

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265**

Public Meeting held July 24, 2025

Commissioners Present:

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

UGI Utilities, Inc. – Gas Division  
Universal Service and Energy  
Conservation Plan for 2026-2030

M-2025-3054362

UGI Utilities, Inc. – Electric Division  
Universal Service and Energy  
Conservation Plan for 2026-2030

M-2025-3054366

UGI Utilities, Inc. – Gas Division  
Petition for Limited Waiver of 52 Pa.  
Code § 58.10(a)(1) and 58.11(a)

P-2025-3054381

**ORDER DIRECTING SUPPLEMENTAL INFORMATION AND  
ESTABLISHING COMMENT PERIOD**

**Table of Contents**

**I. BACKGROUND..... 5**

**II. HISTORY..... 7**

*2020-2025 USECP (Docket No. M-2019-3014966) (originally filed at Docket Nos. M-2017-2598190, M-2017-2637094, M-2017-2637095, M-2017-2637098) ..... 7*

*UGI Gas 2022 Rate Case (Docket No. R-2021-3030218)..... 7*

*UGI Electric 2023 Rate Case (Docket No. R-2022-3037368)..... 8*

*USECP 2024 Impact Evaluation (Docket No. M-2024-3048077)..... 9*

*Proposed 2026 USECP (Docket Nos. M-2025-3054362 and M-2025-3054366)..... 9*

*Petition for Limited Waivers of 52 Pa. Code §§ 58.10(a)(1) and 58.11(a) (Docket No. P-2025-3054381) ..... 10*

**III. DISCUSSION..... 10**

**A. Program Descriptions as Proposed for 2026-2030..... 10**

**1. CAP..... 10**

a. Accepting 30 Days or 12 Months of Income ..... 12

b. Average Bill ..... 13

c. Identification Documentation..... 14

d. Common Application Form ..... 14

e. Online Application ..... 16

f. UGI Electric CAP Automatic Enrollment ..... 17

g. Use of LIHEAP Data Sharing..... 20

h. Opt in for Universal Service Programs..... 21

i. Recertification Notices ..... 22

j. Voluntary Removal from CAP ..... 24

k. Obligation to Participate in Other Weatherization Services ..... 26

l. LIURP and High Usage Controls ..... 26

m. Security Deposits ..... 27

n. CAP Final Billing ..... 28

o. CAP Credit Expenditures for UGI Electric ..... 30

p. High Usage Threshold ..... 36

q. CAP Assistance and Continuation of Operations .....	37
r. Customer Education and Outreach Plan (CEOP).....	39
s. CEOP Initiatives.....	40
t. Consumer Education Materials.....	40
<b>2. LIURP .....</b>	<b>41</b>
a. LIURP Eligibility Criteria.....	43
b. LIURP Eligibility – Exceptions .....	45
c. Energy Conservation Kits .....	46
d. Energy Conservation Education .....	46
e. Minimum Usage Threshold for Electric Baseload.....	47
f. Incidental Repairs, Health and Safety Measures, and Deferrals .....	47
g. Post-Installation Inspection.....	49
h. Landlord and Customer Consent .....	50
i. Contractor Training and Certification Requirements .....	52
j. Inter-Utility Coordination - Exceptions.....	52
k. Rehabilitation Program .....	53
l. April 2025 Petition - Regulatory Waivers (Docket No. P-2025-3054381).....	56
<b>3. CARES .....</b>	<b>58</b>
a. CARES Program Funding.....	58
b. LIHEAP Outreach.....	59
<b>4. Operation Share Energy Fund.....</b>	<b>60</b>
a. Eligibility – CAP Customers.....	62
b. Operation Share Donations .....	63
c. Exceptions to Maximum Grant Amounts .....	64
d. Regional Operation Share Budget Reallocation .....	64
<b><u>B. Projected Needs Assessment .....</u></b>	<b><u>65</u></b>
a. Estimated and Confirmed Low-Income Customer Count.....	65
c. Projected Needs Assessment for UGI Electric .....	69
<b><u>C. Projected Enrollment Levels.....</u></b>	<b><u>69</u></b>
<b><u>D. Program Budgets .....</u></b>	<b><u>70</u></b>

LIURP Budget.....	72
<b><u>E. Use of Community-Based Organizations (CBOs).....</u></b>	<b><u>73</u></b>
<b><u>F. Organizational Structure of Universal Service Staff .....</u></b>	<b><u>74</u></b>
<b>IV. CONCLUSION .....</b>	<b>75</b>

## **BY THE COMMISSION:**

On April 1, 2025, UGI Utilities, Inc. – Gas Division (UGI Gas), a jurisdictional natural gas distribution company (NGDC), and UGI Utilities, Inc. – Electric Division (UGI Electric), a jurisdictional electric distribution company (EDC) (collectively UGI) filed their proposed 2026-2030 Universal Service and Energy Conservation Plan (Proposed 2026 USECP) in compliance with 52 Pa. Code §§ 54.74 and 62.4, relating to electric and natural gas universal service and energy conservation reporting requirements, at Docket Nos. M-2025-3054362 and M-2025-3054366. UGI’s Proposed 2026 USECP included details of their Customer Assistance Program (CAP), Low-Income Usage Reduction Program (LIURP), Customer Assistance and Referral Evaluation Services (CARES) program, and Hardship Fund, called Operation Share Energy Fund (Operation Share).

By this Order, we identify issues that require further clarification by UGI and invite stakeholder comment. Consistent with the schedule established herein, UGI is directed to provide supplemental information. Stakeholders are invited to comment on issues raised in this Order, any aspect of the Proposed 2026 USECP, or issues related to UGI’s universal service policies or procedures. UGI’s current 2020-2025 USECP (2020 USECP) filed on March 4, 2024 at Docket No. M-2019-3014966 remains in effect.

### **I. BACKGROUND**

Universal service and energy conservation programs for NGDCs and EDCs are required by Pennsylvania statute under the Natural Gas Choice and Competition Act<sup>1</sup> and the Electricity Generation Customer Choice and Competition Act<sup>2</sup>. The Pennsylvania

---

<sup>1</sup> See 66 Pa.C.S. § 2203(8).

<sup>2</sup> See 66 Pa.C.S. § 2802(10).

Public Utility Commission (Commission) has promulgated separate electric and natural gas CAP regulations<sup>3</sup> and LIURP regulations<sup>4</sup>. The Commission also has a Policy Statement regarding the design of natural gas and electric CAPs (CAP Policy Statement 2020).<sup>5</sup>

By Commission Order entered on October 3, 2019 at Docket No. M-2019-3012601, the Commission established a new USECP filing schedule and extended the duration of USECPs from three years to at least five years (October 2019 USECP Filing Schedule Order). As a result, the due date for UGI's third-party independent universal service impact evaluation was changed to April 1, 2024, and the due date for UGI's next USECP filing was changed to April 1, 2025. October 3, 2019 Order at 12 and 14.

NGDCs serving more than 100,000 residential accounts, such as UGI Gas, must periodically submit proposed USECPs to the Commission for approval.<sup>6, 7</sup> EDCs with less than 60,000 accounts, such as UGI Electric, are not required to adhere to many of the Commission's universal service regulations.<sup>8</sup> However, UGI Electric voluntarily adopted the programs, policies, and procedures of UGI Gas in UGI's 2020 USECP.

---

<sup>3</sup> See 52 Pa. Code §§ 54.71-54.78; 52 Pa. Code §§ 62.1-62.8.

<sup>4</sup> See 52 Pa. Code §§ 58.1-58.18.

<sup>5</sup> See 52 Pa. Code §§ 69.261-69.267; Policy Statement on Customer Assistance Programs at Docket No. M-2019-3012599. The Commission amended its CAP Policy Statement (1999) effective March 21, 2020, pursuant to an order entered on November 5, 2019, and published in the *Pennsylvania Bulletin* at 50 Pa.B 1652, on March 21, 2020. See *2019 Amendments to Policy Statement on Customer Assistance Program*, 52 Pa. Code §§ 69.261-69.267, Final Policy Statement and Order, Docket No. M-2019-3012599 (2019 CAP Policy Statement Order).

<sup>6</sup> In 2023, UGI Gas served 624,914 residential customers. *2023 Report on Universal Service and Collections Performance* at 6. <https://www.puc.pa.gov/media/3195/2023-universal-service-report-final.pdf>.

<sup>7</sup> NGDCs are subject to the universal service reporting regulations at 52 Pa. Code §§ 62.1-62.8, relating to natural gas supply customer choice, and the low-income usage reduction regulations at 52 Pa. Code §§ 58.1-58.18, relating to residential low-income usage reduction programs. NGDCs are guided by the recommendations in the CAP Policy Statement (2020) at 52 Pa. Code §§ 69.261-69.267 (2020).

<sup>8</sup> 52 Pa. Code §54.77.

## II. HISTORY

*2020-2025 USECP (Docket No. M-2019-3014966) (originally filed at Docket Nos. M-2017-2598190, M-2017-2637094, M-2017-2637095, M-2017-2637098)*

UGI's 2020 USECP was given final approval by the Commission in an Order entered on January 16, 2020 at Docket Nos. M-2017-2598190, M-2017-2637094, M-2017-2637095, M-2017-2637098, and M-2019-3014966. On February 5, 2020 and May 21, 2020, UGI filed Petitions to Amend its 2020 USECP to incorporate changes introduced in the 2020 amendments to the CAP Policy Statement. By Order entered June 16, 2022 (June 2022 Order), the Commission approved UGI's proposed amendments to its 2020 USECP.

*UGI Gas 2022 Rate Case (Docket No. R-2021-3030218)*

On September 15, 2022, the Commission entered an Order (September 2022 Order) at Docket No. R-2021-3030218, *et al.* approving the terms and conditions of the Joint Petition for Approval of Settlement of All Issues (June 2022 Settlement) filed on June 24, 2022 in UGI Gas's 2022 Base Rate Case. The June 2022 Settlement included, *inter alia*, changes to UGI Gas's universal service and energy conservation programs. September 2022 Order at 2, OP #2; June 2022 Settlement at 12-15.

The universal service changes in the June 2022 Settlement included:

- Expanding income-eligibility for Operation Share from 200% to 250% of the Federal poverty income guidelines (FPIG).
- Increasing UGI Gas's Operation Share annual contributions to \$30,000 and maximum grant amount to \$600.

- Increasing UGI Gas’s annual LIURP budget by \$250,000 on January 1, 2023, and January 1, 2024.
- Increasing per-job spend on LIURP projects involving furnace replacement to \$14,000.
- Expanding LIURP to customers with incomes between 151% and 200% of the FPIG.
- Lowering the minimum usage threshold for LIURP to 73.1 Ccf per month for customers with incomes at or below 200% of the FPIG.
- Requiring solicitation of customers for CAP enrollment if they report they are low income.

June 2022 Settlement at 12-15, ¶¶ 44(a-c), 46(a), and 49(a-b).

*UGI Electric 2023 Rate Case (Docket No. R-2022-3037368)*

On September 21, 2023, the Commission entered an Order (September 2023 Order) at Docket No. R-2022-3037368, *et al.* approving the terms and conditions of the Joint Petition for Approval of Settlement of All Issues (July 2023 Settlement) in UGI Electric’s 2023 Base Rate Case. The July 2023 Settlement included, *inter alia*, changes to UGI Electric’s universal service and energy conservation programs. September 2023 Order at 2, OP#2; July 2023 Settlement at 12-17.

The universal service changes in the July 2023 Settlement included:

- Expanding income-eligibility for Operation Share from 200% to 250% of the FPIG.
- Increasing UGI Electric’s Operation Share annual contributions to \$30,000 and maximum grant amount to \$600.

- Agreeing to issue a Request for Proposal seeking additional LIURP resources, including Community Based Organizations (CBOs), to perform an additional 20 baseload and 10 heating jobs annually.
- Expanding LIURP heating and baseload job access to customers with incomes between 151% and 200% of the FPIG, limited to 20% of the overall LIURP budget.
- Requiring solicitation of customers for CAP enrollment if they report they are low income.
- Initiated a pilot for auto-enrolling customers into CAP if they received Low-Income Home Energy Assistance Program (LIHEAP) and are not enrolled with a supplier.

July 2023 Settlement at 12-15, ¶¶ 58, 59(a-b), 60(a), and 60(d)

*USECP 2024 Impact Evaluation (Docket No. M-2024-3048077)*

An evaluation of the UGI universal service and energy conservation efforts for both UGI Gas and UGI Electric was completed by Applied Public Policy Research Institute for Study and Evaluation (APPRISE) (2024 APPRISE Impact Evaluation) and filed at Docket No. M-2024-3048077 on April 1, 2024.<sup>9</sup>

*Proposed 2026 USECP (Docket Nos. M-2025-3054362 and M-2025-3054366)*

In compliance with Commission regulations and the October 3, 2019 Order, UGI filed its Proposed 2026 USECP on April 1, 2025. On April 29, 2025, staff from the Bureau of Consumer Services (BCS) convened a telephonic meeting to allow

---

<sup>9</sup> <https://www.puc.pa.gov/pcdocs/1823103.pdf>.

stakeholders an opportunity to provide informal comments and questions about the Proposed 2026 USECP prior to issuance of a Commission Order.

*Petition for Limited Waivers of 52 Pa. Code §§ 58.10(a)(1) and 58.11(a) (Docket No. P-2025-3054381)*

On April 1, 2025, UGI filed a Petition (April 2025 Petition) at Docket No. P-2025-3054381 requesting limited waivers of LIURP regulations at 52 Pa. Code § 58.10(a)(1) (relating to high usage criteria) and 52 Pa. Code § 58.11(a), (relating to payback requirements) as part of its Proposed 2026 USECP.

### **III. DISCUSSION**

#### **A. Program Descriptions as Proposed for 2026-2030**

##### **1. CAP**

CAP offers more affordable gas and electric bill options to qualified low-income customers. UGI forgives 1/36th of CAP customers' pre-program arrearages (PPAs) for each month of on-time and in-full CAP payments, regardless of arrears, and retroactively for any months missed once those months are paid. CAP customers are not assessed late payment charges or security deposits while actively participating in the program. UGI contracts with several CBOs to administer the CAP program. CAP customers that transfer utility service to another residence within UGI's service territories will remain eligible for CAP. Proposed 2026 USECP at 11-13, 17, 20-24.

UGI administers a percentage of income payment (PIP) CAP, which calculates a customer's monthly CAP bill based on a percentage of the household's gross income or

the average annual bill for the residence,<sup>10</sup> whichever is more affordable. Customers reporting zero income will be charged the minimum bill amount of \$30 for electric heating accounts, \$25 for gas heating accounts, or \$15 for non-heating accounts. Proposed 2026 USECP at 18-19.

