

COMMONWEALTH OF PENNSYLVANIA



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October 6, 2025

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: UGI Utilities, Inc. Universal Service
and Energy Conservation Plan for
2026-2030
Docket Nos. M-2025-3054362,
M-2025-3054366, P-2025-3054381

Dear Secretary Homsher:

Enclosed for electronic filing in this proceeding, please find the Comments of the Office of Consumer Advocate in the above-referenced proceeding.

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

Respectfully submitted,

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CERTIFICATE OF SERVICE

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

Docket Nos. M-2025-3054362,
M-2025-3054366, P-2025-3054381

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

Dated this 6th day of October 2025.

SERVICE BY E-MAIL ONLY

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

UGI Utilities, Inc. – Gas Division :
Universal Service and Energy :
Conservation Plan for 2026-2030 : Docket No. M-2025-3054362

UGI Utilities, Inc. – Electric Division :
Universal Service and Energy :
Conservation Plan for 2026-2030 : Docket No. M-2025-305-4366

UGI Utilities, Inc. – Gas Division :
Petition for Limited Waiver of 52 Pa. :
Code : Docket No. P-2025-3054381

COMMENTS
OF THE
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I. INTRODUCTION

The Office of Consumer Advocate (OCA) files these Comments pursuant to the directive in the Commission's Order Directing Supplemental Information and Establishing Comment Period (UGI 2026-2030)¹ entered July 24, 2025.²

A. Procedural Background

On April 1, 2025, UGI Utilities, Inc. - Gas Division (UGI) and UGI Utilities, Inc.- Electric Division (collectively UGI or Company) jointly filed their proposed 2026-2030 Universal Service and Energy Conservation Plan (USECP or Plan) in compliance with 52 Pa. Code Sections 54.74 and 62.4, relating to electric and natural gas universal service and energy conservation reporting requirements.

Pursuant to a November 5, 2019 Order, the Commission's CAP Policy Statement was amended effective March 21, 2020. *See 2019 Amendments to Policy Statement on Customer Assistance Programs, 52 Pa. Code § 69.261-69.267, Docket No. M-2019-3012599, Final Policy Statement and Order (Nov. 5, 2019) (Final CAP Policy Statement Order)*. In the *Final CAP Policy Statement Order* the Commission urged electric distribution companies (EDCs) and natural gas distribution companies (NGDCs) to incorporate CAP policy amendments into their USECPs.

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

¹ *UGI Utilities, Inc-Gas Division Universal Service and Energy Conservation Plan for 2026-2030, et al.*, Docket Nos. M-2025-3054362, et al., Order Directing Supplemental Information and Establishing Comment Period (Order Entered July 24, 2025). (July 24 Order). As the Commission has done in its Order, the OCA addresses the dockets collectively unless otherwise indicated in the text.

² The OCA was assisted in the preparation of these Comments these Comments by its consultant, Roger D. Colton, and the OCA's senior regulatory analyst, LeeAnn Wise. Roger Colton is a principal in the firm of Fisher, Sheehan & Colton, Public Finance and General Economics. Mr. Colton provides technical assistance to a variety of public utilities, state agencies, and consumer organizations on rate and customer service issues for telephone, water/sewer, natural gas and electric utilities. Mr. Colton's work focuses on low-income energy issues, and he has testified and published extensively in this area.

three years to at least five years. The filing schedule for third-party independent evaluations was adjusted to coincide with the revised USECP duration and filing schedule. 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.

On September 15, 2022, the Commission entered an Order at Docket No. R-2021-3030218 that approved the Joint Petition for Approval of Settlement of All Issues filed on June 24, 2022 in UGI Gas's 2022 base rate case.³ The Settlement provided for: (1) expanding income-eligibility for Operation Share from 200% to 250% of the Federal Poverty Level; (2) increasing UGI Gas's Operation Share annual contributions to \$30,000 and maximum grant amount to \$600; (3) increasing UGI Gas's annual LIURP budget by \$250,000 on January 1, 2023, and January 1, 2024; (4) increasing per-job spend on LIURP projects involving finance replacement to \$14,000; (5) expanding LIURP to customers with incomes between 151% and 200% of the FPL; (6) lowering the minimum usage threshold for LIURP to 73.1 ccf per month for customers with incomes at or below 200% of the FPL; and (7) requiring solicitation of customers for CAP enrollment if they report as low-income.⁴

On September 21, 2023, the Commission also entered an Order at Docket No. R-2022-3037368 approving the Settlement for UGI Electric's 2023 base rate case. The July 2023 Settlement included the following changes to the universal service and energy conservation plan: (1) expanding income-eligibility for Operation Share from 200% to 250% of the FPL; (2) increasing UGI Electric's Operation Share annual contributions to \$30,000 and the maximum grant amount to \$600; (3) agreeing to issue a Request for Proposal seeking additional LIURP resources,

³ *Pa. PUC v. UGI Utilities, Inc.- Gas Division*, Docket No. R-2021-3030218, Order (Sept. 15, 2022).

