

COMMONWEALTH OF PENNSYLVANIA



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May 6, 2024

**Via Electronic Filing**

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

Re: Petition of UGI Utilities, Inc. – Gas  
Division for Approval of Phase II of its  
Energy Efficiency and Conservation  
Plan; Docket No. M-2024-3048418

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Answer to the Petition of UGI Utilities Inc., Notice of Intervention, and Public Statement in the above-referenced proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Melanie Joy El Atieh  
Melanie Joy El Atieh  
Deputy Consumer Advocate  
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Enclosures:

cc: Office of Administrative Law Judge (email only: [crainey@pa.gov](mailto:crainey@pa.gov))  
Certificate of Service

CERTIFICATE OF SERVICE

Petition of UGI Utilities, Inc. – Gas :  
Division for Approval of Phase II of its : Docket No. M-2024-3048418  
Energy Efficiency and Conservation Plan :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Answer to Petition, Notice of Intervention, and Public Statement upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below. This document was filed electronically on the Commission’s electronic filing system.

Dated this 6<sup>th</sup> day of May 2024.

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Date: May 6, 2024

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of UGI Utilities, Inc. – Gas :  
Division for Approval of Phase II of its : Docket No. M-2024-3048418  
Energy Efficiency and Conservation Plan :

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ANSWER OF THE  
OFFICE OF CONSUMER ADVOCATE

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**I. INTRODUCTION**

The Office of Consumer Advocate (OCA) hereby files this Answer in accordance with Section 5.61 of the Commission’s regulations at 52 Pa. Code § 5.61 to the Petition filed on April 15, 2024, by UGI Utilities, Inc. – Gas Division (UGI Gas or Company) seeking approval of its Phase II, voluntary Energy Efficiency and Conservation Plan for the period of October 1, 2025, through September 30, 2030 (Phase II EE&C Plan or Plan).

The OCA is a statutory advocate with authority and duty to, *inter alia*, represent the interest of consumers as a party before the Pennsylvania Public Utility Commission (Commission) in any matter properly before the Commission in connection with any matter involving regulation by the Commission. 71 P.S. § 309-4.

**II. ANSWER**

Below are the OCA’s responses to UGI’s numbered paragraphs in the Petition.

**Introduction**

¶¶ 1—15. Admitted.

¶¶ 16 – 17. The averments of Paragraphs 16 and 17 contain summaries of UGI’s request for relief to which no response is required. To the extent a response is required, the averments of Paragraph 16, that Phase I was a “success,” are denied, and strict proof thereof is demanded.

### **Legal Requirements**

¶¶ 18—22. The averments of Paragraph 18 contain conclusions of law to which no response is required. By way of further response, Act 129, the Commission’s December 23, 2009, Secretarial Letter, and the Commission’s Phase IV *Implementation Order* speak for themselves. *See* Act 129 of 2008, P.L. 1592, 66 Pa.C.S §§ 2806.1 and 2806.2 (Act 129); *see also Re: Voluntary Energy Efficiency and Conservation Program*, Docket No. M-2009-2142851 (Dec. 23, 2009) (*EE&C Secretarial Letter*); *see also Energy Efficiency and Conservation Program*, Docket No. M-2020-3015228 (Implementation Order entered M-2020-3015228) (*Phase IV Final Implementation Order*).

By way of further response, other applicable law includes Section 1501 of the Public Utility Code, which requires public utility “service” to be adequate, efficient, and reasonable. 66 Pa.C.S. §§ 102 (definition of service), 1501 (character of service and facilities). Additionally, the Commission is statutorily obligated to “take such action with due consideration to the interest of consumers.” 71 P.S. § 309-5.

By way of further response, regarding cost recovery through rates, the Commission stated that it will permit the recovery of all “reasonable and prudent costs”<sup>1</sup> incurred in implementing and managing a voluntary EE&C plan through a Section 1307 automatic adjustment clause that is subject to annual review and reconciliation. *December 23, 2009 Secretarial Letter* at 2 (citing 66 Pa.C.S. § 1307). Noting that Act 129’s mandatory cost limits are not applicable to voluntary EE&C

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<sup>1</sup> Any rate demanded by a public utility shall be just and reasonable and in conformity with regulations or orders of the commission. 66 Pa.C.S. § 1301(a).

plans, the Commission nevertheless stated that an EDC submitting such a plan must justify the level of expenditures it proposes whether they meet the Act 129 cost limits or not. *December 23, 2009 Secretarial Letter* at 2. The Commission further directed that recoverable costs must be “allocated to the customer rate class that receives the benefit of any particular EE&C plan measure to avoid inter-class cost subsidies.” *December 23, 2009 Secretarial Letter* at 2. Finally, while recognizing that the Act 129 Program’s complexity and comprehensiveness may not be appropriate for smaller EDCs to follow due to the costs of EE&C measures and plans that must be supported by a smaller customer base, the Commission nevertheless stated that its evaluation of a voluntary EE&C plan will look to the Act 129 Program and apply elements of that Program where it is prudent and cost-effective.

#### **Overview of UGI Gas’s Phase II Plan**

¶¶ 23-28. The averments of Paragraphs 23 through 28 contain summaries of UGI Gas’s request for relief to which no response is required. To the extent a response is required, the averments of Paragraph 23 through 28 are denied, and strict proof thereof is demanded.