In the Proposed 2026 USECP, UGI proposes the following modifications to its CAP provisions:

- Utilizes Department of Human Services (DHS) data sharing information to allow UGI Gas customers to “opt in” for CAP (*i.e.*, informed consent).
- Utilizes DHS data sharing information to recertify customers. Customers that share their income and household information through LIHEAP will not be required to recertify every three years.
- Clarifies that customers removed from CAP for failing to recertify must make up any missed CAP payments prior to reenrollment.
- Clarifies that customers who have not participated in LIHEAP or verified income with UGI must provide identification to enroll in CAP.
- Standardizes identification and income document requirements across all UGI universal service programs except CARES.<sup>11</sup>
- Eliminates the provision to remove customers from CAP if they fail to apply for LIHEAP and assign the grant to UGI.
- Clarifies that customers requesting voluntary removal from CAP will forfeit program benefits upon removal.

---

<sup>10</sup> Average bill is determined by 12 months of historical usage for the residence. If usage data is not available, the average annual bill is determined by using the average bill for all residential customers. Proposed 2026 Plan at 11, Fn 14.

<sup>11</sup> Identification and income documentation are not part of the eligibility criteria for UGI’s CARES program. Proposed 2026 USECP at 7-8.

- Clarifies that there is no longer a 12-month stay-out for CAP customers who voluntarily remove themselves from the program when it no longer benefits them.

Proposed 2026 USECP at 5-6.

Based on our analysis of UGI's CAP, we identified areas of concern requiring clarification as detailed below.

*a. Accepting 30 Days or 12 Months of Income*

The CAP Policy Statement (2020) recommends that public utilities accept income documentation from the past 30 days or 12 months, whichever is more beneficial. 52 Pa. Code § 69.265(8)(ii)(B)(I).

In UGI's February 2020 Petition at Docket No. M-2019-3014966 to incorporate items addressed in the 2019 CAP Policy Statement Order, UGI stated that its CAP income documentation procedures are in accordance with the recommendations of the CAP Policy Statement (2020). UGI cited to page 18 of its recently approved USECP (i.e., 2020 USECP). February 2020 Petition at 3.

UGI's 2020 USECP, filed on December 6, 2019, provides a list of acceptable income documents including "recent paystubs or W-2 forms." 2020 USECP at 24. UGI does not define "recent" or specify the timeframes for which other listed income documentation would be acceptable. There is no discussion of whether UGI accepts 30 days or 12 months of income when determining eligibility in UGI's 2020 USECP.

In the cover letter for its Proposed 2026 USECP filing (UGI 2026 USECP Cover Letter), UGI clarifies that it requires LIHEAP data received from DHS to fall within the

prior month or prior 12 months. UGI 2026 USECP Cover Letter at 2. However, in the Proposed 2026 USECP, UGI continues to state that acceptable income documents for CAP include “recent paystubs or W-2 forms.” Proposed 2026 USECP at 19. As written, there is ambiguity about whether UGI currently accepts 30 days or 12 months of income when determining eligibility for its CAP.

*Clarification Required:* In its response to this Order, UGI is directed to clarify the timeframes in which income documentation for its CAP will be accepted.

*b. Average Bill*

In its 2020 USECP, UGI reports it bases a CAP customer’s average bill on 12 months of historical usage for the residence. If usage data is not available, UGI calculates the customer’s average bill using the average usage for all residential customers. 2020 USECP at 15, Fn 30. UGI proposes to maintain this provision in the Proposed 2026 USECP. Proposed 2026 USECP at 11, Fn 14.

We question whether the average bill for all residential customers is an appropriate approximation of the average usage for most CAP customer residences. It is unclear whether UGI first evaluates whether there is 12-months of historical usage at the residence from a previous tenant before basing the average bill on the average usage of all residential customers.

*Clarification Required:* In its response to this Order, UGI is directed to clarify whether it uses the average bill from the prior tenant in cases where the customer does not have 12 months of historical usage at the residence, but where 12 months of historical usage from the prior tenant is available. Additionally, UGI is directed to clarify whether it has conducted any assessments to determine whether average usage for previous tenants or all residential customers is more accurate once the 12-month usage for the CAP customer

is later determined. If UGI has conducted such an assessment, UGI is directed to provide its results.

*c. Identification Documentation*

The CAP Policy Statement (2020) recommends that public utilities request identification for the applicant and each household member during CAP intake, either through social security number (SSN) or alternative forms of identification. 52 Pa. Code § 69.265(8)(ii)(A). In the 2020 USECP and Proposed 2026 USECP, UGI states that applicants who don't provide an SSN or Individual Taxpayer Identification Number must provide two other forms of identification from the approved list. 2020 USECP at 20-21; Proposed 2026 USECP at 15-16. However, as it is currently written, it appears that UGI does not require identification for any household members other than the applicant.

In Columbia Gas Company's (Columbia's) 2024-2028 USECP proceeding, the Commission rejected Columbia's proposal to only require the applicant/ratepayer to submit identification documentation when applying for CAP. *Columbia 2024-2028 USECP Order*, Docket No. M-2023-3039487 (Order entered on April 4, 2024), at 37, 41.

*Clarification Required:* In its response to this Order, UGI is directed to clarify whether it will verify the identity of just the CAP applicant or all household members.

*d. Common Application Form*

UGI has included a copy of its current CAP application as part of its Customer Education and Outreach Plan (CEOP). UGI's CAP application requires customers to identify, *inter alia*, their account number, service type (i.e. natural gas, electric, or both), and the names, SSNs, genders, and income sources and amounts for all household members. Further the CAP application requires applicants to list all household expenses,

and notes that completion of additional forms will be necessary if the property has higher than average usage. Proposed 2026 USECP, Appendix H at Exhibit 14.

Based on the recommendations from the Universal Service Working Group (USWG) Report, on August 22, 2024, the Commission issued an Order (August 2024 Order) at Docket No. M-2023-3038944 supporting the use of a common application form (CAF) to determine eligibility for public utility universal service and assistance programs. The Commission recommended modifying the USWG proposal to only require the following information on applications:

- Service shut off (y/n), Shut-off notice (y/n).
- Name of applicant.
- Service address.
- Mailing address (if different).
- Primary and Secondary telephone numbers.
- Email Address.
- Permission to receive email and text messages [checkbox]. (Msg/data rates apply).
- Do you rent your home? (y/n) (optional).
- Primary Heating Source (electric, natural gas, steam, or other) (optional).
- Total number of occupants: adults and children.
- Name, date of birth, and income amount/source(s) for each household member.
- Signature.
- Tag lines for language translation assistance.
- Zero-Income Form (when applicable).<sup>12</sup>

---

<sup>12</sup> The Commission did not oppose public utilities also requiring the account holder name and account number as long as the application information was noting being shared outside of the public utility's staff or designated agents. August 2024 Order at 12.

The Commission directed any public utility choosing to modify its universal service or assistance application in accordance with the August 2024 Order to file and serve notice of this intention along with a timeline for implementation at its USECP docket(s) and to incorporate the details of its use or plans for future use in its next proposed USECP. August 2024 Order at 11, 14-15, OP #1 and #3.

UGI has not filed notice of its intention to adopt the CAF data elements for its CAP application.

*Clarification Required:* In its response to this Order, UGI is directed to clarify whether it intends to modify its CAP application consistent with the CAF data elements within the duration of its 2026 USECP. If UGI does not intend to modify its CAP application consistent with the CAF data elements, it is directed to explain its reasons.

*e. Online Application*

The CAP Policy Statement (2020) recommends that public utilities accept CAP applications through mail, telephone, electronically, or in-person and offer online platforms that allow customers to submit the applications and documentation electronically. 52 Pa. Code § 69.265(8)(ii).

UGI's 2020 USECP currently allows customers to apply and recertify for CAP over the phone and provide supporting documentation through the mail, or by other means, such as fax or email, as permitted by the CAP agency. 2020 USECP at 5, 17. UGI proposes to maintain these processes and does not describe a current or future plan for implementing an online application process for its CAP. Proposed 2026 Plan at 13.

UGI is the only jurisdictional EDC or NGDC that does not offer an online option for its CAP application. Other utilities, such as Columbia, National Fuel Gas Distribution

Corporation (NFG), and PPL Electric Utilities Corp. (PPL) offer online CAP applications that feature the option to submit supporting documentation electronically.<sup>13</sup>

*Clarification Required:* In its response to this Order, UGI is directed to explain whether it is working on an online application for CAP and other universal service programs. UGI should provide a timeline for any work under consideration. If UGI does not intend to implement an online CAP application consistent with the CAP Policy Statement (2020), it is directed to explain its reasons.

*f. UGI Electric CAP Automatic Enrollment*

Consistent with the July 2023 Settlement in the UGI Electric 2023 Rate Case, UGI Electric began conducting an interim pilot to automatically enroll income-eligible UGI Electric customers into CAP through a manual process until DHS data sharing resumes. UGI Electric auto-enrolls non-shopping electric customers who receive a LIHEAP grant until DHS begins sharing LIHEAP participant data. 2020 USECP at 7-8. Due to the pause in DHS data sharing,<sup>14</sup> UGI has continued this interim process.

UGI Electric customers auto-enrolled in CAP based on a LIHEAP grant are charged their average bill amount unless they provide proof of income to qualify them for a lower PIP or minimum bill amount and must recertify one year after enrollment. Auto-enrolled customers are eligible for a one-time payment arrangement (PAR) after leaving or being removed from CAP on arrears accrued while in CAP at the average bill

---

<sup>13</sup> Columbia 2024 USECP, Docket No. M-2023-3039487 (filed on August 29, 2024), at 7-8, 26; NFG 2022 USECP, Docket No. M-2021-3024935 (filed on January 2, 2024), at 33-34; and PPL 2023-2027 USECP, Docket No. M-2022-3031727 (filed on April 18, 2023), at 12.

<sup>14</sup> The Commission is aware that DHS sent an email on December 18, 2024, advising stakeholders of technical difficulties with data sharing reports. DHS recommended that utilities stop using the data provided until the issues have been resolved.

rate. Additionally, customers with less than \$300 in arrears at time of auto-enrollment are eligible for PPA forgiveness if they re-enroll. 2020 USECP at 8.

UGI reports it notifies customers of automatic enrollment by mail or email. The notification explains the reason for the auto-enrollment, as well as the opt-out provision and the opportunity to be placed on a lower payment plan by submitting proof of income. 2020 USECP at 8. UGI Electric proposes to continue its auto-enrollment pilot for the duration of the Proposed 2026 USECP. UGI stated that due to DHS pausing the data sharing initiative, it would continue the pilot program until DHS data becomes available for use. Proposed 2026 USECP at 15.

We have questions and concerns about the recertification and notification processes for auto-enrolled customers:

i) Recertification

While UGI states that electric customers auto-enrolled into CAP based on a LIHEAP grant are required to recertify within a year, it is unclear whether this requirement applies to auto-enrolled customers who subsequently provide proof of income to qualify them for a lower CAP payment amount.

ii) Auto-Enrollment Notification

During its review of CAP complaints filed in the 12 months preceding the filing of the Proposed 2026 USECP, BCS found confusion among UGI customers who had been automatically enrolled in UGI Electric's CAP as they were now receiving separate bills, instead of a combined bill, for their natural gas and electric service.

UGI was found to have supplied notification consistent with the July 2023 Settlement. However, we are concerned that there may be additional customers who do not realize that they have been automatically enrolled in UGI Electric's CAP or that their natural gas and electric service will now be billed separately. The Commission has raised concerns about using a letter as the sole means to inform auto-enrolled customers about CAP. *See Peoples Natural Gas Company 2019-2024 Order*, Docket Nos. M-2018-3003177, *et al.* (Order entered April 24, 2025) at 18-20. We recommend taking additional steps to ensure that customers automatically enrolled in CAP are aware of the enrollment and the customer's obligations under the CAP program. This could include a greater number of communications through a greater variety of means (*e.g.*, text, phone call, etc.), as well as more detailed communications.

*Clarification Required:* In its response to this Order, UGI is directed to clarify whether auto-enrolled customers are still required to recertify within one year if they have provided income documentation to lower their CAP payment amount. Additionally, UGI is directed to provide a copy of its CAP auto-enrollment letter and explain whether it provides additional means of notification (*e.g.*, text, phone call) to educate auto-enrolled customers about CAP. UGI is further directed to provide information on its opt-out process, including how much time electric customers have to opt out of auto-enrollment and what actions they must take.

UGI must also identify the number of electric customers that have been auto-enrolled in CAP. Of those auto-enrolled customers, UGI is directed to identify:

- The number who provided income documentation to change their CAP payment amount after enrollment.
- The number paying the average bill, PIP amount, and minimum payment amount.
- The number who have opted out of CAP within the established timeframe.

- The number who have attempted to opt out of CAP after the opt-out period had elapsed.

Finally, UGI is directed to identify the impact on payment behavior and collection activity for electric customers auto-enrolled in CAP.

*g. Use of LIHEAP Data Sharing*

Based on the recommendations in the USWG Report, on June 13, 2024, the Commission issued an Order (June 2024 Order) at Docket No. M-2023-3038944 establishing the terms and conditions under which energy public utilities may document their participation in DHS's LIHEAP data sharing. The terms and conditions included using:

[A] simplified streamlined process for households to enroll in universal service programs and recertify in CAP if the income and household data was received by DHS in the prior 12 months and/or the current or prior LIHEAP program year, without requiring additional applications or documentation.

June 2024 Order at 3.

The June 2024 Order further directed any energy public utility choosing to participate in LIHEAP data sharing to include information and clarifications related to the data sharing in its next proposed USECP. June 2024 Order at OP #4.

On July 31, 2024, UGI submitted a letter (July 2024 Letter) consistent with the directive in the June 2024 Order. On September 9, 2024, the Commission issued a Secretarial Letter (September 2024 Secretarial Letter) finding UGI's July 2024 Letter to be substantially compliant with the June 2024 Order but noting, *inter alia*, that UGI did

not address how or whether it would use LIHEAP data to enroll customers in universal service programs other than CAP. September 2024 Secretarial Letter at 3-4.

In the cover letter to UGI's Proposed 2026 USECP, UGI responded that it cannot use LIHEAP data to qualify customers for participation in its LIURP and Operation Share because there are additional enrollment criteria for both programs. UGI 2026 USECP Cover Letter at 1-2.