⁴ *Pa. PUC v. UGI Utilities, Inc.-Electric Division*, Docket No. R-2022-3037368, Order adopting Settlement at ¶¶ 44(a-c), 46(a), 49(a-b) (Sept. 21, 2023).

including Community Based Organizations (CBOs), to perform an additional 20 baseload and 10 heating jobs annually; (4) expanding LIURP heating and baseload job access to customers with incomes between 151% and 200% of the FPL, limited to 20% of the overall LIURP budget; (5) requiring solicitation of customers for CAP enrollment if they report as low-income; and (6) initiating a pilot for auto-enrolling customers into CAP if they received a Low Income Home Energy Assistance Program (LIHEAP) and are not enrolled with a supplier.⁵

On April 1, 2024, the Applied Public Policy Research Institute for Study and Evaluation (APPRISE) completed an evaluation of UGI Gas and UGI Electric’s universal service and energy conservation programs (APPRISE Evaluation).⁶

On April 29, 2025, the Commission staff of the Bureau of Consumer Services (BCS) convened a telephonic meeting to allow stakeholders an opportunity to provide their informal comments and questions about the Proposed 2026 USECP prior to issuance of a Commission order. Representatives from Columbia, Coalition for Affordable Utility Service and Energy-Efficiency in Pennsylvania (CAUSE-PA) and the OCA were in attendance.

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

The Commission issued an Order Requesting Additional Information and Comments on July 24, 2025 (hereinafter *July 24, 2025 Order*). In the *July 24, 2025 Order* directed UGI to provide Supplemental Information and invited stakeholders 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

⁵ *Pa. PUC v. UGI Utilities, Inc.- Electric Division*, Docket No. R-2022-3037368, Order approving Settlement at ¶¶ 59 (a-b), 60(a), 60(d) (Sept. 21, 2023).

⁶ The APPRISE Evaluation was filed at Docket No. M-2024-3048077.

procedures. UGI's current USECP remains in effect, in whole or in part, until replaced, in whole or in part, consistent with Commission issued orders or Secretarial letters. As a part of its *July 24, 2025 Order*, the Commission requested Supplemental Information be provided within 30 days and requested that the interested parties provide Comments within 20 days after that information was provided. *July 24, 2025 Order* at ¶¶ 3-4. On August 25, 2025, the Company provided the requested Supplemental Information. On September 22, 2025, UGI filed with the Commission in response to additional data requests related to LIURP and Operation Share, UGI's Hardship Fund.

The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) filed a letter requesting an extension for the Comments until October 6, 2025 and Reply Comments by October 21, 2025. By Secretarial Letter, on September 10, 2025, the Commission granted the requested extension.

B. Description of UGI's Plan

In its Plan, UGI proposes the following modifications to CAP:

- (1) Utilizes Department of Human Services (DHS) data sharing information to allow UGI Gas customers to "opt in" for CAP (i.e., informed consent).
- (2) 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.
- (3) Clarifies that customers removed from CAP for failing to recertify must make up any missed CAP payments prior to reenrollment.
- (4) Clarifies that customers who have not participated in LIHEAP or verified income with UGI must provide identification to enroll in CAP.
- (5) Standardizes identification and income document requirements across all UGI universal service programs except CARES.⁷
- (6) Eliminates the provision to remove customers from CAP if they fail to apply for LIHEAP and assign the grant to UGI.

⁷ As the *July 24, 2025 Order* and Proposed 2026 USECP identify, "Identification and income documentation are not part of the eligibility criteria for UGI's CARES program." *July 24 Order* at 11; Proposed 2026 USECP at 7-8.

