCATION AND RATE DESIGN

One of CAUSE-PA's concerns regarding UGI's proposed rate increase was the negative effect its proposal to significantly increase its fixed residential customer charge, could have a disparate impact on smaller households, with limited economic means. (CAUSE-PA Pet. to Intervene at ¶ 16). Under the terms of the Settlement, the residential (fixed) customer charge will be set at \$10.75 (Joint Pet. at ¶ 49). UGI initially proposed a customer charge of \$13.50. CAUSE-PA supports this provision and recommends that the Commission approve it. Limiting the amount of the fixed charge increase will preserve the ability of low and moderate income households to reduce their bill through energy efficiency and conservation and advance rate equity - helping

ensure consumers with smaller homes and lower usage do not shoulder a disproportionately high rate increase. (OCA St. 4 at 27-30).

D. DSIC REPORTING

CAUSE-PA did not take a formal position in this proceeding on DSIC reporting issues in this proceeding.

E. ACCOUNTING

CAUSE-PA did not take a formal position in this proceeding on accounting issues in this proceeding.

F. UNIVERSAL SERVICE ISSUES

Continued delivery of safe, affordable service is of critical importance to the safety, welfare, and economic stability of all Pennsylvanians – including those with limited financial means. See 66 Pa. C.S. § 2802(9). In recognition of this fact, the law requires utilities to maintain universal service programs that are appropriately funded and accessible to ensure low-income households can reasonably afford to maintain service to their homes. 66 Pa. C.S. § 2802(10), (17), 2803; 2804(9).

As part of the proposed Settlement, UGI will make significant improvements to each of its universal service programs – increasing the availability and accessibility of comprehensive rate assistance to UGI’s low income customers. Specifically, UGI will:

- Increase its annual contribution to its Operation Share (Hardship Fund) program by \$30,000 (Joint Pet. at ¶ 58), helping to ensure a greater level of assistance is available to address the increased need for rate assistance driven by UGI’s rate increase.
- Increase its maximum hardship fund grant size from \$400 to \$600 (id.), helping to ensure the availability of expanded emergency grant assistance to serve the increased need for assistance as a result of UGI’s rate increase.
- Issue a Request for Proposal to expand the availability of usage reduction services to an additional 30 low income homes (Joint Pet. at ¶ 59(a)), helping to remediate

disproportionate impacts of the proposed rate increase on high-usage, low income households.

- Expand the availability of LIURP services to households with income between 151-200% of the federal poverty level (Joint Pet. at ¶ 59(b)), helping ensure households with income just over the guidelines for UGI’s Customer Assistance Program have greater access to usage reduction services necessary to help control their utility costs.
- Improve CAP outreach to customers who may be eligible for the program based on self-reported income within the prior year (Joint Pet. at ¶ 60(a)), helping to increase UGI’s low CAP enrollment rates.
- Ensure winter termination protections are applied to all households that have self-reported that their income is at or below 250% of the federal poverty level (Joint Pet. at ¶ 60(b)), helping to ensure that a greater number of economically vulnerable households are protected from termination in the cold winter months.
- Improve cross-enrollment in the federal Low Income Household Energy Assistance Program (LIHEAP) and UGI’s Customer Assistance Program (Joint Pet. at ¶ 60(c)), helping to improve low CAP enrollment rates and leverage available federal assistance.

CAUSE-PA supports these provisions of the Settlement for the reasons identified in each bullet above, and recommends they be approved to help mitigate the impact of UGI’s rate increase on low-income customers and improve the availability and accessibility of UGI’s universal service programs to those in need. Each provision outlined above will meaningfully expand the availability of comprehensive bill assistance to UGI’s low income customers – helping to mitigate the significant financial impact of the rate increase on low income consumers and, in turn, improve the health and safety of UGI’s low income customers. (OCA St. 4 at 11-12, 18-22 (analyzing the financial impact of UGI’s proposed rate increase on low income customers, and the consequences of energy insecurity to the health and safety of low income families)).

IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST

This Settlement takes rate affordability into account by reducing the overall rate increase, expanding the scope and reach of UGI’s universal service programs, and limiting increases to the

fixed customer charge. While rates will still increase for residential consumers, CAUSE-PA asserts that the enhancements contained in the Settlement reasonably balance a range of interests in this proceeding and will help vulnerable low-income consumers to access available assistance programs. The Settlement also helps preserve limited resources of the Company, the Commission, and the parties to this proceeding by eliminating the need for further litigation and possible appeal. Thus, CAUSE-PA asserts that the terms of the proposed Settlement are in the public interest and should be approved.

IV. CONCLUSION

CAUSE-PA submits that the proposed Settlement, which was achieved by the Joint Petitioners after an extensive investigation of UGI's filing and negotiations amongst the parties, is in the public interest, as it reasonably balances the interests in this proceeding and mitigates the impact of the approved rate increase on UGI's most economically vulnerable customers. Acceptance of the Settlement avoids the necessity of further administrative and possible appellate proceedings about the settled issues – which would have been undertaken at a substantial cost to the Joint Petitioners and UGI's customers. Accordingly, CAUSE-PA respectfully requests that DCALJ Pell, ALJ Collins, and the Commission approve the Settlement without modification.

Respectfully submitted,
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Date: July 14, 2023

Appendix L
CEO's Statement in Support

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY
COMMISSION, ET AL.

V.

UGI UTILITIES, INC. – ELECTRIC DIVISION

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:
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:
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:

R-2022-3037368

**COMMISSION ON ECONOMIC OPPORTUNITY'S
STATEMENT IN SUPPORT OF JOINT PETITION
FOR APPROVAL OF SETTLEMENT OF ALL ISSUES**

NOW COMES the Intervenor, the Commission on Economic Opportunity (CEO) and files this Statement in Support of the Joint Petition for Approval of Settlement of All Issues in the above-captioned matter and agrees to its terms based upon the following:

1. CEO is a not-for-profit Pennsylvania corporation and an advocate for its clients - the low-income population of Luzerne County.

2. CEO intervened in the above-captioned matter to address the adequacy of the Company's programs for its low-income customers and the effect of any proposed rate increase or change in rate structure on those programs and customers.

3. Although CEO joins in the settlement of all issues, this Statement in Support will address only those issues that CEO addressed in its intervention and testimony.

4. CEO supports the Joint Petition for Approval of Settlement of All Issues and believes that it is in compliance with the applicable laws and regulations and serves the public interest based upon the following:

A. The Settlement reduces the amount of the rate increase to the residential class from that which was proposed originally in the Company's filing. As originally filed, the Company sought a rate increase that would have increased a typical residential

customer's bill by 8.9%. Under the settlement, a typical residential customer's bill will increase by 6.2%, a significant reduction, especially to the Company's low-income customers.

B. The Company proposed in its initial filing to increase its fixed monthly residential customer charge from \$9.50 to \$13.50. Such an increase in the fixed charge would have lessened the motive and ability of the residential class to conserve energy and reduce their monthly bill. The Settlement lessens such a negative impact in that it provides that the fixed monthly residential customer charge will set at \$10.75;

C. Under the proposed settlement, the Company will issue an RFP seeking to increase the capacity of its LIURP contractors to perform twenty (20) additional baseload jobs and ten (10) additional heating jobs under its LIURP program. Additional LIURP jobs will help low-income customers conserve energy to offset the impact of the resulting rate increase.

D. This settlement is consistent with the Commission's obligation to ensure that universal service programs are appropriately funded and available, that energy conservation measures are promoted and available to consumers, particularly low-income consumers.

Respectfully submitted,



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