We understand that UGI's LIURP and Operation Share programs have additional criteria beyond the income-eligibility needed for CAP. For example, UGI's LIURP requires that, *inter alia*, income-eligible customers have had continuous service within the past 12 months and meet average usage thresholds. UGI's Operation Share requires that, *inter alia*, customers have an outstanding balance and must not have received a maximum grant within the past 12 months. However, the non-income-based criteria for these programs appears to be information that UGI already has, such as the amount of time a customer has had service, their balance and average annual usage, and whether they have received a maximum Operation Share grant in the past 12 months. It is not clear why UGI cannot evaluate a customer's eligibility for LIURP and Operation Share based on the LIHEAP data and the information in the customer's account.

*Clarification Required:* In its response to this Order, UGI is directed to explain what additional information beyond what is provided through LIHEAP data sharing customers need to provide to determine their eligibility for both LIURP and Operation Share.

#### *h. Opt-in for Universal Service Programs*

In the Proposed 2026 USECP, UGI states that it will allow customers who agree to share their income and household information on their LIHEAP application to opt-in for enrollment into CAP. UGI proposes sending communication to these customers

informing them of the ability to opt into CAP and requesting their consent to participate. Proposed 2026 USECP at 5, 13. However, UGI does not explain what communication methods it will use to ask customers if they would like to opt into CAP (*e.g.*, phone calls, mail, text, email). UGI has also not provided a copy of the proposed letter, text, or script that will be used to convey this information to the customers.

*Clarification Required:* In its response to this Order, UGI is directed to describe the process by which it plans to communicate to customers who agree to share their income and household information with UGI through a LIHEAP application their ability to opt into CAP enrollment. This explanation must detail what communication methods it will utilize to ask customers whether they like to opt into CAP and include a copy of the proposed letter, text, or script that will be used to convey this information to the customers.

*i. Recertification Notices*

UGI requires CAP customers to recertify by providing evidence of continued program eligibility. Customers who have received a LIHEAP Cash or Crisis grant within the preceding 12 months are required to provide income documentation every three years, while non-LIHEAP participants must provide income documentation annually.<sup>15</sup> Customers who report zero income must recertify within six months of reporting zero income. Customers who do not recertify within two billing cycles of notification will be removed from CAP. Proposed 2026 USECP at 22-23.

UGI currently mails a recertification notice one month prior to the recertification due date and then a reminder letter on the recertification due date. Additionally, UGI has a CBO attempt to contact the customer 15 days prior to the recertification due date and

---

<sup>15</sup> When DHS data is available for utilization, LIHEAP recipients who have elected to share their data will be recertified provided DHS data is received each year.

one month following the recertification due date. 2020 USECP at 28. UGI proposes no changes to this provision and details its recertification notification schedule at Appendix E of the Proposed 2026 USECP. Proposed 2026 USECP at 23, Appendix E.

In the 2024 APPRISE Impact Evaluation, APPRISE noted that one of UGI's CAP agencies reported it received calls from customers who continued to receive recertification reminders after they already sent in their CAP recertification forms and documentation. Some customers reportedly sent multiple recertification forms to the CAP agency because they were confused by the constant reminders. APPRISE recommended that UGI consider spacing out and reducing the number of CAP recertification reminders. 2024 APPRISE Impact Evaluation at ix, 82.

We do not support APPRISE's recommendation to reduce the number of CAP recertification reminders. Failure to recertify is the most common reason for removal from CAPs.<sup>16</sup> Too few reminders increase the chances that a CAP customer may fail to recertify. We question whether UGI has considered additional notifications and whether UGI sends, or plans to send, recertifications notices utilizing other methods of delivery (*e.g.*, text, email).

However, we agree with APPRISE's assessment that sending multiple reminders after a customer has already submitted their recertification information may cause unnecessary confusion and result in multiple redundant submissions.

UGI provided copies of its CAP recertification letters at Exhibit 15 of the Proposed 2026 USECP. The letters explain the customer obligations and what benefits may be lost should the customer fail to recertify and be removed from the program. The

---

<sup>16</sup> For example, PECO Energy Company's (PECO's) 2019 APPRISE Impact Evaluation reported that approximately 70% of customers removed from CAP in 2017 and 2018 were due to failing to recertify their income. PECO 2019 APPRISE Impact Evaluation at 90.  
<https://www.puc.pa.gov/pdocs/1626073.pdf>.

letters do not clarify that no action is necessary if the customer has already submitted their recertification information.

*Clarification Required:* Accordingly, in its response to this Order, UGI is directed to clarify whether or not it has or is developing a process to stop sending CAP recertification reminders if the customer has already submitted their recertification information. We also direct UGI to identify what methods of delivery, besides paper, it uses or plans to use to send recertification notices (*e.g.*, text, email).

*j. Voluntary Removal from CAP*

In the August 2019 Order at Docket No. M-2017-2598190, the Commission directed UGI to permit customers who voluntarily exit CAP to reapply if they have paid at least the CAP amount for the months spent out of the program (CAP catch-up amount). August 2019 Order at 30-33.

UGI included this provision in its 2020 USECP. Currently, if a customer voluntarily removes themselves from CAP for seasonal short-term benefit, the customer will not be eligible again until after a one-year waiting period, but could be reinstated before a year if they satisfy the CAP amount covering both the missed CAP payments while on CAP and the month(s) the customer spent out of the program (*i.e.*, the CAP catch-up amount), plus any applicable reconnection fees to restore service. 2020 USECP at 31.

However, UGI also states in its 2020 USECP that to be eligible for CAP, a previous participant would have their account reviewed to assure the reason for prior default has been cured *or* the customer has been out of the program for a minimum of 12 months for a voluntary removal. 2020 USECP at 18-19.

Additionally, UGI states in its 2020 USECP if a customer requests voluntary removal from CAP for the reason that their seasonal usage bills total less than the monthly CAP amount, the customer will be removed from the program, forfeit all benefits, and be required to remain out of the program for 12 months before they can reapply. Exceptions are granted on a case-by-case basis for demonstrated hardship. 2020 USECP at 29.

In the Proposed 2026 USECP, UGI states that if CAP is no longer a benefit to the customer and they choose to be removed, there is no 12-month wait to reapply. Proposed 2026 USECP at 12, 24.

However, UGI also states in its Proposed 2026 USECP that any CAP participant who requests voluntary removal from CAP for seasonal short-term benefit will be required to remain out of CAP for a period of 12 months before they can reapply for the program. Proposed 2026 USECP at 24.

Additionally, UGI also states that to be eligible for CAP, a previous participant will be reviewed to assure the reason for default has been cured *or* the customer has been out of the program for 12 months for a voluntary removal. Proposed 2026 USECP at 14.

UGI's current and proposed USECPs appear to be inconsistent on whether or under what conditions a customer can be reinstated following voluntary removal from CAP. It does not appear that the Proposed 2026 USECP is compliant with the Commission's August 2019 Order which directed UGI to permit customers who voluntarily exit CAP to reapply if they have paid at least the CAP catch-up amount.

*Clarification Required:* In its response to this Order, UGI is directed to clarify all circumstances under which a customer who has voluntarily removed themselves from CAP can be reinstated in the program. This policy will need to be consistently applied throughout the Proposed 2026 USECP. Additionally, UGI is directed to clarify when the 12-month waiting period starts (*e.g.*, on the date the customer was removed or requested removal, on or after the next billing cycle, etc.) and how this policy complies with the Commission’s directive in the August 2019 Order.

*k. Obligation to Participate in Other Weatherization Services*

In the Proposed 2026 USECP, UGI states that for a customer to remain eligible for CAP, they must participate in LIURP “and any other weatherization services offered through local and state weatherization agencies.” Proposed 2026 USECP at 20. It is unclear how UGI enforces participation in non-LIHEAP weatherization services.

*Clarification Required:* In its response to this Order, UGI is directed to clarify how it enforces the requirement that customers must participate in non-LIURP weatherization services offered through local and state weatherization agencies. Additionally, UGI is directed to identify how many customers had been removed annually from CAP in 2023 and 2024 for (1) failing to participate in LIURP; and (2) failing to participate in other weatherization services.

*l. LIURP and High Usage Controls*

In the 2020 USECP, UGI states that a CAP customer may be removed from the program if they refuse to participate in LIURP or comply with high usage controls. 2020 USECP at 27. UGI proposed to maintain this provision in the Proposed 2026 USECP. Proposed 2026 USECP at 22.

UGI does not specify whether it allows any exceptions to this provision, based on the customer's situation. For example, whether an exception would be given in cases where a landlord refuses LIURP services or there is a medical situation in the household resulting in higher-than-average usage.

*Clarification Required:* In its response to this Order, UGI is directed to identify whether it allows any exceptions to its requirement that CAP customers must participate in LIURP and comply with high usage controls. UGI is also directed to report the number of customers removed from CAP for refusal to participate in LIURP or comply with high usage controls from 2022 through 2024. Additionally, UGI is directed to provide copies of the letter sent to customers to notify them that they have been removed from CAP for failing to participate in LIURP or comply with usage controls.

*m. Security Deposits*

Commission regulations prohibit requiring a cash deposit for utility service from customers who are confirmed to be eligible for a CAP. 52 Pa. Code § 56.32(e). Commission regulations also state that a public utility must “refund a deposit, along with any applicable interest, within 60 days upon determining that the customer or applicant from whom a deposit was collected is not subject to a deposit [...]” See 52 Pa. Code § 56.53(f).

The Commission has previously directed Duquesne Light Company (Duquesne), Philadelphia Gas Works (PGW), and Columbia Gas (Columbia) to refund security deposits, with applicable interest, that were collected prior to determining the customer

was eligible for CAP. The Commission directed these public utilities to apply a security deposit to an account balance only with a customer's informed consent.<sup>17</sup>

UGI's current and proposed USECPs state that a customer enrolled in CAP is not charged a security deposit while actively participating in the program. 2020 USECP at 25 and Proposed 2026 USECP at 20. UGI does not address if and how security deposits assessed prior to enrollment are refunded.

*Clarification Required:* In its response to this Order, UGI is directed to detail its security deposit procedures and how these practices are compliant with the relevant statutes and regulations. UGI is also directed to clarify what notifications, if any, customers receive when determined to be eligible for a security deposit refund.

*n. CAP Final Billing*

UGI does not identify its current final billing policies for CAP customers in its Proposed 2026 USECP.

On March 12, 2020, the Commission issued the *Staff Review of Customer Assistance Program Final Billing Methods Order* at Docket No. M-2019-3010190 (CAP Final Billing Order). The CAP Final Billing Order detailed how electric and natural gas public utilities calculated CAP final bills. While the CAP Final Billing Order did not recommend standardizing a policy regarding CAP final bills, it indicated that public utilities' final billing policies should comply with Commission statutes and regulations:

---

<sup>17</sup> See *Duquesne 2020-2025 USECP Order*, Docket No. M-2019-3008227, (Order entered on April 14, 2022) at 55-57; *PGW 2023-2027 USECP Order*, Docket No. M-2021-3029323 (Order entered on January 12, 2023) at 25-28; and *Columbia 2024-2028 USECP Order*, Docket No. M-2023-3039487 (Order entered on April 4, 2024), at 29-31 (Columbia 2024 USECP Order).

Section 1303, 66 Pa. C.S. § 1303, provides that public utilities must bill their customers for service rendered. Section 56.11(a) of Commission regulations, 52 Pa. Code § 56.11(a), require that a public utility render bills every billing period. Utilities are henceforth on notice that these statutory and regulatory provisions will be applied to the facts in all matters wherein we are called upon to review specific final CAP bills or recovery of universal service costs. Further, Section 1303 provides that public utilities are to compute bills under the rate most beneficial to the customer. *Generally speaking, it would appear that the starting point for any specific inquiry regarding the bill for usage in a partial final billing period as a CAP participant should be a comparison between a residential tariff rate calculation for energy consumed and the CAP price prorated for the number of days of service in the billing period.* The other items on a bill such as true-ups, arrears, arrearage forgiveness, third-party assistance such as LIHEAP, and CAP credits and limits are separate considerations dependent on the customer's payment history and the utility's CAP provisions. We shall address how the energy utilities describe their final billing practices for CAP customers in utility-specific proceedings.

CAP Final Billing Order at 22 (emphasis added).

Following issuance of the CAP Final Billing Order, the Commission has addressed the issue of CAP final billing in several public utilities' USECP proceedings. In its 2023-2027 USECP proceeding at Docket No. M-2022-3031727, PPL proposed to charge the OnTrack installment amount or actual tariff rate, whichever is more advantageous to the customer on its final bill. The Commission supported PPL's proposal and directed PPL to charge an OnTrack<sup>18</sup> customer the lesser of the prorated OnTrack bill or the prorated tariff for usage incurred during the customer's final billing period. *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727 (Order entered on February 9, 2023) at 58-61.

Additionally, the Commission directed Columbia Gas of Pennsylvania, Inc. (Columbia)<sup>19</sup> and FirstEnergy Pennsylvania Electric Company (FirstEnergy PA)<sup>20</sup> in their

---

<sup>18</sup> OnTrack is the name of PPL's CAP.

<sup>19</sup> Docket No. M-2023-3039487.

<sup>20</sup> Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535.

2024-2028 USECP proceedings to charge CAP customers no more than their prorated CAP billing amount for usage incurred during their final billing period. *Columbia 2024 USECP Order* at 42-45 and *FirstEnergy PA 2024-2028 USECP Order*, Docket Nos. M-2022-3036532, M-2022-3036533, M-2022 -3036534, and M-2022-3036535 (Order entered on March 14, 2024), at 54-57.

*Clarification Required:* Accordingly, in its response to this Order, UGI is directed to clarify its current CAP final billing policy and explain how the procedure changes in cases of voluntary versus involuntary termination of service. UGI is also directed to address how its CAP final billing practices reflect compliance with the relevant statutes and regulations as discussed in the CAP Final Billing Order.

*o. CAP Credit Expenditures for UGI Electric*

UGI Gas and UGI Electric do not have an annual limit for CAP credits. CAP credits are applied monthly with each full CAP payments received, or when missed CAP payments are brought up to date. Thus, the UGI CAP customers are billed the same amount per month, regardless of usage. Proposed 2026 USECP at 21.

The Commission approved eliminating the maximum CAP credit limits for all UGI utilities in UGI's 2014-2017 USECP proceeding. *UGI 2014-2017 Final Order*, Docket No. M-2013-2371824 (Order entered January 15, 2015) at 25-33. In that proceeding, UGI projected that the elimination of the CAP credit limits would increase CAP costs by less than \$32,000 per year. UGI 2014-2017 USECP Comments at 10. The Commission directed UGI to file annual reports detailing the impact of this change on CAP credit expenditures. UGI 2014-2017 Final Order at 32-33.