- (7) Clarifies that customers requesting voluntary removal from CAP will forfeit program benefits upon removal.
- (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.⁸

In its Plan, UGI proposes the following modifications to its LIURP provisions:

- (1) 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.
- (2) Include a Minimum Usage Criteria threshold of 6,000 kWh for UGI Electric's baseload (non-heating) LIURP jobs.
- (3) 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.
- (4) Discontinue carrying over unspent funds to the next program year.
- (5) 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.⁹

II. COMMENTS

The OCA appreciates the opportunity to provide these Comments. The OCA's Comments address the following issues: (1) energy burdens, including the CAP credit expenditures for UGI Electric and high usage threshold; (2) DHS data sharing; (3) security deposits; (4) standardization of documentation; (5) on-line CAP application; (6) obligation to participate in other weatherization services; (7) CAP assistance and continuation of operations; (8) Customer Education and Outreach Plan; (9) minimum payments; (10) CAP Application; (11) on-going USECP monitoring and

⁸ Proposed 2026 USECP at 5-6; *July 24, 2025 Order* at 12.

⁹ Proposed 2026 USECP at 6; *July 24, 2025 Order* at 42-43.

refinement; (12) LIURP budget; (13) rollover of unspent LIURP dollars; (14) calculation of low-income customers in the Needs Assessment; (15) impact of LIURP rulemaking; (16) landlord consent for LIURP treatment; (17) inter-utility coordination; (18) CAP enrollment numbers; (19) addressed CAP credit issues; and (20) unresolved APPRISE Evaluation issues.

A. Energy Burdens

1. Overview

In its Proposed 2026 USECP, UGI provides that the annual amount paid by a CAP customer each month will be based on the lower of the customer’s monthly income or the customer’s average monthly bill. Proposed 2026 USECP at 17. The Company utilizes the maximum CAP energy burdens that are recommended in the CAP Policy Statement for electric and natural gas non-heating customers and natural gas heating customers and slightly lower energy burdens for electric heating customers at 51-100% of the FPL and 101-150% of the FPL. Proposed 2026 USECP at 17. UGI Gas and Electric utilize the following energy burdens:

Electric and Natural Gas Non-Heating Customers

Household Income as Percent of FPIG¹⁰	Monthly CAP Payment
0-50%	2% of Participant’s Monthly Income
51-100%	4% of Participant’s Monthly Income
101-150%	4% of Participant’s Monthly Income

Natural Gas Heating Customers

Household Income as Percent of FPIG	Monthly CAP Payment

¹⁰ The Commission utilizes the term Federal Poverty Income Guidelines (FPIG). The FPIG is interchangeable with the term Federal Poverty Level (FPL).

0-50%	4% of Participant's Monthly Income
51-100%	6% of Participant's Monthly Income
101-150%	6% of Participant's Monthly Income

Electric Heating Customers

Household Income as Percent of FPIG	Monthly CAP Payment
0-50%	6% of Participant's Monthly Income
51-100%	8% of Participant's Monthly Income
101-150%	9% of Participant's Monthly Income

Proposed 2026 USECP at 18. The energy burdens are consistent with those set forth in the Company's current USECP proceeding, and the OCA does not raise any concerns about the energy burdens set forth in the *June 2022 USECP Order* approving the amendments to UGI's current CAP energy burden levels.

For natural gas and electric customers with zero income, the CAP design requires that zero income customers must pay the minimum monthly CAP payment. Proposed 2026 USECP at 18. This CAP design is consistent with the Commission's CAP Policy Statement. If a customer's monthly CAP payment amount as a percentage of income exceeds the average bill, the customer's average bill will be set at the customer's monthly CAP payment amount.

UGI's Proposed 2026 USECP explains how a customer would be assessed either the Percentage of Income Payment (PIP) amount or the average bill amount. The Proposed 2026 USECP provides:

[a]t any time during the program should a participant's monthly income change, the monthly CAP payment amount will also be reviewed and changed, where appropriate. It is the customer's obligation to notify the company or the CAP

Administering Agency of the change in income. A recertification will be processed using the updated income and historical usage to determine the new monthly CAP payment amount.

Additionally, the participant's monthly CAP bill will be evaluated quarterly to ensure that the participant is actively on the most affordable billing option. For example, if the customer entered into CAP with a percent-of-income plan, and upon a quarterly review, the customer's average bill is deemed to be the most affordable at the time of the review, the customer's new CAP will be based on their average bill until the next review.

Proposed 2026 USECP at 18-19.

