



**Michael S. Swerling, Esq.**

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

Post Office Box 858  
Valley Forge, PA 19482-0858

(610) 992-3763 (o)  
swerlingm@ugicorp.com

April 1, 2025

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105

**Re: Petition of UGI Utilities, Inc. – Gas Divisions for Limited Waivers of 52 Pa. Code §§  
58.10(a)(1) and 58.11(a), Docket No. ~~M-2025~~**

M-2025-3054362-AEL-4/2/25

Dear Secretary Chiavetta:

Enclosed for filing at the above-referenced docket is the Petition of UGI Utilities, Inc. – Gas Division for Limited Waivers of 52 Pa. Code §§ 58.10(a)(1) and 58.11(a). The Universal Service and Energy Conservation Plan ("USECP") for UGI Utilities, Inc. - Gas Division and UGI Utilities, Inc.- Electric Division (collectively, the "UGI Companies") is being concurrently filed at the same docket and should be considered in concert with this filing.

Very truly yours,

/s/ Michael S. Swerling

Michael S. Swerling  
Counsel for UGI Utilities, Inc.

cc: Joseph Magee, BCS, via email: [jmagee@pa.gov](mailto:jmagee@pa.gov)  
Louise Fink Smooth, Law Bureau, via email: [finksmith@pa.gov](mailto:finksmith@pa.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that I have, this 1<sup>st</sup> day of April 2025, served a true and correct copy of the foregoing document in the manner and upon the persons listed below in accordance with requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

**VIA ELECTRONIC MAIL:**

Allison Kaster, Esquire  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
PO Box 3265  
Harrisburg, PA 17105-3265  
E-mail: akaster@pa.gov

NazAarah Sabree  
Office of Small Business Advocate  
555 Walnut Street  
Forum Place, 1st Floor  
Harrisburg, PA 17101  
E-mail: ra-sba@pa.gov

Darryl Lawrence, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923  
E-mail: dlawrence@paoca.org

Elizabeth R. Marx, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
E-mail: pulp@palegalaid.net  
CAUSE-PA

Dated: April 1, 2025

/s/ Michael S. Swerling

Michael S. Swerling

**BEFORE THE PENNSYLVANIA PUBLIC  
UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Gas	:	
Division for Limited Waiver of	:	Docket No. P-2025-
52 Pa. Code §§ 58.10(a)(1) and	:	Docket No. <del>M-2024-</del>
58.11(a)	:	M-2025-3054362-AEL-4/2/25

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**PETITION OF UGI UTILITIES, INC. – GAS DIVISION  
FOR LIMITED WAIVERS OF 52 PA. CODE §§ 58.10(a)(1)  
AND 58.11(a)**

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Pursuant to 52 Pa. Code §§ 5.41 and 5.43, UGI Utilities, Inc. – Gas Division ("UGI Gas" or the "Company") hereby petitions the Pennsylvania Public Utility Commission ("Commission") for limited waivers of certain Low Income Usage Reduction Program ("LIURP") regulations. Specifically, for LIURP projects involving furnace repairs or replacements, UGI Gas respectfully requests limited waivers of: (1) the high use eligibility criteria under 52 Pa. Code § 58.10(a)(1); and (2) the payback period requirements under 52 Pa. Code § 58.11(a). The limited waivers are being requested in accordance with and during the term of the Company's 2026-2030 Universal Services and Energy Efficiency Plan ("USECP"), which is being filed concurrently with this petition. In support of the requested relief, UGI Gas states as follows:

**I. INTRODUCTION**

1. UGI Gas is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. UGI Gas is a "public utility" and "natural gas distribution company" as defined by the Public Utility Code and is subject to the regulatory jurisdiction of

the Commission. See 66 Pa. C.S. §§ 102, 2202. UGI Gas provides natural gas service to approximately 628,000 residential customers in 46 Pennsylvania counties.

2. The name and address of UGI Gas's attorney is as follows:

Michael S. Swerling (ID#  
94748) UGI Corporation  
500 North Gulph Road  
King of Prussia, PA 19406  
Phone: 610-992-3763  
E-mail: [swerlingm@ugicorp.com](mailto:swerlingm@ugicorp.com)

## **II. BACKGROUND**

3. Concurrent with the filing of the instant Petition, the Company is jointly filing its USECP for the five-year period January 1, 2026 through December 31, 2030. The new USECP supersedes the USECP for the six year period January 1, 2020 through December 31, 2025, that was approved by Commission Orders entered January 16, 2020, and subsequent amendments thereto approved by the Commission at Docket No. M-2019-3014966 by Order entered June 16, 2022.

4. The USECP sets forth the rules, terms and conditions, and funding levels under which UGI Gas will administer its universal service and energy conservation programs and policies ("Universal Service Programs" or "USPs") to eligible customers for the five-year period beginning January 1, 2026.

5. UGI Gas's USECP includes: (1) the Customer Assistance and Referral Evaluation Services ("CARES") Program; (2) the Hardship Fund or the "Operation Share Energy Fund"; (3) the Customer Assistance Program ("CAP"); and (4) LIURP.

## **III. THE COMMISSION'S AUTHORITY TO GRANT REGULATORY WAIVERS**

6. The Commission has the authority to grant the waivers requested in the instant Petition.

7. It is well settled that a public utility must comply with the Commission's regulations and orders. See 66 Pa. C.S. § 1501. However, the Commission has the authority to grant waivers of its regulations. See 52 Pa. Code § 5.43.