In lieu of CAP credit limits, UGI maintains a high usage annual threshold of 2,356 ccf for UGI Gas and 34,465 kwh for UGI Electric. CAP customers that exceed these

high usage thresholds are provided with an energy education session and referred to LIURP, if applicable. UGI continues to monitor these high usage households for additional outreach and referrals. CAP customers who refuse to participate in LIURP or who fail to comply with high usage controls risk removal from CAP. 2020 USECP at 26-27.

While there are currently no NGDCs with maximum CAP credit limits, UGI Electric is the only EDC that does not maintain an annual maximum customer limit for CAP credits. In its June 2022 Order approving, *inter alia*, amendments to UGI's CAP energy burden levels, the Commission raised concerns about the impact of this change on UGI Electric's ratepayers. The Commission noted that the reduced energy burden levels were projected to increase non-CAP residential ratepayer bills<sup>21</sup> up to \$2 per month, with monthly recovered CAP costs projected to reach \$9.75 per non-CAP customer by 2025. June 2022 Order at 13-14. Although the Commission approved amending the energy burdens for UGI Electric, it questioned whether further cost control measures are warranted:

After reviewing the information provided by UGI in this proceeding, we are persuaded that adopting the proposed CAP PIP energy burdens for UGI Electric will improve CAP bill affordability and should help reduce the number of customers that accrue in-program arrearage and risk termination of service. However, the impact this change will have on program costs and non-CAP ratepayer bills indicates a need for additional CAP cost control measures beyond UGI Electric's current consumption limits. This may include establishing new maximum CAP credit limits for UGI Electric as part of UGI's next USECP proceeding.<sup>□</sup> We do not have sufficient data to make such a determination at this time. Information from UGI's annual CAP credit evaluation reports and actual data provided after the implementation of these energy burdens will help inform this decision. We also encourage UGI to seek input from its universal service advisory committee on appropriate cost control measures prior to its next USECP filing.

---

<sup>21</sup> UGI does not recover CAP costs from residential ratepayers enrolled in CAP. *See UGI Electric: Service Tariff No. 6*, Supplement No. 76, at 42.

June 2022 at 15-16

Consistent with the June 2022 Order directing UGI to file CAP credit evaluation reports on April 1 each year for the duration of the 2020 USECP, UGI filed CAP Credit reports for data from 2019 through 2024 at Docket Nos. P-2020-3019196 and M-2019-3014966, *et al.* Table 1 below shows the number of accounts that received CAP credits in excess of UGI’s previous maximum CAP credit amounts. Table 2 below shows the average amount of CAP credits issued in excess of the previous maximum CAP credit amounts. For reference, data in the CAP Credit reports indicating “above previous” amounts is in comparison to the maximum CAP credit in UGI’s 2011-2013 USECP.<sup>22</sup>

**Table 1**  
**Number of UGI Electric CAP Accounts**  
**Exceeding Previous Maximum CAP Credit Limits**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
UGI Electric – Heating	347	289	286	482	655	651
UGI Electric – Non-Heating	535	512	585	1,035	1,550	1,892

**Source:** Docket Nos. M-2019-3014966, *et al.* – *Letter re CAP Credit Evaluation Reports* (filed on August 15, 2022); *CAP Credit Evaluation Report 2022* (filed on April 3, 2023); *CAP Credit Evaluation Report 2023* (filed April 1, 2024); *CAP Credit Evaluation Report 2024* (filed on April 1, 2025).

---

<sup>22</sup> See UGI 2011-2013 USECP, Docket No. M-2010-2186052 (filed on November 30, 2011), at 6.

**Table 2**  
**UGI Average CAP Credits Expenditures Per CAP**  
**Customer Above Previous Maximums**

	Previous Maximum CAP Credit	2019	2020	2021	2022	2023	2024
UGI Electric – Heating	\$1,200	\$849	\$683	\$768	\$1,233	\$1,489	\$1,331
UGI Electric – Non-Heating	\$700	\$858	\$730	\$817	\$1,099	\$1,231	\$1,183

*Source:* Docket Nos. M-2019-3014966, *et al.* – *Letter re CAP Credit Evaluation Reports* (filed on August 15, 2022); *CAP Credit Evaluation Report 2022* (filed on April 3, 2023); *CAP Credit Evaluation Report 2023* (filed April 1, 2024); *CAP Credit Evaluation Report 2024* (filed on April 1, 2025).

Based on the information in Table 2 above, electric heating CAP credits have increased by 110.9% and electric non-heating CAP credits have increased by 169%. However, other EDCs have increased their maximum CAP credits as part of their respective USECP proceedings. As shown in Table 3 below, UGI Electric’s Average CAP credit expenditures do fall within the current range of maximum CAP credit limits for other EDCs.

**Table 3**  
**EDC Current Maximum CAP Credits vs UGI Average CAP Credits**

	Non-Heating		Heating	
	0-50% FPIG	101-150% FPIG	0-50% FPIG	101-150% FPIG
Duquesne	\$2,100	\$1,100	\$2,700	\$1,500
FirstEnergy PA <sup>23</sup>	\$2,250	\$1,300	\$3,150	\$1,700
PECO Electric	\$2,693	\$1,719	\$3,835	\$2,275
PPL	\$1,950	\$1,250	\$3,150	\$2,150
UGI Electric*	<b>\$1,883</b>		<b>2,531</b>	

\* UGI Electric data is calculated by adding 2024 Average CAP Credits Above Previous Maximum CAP Credits to the Previous Maximum CAP Amount from Table 2 above.

*Source:* *Duquesne 2024 Rate Case Settlement*, Docket No. R-2024-3046523 (filed on August 16, 2024), at 10-11, ¶39; *FirstEnergy PA 2024-2028 USECP*, Docket Nos. M-2022-3036532, *et al.* (filed

<sup>23</sup> FirstEnergy PA consists of separate rate districts for Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), Pennsylvania Power Company (Penn Power), and West Penn Power Company (West Penn).

on October 7, 2024) at 13; *PECO 2022 CAP Max Credit Report*, Docket No. M-2018-3005795 (filed on November 13, 2023), at 1; *PPL 2023-2027 USECP*, Docket No. M-2022-3031727 (filed on April 18, 2023), at 14.

However, as shown in Table 4, average annual CAP credit costs recovered from each UGI Electric non-CAP ratepayer has increased by over 225% from 2019 through 2024 (from \$37.66 to \$122.47). Table 4 below shows the CAP credit component of UGI Electric’s CAP costs, as well as the *Annual CAP Cost per Ratepayer paying the CAP Costs*. Table 5 shows that UGI Electric charged its ratepayers more for recovery of CAP credit expenditures than any other EDC in 2023.

**Table 4**  
**UGI Electric Total Annual CAP Credit Costs**

	<b>Total CAP Credits</b>	<b>Residential Customers as of 12/31</b>	<b>CAP Enrollments as of 12/31</b>	<b>Average Number of Ratepayers Paying CAP Costs</b>	<b>Annual CAP Cost per Ratepayer Paying CAP Costs</b>
2020	\$1,940,153	54,685	3,171	51,514	\$37.66
2021	\$2,160,463	54,780	3,429	51,351	\$42.07
2022	\$3,769,119	54,825	2,986	51,839	\$72.71
2023	\$5,565,408	54,867	3,700	51,167	\$108.77
2024	\$6,167,476	55,003	4,643	50,360	\$122.47

**Source:** Docket No. M-2019-3014966, *et al.* – Letter re CAP Credit Evaluation Reports (filed August 15, 2022); Revision to Letter Report (filed August 26, 2022); CAP Credit Evaluation Report 2022 (filed April 3, 2023); CAP Credit Evaluation Report 2023 (filed April 1, 2024); CAP Credit Evaluation Report 2024 (filed April 1, 2025).

**Table 5  
CAP Credit Costs Recovered from EDC Ratepayers - 2023**

	<b>Total CAP Credits</b>	<b>Residential Ratepayers Paying CAP Costs</b>	<b>CAP Credits per Ratepayer Paying CAP Costs</b>
Duquesne*	\$36,539,118	508,331	\$71.88
Met Ed**	\$25,838,432	515,226	\$50.15
PECO Electric**	\$140,666,139	1,521,223	\$92.47
Penelec**	\$30,485,418	501,009	\$60.85
Penn Power**	\$7,241,920	148,927	\$48.63
PPL**	\$105,772,638	1,256,135	\$84.20
West Penn**	\$26,321,140	631,990	\$41.65
UGI Electric*	\$5,565,408	51,167	\$108.77

\* Recovers CAP costs from non-CAP residential ratepayers only.

\*\* Recovers CAP costs from all residential ratepayers.

Source: 2023 USP at 68, 89, CAP Credit Evaluation Report 2023.

In the Proposed 2026 USECP, UGI proposes to continue the practice to set no limits on maximum CAP credits per customer. UGI Electric proposed reducing its high usage threshold from 34,465 kwh annually to 32,632 kwh annually. Proposed 2026 USECP at 21-22.

The impact the elimination of CAP credit limits appears to be having on program costs and non-CAP ratepayer bills indicates a need for additional CAP cost control measures beyond UGI Electric’s consumption limits. We question whether reducing the high usage threshold for UGI Electric CAP customers will be sufficient to control the costs of the program and limit the impact on non-CAP ratepayer bills.

In FirstEnergy PA’s 2024-2028 USECP proceeding at Docket No. M-2022-3036532, FirstEnergy PA proposed elimination of CAP credit limits. The Commission noted that eliminating CAP credit limits would undoubtedly improve affordability for CAP customers but noted that these limits also serve to prevent overburdening of the ratepayers who offset the costs of these programs. The Commission concluded that eliminating cost control measures, such as credit limits, would not meet the Commission’s obligation to ensure that CAPs are operated in a cost-effective manner

consistent with the Electric Competition Act. 66 Pa.C.S. § 2804(9). Therefore, the Commission directed FirstEnergy PA to implement CAP credit limits based on supplemental information provided by FirstEnergy PA. FirstEnergy PA 2024-2028 USECP Order at M-2022-3036532, *et al.* (filed on March 14, 2024) at 23-29.

*Clarification Required:* In its response to this Order, UGI is directed to explain how its proposed high usage threshold would control or reduce CAP credit costs for UGI Electric. Additionally, UGI is directed to provide recommendations for new CAP credit limits to inform the Commission in the event the Commission determines that maximum CAP credit limits should be reinstated for UGI Electric. The recommendations must be tiered based on FPIG level (*i.e.*, 0-50%, 51-100%, and 101-150%) and account type (*i.e.*, electric heating, electric non-heating). In addition, UGI is directed to provide:

- CAP credit limits based on the percentage of rate and default electric price increases since UGI Electric’s previous CAP credit limits were eliminated.
- CAP credit limits needed to address the subsidization needs of 70%, 80% and 90% of UGI Electric’s CAP customers.

All recommendations and projections should include the potential impact of CAP credit limits on monthly bills for UGI Electric CAP and non-CAP customers.

*p. High Usage Threshold*

As discussed above, UGI does not have maximum CAP credits instead opting for a control feature where UGI reviews the accounts of CAP applicants to determine potential reasons for the high usage, provides energy education sessions, and, if applicable, refers customers to LIURP. The annual high usage threshold limits for the UGI companies are shown in Table 6.

**Table 6**  
**Annual High Usage Thresholds for UGI Companies**

<b>Company</b>	<b>Current High Usage Threshold</b>	<b>Proposed High Usage Threshold</b>	<b>Percent Change</b>
UGI Gas	2,185 ccf	1,787 ccf	-18.2%
UGI Electric	34,465 kwh	32,632 kwh	-5.3%

Proposed 2026 USECP at 21-22.

UGI does not provide an explanation for this reduction.

*Clarification Required:* In its response to this Order, UGI is directed to provide an explanation for reducing its high usage criteria. Additionally, UGI is directed to report:

- 1) The number of CAP customers for each company found to have exceeded the high usage threshold from 2020 through 2023.<sup>24</sup>
- 2) The number of CAP customers for each company who exceeded the high usage criteria from 2020 through 2023 who were referred to LIURP.
- 3) The number of these LIURP referrals from 2020 through 2023 that resulted in successfully reducing usage below the high usage threshold.
- 4) The number of existing CAP customers that currently exceed UGI’s current high usage thresholds and the number of existing CAP customers who would exceed the proposed high usage thresholds.

*q. CAP Assistance and Continuation of Operations*

In the 2024 APPRISE Impact Evaluation, APPRISE noted concerns raised by a CAP agency that there is often back-and-forth communication between CBOs and the UGI call center, particularly when a customer is seeking assistance with a shut-off notice.

---

<sup>24</sup> LIURP Savings data is not available for two years following the program year.

APPRISE recommended that UGI develop clear procedures to address contacts from customers at risk of service termination and train customer service representatives and CAP agency staff on these procedures. 2024 APPRISE Impact Evaluation at 82.

During a review of informal complaints from UGI CAP customers closed in the 12 months preceding the filing of UGI's Proposed 2026 USECP, BCS staff found instances where customers seeking assistance were told by UGI to contact the CAP agency, or vice versa, because the UGI or CAP agency representative could not address the customer's situation.

We are concerned that both UGI and its CAP agencies are not fully trained or empowered to assist CAP or CAP-eligible customers. Requiring customers to hang up and call a different representative (i.e., UGI's or the CAP agency's) to obtain information on how to stop a service termination or apply for CAP, for example, could result in customer frustration and failure to follow up. Further, if a contracted CAP agency is unavailable on short notice or their contract ends abruptly, a public utility should ensure CAP services can be provided to qualified customers, including enrollment and recertification, without interruption.

*Clarification Required:* Accordingly, UGI is directed to clarify whether it has developed procedures to ensure CAP and CAP-eligible customers can receive assistance by contacting either UGI or its CAP agency and, if necessary, be transferred to the correct representative who can best address their situation. Additionally, UGI is directed to clarify its contingency procedures, if any, on how it would continue CAP operations in the event of an emergency that makes the CAP agency unavailable, such as a cyberattack or an abrupt end to a contract.

r. *Customer Education and Outreach Plan (CEOP)*<sup>25</sup>

The Proposed 2026 USECP includes a CEOP at Appendix H which describes, *inter alia*, UGI's external, internal, and educational outreach initiatives for each of its universal service programs. UGI's CEOP is structured to educate customers on the benefits and responsibilities of CAP and the importance of energy conservation. UGI's external outreach includes participation at in-person events, direct mailing campaigns, posting program information on its website, social media resources, press releases, phone conversations, and replies to email inquiries. UGI's internal outreach includes referrals to CARES and determining if customers qualify for benefits and soliciting them for participation.