The OCA does not raise any concerns with the proposed energy burdens utilized by UGI for its CAP. The OCA does address the level of the minimum payments that should be assessed to CAP customers in Section I below. The OCA's Comments are limited to addressing the CAP credit expenditures for UGI Electric and the high usage threshold proposed for CAP customers in the Proposed 2026 USECP.

2. CAP Credit Expenditures for UGI Electric and High Usage Threshold

a. Commission Identified Concern and UGI's Response

The OCA notes that the Commission's *July 24, 2025 Order* addressed the CAP credit expenditures for UGI Electric and the high usage threshold separately. The OCA believes that these issues are interrelated and the OCA it addresses together. In its Supplemental Information, UGI has similarly addressed the issues together. As the *July 24, 2025 Order* provides, UGI Gas and UGI Electric do not have an annual limit for CAP credits. *July 24, 2025 Order* at 30; Proposed 2026 USECP at 21. The Commission acknowledges that it previously approved the elimination of the maximum CAP credit limits for all UGI utilities in UGI's 2014-2017 USECP Proceeding. *July 24, 2025 Order* at 30, citing *UGI 2014-2017 Final Order*, Docket No. M-2013-2371824, Order at 25-33 (January 15, 2015). The Commission provides:

[i]n that proceeding, UGI projected that the elimination of the CAP credit limits would increase CAP costs by less than \$32,000 per year. UGI 2014-20217 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.

July 24, 2025 Order at 30.

As summarized in the Commission's *July 24, 2025 Order*, the Company's current USECP, the 2020 USECP, provides that 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. *July 24, 2025 Order* at 30-31, citing *2020 UGI USECP* at 26-27. CAP customers who exceed the threshold are currently not removed from CAP, and are provided with energy education and referred to LIURP, if applicable. UGI then monitors the accounts for additional outreach and referrals. *Id.*

The Commission raises a concern in its *July 24, 2025 Order* regarding the fact that UGI Electric does not maintain an annual maximum credit limit for CAP credits and the costs that are currently being assessed to non-CAP residential ratepayers. The costs to non-CAP residential ratepayers have exceeded the thresholds anticipated in the Commission's *June 2022 Order* approving the current USECP. In the *July 24, 2025 Order*, the Commission provided "[t]he Commission noted that the reduced energy burden levels were projected to increase non-CAP residential ratepayer bills 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." *July 24, 2025 Order* at 31 (footnote omitted). In its Order in June of 2022, the Commission approved the Company's proposal to not implement maximum CAP credits, but still questioned whether maximum CAP credit limits should be put in place. *Id.*, citing *June 2022 Order* at 15-16.

In the *July 24, 2025 Order*, the Commission examined the annual reports provided by UGI Electric for heating and non-heating accounts and found concerns with the level of the CAP credit costs for non-CAP residential ratepayers. The Commission found:

[b]ased 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. *July 24, 2025* at 33. However, the average annual CAP credit costs recovered from each UGI Electric non-CAP ratepayer has increased by over 22% from 2019 through 2024 (from \$37.66 to \$122.47) and that the costs of the program for UGI Electric exceed any other EDC in 2023.

July 24, 2025 Order at 34-35.

In the instant Proposed 2026 USECP, UGI Electric continues to not propose to set a maximum CAP credit limit per customer. Proposed 2026 USECP at 21-22. Instead, in order to mitigate the costs through increased referrals to LIURP, 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 *July 24, 2025 Order* provides:

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.

July 24, 2025 Order at 35.

In support of the potential need to implement maximum CAP credits for UGI Electric, the Commission cited to the direction that the Commission ordered the FirstEnergy Companies (now FE PA) to take and the requirement that FE PA implement CAP credit limits. *July 24, 2025 Order* at 36, citing *FirstEnergy PA 2024-2028 USECP Order*, Docket No. M-2022-3036532, et al, Order at 23-29 (March 14, 2024).