¶ 29. The averments of Paragraph 29 contain summaries of UGI’s request for relief to which no response is required. By way of further response, the OCA admits that the Company included two multi-page documents titled “UGI Gas Statement No. 1” and “UGI Gas Statement No. 2” with the *Petition*. To the extent a response is required, the averments regarding “Statement No. 1” and “Statement No. 2” are denied, and strict proof thereof is demanded.

¶ 30. The averments of Paragraph 30 contain summaries of UGI’s request for relief to which no response is required. By way of further response, the OCA admits that the Company included a multi-page page document titled “UGI Gas Exhibit 2” with the *Petition*. To the extent

a response is required, the averments regarding “Exhibit 2” are denied, and strict proof thereof is demanded.

¶¶ 31. The averments of Paragraph 31 contain summaries of UGI’s request for relief to which no response is required. To the extent a response is required, the averments of Paragraph 31 are denied, and strict proof thereof is demanded.

### **EE&C Plan Development Process**

¶¶ 32–37. The averments of Paragraphs 32 through 37 contain summaries of UGI’s request for relief to which no response is required. To the extent a response is required, the averments of Paragraphs 32 through 37 are denied, and strict proof thereof is demanded.

### **Description of the Phase II EE&C Plan**

¶¶ 38–49. The averments of Paragraphs 38 through 49 contain summaries of UGI’s request for relief to which no response is required. To the extent a response is required, the averments of Paragraphs 38 through 49 are denied, and strict proof thereof is demanded.

### **Implementation Strategy**

¶¶ 50–51. The averments of Paragraphs 50 and 51 contain summaries of UGI Gas’s request for relief to which no response is required. To the extent a response is required, the averments of Paragraph 50 are denied, and strict proof thereof is demanded.

### **Public Interest Determination and Request for Relief**

¶¶ 52–54. The averments of Paragraphs 52 through 54 contain summaries of UGI’s request for relief to which no response is required. To the extent a response is required, the averments of Paragraph 52 are denied, and strict proof thereof is demanded.

**Conclusion**

In view of the foregoing, the Office of Consumer Advocate respectfully requests that the Pennsylvania Public Utility Commission assign this matter to the Office of Administrative Law to hold appropriate proceedings that will result in the preparation of an initial decision and grant such other relief as may be necessary or appropriate.

Respectfully submitted,

*/s/ Melanie Joy El Atieh*  
Melanie Joy El Atieh  
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Darryl Lawrence  
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Counsel for:  
Patrick M. Cicero  
Consumer Advocate

DATED: May 6, 2024

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of UGI Utilities, Inc. – Gas :  
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Energy Efficiency and Conservation Plan :

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**NOTICE OF INTERVENTION  
OF THE OFFICE OF CONSUMER ADVOCATE**

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The Office of Consumer Advocate (OCA) files this Notice of Intervention with respect to the Petition of UGI Utilities, Inc. – Gas Division for Approval of Phase II of its Energy Efficiency and Conversation Plan that was filed with the Pennsylvania Public Utility Commission (Commission) on April 15, 2024. In support of this Notice of Intervention, the OCA avers as follows:

1. The OCA is a statutory advocate with authority and duty to, *inter alia*, represent the interest of consumers as a party before the Commission in any matter properly before the Commission in connection with any matter involving regulation by the Commission. 71 P.S. § 309-4.

2. Representing the OCA in this proceeding are:

Melanie Joy El Atieh  
Deputy Consumer Advocate  
[MElAtieh@paoca.org](mailto:MElAtieh@paoca.org)

Darryl Lawrence  
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Respectfully submitted,

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Counsel for:  
Patrick M. Cicero  
Consumer Advocate

DATED: May 6, 2024

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of UGI Utilities, Inc. – Gas :  
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**PUBLIC STATEMENT OF  
THE OFFICE OF CONSUMER ADVOCATE  
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 Pa. C.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file an Answer and participate in proceedings before the Commission involving the Petition of UGI Utilities, Inc. – Gas Division (Company) filed on April 15, 2024, in the above-captioned docket, seeking approval of Phase II of the Company’s voluntary Energy Efficiency and Conversation (“EE&C”) Plan.

The objective of the Consumer Advocate in filing an Answer in this matter is to protect the interests of the Company’s customers. The Consumer Advocate will seek to ensure that the Plan complies with all applicable law and Commission orders and specifically review the following issues: (1) the effectiveness and reasonableness of the proposed EE&C programs; (2) the reasonableness of the forecasted participation in and savings resulting from the proposed EE&C programs; (3) the cost-effectiveness of the Plan; (4) whether the proposed spending and cost allocations among residential, including low-income, and non-residential customers are consistent with the Commission’s prior guidance, reasonable, and in the interests of consumers; (5) the ability for low-income customers to participate in the Plan; and (6) whether the proposed cost recovery mechanism in Phase II is reasonable. The OCA reserves the right to address any other issue that is raised in the Petition based on any relevant evidence that is gathered during the discovery process.

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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VERIFICATION

I, Patrick M. Cicero, hereby state that the facts set forth in the Office of Consumer Advocate’s Answer to the Petition of UGI Gas, Inc. – Gas Division, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: May 6, 2024

Signature:   
\_\_\_\_\_  
Patrick M. Cicero  
Consumer Advocate

Address: Office of Consumer Advocate  
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