

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

Public Meeting held March 14, 2024

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

Petition of UGI Utilities, Inc. – Gas Division
for Approval to Extend its Phase I Energy Efficiency
and Conservation Plan by One Year

Docket No. R-2018-3006814

OPINION AND ORDER

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Petition of UGI Utilities, Inc. – Gas Division (UGI Gas or the Company) to Extend its Phase I Energy Efficiency and Conservation (EE&C) Plan for a period of one year, *i.e.*, until September 30, 2025. As explained herein, the one-year extension will allow additional time for a thorough review of UGI Gas’s forthcoming Petition for Approval of its Phase II EE&C Plan and help conserve the Company’s and interested parties’ time and resources in a period with many other time-consuming procedural matters coming before the Commission. The extension will also enable a seamless continuation for the Company’s customers to reduce their gas consumption by implementing the EE&C measures offered under UGI Gas’s current Phase I EE&C Plan. The Commission has not received any comments opposing UGI

Gas's request for the one-year extension. For the reasons discussed below, the Commission will grant UGI Gas's Petition.

Background

UGI Gas is a public utility and a natural gas distribution company, as those terms are defined in Sections 102 and 2202 of the Public Utility Code, 66 Pa. C.S. §§ 102, 2202.

On January 28, 2019, UGI Gas filed its 2019 base rate case, at Docket No. R-2018-3006814, which included its consolidated EE&C Plan that was based on the Company's then existing two voluntary gas EE&C Plans for its former North and South rate districts.¹ The consolidated EE&C Plan is currently effective from October 1, 2019 until September 30, 2024, and extends the Company's EE&C program and measure offerings to its entire UGI Gas service territory.

On October 4, 2019, UGI Gas's consolidated EE&C Plan was approved by the Commission, as part of the 2019 base rate proceeding as modified by the Settlement, at Docket No. R-2018-3006814.²

On January 29, 2021, UGI Gas filed its Annual Report for Program Year 1 (PY1) of the EE&C Plan.

On June 23, 2021, UGI Gas filed a Petition to Modify its Phase I EE&C Plan, which proposed minor changes to the EE&C Plan.

¹ See Docket No. R-2015-2518438, former South rate district's approved EE&C Plan and Docket No. R-2016-2580030, former North rate district's approved EE&C Plan.

² See Opinion and Order entered October 4, 2019 at Docket No. R-2018-3006814, at 10, 30, 32.

On July 21, 2021, the Commission issued a Secretarial Letter approving the Petition to Modify and directing the Company to file a revised EE&C Plan within 30 days that incorporated the minor changes that were approved.

On July 23, 2021, UGI Gas filed the revised EE&C Plan pursuant to the July 21, 2021 Secretarial Letter.

On January 11, 2022, UGI Gas filed its Annual Report for PY2 of the EE&C Plan.

On January 26, 2023, UGI Gas filed its Annual Report for PY3 of the EE&C Plan.

On January 31, 2024, UGI Gas filed its Annual Report for PY4 of the EE&C Plan.

Current Petition

On February 7, 2024, UGI Gas filed a Petition requesting that the Commission extend its Phase I EE&C Plan by one year. Specifically, the Company proposed the following:

- a. The Company's Phase I EE&C Plan is set to expire on September 30, 2024; it is reasonable and in the public interest that the current Phase I EE&C Plan be extended by one year;
- b. The extension year would utilize budget and program details identical to Phase I, PY5. This would allow a seamless transition with consistent program metrics for reporting purposes and would help ensure currently engaged contractor resources are available;
- c. The Phase I EE&C Plan has enabled customers to take advantage of six programs that offer a wide range of energy efficiency and conservation measures and education initiatives. UGI Gas seeks to continue to allow

- customers to take advantage of the Company's Phase I EE&C programs, so that customers can continue to benefit from reduced gas consumption;
- d. A one-year extension will help conserve the Company's and interested parties' time and resources. In the alternative, in order to obtain Commission approval of a Phase II EE&C Plan before the Phase I EE&C Plan terminates on September 30, 2024, UGI Gas would have to pursue an expedited litigation schedule for its Phase II EE&C Plan. Such expedited litigation schedules are common in EE&C Plan proceedings. However, based on discussions with stakeholders, extending the current Phase I EE&C Plan by one year will enable the Company and interested parties to conserve time and resources that are already strained and will be further strained by several major procedural matters before the Commission this year. It will also ensure that the Phase II EE&C Plan receives the appropriate level of review. Thus, a one-year extension will enable the parties to litigate the Phase II EE&C Plan using a less strenuous schedule that is not compounded by impacts related to voluminous additional procedural matters which are running, or anticipated to run, concurrently;
- e. No changes to UGI Gas's Rider G – Energy Efficiency and Conservation Rider (EEC Rider) are needed to approve the instant Petition. The tariff already contemplates the Company's recovery of the costs related to its Phase I EE&C Plan and does not specify a set number of years for the EE&C Plan. As set forth in the Company's Commission approved tariff, the EEC Rider will remain subject to annual review and reconciliation. As part of this Petition, the Company would apply the budget from its fifth year to the extension year, with no alterations to the programs or funding levels;
- f. To move forward without delay, the extension must be granted without any modification of the budget and program details of the Phase I EE&C Plan. If any modification is requested, UGI Gas requests that the Commission