The Commission directed UGI to provide in the Supplemental Information the following information: (1) an explanation of how the proposed high usage threshold would control or reduce CAP credit costs for UGI Electric; (2) recommendations for new CAP credit limits should the Commission seek to reinstate the CAP credit limits for UGI Electric based on income tiers; (3) CAP credit limits based on the percentage of rate and default electric price increases since UGI's previous CAP credit limits were eliminated; and (4) CAP credit limits needed to address the subsidization needs of 70%, 80%, and 90% of UGI Electric's CAP customers. *July 24, 2025 Order* at 36,

Instead of maximum CAP credits, UGI Electric currently utilizes a control feature where UGI reviews the accounts of CAP applicants to determine the potential reasons for the high usage, provides energy education, and as applicable, referral to LIURP. *July 24, 2025 Order* at 36-37. In response to the increasing costs, as a cost control measure, UGI proposes to reduce the high usage thresholds from 2,185 ccf to 1,787 ccf for UGI Gas customers and from 34,465 kwh to 32, 632, kwh for UGI Electric customers. The Commission also directed UGI to provide in its Supplemental Information: (1) "the number of CAP customers for each company found to have exceed the high usage threshold from 2020 through 2023"; (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"; and (4) "the number of existing CAP customers that currently exceed the high usage thresholds and the number of existing CAP customers who would exceed the proposed high usage thresholds". *July 24, 2025 Order* at 37.

In its Supplemental Information, UGI provided information in response to the Commission's questions regarding how the proposed high usage threshold would control or reduce

CAP credit costs for UGI Electric. Supplemental Information at 9. UGI clarified that the “proposed high usage threshold aligns with the actual 12-month usage of electric customers currently enrolled in CAP.” Supplemental Information at 9. UGI stated that the “current threshold shows 212 electric CAP customers would be referred to LIURP, whereas the proposed threshold shows 261 electric CAP customers would be referred to LIURP.” Supplemental Information at 9. UGI concluded:

[t]he proposed high usage threshold would allow more customers to be referred to LIURP, which may lower usage for electric CAP customers. The higher usage threshold would likely reduce the number of LIURP referrals, which ultimately could increase bad debt.

Supplemental Information at 9.

In the Supplemental Information, UGI addressed the impact to UGI Electric’s customers and the results of its analysis if a maximum CAP credit would be implemented. UGI provided:

[t]he Company performed the analysis requested in the questions below by updating the Max CAP Credit for UGI Electric Heating (\$1,200) and Non-Heating (\$700) based on the incremental generation and distribution changes from 2016 to present, resulting in a Max CAP credit for Heating of \$1,969 and \$1,149 for Non-Heating... The \$1,969 Max CAP Credit aligned with an 84% subsidy rate based on the 70%, 80%, and 90% FPL analysis shown in Table 2 below.

Regarding the Company’s analysis and proposed recommendation, assuming an 84% subsidy Max CAP Credit threshold, approximately 714 CAP customer customers would exceed the threshold and be required to pay \$847,926 at an average cost of \$1,187 per CAP customer exceeding the Max CAP Credit. Additionally, customers paying the USP rider would receive a minimal annual credit (estimated \$5.06). For purposes of estimating, the Company utilized a 70% default rate as the Company believes a significant percentage of these CAP customers that have exceeded the Max CAP Credit would default and ultimately have service terminating impacting bad debt expense. Please see Table 3 below for the details by customer segment. Additionally, there are significant IT system enhancements that would be required to facilitate such a change, as the Max CAP Credit was removed per Commission order before the Company implemented its new customer billing system in 2017. The Company has not determined the cost or the time to implement such changes. Therefore, the Company does not recommend reimplementing a Max CAP Credit given the Commission’s direction at Docket No. M-2013-2371824, in which the Company was ordered to remove the Max CAP Credit.

Supplemental Information at 10.

b. OCA Recommendation

The OCA notes that there are a myriad of ways to address the increased costs that the Commission identifies for UGI Electric. In various USECP reviews since the PUC adopted the reduced affordable burdens, the OCA has identified numerous steps through which a utility might control CAP costs. These include, without limitation:

- Imposing maximum limits on annual CAP benefits that will be provided to individual CAP participants;
- Imposing minimum payment requirements on individual CAP participants;
- Creating annual “budgets” for total CAP costs that may not be exceeded without Commission approval;
- Closely integrating CAP and LIURP by using LIURP targeted to high CAP credit customers to reduce CAP costs;
- Limiting the receipt of CAP benefits by customers who receive other federal energy assistance benefits (e.g., HUD utility allowances);
- Limiting CAP expenditures as a percentage of jurisdictional revenues;
- Limiting the number of CAP customers by creating a “hard ceiling” on CAP participants;
- Limiting CAP participants to customers who are also LIHEAP recipients;
- Limiting CAP participants to customers who are “payment-troubled”;
- Lengthening the period of time over which pre-program arrears are to be forgiven;
- Imposing a minimum level of dollars of pre-program arrears which a customer must have before qualifying for arrearage forgiveness.