UGI reports it also provides a welcome packet to all new customers with a summary of its universal service programs and contact information. Proposed 2026 USECP at Appendix H, 2-3.

UGI intends to begin targeted outreach to customers with incomes between 0-50% of the FPIG upon approval of the 2026 USECP. This outreach is still in development. UGI's educational outreach includes providing customers with Conservation Packets. UGI also has targeted outreach for Spanish speakers and Limited English Proficiency (LEP) customers, as well as for seniors. Proposed 2026 USECP at Appendix H, 7-9.

---

<sup>25</sup> The CAP Policy Statement (2020) recommends that a public utility develop and incorporate a CEOP as part of its USECP which identifies, *inter alia*, (1) information on benefits and responsibilities of CAP participation and the importance of energy conservation; (2) efforts to educate and enroll eligible and interested customers with incomes at or below 50% of the FPIG; and (3) resources, services, and translated materials available to those customers who are of Limited English Proficiency. 52 Pa. Code §§ 69.265(8)(i) and 69.265(8)(vi).

*s. CEOP Initiatives*

It is unclear which of UGI's CEOP initiatives, beyond the targeted outreach to customers with incomes between 0-50% of the FPIG, are existing practices and which are new proposals. UGI also does not outline whether it has any outreach initiatives targeting landlords, veterans, persons with disabilities, or victims of abuse in its CEOP. Therefore, we request additional information about UGI's CEOP initiatives.

*Clarification Required:* In its response to this Order, UGI is directed to provide the following clarifications and information related to its CEOP initiatives:

- Indicate which CEOP initiatives are new (i.e., implemented in 2021 or later) and which initiatives represent existing practices to help its most vulnerable customers (e.g., at or below 50% of the FPIG, LEP, etc.).
- Explain how it educates customers on how to determine their own “household energy burden” to help encourage interest and participation in CAP and stimulate actions for energy conservation in the household.
- Explain if targeted education and outreach to landlords is tracked and, if so, whether it has resulted in increased participation of rental properties in LIURP.

*t. Consumer Education Materials*

In the Proposed 2026 USECP, UGI provides a variety of examples of consumer education materials, including letters, brochures, bill inserts, social media posts, and messaging scripts related to its universal service programs. Proposed 2026 USECP at Appendix H, Exhibits 1-21. It is not clear if the consumer education materials in Exhibits 1-21 have been updated to reflect current universal service program eligibility criteria. For example, in the USP Brochure at Exhibit 9, the income threshold to qualify for LIURP is listed as at or below 150% of the FPIG, including a percentage of customers at

200% of the FPIG with extenuating circumstances, which is inconsistent with UGI's current income-eligibility criteria for LIURP (*i.e.*, 200% of the FPIG or below). Proposed 2026 USECP, Appendix H, Exhibit 9.

*Clarification Required:* In response to this Order, UGI is directed to update the LIURP income-eligibility criteria in Appendix H, Exhibit 9, to reflect the current LIURP income criteria and revise any other outreach and education material in Appendix H that are inconsistent with program policies and procedures in its Proposed 2026 USECP. UGI is directed to file a copy of the revised documents with its Supplemental Information.

## **2. LIURP**

UGI's LIURP is designed to reduce energy consumption for eligible customers by providing energy conservation measures and education. LIURP heating customers receive an energy survey/audit and energy conservation measures, if appropriate. Proposed 2026 USECP at 27-28.

Although exceptions may be granted, a customer must be able to demonstrate the following to be eligible for the UGI's LIURP:

- The customer is an active residential gas heating customer or residential electric customer.<sup>26</sup>
- The customer's gross household income is between 151% and 200% of the FPIG.<sup>27</sup>

---

<sup>26</sup> UGI Gas will waive the requirement that the customer be an active gas heating customer for the purpose of furnace repair or replacement spending. Proposed 2026 USECP at 28, Fn 35.

<sup>27</sup> Pursuant to the Household Income Documents provisions set forth in the CAP sections of the Proposed 2026 USECP. Proposed 2026 USECP at 28.

- UGI Electric may spend up to 20% of the total Electric LIURP budget on LIURP jobs related to UGI Electric customers with gross household income between 151% and 200% of the FPIG.<sup>28</sup>
  - The customer’s annual consumption is above average usage.<sup>29</sup>
  - The customer has had continuous service for 12 months.
  - The customer’s premises is suitable for weatherization services.<sup>30</sup>
  - The premises is the customer’s primary residence.<sup>31</sup>
  - The premises has not received LIURP within the preceding seven years.

Proposed 2026 USECP at 28-29.

UGI’s LIURP also consists of a Rehabilitation Program that provides weatherization services to low-income<sup>32</sup> residential housing that is either in the construction or rehabilitation stage. Proposed 2026 USECP at 30. The Rehabilitation Program is described and discussed further below.

In the Proposed 2026 USECP, UGI proposes the following modifications to its LIURP provisions:

- Increase the maximum spending per LIURP job for UGI Gas, from \$8,000 to \$10,000, where gas furnace or boiler replacement is not required.

---

<sup>28</sup> See Paragraph 59(b) of UGI Electric’s 2023 Rate Case Settlement.

<sup>29</sup> UGI states that above average usage is defined as customer who exceeded the average residential threshold by 25% for electric customers and 30% for natural gas customers. Proposed 2026 USECP at 29. UGI Gas is seeking Commission waiver of the high use eligibility criteria under 52 Pa. Code § 58.10(a)(1) for LIURP jobs involving furnace repair or replacement. April 2025 Petition at 3.

<sup>30</sup> Program measures follow applicable payback periods; therefore, a customer’s residence that has been previously weatherized may not be eligible for LIURP until the applicable payback period has expired. Proposed 2026 USECP at 29, Fn 37.

<sup>31</sup> The program is available to both homeowners and renters. Renters can qualify with written permission from landlords. Proposed 2026 USECP at 29, Fn 38.

<sup>32</sup> Existing natural gas and electric heating customers with income at or below 200% of the FPIG.

- Include a Minimum Usage Criteria threshold of 6,000 kWh for UGI Electric’s baseload (non-heating) LIURP jobs.
- Increase the LIURP budgets for UGI Gas and UGI Electric commensurate with the residential percentage rate increase approved in any UGI Gas or UGI Electric base rate case that is adjudicated within the term of this USECP. If there is no applicable base rate case, the LIURP budgets will increase by 3% over the prior year budget.
- Discontinue carrying over unspent funds to the next program year.
- Allow UGI to reallocate up to 25% of UGI Gas’s regional (South, North, Central) annual funding if certain LIURP agencies are underspending and their funds could be better used in other areas.

Proposed 2026 USECP at 6.

Based on our analysis of UGI’s LIURP, we identified areas of concern requiring clarification as detailed below.

*a. LIURP Eligibility Criteria*

In the 2020 USECP, UGI states that to qualify for LIURP, *inter alia*, a customer must have gross household income at or below 150% of the FPIG (for UGI Electric customers and for UGI Gas customers up until 2023).<sup>33</sup> 2020 USECP at 34. However, the Proposed 2026 USECP no longer includes this provision. In the Proposed 2026 USECP, UGI states that for customers to qualify for LIURP they must, *inter alia*, have gross household income between 151% and 200% of the FPIG. Proposed 2026 USECP at 28-29. It is not clear if eligible customers with household incomes at or below 150% of the FPIG will still qualify for LIURP under UGI’s Proposed 2026 USECP.

---

<sup>33</sup> Up to 20% of LIURP participants may have a household income at 151% to 200% of the FPIG, on a first-come, first-serve basis.

Further, UGI states that its Rehabilitation Program achieves usage reduction by, *inter alia*, allowing identified low-income and “special needs customers” to benefit from a variety of energy efficient measures. Proposed 2026 USECP at 30. While UGI indicates that it serves “special needs customers” relative to its Rehabilitation Program, it does not define a “special needs customer” relative to LIURP eligibility. Nor does UGI identify whether it uses up to 20% of the LIURP budget for “special needs customers” with household income between 151% and 200% of the FPIG.

LIURP regulations allow a public utility to use up to 20% of the LIURP budget for special needs customers<sup>34</sup> with income in the 151%-200% tier of the FPIG. 52 Pa. Code § 58.10. Special needs customers, as defined in 52 Pa. Code § 58.2, include non-CAP customers with arrears who otherwise meet the LIURP eligibility requirements. The Commission has also permitted the term “special needs” to apply to seniors, customers with medical needs or disabilities, and/or customers with young children in the home.<sup>35</sup>

*Clarification Required:* In response to this Order, UGI is directed to explain the basis of omitting the provision for eligible customers with gross household income at or below 150% of the FPIG to qualify for LIURP and clarify if eligible customers within this income threshold can still qualify for LIURP. Further, although we recognize that LIURP regulations do not require public utilities to serve “special needs customers” with household income between 151% and 200% of the FPIG, UGI is directed to clarify if it serves these customers. If such customers are eligible for LIURP, UGI is directed to clarify its definition of the term “special needs customer” regarding LIURP eligibility and

---

<sup>34</sup> The LIURP regulations define a “special needs customer” as: “A customer having an arrearage with the covered utility and whose household income is at or below 200% of the [FPIG].” See 52 Pa. Code § 58.2 (relating to definitions).

<sup>35</sup> See *NFG 2017-2020 USECP Order*, Docket No. M-2016-2573847 (Order entered on March 1, 2018), at 40.

explain its guidelines for using up to 20% of its LIURP budget on providing services to “special needs customers” with household income between 151% and 200% of the FPIG.

*b. LIURP Eligibility – Exceptions*

In its Proposed 2026 USECP, UGI states it will allow for exceptions to the LIURP eligibility guidelines. Proposed 2026 USECP at 28-29, Fn 34. UGI does not specify how exceptions to the LIURP eligibility guidelines are determined, including under what circumstances, if any, it would allow a dwelling to receive LIURP before the end of its seven-year re-weatherization time limit.

The Commission has supported establishing exceptions to time limits, if warranted, to re-weatherize a dwelling.<sup>36</sup> Often, the LIURP re-weatherization time limits are tied to payback periods for program measures (*i.e.*, the energy savings from LIURP work exceed the cost of the installed program measures over a certain timeframe). These calculations can make high-usage households ineligible for LIURP even if they have received only low-cost or limited program measures within a certain number of years.

*Clarification Required:* In response to this Order, UGI is directed to describe the circumstances under which a customer could qualify for exceptions to its LIURP eligibility guidelines. UGI is also directed to explain what specific circumstances or situations, if any, qualify a customer for an exception to its current seven-year re-weatherization time limit.

---

<sup>36</sup> See *PGW 2023-2027 USECP* Order, Docket No. M-2021-3029323 (Order entered on January 12, 2023), at 72-73; *PPL 2023-2027 USECP* Order, Docket No. M-2022-3031727 (Order entered on February 9, 2023), at 84-86; and *Columbia 2024-2028 USECP* Order, Docket No. M-2023-3039487 (Order entered on April 4, 2024), at 82-83.

*c. Energy Conservation Kits*

In the 2020 USECP, UGI states that it began providing UGI Electric LIURP participants with Energy Conservation Kits containing items to reduce electric consumption. 2020 USECP at 33. In the 2024 APPRISE Impact Evaluation, APPRISE also indicated that electric non-heating LIURP customers may be provided with an Energy Conservation Kit. 2024 APPRISE Impact Evaluation at 25; 28. However, UGI does not include this provision in its Proposed 2026 USECP.

*Clarification Required:* In response to this Order, UGI is directed to explain the basis for the omission of this provision in its Proposed 2026 USECP and clarify if it still provides electric non-heating LIURP participants with Energy Conservation Kits.

*d. Energy Conservation Education*

In its Proposed 2026 USECP, UGI states that eligible electric non-heating customers may receive low-cost energy savings measures or in-home or telephonic energy education sessions. Proposed 2026 USECP at 28. In the 2024 APPRISE Impact Evaluation, APPRISE indicated that none of the agency providers reported discussing training related to high usage education or budget counseling. APPRISE noted that one agency provider requested quarterly meetings with UGI to receive information about program changes because these changes were not always effectively communicated. APPRISE recommended that UGI include usage reduction and budget counseling in the LIURP agency provider training agenda. 2024 APPRISE Impact Evaluation at x; 83.

*Clarification Required:* In response to this Order, UGI is directed to explain what a home and telephonic energy education session entails and how it communicates energy education content and requirements to agency providers, including LIURP agency contractors.

*e. Minimum Usage Threshold for Electric Baseload*

In its Proposed 2026 USECP, UGI proposes a new minimum usage criteria threshold of 6,000 kWh for electric baseload (non-heating) LIURP jobs, in addition to threshold requirements for gas heating (877 ccf) and electric heating (12,788 kWh). Proposed 2026 USECP at 6; 29. UGI does not specify why it is establishing a minimum usage threshold for electric baseload customers or how the usage threshold was determined.

*Clarification Required:* In response to this Order, UGI is directed to explain the reason for creating a minimum usage threshold for electric baseload (non-heating) customers and the methodology used to establish the 6,000 kWh minimum usage threshold criteria.

*f. Incidental Repairs, Health and Safety Measures, and Deferrals*

UGI states in its Proposed 2026 USECP that energy saving measures for gas customers and electric space heat customers may include, *inter alia*, incidental repairs necessary to the effective performance of weatherization materials. It also states that LIURP places top priority on the health and safety of all participants. Proposed 2026 USECP at 27.

In the 2024 APPRISE Impact Evaluation, APPRISE indicates that UGI has a health and safety allowance but reports that it may be insufficient to address issues that result in deferrals. 2024 APPRISE Impact Evaluation at xi; 85. APPRISE states that before a dwelling can receive LIURP, UGI must address health and safety issues such as combustion appliances, faulty chimney and/or heating system or combustion water

heater, insufficient ventilation per ASHRAE<sup>37</sup> standards, moisture conditions, knob and tube wiring, and gas leaks. UGI reported that when issues such as moisture or combustion safety conditions cannot be corrected through LIURP, the job must be deferred until the repairs are completed. 2024 APPRISE Impact Evaluation at 25; 29.

While indicated in the 2024 APPRISE Impact Evaluation that UGI has established parameters for addressing health and safety conditions, it is not addressed in the Proposed 2026 USECP. The Proposed 2026 USECP does not include the parameters and an allowance threshold for performing incidental repairs<sup>38</sup> and routine health and safety measures. Further, it does not include a process for when a LIURP contractor disqualifies and defers a dwelling from LIURP due to health and safety conditions that cannot be addressed within the scope of LIURP.