8. Section 5.43(a) of the Commission's regulations explicitly affords the Commission the ability to waive a provision of its regulations. In pertinent part, Section 5.43(a) states:

A petition to the Commission for the...waiver...of a regulation must set forth clearly and concisely the interest of the petitioner in the subject matter, the specific regulation, amendment, waiver or repeal requested, and cite by appropriate reference the statutory provision or other authority involved. The petition must set forth the purpose of, and the facts claimed to constitute the grounds requiring the regulation, amendment, waiver or repeal.

9. Indeed, the Commission previously has granted waivers of the payback period requirements under 52 Pa. Code § 58.11(a). See PECO Energy Company Universal Service and Energy Conservation Plan for 2016-2018 Submitted in Compliance with 52 Pa. Code §§ 54.74 and 62.4, pp. 46-48 (Order Entered Aug. 11, 2016) (approving a partial waiver of the payback period requirements under Section 58.11(a) for PECO's de facto heating pilot program); West Penn Power Universal Service and Energy Conservation Plan for 2015-2018, et al., Docket Nos. M-2014-2407728, et al., pp. 47-48 (Order Entered May 19, 2015) (approving a partial waiver of the payback period requirements under Section 58.11(a) for the FirstEnergy Companies' "heating jobs" that "the audit indicates should receive comprehensive measures"); and UGI Utilities, Inc.

– Gas Division, USECP for 2018-2020. Docket Nos. M-2017-2598190, et al. (Order entered Aug. 9, 2019) (approving partial waivers of the high usage criteria in Section 59.10(a) and the payback requirements in Section 58.11(a)).

#### IV. THE COMPANY'S PETITION FOR LIMITED WAIVERS

10. Section 58.10(a)(1) states:

(a) Priority for receipt of program services shall be determined as follows:

(1) Among eligible customers, those with the largest usage and greatest opportunities for bill reductions relative to the cost of providing program services shall receive services first. When prioritizing eligible customers by usage level, several factors shall be considered when feasible. These factors include: the size of the dwelling, the number of occupants and the end uses of the utility service. When prioritizing eligible customers by opportunities for bill reductions, utility rate factors which may tend to limit (for example, declining block rates) or facilitate, for example, time-of-day rates or heating rates, bill reductions somewhat independently of absolute usage levels should be considered.

Id. § 58.10(a)(1) (emphasis added).

11. Section 58.11(a) states:

(a) If an applicant is eligible to receive program services, an onsite energy survey shall be performed to determine if the installation of program measures would be appropriate. The installation of a program measure is considered appropriate if it is not already present and performing effectively and when the energy savings derived from the installation will result in a simple payback of 7 years or less. A 12-year simple payback criterion shall be utilized for the installation of side wall insulation, attic insulation, space heating system replacement, water heater replacements and refrigerator replacement when the expected lifetime of the measure exceeds the payback period.

Id. § 58.11(a) (emphasis added).

12. In other words, the Commission's regulations would require any furnace repairs or replacements under UGI Gas's LIURP to: (1) be provided first to the eligible customers with the largest usage and greatest opportunities for bill reductions relative to the cost of providing program services; and (2) produce energy savings that result in a simple payback of seven years or less, and 12 years or less for the specified measures. See 52 Pa. Code §§ 58.10(a)(1), 58.11(a).

Limited waivers of these regulations, as requested in this Petition, are in the public interest for several reasons.

13. First, the limited waivers would enable UGI Gas to address the issue of inoperable gas furnaces more fully. Without the waivers, the Commission's regulations effectively would limit the potential for furnace repairs or replacements. For example, even though an eligible customer may have an inoperable gas furnace and is using a less efficient heating source, UGI Gas could have to prioritize other eligible customers and would be unable to repair or replace the furnace unless it would result in a simple seven-year or 12-year payback. Conversely, the limited waivers would allow the Company to repair or replace that customer's inoperable gas furnace.

14. Second, the limited waivers would benefit customers in UGI Gas's service territory who have inoperable gas furnaces and are relying on less efficient heating sources. For example, electric space heaters are more expensive to operate than gas furnaces. However, low-income customers may not be able to afford repairing or replacing their inoperable gas furnaces and, therefore, would be forced to continue using the less efficient electric space heater. If granted, the limited waivers would enable UGI Gas to prioritize the repair or replacement of these customers' inoperable gas furnaces and help those customers reduce their overall energy costs.

15. Third, the scope of the waivers is narrow. UGI Gas only seeks waivers of Sections 58.10(a)(1) and 58.11(a) for eligible customers who have inoperable gas furnaces during the term of the 2026 to 2030 USECP. The Company would still apply the Commission's payback period and high use requirements to all other measures offered under its USECP.

16. Based on the foregoing, UGI Gas respectfully requests that the Commission grant limited waivers of Sections 58.10(a)(1) and 58.11(a) to facilitate the repair or replacement of inoperable gas furnaces in its service territory.

**V. CONCLUSION**

WHEREFORE, for all the foregoing reasons, UGI Utilities, Inc. – Gas Division respectfully requests the Pennsylvania Public Utility Commission approve the instant Petition and grant the waivers requested therein.

Respectfully submitted:

/s/ Michael S. Swerling

Michael S. Swerling  
UGI Corporation  
500 North Gulf Road  
King of Prussia, PA 19406  
Phone: (610) 992-3763  
[swerlingm@ugicorp.com](mailto:swerlingm@ugicorp.com)

*Counsel for UGI Utilities, Inc.*