The OCA does not provide this list as a proposed list of alternatives from which UGI should select in the event that the costs of CAP become sufficiently high to be of concern. Nor does the OCA submit this list as a list that OCA would endorse in any particular circumstances, let alone all circumstances. The OCA submits this list merely to illustrate the facts that: (1) the potential mechanisms available to control CAP costs is lengthy (and the above-stated list is not comprehensive); (2) the potential mechanisms available to control CAP costs extend well beyond the single action of reducing maximum CAP burdens; and (3) the propriety of potential mechanisms available to control CAP costs are highly dependent on the level of the CAP costs, the cause of the high CAP costs, and whether high CAP costs are permanent or temporary. Based on this list, additional CAP cost controls, if any, should be specifically targeted to the factual circumstances that are extent at the time. It is not possible to determine, in advance, which, if any, CAP cost control mechanism is appropriate.

While the OCA is concerned about the increased costs to non-residential CAP customers, based on the Supplemental Information provided by UGI and the methods used in other proceedings, the OCA recommends that additional data be collected and cost monitoring be implemented to determine the correct approach.¹¹ One method is the method that UGI has proposed here, to lower the usage threshold and to refer additional high usage customers to LIURP is a viable alternative to address the rising costs for CAP participants who may otherwise not be able to control their usage.

An analysis of the driving force behind the increased costs over time is critical to understanding the correct potential remedy. The OCA also notes that part of the reason for increasing costs for UGI Electric's high use customers may not solely be related to uncontrolled

¹¹ The OCA discusses the proposed cost monitoring in greater detail in Section c below.

customer usage, but instead related to an issue outside of the customer's control, increases to the commodity costs. The OCA notes that the Commission's analysis provides that the UGI Gas and UGI Electric customer usage is comparable to the usage of other EDCs, but the costs have still increased significantly. One component that is missing from the analysis is the impact of commodity price increases on the high CAP customer costs that customers have experienced over the last several years. To the extent that the increase in the costs for ratepayers is due to the impact of the increase in the generation price, a maximum CAP credit threshold will not address the underlying issue as the issue is not related to the CAP customer's consumption. The OCA recommends that combined with the usage thresholds to refer a customer to LIURP at lower usage levels that an alternative CAP cost mechanism that would not penalize the customer could be employed.

The OCA recommends that responsive action be taken if the three-year average annual cost imposed on non-participants be greater than 20% of the three-year average annual cost from the preceding year. UGI should monitor, and report to both the Commission, to its Universal Service Advisory Committee (USAC) and (upon request) to other stakeholders not a member of the USAC, the results of that monitoring within 30 days after the close of UGI's Fiscal Year each year. In this fashion, UGI would consider the impacts in a "shoulder month" before the beginning of the next winter heating season. This recommendation stands in contrast to reporting on a calendar year basis. Reporting on a calendar year basis would include costs over *parts* of two *different* heating seasons, which does not seem to be the most reasonable approach. Given this annual reporting, UGI should meet with its USAC by the end of the same calendar year the report is prepared in order to determine the appropriate responsive action step (which could be to take *no* responsive action step).

Based on this information, OCA reaches the following five conclusions:

- (1) There needs to be a continuous monitoring of the costs which CAP imposes on non-participating ratepayers as I define that term above.
- (2) There needs to be a monitoring not simply of “nonparticipants” generally as a whole, but of the three distinct groups identified above.
- (3) There needs to be an agreed-upon principle to apply in determining whether costs have become sufficiently substantial to trigger a consideration of whether responsive action is necessary, and what that response might be. and
- (4) The inquiry is not whether the costs of CAP are “too much,” but rather whether (depending on the group being assessed), the costs of CAP have increased to an amount to give rise for concern.
- (5) An annual report to the Commission, to UGI’s Universal Service Advisory Committee (USAC), and to other stakeholders not a member of that group, should occur at the end of each UGI Fiscal Year, with responsive actions, if any, determined by the end of the same calendar year.