The Commission has directed that public utilities identify their recommended parameters and allowance thresholds for performing incidental repairs. The Commission has also requested that public utilities establish parameters and allowance thresholds for addressing routine health and safety measures and to identify their process for deferrals.<sup>39</sup>

*Clarification Required:* In response to this Order, UGI is directed to explain their parameters and allowance thresholds for performing incidental repairs. UGI is directed

---

<sup>37</sup> The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) is an international society of heating, refrigerating and air-conditioning professionals dedicated to advancing human well-being through sustainable technology for the built environment. <https://www.ashrae.org/about>.

<sup>38</sup> 52 Pa. Code § 58.12 (relating to incidental repairs) provides that expenditures “on program measures may include incidental repairs to the dwelling necessary to permit proper installation of the program measures or repairs to existing weatherization measures which are needed to make those measures operate effectively.”

<sup>39</sup> For example, see *PECO 2016-2018 USECP* Order, Docket No. M-2015-2507139 (Order entered on February 25, 2016), at 21-22; *Duquesne Light 2017-2019 USECP* Order, Docket No. M-2016-2534323 (Order entered on August 11, 2016), at 16-17; *PGW 2023-2027 USECP* Order, Docket No. M-2021-3029323 (Order entered on January 12, 2023), at 70-72; and *Columbia 2024-2028 USECP* Order, Docket No. M-2023-3039487 (Order entered on June 15, 2023), at 41-42.

to indicate whether it performs routine health and safety measures and, if so, to explain its parameters and allowance thresholds for addressing those issues. Further, UGI is directed to identify its process for disqualifying dwellings from LIURP, including how customers are notified of the reasons for disqualification; the number of dwellings disqualified per year from 2022 to 2024 and the reasons for disqualification; what agencies or programs it refers deferred dwellings to; and how long it maintains a list of deferred dwellings.

*g. Post-Installation Inspection*

In its Proposed 2026 USECP, UGI states that LIURP job inspections are conducted by a third-party company. Proposed 2026 USECP at 28. The 2024 APPRISE Impact Evaluation indicates that a third-party company assesses at least 20% of all completed LIURP jobs and all completed jobs with costs exceeding \$2,000. APPRISE notes that the third-party company uses an inspection report in the Customer Outreach System<sup>40</sup> to evaluate the LIURP job and UGI reviews the inspection report for issues such as health and safety concerns. APPRISE found that approximately 20% of all LIURP jobs needed to be corrected and UGI reviews all work corrections filed to each agency once a year. 2024 APPRISE Impact Evaluation at 27-28.

While it appears that UGI has quality control protocols in place, including a methodology used to select a percentage of completed LIURP jobs for post-installation inspection, it is not detailed in its Proposed 2026 USECP. UGI also does not describe what actions are taken when program measures are determined to be faulty and/or if a LIURP recipient's energy usage increases after post-installation of program measures. Additionally, it is not clear how UGI addresses situations when a customer has an issue with the quality of a LIURP contractor's work and/or service.

---

<sup>40</sup> UGI's COS provides customer information, such as eligibility criteria, account balance, recent bills and payments. Proposed 2026 USECP at 9.

LIURP regulations require public utilities to establish effective quality control guidelines and procedures for the installation of program measures, including scheduling post-installation inspections and requiring a warranty covering workmanship.<sup>41</sup>

*Clarification Required:* In response to this Order, UGI is directed to outline its LIURP quality control guidelines, including the methodology it uses to select a percentage of completed LIURP jobs to receive a post-installation inspection. UGI is directed to explain what actions, if any, are taken if an installed program measure is not operating efficiently and/or when a LIURP recipient's energy usage increases after program measures are installed, including its warranty for covering workmanship. Further, UGI is directed to explain the process for handling complaints from customers when they have an issue with a LIURP contractor's work and/or service.

#### *h. Landlord and Customer Consent*

In its Proposed 2026 USECP, UGI states that LIURP is available to both homeowners and renters. It further states that landlords are required to provide written permission for renters to qualify for LIURP. Proposed 2026 USECP at 29, Fn 38. However, UGI does not explain how written permission is obtained from a landlord and how permission or refusal is documented. UGI also does not indicate how it obtains customer consent to accept LIURP services (*e.g.*, CAP application, LIURP application, verbal consent, etc.), including customer consent to share their information with LIURP agencies/contractors. Further, it is not clear if renters are eligible for non-comprehensive program measures or provided referrals if the landlord does not give permission to install comprehensive program measures. The Commission has previously directed public utilities to clarify the method by which it obtains and documents landlord consent and

---

<sup>41</sup> See 52 Pa. Code § 58.14(b) (relating to Quality control).

customer consent for LIURP services. The Commission has also previously directed public utilities to clarify the method in which they obtain and document customer consent to share information with LIURP agencies/contractors.<sup>42</sup>

LIURP regulations at 52 Pa. Code § 58.8 (relating to tenant eligibility), require a public utility to obtain written permission from the landlord prior to the installation of usage reduction measures in a rental property. Additionally, the landlord must agree, in writing, that rents will not be raised unless the increase is related to matters other than the installation of the usage reduction measures and that the tenant will not be evicted for at least 12 months after the installation of the program measures if the tenant complies with ongoing obligations and responsibilities.

*Clarification Required:* In response to this Order, UGI is directed to clarify the method by which it documents landlord permission or refusal of LIURP services and provide a copy of the letter or other communication used to request landlord consent. If landlord consent is accepted in a method other than in writing, UGI is directed to describe all ways consent is obtained and documented. UGI is also directed to clarify how customer consent for LIURP services is obtained, including customer consent to share their information with LIURP agencies/contractors, and provide a copy of any consent form. Further, UGI is directed to identify what program measures and/or referrals, if any, are provided to a renter if the landlord refuses to give consent to install comprehensive program measures.

---

<sup>42</sup> For example, see *Columbia 2024-2028 USECP Order*, Docket No. M-2023-3039487 (Order entered on April 4, 2024), at 77-80; *FirstEnergy PA 2024-2028 USECP Order*, Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535 (Order entered on March 14, 2024), at 74-79; *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727 (Order entered on February 9, 2023), at 81-84; *PGW 2023-2027 USECP Order*, Docket No. M-2021-3029323 (Order entered on January 12, 2023), at 65-67; *PECO 2019-2024 USECP Order*, Docket No. M-2018-3005795 (Order entered on June 16, 2022), at 80-82; *NFG 2022-2026 USECP Order*, Docket No. M-2021-3024935 (Order entered on May 3, 2022), at 48-50; and *Duquesne 2020-2025 USECP Order*, Docket No. M-2019-3008227 (Order entered on April 21, 2022), at 64-66.

*i. Contractor Training and Certification Requirements*

In its Proposed 2026 USECP, UGI states that it contracts with 15 agencies to provide LIURP services. Proposed 2026 USECP at 28; D-1. However, UGI does not include any details regarding LIURP contractor training and certification requirements in its Proposed 2026 USECP.

While LIURP regulations do not currently specify training requirements or certification credentials for participating contractors, public utilities are required to use qualified contractors that have demonstrated experience and effectiveness in the administration and provision of program services. 52 Pa. Code § 58.7(c). In prior USECP proceedings, the Commission has directed public utilities to include LIURP contractor training and certification requirements in their USECPs.<sup>43</sup>

*Clarification Required:* In response to this Order, UGI is directed to provide details of its LIURP contractor training and certification requirements.

*j. Inter-Utility Coordination - Exceptions*

UGI states that it initiates inter-utility coordination with other public utilities to coordinate comprehensive program services to better serve LIURP customers.<sup>44</sup> Proposed 2026 USECP at 30. In the 2024 APPRISE Impact Evaluation, APPRISE reports that UGI faces challenges coordinating LIURP with other programs because of the different program requirements for program eligibility and priority. 2024 APPRISE

---

<sup>43</sup> See *PGW 2023-2027 USECP* Order, Docket No. M-2021-3029323 (Order entered on January 12, 2023), at 72-73 and *PPL 2023-2027 USECP* Order, Docket No. M-2022-3031727 (Order entered on February 9, 2023), at 84-86. See also, *Columbia 2024-2028 USECP* Order, Docket No. M-2023-3039487 (Order entered on April 4, 2024), at 80-82.

<sup>44</sup> UGI restates its commitment to coordinating with EDCs in overlapping service territories who may be providing similar services pursuant to Act 129. Proposed 2026 at 30, Fn 39.

Impact Evaluation at 29. It is not clear if UGI waives certain LIURP eligibility criteria, such as the minimum usage threshold, for LIURP jobs coordinated with other public utilities and/or other weatherization programs, including Act 129<sup>45</sup> and the Department of Community and Economic Development's Weatherization Assistance Program (WAP).

The Commission has previously permitted other public utilities to waive certain LIURP eligibility criteria, such as the minimum usage requirements, for LIURP jobs coordinated with other public utility LIURPs and weatherization programs.<sup>46</sup>

*Clarification Required:* In response to this Order, UGI is directed to clarify if it grants exceptions to the LIURP eligibility criteria for LIURP jobs coordinated with other public utility LIURPs and other weatherization programs.

#### *k. Rehabilitation Program*

The Rehabilitation Program was initially approved by the Commission to operate as a LIURP pilot program exclusively for UGI Gas in UGI's 2011-2013 USECP proceeding.<sup>47</sup> In the 2014-2017 USECP proceeding, the Commission approved making the Rehabilitation Program a permanent universal service program under LIURP for all of the UGI companies.<sup>48</sup>

---

<sup>45</sup> Act 129 of 2008, *inter alia*, expanded the Commission's oversight responsibilities and imposed new requirements on EDCs with the overall goal of reducing energy consumption and demand. 66 Pa.C.S. § 2806.1, relating to energy efficiency and conservation program.

<https://www.palegis.us/statutes/consolidated/view-statute?txtType=HTM&ttl=66&div=0&chapter=28&section=6&subsectn=1>.

<sup>46</sup> See Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company's (collectively FirstEnergy PA) 2019-2021 USECP, Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 (filed on June 24, 2019), at 19. See also, *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727 (Order entered on February 9, 2023), at 78-79.

<sup>47</sup> *UGI 2011-2013 USECP Order*, Docket No. M-2010-2186052 (Order entered on October 31, 2011), at 19-20.

<sup>48</sup> *UGI 2014-2017 USECP Order*, Docket No. M-2013-2371824 (Order entered on January 15, 2015), at 35-41; 80.

The Rehabilitation Program achieves usage reduction by installing energy efficiency measures in low-income housing at the construction/rehabilitation phase, with the expectation that those homes will eventually receive LIURP. The Rehabilitation Program measures include the installation of upgraded insulation, energy efficient windows, and ENERGY STAR-rated high efficiency natural gas furnaces and hot water heaters. Proposed 2026 USECP at 30.

To qualify for the Rehabilitation Program, the project must meet the following criteria:

- The premises has an active residential natural gas heating or residential electric heating account with UGI.
- The premises is the customer's primary residence.
- The customer's gross household income is at or below 200% of the FPIG.
- Involves coordination with a CBO.

Proposed 2026 USECP at 31.

In the 2020 USECP, UGI states the Rehabilitation Program is available to homeowners and renters<sup>49</sup> and commits to maintaining the policies established in its 2014-2017 USECP:

As with the 2014-2017 USECP, UGI: (1) will limit the use of LIURP funding under this program to residential rate housing units and, in the case of rental housing units, only where the tenant has payment responsibilities for the utility service; (2) may direct funds to HOME<sup>[50]</sup> developments, the Low Income Housing Tax Credit ("LIHTC") program and to non-profit

---

<sup>49</sup> 2020 USECP at 37, Fn 62.

<sup>50</sup> The HOME Investment Partnership Program (HOME) is federally funded and administered by DCED. HOME provides municipalities with grants and technical assistance to expand the supply of affordable housing for low and very-low income Pennsylvanians. <https://dced.pa.gov/programs/home/>.

agencies; and (3) will track customer participation levels and energy savings on a prospective basis.

2020 USECP at 38.

UGI also commits to tracking and reporting the Rehabilitation Program results and details separately. 2020 USECP at 38.

However, in its Proposed 2026 USECP, UGI does not specify if the Rehabilitation Program is available to both homeowners and renters or include the 2020 USECP provisions addressing funding and reporting requirements.

Additionally, in the UGI 2011-2013 USECP proceeding, the Commission noted that the pilot program, at that time, had been in existence for 17 years but had not been evaluated in the previous 15 years and directed UGI Gas to provide an evaluation of the pilot program's results in its 2014-2017 USECP.<sup>51</sup> Subsequently, the Commission evaluated the pilot program results and directed UGI to track and report the program results and details separately from its LIURP, estimate labor costs for comparison purposes, and market the program to appropriate and selective target niches outside of those traditionally reached with LIURP advertising and outreach.<sup>52</sup>

Thus, it appears that UGI's 2014-2017 USECP proceeding was the last time the Rehabilitation Program was evaluated. As the Rehabilitation Program is a permanent universal service program within its LIURP, UGI is required to report the actual number of completed jobs and spending data for this program annually. *See* 52 Pa. Code

---

<sup>51</sup> *UGI 2011-2013 USECP* Order, Docket No. M-2010-2186052 (Order entered on October 31, 2011), at 4.

<sup>52</sup> *UGI 2014-2017 USECP* Order, Docket No. M-2013-2371824 (Order entered on January 15, 2015), at 37, 41.

§ 62.5(a)(2)(ii)(A)(II) (relating to annual residential collection and universal service and energy conservation program reporting requirements).

*Clarification Required:* In response to this Order, UGI is directed to explain the basis for omitting the 2020 USECP provisions addressing eligibility and reporting requirements from the Proposed 2026 USECP and confirm if those provisions are still applicable. UGI is also directed to clarify if the Rehabilitation Program is still available to homeowners and renters. Further, UGI is directed to provide Rehabilitation Program annual data for each of the UGI companies from 2022 through 2024. This annual data should include:

- The number of jobs completed.
- Number of homeowners served.
- Number of renters served.
- Types of program measures installed.
- Total program costs, separated into the total amount spent on the jobs and the amount spent on administration costs.
- Average cost per job.
- Estimated average annual energy savings per job.

