

COMMONWEALTH OF PENNSYLVANIA



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January 16, 2025

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 Prehearing Memorandum.

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

Respectfully,

/s/ Darryl A. Lawrence

Darryl A. Lawrence
Senior Assistant Consumer Advocate
Pa. Attorney I.D. # 93682
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Enclosures:

cc: Honorable Steven K. Haas (email only: sthaas@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 Prehearing Memorandum, 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 16th day of January 2025.

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Date: January 16, 2025

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 :

PREHEARING MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to the Prehearing Conference Notice issued on January 14, 2025, in the above-captioned proceeding, by the Honorable Administrative Law Judge (ALJ) Steven K. Haas, of the Office of Administrative Law Judge (OALJ) of the Pennsylvania Public Utility Commission (Commission), and pursuant to Section 333 of the Public Utility Code (Code), 66 Pa. C.S. § 333, the Commission’s regulations at 52 Pa. Code §§ 5.221-5.224, the Pennsylvania Office of Consumer Advocate (OCA) submits the following Prehearing Conference Memorandum.

I. INTRODUCTION

On April 15, 2024, UGI Utilities, Inc. – Gas Division (UGI Gas) filed its Petition for Approval (Petition) of its Phase II Energy Efficiency and Conservation Plan (Plan or Phase II Plan) which includes a broad portfolio of energy efficiency programs, conservation practices, and energy education initiatives for the five-year period beginning October 1, 2025, through September 30, 2030. Petition at 1. These integrated programs are designed to help customers reduce their energy consumption in a cost-effective manner over the five-year duration of the Plan. The Phase II Plan builds upon the Company’s current plan that the Commission approved in UGI Gas’s 2019 base

rate proceeding (Phase I Plan).¹ It consists of four natural gas efficiency programs and one combined heat and power (CHP) program. Petition at 1. The Plan contains the same types of programs, Technical Reference Manual (TRM), and TRC Test that are employed in the Phase I Plan. Petition at 6.

On May 3, 2024, the Office of Small Business Advocate (OSBA) filed an Answer and Public Statement.

On May 6, 2024, the OCA filed an Answer, and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a Petition to Intervene and Answer.

With the ALJ's approval, the parties engaged in settlement discussions.

In early January 2024, the Parties advised ALJ Haas that they believed it would be prudent to schedule a prehearing conference and set a procedural schedule for this matter.

On January 14, 2025, ALJ Haas issued a Telephonic Prehearing Conference Notice (Notice) scheduling a prehearing conference in this matter for January 17, 2025, and requiring that the parties submit prehearing conference memoranda on or before January 16, 2025.

II. ISSUES

In its Petition and Phase II Plan, UGI Gas asserts the TRM's portfolio of programs is designed to provide customer benefits and to meet targeted energy consumption reduction goals established by UGI Gas to be reasonably achievable. Petition at 6. UGI Gas also claims that over the five years of the Plan, it plans to spend \$69.5 million on four energy efficiency programs and one CHP program (all dollars are nominal unless otherwise noted). Petition at 6. Finally, UGI Gas asserts that its proposed EE&C Portfolio is cost-effective, providing \$67.8 million in net resource

¹ See *Pa. PUC v. UGI Utilities, Inc.*, Docket No. R-2018-3006814 (Order entered Oct. 4, 2019) (“*2019 Rate Case Order*”).

benefits with a Total Resource Cost (TRC) benefit cost ratio (BCR) of 1.57, which generally increases the economic wellbeing of UGI Gas's customers. Petition at 6.

The OCA has been reviewing and plans to continue reviewing the proposed Phase II Plan and the proposed programs therein to verify the accuracy of the claims made by UGI Gas. Specifically, the OCA will review the following: (1) whether the proposed consolidation and extension of the program is reasonable and appropriate; (2) whether the design of the program measures is reasonable and appropriate; (3) whether the proposed cost recovery mechanisms, including the proposed budgets, are reasonable; (4) whether the proposed program measures, including the cost-effectiveness of the Plan, are reasonable as measured by the Total Resource Cost (TRC) test; (5) whether low-income and multifamily customers are appropriately included in the Plan; and (6) whether the proposed measurement and verification and evaluation plan is appropriate and reasonable. The OCA also will review the Phase II Plan to determine if any proposed changes from the Phase I Plan, as approved in the 2019 Rate Case Order, are reasonable and in the interests of consumers.

The OCA reserves the right to raise and address any other issue that affects the interests of utility consumers arising from the Petition and Phase II Plan based on any relevant evidence that is gathered during the discovery process.

III. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimonies, as may be necessary, of the below witness. The OCA's witness will present testimony in written form and will attach various exhibits, documents, and explanatory information, as may be necessary. In order to expedite the resolution of this proceeding, the OCA requests that copies of all

interrogatories, comments, and answers to interrogatories be mailed directly to the expert witness as well as to counsel for the OCA.

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IV. DISCOVERY

The OCA proposes the following modifications to the Commission's procedural rules regarding discovery. The OCA requests that the Presiding Officers direct that the modifications will take effect when addressed during the on the record prehearing conference and apply to all future discovery requests served on and after the date of the prehearing conference (January 17, 2025). The OCA also requests that any outstanding interrogatories or requests for admissions are due no later than 10 calendar days after the Prehearing Conference, in accordance with Paragraph A below.

- A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing to the propounding party within five (5) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) calendar days of service of such motions.

- E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.
- G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After rebuttal is served, the OCA proposes that the deadlines should be reduced as follows:

- A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) calendar days of service of the interrogatories or requests for production.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) calendar days of service; unresolved objections shall be served on the propounding party in writing within three (3) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within two (2) calendar days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within two (2) calendar days of service of such motions.
- E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

V. SERVICE ON THE OCA

The OCA will be represented in this proceeding by Darryl A. Lawrence, Senior Assistant Consumer Advocate, Ryan Morden, Assistant Consumer Advocate, and Melanie Joy El Atieh,

Deputy Consumer Advocate. The OCA asks that all documents should be served by electronic mail (e-mail) on the OCA as follows:

OCAUGIGASEEC2024@paoca.org

For the purposes of the Prehearing Conference, Mr. Lawrence will be the primary attorney speaking on behalf of the OCA.

VI. PROPOSED SCHEDULE

The OCA worked with the Company and the other Parties on a procedural schedule that has been supplied to ALJ Haas, as follows:

Friday, January 17, 2025	Prehearing Conference
Tuesday, February 11, 2025	Other Parties' Direct Testimony
Tuesday, March 4, 2025	Service of Rebuttal Testimony
Tuesday, March 25, 2025	Service of Surrebuttal Testimony
Thursday, March 27, 2025	Evidentiary Hearing
Thursday, April 17, 2025	Filing and Service of Main Briefs
Thursday, May 1, 2025	Filing and Service of Reply Briefs and/or Petition for Settlement with Statements in Support

VII. SETTLEMENT

The OCA is willing to participate in settlement discussions.

Respectfully submitted,

/s/ Ryan Morden

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DATED: January 16, 2025