deny any such request, as any proposed modifications can be fully addressed in the upcoming Phase II EE&C proceeding; and

- g. To the extent that any party files an answer in opposition or requesting modification, UGI Gas will be prepared to file its Petition for Approval of the Phase II EE&C Plan on March 1, 2024, with a requested proposed effective date of October 1, 2024. If no party opposes this Petition, then UGI Gas will file its Petition for Approval of the Phase II EE&C Plan on or before April 15, 2024, seeking an effective date of October 1, 2025.
Petition at 2-5.

Prior to filing and as part of planning for the Company's Phase II EE&C Plan, UGI Gas consulted with the Office of Consumer Advocate (OCA) and the Office of Small Business Advocate (OSBA), and as a part of those discussions, developed the proposed one-year extension. The Company's understanding is that the OCA and OSBA do not oppose the one-year extension. On February 9, 2024, the OCA filed a letter supporting UGI Gas's Petition requesting a one-year extension of its Phase I EE&C Plan. No other responses were filed.

Discussion

By this Petition, UGI Gas seeks approval to extend its current Phase I EE&C Plan by one year. First, the Company notes that the extension is reasonable and in the public interest and necessary because the Phase I EE&C Plan is set to expire on September 30, 2024. A one-year extension will help conserve the Company's and interested parties' time and resources. In the alternative, in order to obtain Commission approval of a Phase II EE&C Plan before the Phase I EE&C Plan terminates on September 30, 2024, UGI Gas would have to pursue an expedited litigation schedule for its Phase II EE&C Plan.
Petition at 3-4.

Second, UGI Gas states that the extension year would utilize budget and program details identical to Phase I, PY5. This would allow a seamless transition with consistent program metrics for reporting purposes and would help ensure currently engaged contractor resources are available. Petition at 3.

Third, the Company avers that the Phase I EE&C Plan has enabled customers to take advantage of six programs that offer a wide range of energy efficiency and conservation measures and education initiatives. UGI Gas seeks to continue to allow customers to take advantage of the Company's Phase I EE&C programs, so that customers can continue to benefit from reduced gas consumption. Petition at 4.

Fourth, UGI Gas states that no changes to the Company's EEC Rider are needed to approve the instant Petition. The tariff already contemplates the Company's recovery of the costs related to its Phase I EE&C Plan and does not specify a set number of years for the EE&C Plan. As set forth in the Company's Commission approved tariff, the EEC Rider will remain subject to annual review and reconciliation. As part of this Petition, the Company would apply the budget from its fifth year to the extension year, with no alterations to the programs or funding levels. Petition at 4.

Disposition

Upon review of the record in this proceeding and the applicable law, we find that the Petition filed by UGI Gas to extend its current Phase I EE&C Plan by one year is reasonable, appropriate under the circumstances, in the public interest, and should be approved.

No objections to this Petition have been received. Accordingly, we shall approve UGI Gas's request for a one-year extension of its current Phase I Energy Efficiency and Conservation Plan, until September 30, 2025.

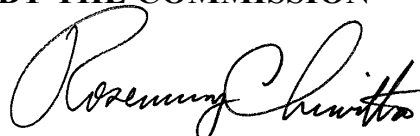
Conclusion

In light of the above discussion, we shall grant UGI Gas's Petition to extend its current Phase I Energy Efficiency and Conservation Plan by one year, consistent with the discussion in this Opinion and Order; **THEREFORE,**

IT IS ORDERED:

1. That the Petition of UGI Utilities, Inc. – Gas Division to extend its current Phase I Energy Efficiency and Conservation Plan until September 30, 2025, at Docket No. R-2018-3006814, is granted and approved, consistent with this Opinion and Order.
2. That a copy of this Order be served on the Office of Consumer Advocate, the Office of Small Business Advocate, the Commission's Bureau of Investigation and Enforcement, and all parties of record.
3. That this proceeding at Docket No. R-2018-3006814 be closed.

BY THE COMMISSION



Rosemary Chiavetta
Secretary

(SEAL)

ORDER ADOPTED: March 14, 2024

ORDER ENTERED: March 14, 2024