*l. April 2025 Petition - Regulatory Waivers (Docket No. P-2025-3054381)*

In UGI's 2020 USECP proceeding, the Commission granted UGI North<sup>53</sup> limited waivers of 52 Pa. Code § 58.10(a)(1), high use criteria, and § 58.11(a), payback

---

<sup>53</sup> As part of a Joint Settlement Agreement in its 2016 Base Rate proceeding, UGI North (fka UGI Penn Natural Gas) agreed to request Commission approval for waivers of 52 Pa. Code § 58.10(a)(1), high use criteria and § 58.11(a), payback requirements for furnace repair or replacements in its 2018-2020 USECP filing. *See Pa. PUC, et al. v. UGI Penn Natural Gas*, Docket No. R-2016-2580030, *et al.*, Joint Settlement Agreement (filed on June 30, 2017) at ¶ 43(a) and (c). The Commission approved the Joint Settlement Agreement in an Order entered on August 31, 2017.

requirements, relative to inoperable gas furnaces for the duration of the 2020 USECP.<sup>54</sup> UGI Gas filed the April 2025 Petition, concurrently with the Proposed 2026 USECP, at Docket No. P-2025-3054381, requesting limited waivers under 52 Pa. Code §§ 58.10(a)(1) and 58.11(a)(1) for all its service territories for the duration of its Proposed 2026 USECP. April 2025 Petition at 3.

In the April 2025 Petition, UGI Gas avers that the limited waivers are necessary to fully address customers who have an inoperable gas furnace and who are relying on less efficient heating sources, such as electric space heaters. UGI Gas asserts that even though an eligible customer has an inoperable gas furnace and is using a less efficient heating source, UGI Gas may have to prioritize other eligible customers because repairing or replacing an inoperable gas furnace may exceed the seven- or 12-year payback period. UGI Gas opines that the limited waivers have allowed them to prioritize repairing and/or replacing those customers with inoperable gas furnaces, resulting in a reduction of their overall energy costs. UGI Gas asserts that the limited waivers of the high use criteria and payback requirements only apply to gas furnace repairs and replacements and do not apply to other program measures offered under its Proposed 2026 USECP. April 2025 Petition at 6-7.

*Clarification Required:* We shall address the UGI's April 2025 Petition as part of our review of its Proposed 2026 USECP. Accordingly, we request stakeholder comments on UGI's April 2025 Petition requesting a limited waiver of LIURP regulations 52 Pa. Code §§ 58.10(a)(1) and 58.11(a) for the duration of its Proposed 2026 USECP.

---

<sup>54</sup> UGI 2018-2020 USECP Order, Docket Nos. M-2017-2598190, M-2017-2637094, M-2017-2637095, and M-2017-2637098 (Order entered on August 8, 2019), at 58-61; 82.

### 3. CARES

UGI's CARES program is an outreach and referral service that is designed to assist customers who are experiencing temporary hardships that could result in an inability to pay their utility bills. UGI representatives make referrals to social service agencies and provide information regarding available programs. CARES customers also receive information on programs such as LIURP, CAP, and Operation Share. CARES also provides extensive LIHEAP outreach. Proposed 2026 USECP at 7.

Any UGI customer who has a delinquent balance or is experiencing a temporary hardship that could lead to a loss of utility service is eligible for CARES. Temporary hardships include, but are not limited to, loss of income, illness, and recent unemployment or disability.<sup>55</sup> Proposed 2026 USECP at 7-8.

UGI proposes no changes to its CARES program in its Proposed 2026 USECP. Based on our analysis of UGI's CARES program, we identified areas of concern requiring clarification as detailed below.

#### *a. CARES Program Funding*

UGI details the costs and budget for the CARES program in Appendix A of its Proposed 2026 USECP. UGI states that its USP Rider is utilized to recover costs for its LIURP, CAP, Operation Share, and any other Commission-mandated program. Proposed 2026 USECP at A-4. However, UGI does not specifically identify the CARES budget as a recoverable cost.

---

<sup>55</sup> Customers who provide a Protection from Abuse (PFA) order are handled by a smaller unit of CARES representatives for specific program referrals and payment options.

*Clarification Required:* In its response to this Order, UGI is directed to clarify how its CARES program is funded and costs recovered, if applicable.

*b. LIHEAP Outreach*

In the 2020 USECP, UGI states that it has six Customer Outreach Representatives and three LIHEAP Outreach Representatives responsible for LIHEAP operations. The 2020 USECP also states that the CARES program “provides extensive LIHEAP outreach.” 2020 USECP at 3, 11.

In the 2024 APPRISE Impact Evaluation, APPRISE found that when it surveyed customers about why they did not apply for LIHEAP, survey respondents stated that they did not know about LIHEAP and did not know how or where to apply. APPRISE noted that UGI does not do calling campaigns for LIHEAP and recommended that UGI consider implementing calling campaigns to increase customer awareness about the availability of the program and the process to apply. 2024 APPRISE Impact Evaluation at xi, 16, and 84-85.

APPRISE noted that as part of its analysis of 2021-2022 CAP participants, it found the percentage of new CAP enrollees who received LIHEAP increased from 37% to 47% for electric CAP participants and from 35% to 42% for natural gas CAP participants. 2024 APPRISE Impact Evaluation at vi, 78.

In its Proposed 2026 USECP, UGI proposes to maintain six Customer Outreach Representatives but reduce the number of LIHEAP Outreach Representatives from three to two. UGI also included its CEOP which details methods of outreach for LIHEAP. UGI’s planned LIHEAP outreach includes emails to all residential customers who provided an email address and informational videos available on its website. UGI also has a calling campaign to customers who have already received a LIHEAP Crisis grant

but received less than the maximum grant amount. UGI's CEOP does not include implementing a general calling campaign for LIHEAP, beyond the calls made to LIHEAP Crisis recipients. Proposed 2026 USECP at 3 and Appendix H, 5.

*Clarification Required:* In its response to this Order, UGI is directed to explain whether it would consider expanding its LIHEAP outreach to include additional initiatives such as a general calling campaign. Additionally, UGI is directed to explain what factors may have resulted in the increase in CAP enrollees participating in LIHEAP, as well as how it plans to increase LIHEAP participation with a reduced LIHEAP outreach staff.

#### **4. Operation Share Energy Fund**

Operation Share is UGI's Hardship Fund. Operation Share provides financial assistance to residential customers experiencing difficulty paying their energy bill due to an unforeseen situation. Operation Share grants can be used to pay reconnection fees for income-qualified customers or applicants, regardless of CAP enrollment status. UGI refers applicants to CBOs that process the grants including determining the amount of the grant to be issued. Proposed 2026 USECP at 8-9.

To be eligible for an Operation Share grant, customers must:<sup>56</sup>

- Have an active residential account with UGI. The premises must be the customer's primary residence.
- Have an active heating or non-heating utility account.
- Have not received an Operation Share grant within the last 12 months.
- Have an outstanding utility bill balance.

---

<sup>56</sup> UGI or the CBOs may waive a requirement in extraordinary circumstances. Proposed 2026 USECP at 9.

- Have a household income at or below 250% of the FPIG.<sup>57</sup>
- Provide proof of identification and information to demonstrate an inability to pay (including income and expenses of all household members).
- Have contacted the company's credit department to discuss options.

Proposed 2026 USECP at 9-10.

Under the Proposed 2026 USECP, CAP participants would be eligible for Operation Share grants for past due CAP amounts under circumstances that warrant a grant being awarded, including but not limited to death, loss of job, increased medical cost, or protection from abuse orders. However, as stated above, Operation Share grants can be used to pay reconnection fees for income-qualified customers or applicants, regardless of CAP enrollment status. Proposed 2026 USECP at 10.

The maximum amount of an Operation Share grant for UGI is \$600 per household. However, exceptions to the maximum grant may be approved for special circumstance customers. Proposed 2026 USECP at 10-11.

In the Proposed 2026 USECP, UGI proposes the following modifications to the Operation Share provisions:

- Clarify that hardship grants can be applied towards restoration fees, including reconnection fees, regardless of current or prior enrollment in CAP.
- Clarify that CAP customers are eligible for Operation Share grants.
- Remove language regarding UGI matching contributions made by customers, employees, or other sources. Matching has been replaced by annual contribution amounts.

---

<sup>57</sup> July 2023 Settlement, Docket No. R-2022-3037368 at 12, ¶58.

- Require applicants whose service has been terminated to contact UGI because agencies cannot provide Operation Share benefits on an inactive account.
- Allow UGI to reallocate up to 25% of UGI Gas’s regional annual Operation Share budget from agencies with underspend to agencies that could utilize those funds.<sup>58</sup>

Proposed 2026 USECP at 4-5.

Based on our analysis of UGI’s Operation Share program, we identified areas of concern requiring clarification as detailed below.

*a. Eligibility – CAP Customers*

UGI states in its summary of changes to the USECP that CAP customers will be eligible to receive Operation Share grants. However, the program description states that “CAP participants are eligible to receive Operation Share for their past due CAP under circumstances that warrant a grant being awarded, such as death, loss of job, increased medical costs, protection from abuse orders, etc.”

It is unclear whether all CAP customers are eligible to receive Operation Share grants, or if eligibility is limited to those CAP customers with a special circumstance.

*Clarification Required:* In its response to this Order, UGI is directed to clarify whether and under what circumstances, if applicable, a CAP customer would be eligible to receive an Operation Share grant.

---

<sup>58</sup> See Proposed 2026 USECP at A-2 and A-3.

*b. Operation Share Donations*

UGI Gas has consistently had the third lowest average of voluntary Hardship Fund contributions per residential customer for natural gas utilities, as shown in Table 7:

**Table 7  
Average Voluntary Hardship Fund Contributions per Residential Customer**

	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
	<b>Season*</b>	<b>Season**</b>	<b>Season***</b>
UGI Utilities – Gas	\$0.20	\$0.17	\$0.16
Industry Average	\$0.28	\$0.27	\$0.33

\* 2021 Universal Service Program & Collections Performance Report 2021 at 81.

\*\* 2022 Universal Service Program & Collections Performance Report 2021 at 78.

\*\*\*2023 Universal Service Program & Collections Performance Report 2021 at 78.

For 2020 through 2025, UGI projected initial company contributions of \$584,500 plus projected cash donations of \$126,000 for a total of \$710,500 for UGI Gas and initial contributions of \$80,500 plus projected cash donations of \$35,000 for a total of \$115,500 for UGI Electric.<sup>59</sup> In the Proposed 2026 USECP, UGI proposes initial company contributions of \$584,500 plus projected cash donations of \$81,887 for a total of \$666,387 for UGI Gas for 2026 through 2030 – a 6.2% decrease to projected Operation Share donations compared to the 2020 USECP, and initial company contributions of \$117,423 plus projected cash donations of \$5,600 for a total of \$123,023 for UGI Electric for 2026 through 2030 – a 6.5% increase. Proposed 2026 USECP at Appendix A, A-2.

While we have no concerns regarding the projected company contributions for UGI Gas and Electric, we are concerned by the projected reduction in Operation Share cash donations for both public utilities.

---

<sup>59</sup> 2020 USECP at Appendix A, A-3.

*Clarification Required:* In its response to this Order, UGI is directed to explain the reasons why it anticipates a decrease in UGI Gas and Electric cash donations for Operation Share and what steps it is taking to solicit more donations from customers and employees.

*c. Exceptions to Maximum Grant Amounts*

As described above, UGI states that it may approve exceptions to the maximum grant amount for “special circumstance customers.” Proposed 2026 USECP at 11. For its CARES program, UGI defines “special circumstances” as including, but not limited to, a need for help in paying their utility bill. Proposed 2026 USECP at 7. UGI does not provide any clarification on what “special circumstances” would qualify a customer for exceptions to Operation Share maximum grant amounts.

*Clarification Required:* In its response to this Order, UGI is directed to outline the circumstances under which a customer would qualify for an exception to the maximum grant amount for Operation Share.

*d. Regional Operation Share Budget Reallocation*

In the Proposed 2026 USECP, UGI Gas proposes to include flexibility to reallocate up to 25% of the regional annual Operation Share budget between the South, North, and Central regions. Proposed 2026 USECP at 5.

While we agree that UGI should maintain the flexibility to route funding to areas where it can be most effectively utilized, the Proposed 2026 USECP does not identify what criteria UGI uses to determine the need for reallocation of funding or what methodology UGI will employ to determine the amount of funding to be reallocated.

*Clarification Required:* In its response to this Order, UGI is directed to detail the criteria, data, and methodologies it employs to assess the need for reallocation of up to 25% of the regional Operation Share budget and determine the amount of funding to be reallocated.

**B. Projected Needs Assessment**

In compliance with 52 Pa. Code § 62.4(b)(3), the Proposed 2026 USECP includes a needs assessment for UGI’s universal service programs, which is depicted in Table 8 below.

**Table 8**  
**Projected Needs Assessment for UGI Gas**

Estimated Low-Income Customers	147,552
Confirmed Low-Income Customers	40,879
Confirmed Payment-Troubled Low-Income Customers	2,156
Customers in Need of LIURP Services	13,780
Estimated Cost of Serving Customers in Need of LIURP Services	\$99,209,945
Enrollment Size of CAP to Serve all Eligible Customers	40,879

*Source:* Proposed 2026 USECP at B-1.

*a. Estimated and Confirmed Low-Income Customer Count*

UGI Gas previously reported having 166,336 estimated low-income customers and 89,923 confirmed low-income customers in its service territories in 2023. *See 2023 Report on Universal Service and Collections Performance (2023 USP Report) at 7-8.* UGI reports that the Proposed 2026 USECP estimated low-income numbers are based on 2018-2022 Census Data, which was released in 2024. Proposed 2026 USECP at B-1. As shown in Table 9 below, the projected needs assessment in the Proposed 2026 USECP

reflects a reduction of over 11% for estimated low-income customers and a reduction of more than half of confirmed low-income customers, compared to its 2023 data.

**Table 9**  
**UGI Gas: Projected Needs Assessment vs 2023 data**

	<b>2023</b>	<b>2026 USECP Needs Assessment</b>	<b>% Change</b>
Estimate # of Low-Income Customers	166,366	147,552	-11.3%
Confirmed Low-Income Customers	89,293	40,879	-54.5%

*Source: 2023 USP Report at 7-8.; Proposed 2026 USECP at B-1.*

It is not clear why the projected needs assessment for UGI Gas is significantly different from its 2023 data, especially as the estimated low-income customer count for 2023 should also have been based on the 2018-2022 Census data.<sup>60</sup>

*Clarification Required:* In its response to this Order, UGI is directed to explain the reason for the reduction in estimated and confirmed low-income customer counts for UGI Gas as compared to the data previously reported for 2023. UGI Gas is also directed to update its count of estimated low-income customers based on 2019-2023 Census data. UGI shall also update its confirmed low-income customer count, if needed, and identify separately the number of estimated and confirmed customers with incomes between 151% to 200% of the FPIG.

---

<sup>60</sup> By March each year, the Commission’s Bureau of Consumer Services (BCS) sends updated data from the United States Census Bureau’s 5-Year Estimates from its American Community Survey. Data for 2018-2022 was shared with public utilities, including UGI, in March 2024. This information should have been used by the public utilities to calculate their estimated low-income customer count for its 2023 universal service reporting data, which they were required to file with the Commission on April 1, 2024. BCS sent out census data for 2019-2023 to public utilities in March 2025.

*b. Customers in Need of LIURP*

In its 2020 USECP, UGI documented the estimated number of customers in need of LIURP and identified the eligibility criteria used to account for the estimated number of customers in need of LIURP. 2020 USECP at B-1, Fn 73.<sup>61</sup> However, UGI has omitted the eligibility criteria used to account for the estimated number of customers in need of LIURP in the needs assessment for UGI Gas in its Proposed 2026 USECP. Proposed 2026 USECP at B-1. As reflected in Table 10, the estimated numbers of customers in need of LIURP are documented in totality and are not broken down based on specific eligibility criteria.

Table 10 shows that the number of identified low-income customers and estimated number of low-income customers reported in the Proposed 2026 USECP are lower than the numbers reported in the 2020 USECP, while the number of customers in need of LIURP reported in the Proposed 2026 USECP is higher.

---

<sup>61</sup> 2020 USECP at B-1, Fn 73 states:

This figure [the number of customers in need of LIURP services] accounts for the following eligibility criteria: (1) identified low-income; (2) 12 months of consecutive service; (3) meeting LIURP usage criteria; (4) premises not having received LIURP weatherization services within the past seven (7) years. The UGI Companies may grant exceptions where warranted on a case-by-case basis to customers who do not meet this eligibility criteria and will report exceptions annually to the Commission.

**Table 10**  
**UGI Gas Projected Needs Assessment – Current vs Proposed USECP**

	<b>2020 USECP</b>	<b>Proposed 2026 USECP</b>	<b>% Change</b>
# of Identified Low-Income Customers	57,330	40,879	-30%
Estimate # of Low-Income Customers	182,956	147,552	-19%
# of Identified Payment-Troubled, Low-Income Customers	13,016 <sup>62</sup>	2,156	-83%
# of Customers in Need of LIURP	10,007	13,780	38%

*Source: 2020 USECP at B-1; Proposed 2026 USECP at B-1.*

We recognize that changes made to the LIURP eligibility criteria in UGI Gas’ 2022 Rate Case – specifically expanding income-eligibility to 200% of the FPIG and reducing the minimum usage requirement may have increased the number of UGI Gas customers potentially eligible for LIURP. However, it is not clear if these eligibility criteria changes are the only reason the number of customers in need of LIURP has increased while the number of estimated and low-income customers has decreased.

*Clarification Required:* In response to this Order, UGI is directed to identify the eligibility factors used to calculate the number of customers potentially eligible for LIURP and provide customer numbers for each factor, broken down by FPIG level (*i.e.*, 0-150% and 151% to 200%).<sup>63</sup> Further, UGI is directed to explain how it ensures that the customers within the 0%-150% tier of the FPIG are prioritized for LIURP.

---

<sup>62</sup> “52 Pa. Code § 62.4 requires the inclusion of estimated low-income payment-troubled customers in a NGDC’s needs assessment. Due to the methodology employed by the UGI Companies, this figure is equal to the identified payment troubled low-income customers set forth in line 3 and is not repeated to avoid redundancy.” 2020 USECP at B-1, Fn 72.

<sup>63</sup> LIURP regulations at Section 58.4(c)(1)-(4) provide how the steps/factors should be considered. 52 Pa. Code § 58.4(c)(1)-(4).

*c. Projected Needs Assessment for UGI Electric*

UGI does not provide a needs assessment for UGI Electric in its Proposed 2026 USECP, noting that it is not required to provide this information under 52 Pa. Code § 54.77,<sup>64</sup> which waives certain universal service reporting requirements for EDCs with fewer than 60,000 residential customers. However, because UGI Electric has voluntarily elected to offer ratepayer-funded universal service programs within its service territory this information is necessary for the Commission and stakeholders to assess how well UGI Electric’s programs are meeting the needs of its eligible or potentially eligible customers.

*Clarification Required:* In its response to this Order, UGI is directed to provide a projected needs assessment for UGI Electric. This needs assessment should include all updated or additional information requested for UGI Gas’s needs assessment in issues *a* and *b* above.

**C. Projected Enrollment Levels**

UGI’s projected enrollment levels from 2026 through 2030 are shown in Tables 11 and 12 below. Proposed 2026 USECP at Appendix A.

**Table 11  
Projected CAP Enrollment 2026-2030**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
UGI Gas	26,295	27,871	29,098	30,379	31,717
UGI Electric	5,043	5,256	5,478	5,709	5,950
<b>Total</b>	<b>31,338</b>	<b>33,127</b>	<b>54,576</b>	<b>36,088</b>	<b>37,667</b>

---

<sup>64</sup> Proposed 2026 USECP at 1, Fn 1 and B-1.

**Table 12**  
**Projected LIURP, Operation Share, and CARES Enrollment 2026-2030**

	<b>LIURP</b>	<b>Operation Share</b>	<b>CARES</b>
UGI Gas	497	1,947	1,100
UGI Electric	94	360	20
<b>Total</b>	<b>591</b>	<b>2,307</b>	<b>1,120</b>

We are not currently requiring any clarifications to this aspect of the Proposed 2026 USECP.

**D. Program Budgets**

UGI’s proposed program budget levels for 2026 through 2030 are shown in Table 13 below. Proposed 2026 USECP at Appendix A.

**Table 13  
Projected Universal Service Budgets 2026-2030**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
<b>UGI Gas</b>					
CAP	\$23,486,391	\$24,520,570	\$25,600,287	\$26,727,547	\$27,904,444
LIURP	\$4,214,350	\$4,214,350	\$4,214,350	\$4,214,350	\$4,214,350
CARES*	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000
Operation Share**	\$584,500	\$584,500	\$584,500	\$584,500	\$584,500
Operation Share Administration Cost	\$29,214	\$29,214	\$29,214	\$29,214	\$29,214
<b>Total</b>	\$28,400,241	\$29,434,420	\$30,514,137	\$31,641,397	\$32,818,294
<b>Costs Recovered from Ratepayers</b>	\$27,844,955	\$28,879,134	\$29,958,851	\$31,086,111	\$32,263,008
Average Monthly Spend per non-CAP Residential Customer***	\$3.82	\$3.96	\$4.11	\$4.26	\$4.43
<b>UGI Electric</b>					
CAP	\$8,852,945	\$9,226,504	\$9,615,826	\$10,021,576	\$10,444,446
LIURP	\$403,679	\$403,679	\$403,679	\$403,679	\$403,679
CARES*	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Operation Share**	\$117,423	\$117,423	\$117,423	\$117,423	\$117,423
Operation Share Administration Cost	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
<b>Total</b>	\$9,394,047	\$9,767,606	\$10,156,928	\$10,562,678	\$10,985,548
<b>Costs Recovered from Ratepayers</b>	\$9,282,024	\$9,655,583	\$10,044,905	\$10,450,655	\$10,873,525
Average Monthly Spend per non-CAP Residential Customer***	\$15.36	\$15.98	\$16.62	\$17.29	\$17.99

\*We are currently seeking clarification on how the CARES program is funded but are including these costs in “Costs Recovered from Ratepayers” at this time. See [CARES Program Funding](#).

\*\*Reflects Initial Company Contributions to Operation Share. Only Operation Share administrative costs are recovered from residential ratepayers.

\*\*\*Based on 607,509 non-CAP residential UGI Gas customers and 50,357 non-CAP residential UGI Electric customers. See Proposed 2026 USECP at 1-2.

*LIURP Budget*

In its Proposed 2026 USECP, UGI proposes different LIURP budget amounts for UGI Electric and each region served by UGI Gas as reflected in Table 14:

**Table 14**  
**LIURP Projected Budgets – 2026-2030**

<b>Geographical Area</b>	<b>Projected Budget</b>
South	\$2,065,870
North	\$1,416,129
Central	\$732,351
Electric	\$403,679
<b>Total</b>	<b>\$4,618,029</b>

*Source: Proposed 2026 USECP at A-2.*

UGI proposes to increase its LIURP budgets corresponding with residential percentage rate increases approved in any UGI Gas or UGI Electric base rate case that is adjudicated within the term of the Proposed 2026 USECP. Further, if there is no applicable base rate case, UGI proposes to increase the LIURP budgets by 3% over the prior year budgets. UGI states it will not carry over unspent LIURP funds to the following program year but will reallocate up to 25% of UGI Gas’s regional annual funding in the event that certain LIURP agencies are underspending, and their budgets could be better used in other areas. Proposed 2026 USECP at 6; 28.

As reflected in Table 14, the proposed annual LIURP budgets for 2026-2030 are fixed annual amounts and do not reflect any anticipated increases. These static budget projections create ambiguity about whether UGI will increase LIURP budgets by 3% each year when no residential rate case increases are implemented. Further, while UGI’s intention is to reallocate unspent LIURP funds to LIURP agencies that can use the funds,

it is not clear what its policy is for those reallocated funds which remain unspent at the end of the program year.

Additionally, UGI proposes to reserve up to 10% of its total current year LIURP budget for its Rehabilitation Program. If the entire amount budgeted for the Rehabilitation Program is not expended, UGI will return the remainder to the traditional LIURP funding. Proposed 2026 USECP at 31.

In the Proposed 2026 USECP, it is not clear if the projected LIURP budgets for 2026-2030 reflected in Table 14 include or exclude the 10% reserved for the Rehabilitation Program. UGI also does not include annual projected budget levels for the Rehabilitation Program in its Proposed 2026 USECP.

*Clarification Required:* In response to this Order, UGI is directed to clarify:

- If the projected LIURP budgets will increase annually by 3% for each year when no residential rate case increases are implemented.
- How reallocated LIURP funds unspent at the end of a program year will be used.
- If the projected LIURP budgets reflected in Table 14 include or exclude the 10% designated for the Rehabilitation Program.

UGI is also directed to provide a projected annual budget for the Rehabilitation Program for 2026 through 2030.

#### **E. Use of Community-Based Organizations (CBOs)**

The Natural Gas Competition Act directs the Commission to “encourage the use of [CBOs] that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce energy consumption or otherwise assist low-income retail gas customers to afford natural gas service.” 66 Pa. C.S. § 2203(8).

UGI uses CBOs for the delivery of its CAP, LIURP, CARES, and Hardship Fund programs and for feedback on program practices and policies. Proposed 2026 USECP at 4.

We are not currently requiring any clarification to this aspect of the Proposed 2026 USECP.

#### **F. Organizational Structure of Universal Service Staff**

The internal organizational structure for UGI's universal service programs includes:

- Senior Manager, Customer Programs (1 full-time).
- Manager, Universal Services (1 full-time).
- Senior Analyst (1 full-time).
- Universal Service Program Administrator (1 full-time).
- Senior Customer Outreach Representative (1 full-time).
- Customer Outreach Representatives (6 full-time).
- LIHEAP Outreach Representatives (2 full-time).

Proposed 2026 USECP at 3.

We are not currently requiring any clarification to this aspect of the Proposed 2026 USECP.

#### IV. CONCLUSION

This Order calls for UGI to submit additional information before a full review of its Proposed 2026 USECP can be completed. This Order also allows for comments and reply comments from UGI and interested stakeholders.

We direct UGI to file and serve its responses and supplemental information within thirty days of the entry date of this Order. To the extent that UGI has responsive proposals for additional relief or universal service provisions, those proposals, along with revised timelines, enrollments, and cost estimates, must be described in the response to afford other parties the opportunity to comment and reply. If the clarifications provided in response to issues raised in this Order would result in revised language to the Proposed 2026 USECP, UGI is directed to include such draft language in its supplemental information for review. If UGI cannot implement changes proposed upon receipt of Commission approval of the Proposed 2026 USECP, it must include proposed implementation timeframes for each change as part of its supplemental information.

Comments are due 20 days after UGI's response and supplemental information filing deadline, and reply comments are due 15 days thereafter.

If the comments and reply comments raise relevant material factual issues, we may refer this matter, in whole or in part, to the Office of Administrative Law Judge for hearing and decision. This Order does not limit the Commission's authority to order future changes to UGI's USECP based on evaluation findings, universal service data, rate-making considerations, or other relevant factors; **THEREFORE,**

**IT IS ORDERED:**

1. That approval of the proposed Universal Service and Energy Conservation Plan of UGI Utilities, Inc. filed on April 1, 2025, is withheld pending Commission review of the requested supplemental information, stakeholder comments, and reply comments, as set forth in this Order.

2. That a copy of this Order be served on all parties to Docket Nos. M-2025-3054362 and M-2025-3054366.

3. That UGI Utilities, Inc. shall file and serve the supplemental information required herein within thirty days of the entry date of this Order.

4. That comments to this Order shall be filed within twenty days after the filing deadline for the supplemental information. Reply comments shall be filed within fifteen days thereafter.

5. That one original signed copy of comments and reply comments shall be filed with the Commission's Secretary at: Pennsylvania Public Utility Commission, Commonwealth Keystone Building - 2nd Floor, 400 North Street, Harrisburg PA 17120. Comments may also be filed electronically through the Commission's e-filing system,<sup>65</sup> in which case no paper copy needs to be filed with the Secretary provided that the comments are less than 250 pages.

6. That an electronic copy, in WORD<sup>®</sup> or WORD<sup>®</sup>-compatible format, of all filed submissions, comments, and reply comments be provided to Nathan Froehlich, Bureau of Consumer Services, [nfroehlich@pa.gov](mailto:nfroehlich@pa.gov) ; Christina Chase-Pettis, Office of

---

<sup>65</sup> <https://www.puc.pa.gov/efiling/default.aspx>

Communications, [cchasepett@pa.gov](mailto:cchasepett@pa.gov); and Stephanie Wilson, Law Bureau, [stepwilson@pa.gov](mailto:stepwilson@pa.gov).

7. That the contact person for this Order is Nathan Froehlich, Bureau of Consumer Services, 717-525-5059, [nfroehlich@pa.gov](mailto:nfroehlich@pa.gov).

**BY THE COMMISSION,**

A handwritten signature in black ink that reads "Matthew L. Homsher". The signature is written in a cursive style with a large initial 'M'.

Matthew L. Homsher  
Secretary

(SEAL)

ORDER ADOPTED: July 24, 2025

ORDER ENTERED: July 24, 2025