The OCA discusses in Section c below in further detail what that continuous monitoring would look like.

c. Continued Cost Monitoring

As discussed above, the OCA does recommend that it is important to continue to monitor the costs. Since the implementation of the PIPP, as noted above, UGI has provided an annual report. On a going-forward basis, the OCA recommends that cost controls should continue to be reviewed. Specifically, UGI should continue to monitor the total USECP costs of the program and the total/aggregate impact of the maximum CAP credits for UGI Electric throughout the duration of the Company’s plan. The OCA recommends that UGI should be required to monitor the impact of the energy burdens on the actual CAP program costs and provide information to all parties in this proceeding and schedule a meeting with interested stakeholders within 30 days of providing the data to receive input on the need for cost controls. Any party would be able to petition the

Commission before or after those meetings to address cost control concerns or to raise or oppose control measures in any subsequent USECP or base rate proceeding. UGI should propose going forward cost control measures if the total USECP costs exceed budgeted amounts by 20% or more, or justify why, despite this increase, no cost control measures are needed. This circuit breaker mechanism would allow for ongoing monitoring of costs, so they do not get too far afield from what UGI Gas and UGI Electric are projecting. This is an important safeguard given the length of the USECP and the potential for volatility in the natural gas and electric markets.

The OCA notes that, in his Statement in response to the Peoples Natural Gas Company and Peoples Gas USECP, Commissioner Coleman cited favorably to a similar cost tracking mechanism for CAP costs:

[t]he proposed Order before us today directs the Peoples Companies to track data related to these CAP payment changes for review during their next USECP. I agree with the proposed Order, but I also encourage the Peoples Companies to take more immediate action if CAP costs increase beyond the projected budgets. The Commission recently approved a Joint Petition for Settlement in Duquesne Light Company's 2020-2025 USECP which contained a provision whereby Duquesne Light Company will notify the parties to their proceeding and seek their input if USECP costs will exceed the projected budget by 10% and file a petition with the Commission explaining the cost increase and outlining possible programmatic cost-containment measures.

I believe similar provisions should be considered for inclusion in all USECPs. The Peoples Companies' Proposed 2019 USECP will be in effect for at least five years after it is approved. The Peoples Companies' next proposed USECP is not due until April 1, 2028, for the five years starting January 1, 2029. The Commission should not wait until five years, or more, have passed to address any disproportionate cost impact to the residential customers who are paying for the Peoples Companies' CAPs. To that end, I encourage the Peoples Companies to notify the parties to this proceeding and seek their input if CAP costs will exceed the annual projected budget by 10% and to file a Petition with the Commission explaining the cost increase and outlining possible cost-containment measures.

Peoples Natural Gas Company LLC and Peoples Gas Company LLC 2019-2024 Universal Service and Energy Conservation Plan Submitted in Compliance with 52 Pa. Code § 62.4, Docket Nos.

M-2018-3003177, *et al.*, Statement of Commissioner John Coleman (May 12, 2022). The factual circumstances of the instant case differ from Peoples' USECP. There the threshold was a 10% increase in total USECP costs. Here, the OCA is proposing a trigger of 20% increase for total USECP costs. However, the concept and the objective are the same. The total USECP costs should be monitored and evaluated, and the parties should not wait five years to evaluate significant changes to the costs if they increase at rates significantly in excess of what has been projected.

d. Alternative Maximum CAP Credit

In the alternative that the Commission seeks to impose a maximum CAP credit threshold at this time, the OCA recommends that the Commission consider an alternative model for a maximum CAP credit. The Commission cites to the example of the FirstEnergy Companies' USECP because the Commission previously refused the removal of a maximum CAP credit threshold in order to control costs. In that proceeding, however, the OCA suggested an alternative model to a traditional maximum CAP credit. In the example of the FirstEnergy USECP, the FirstEnergy Companies retained the PIPP with the maximum CAP credits. In the *Supplemental Information*, the Companies listed the maximum CAP credits needed to get 80% of the PCAP participants to achieve PIPP energy burdens. *Supplemental Information* at 6. When a CAP customer reaches 80% of their maximum CAP credit, the customer should be referred to LIURP. The customer should not be removed from CAP even if they reach with maximum CAP credit if they accept LIURP remediation. Even if LIURP does not fix the issue, the customer should be allowed to exceed the maximum CAP credit so long as the customer accepts LIURP including usage reduction education. If the household does not accept LIURP, the customer should not receive a CAP subsidy when they reach 125% of their maximum CAP credits for the year.

In addition, the OCA recommends moving away from defining maximum CAP credits in dollar terms. Instead of using a dollar benchmark, customer usage should determine whether a customer is able to exhaust the maximum CAP credit. Maximum CAP credits should be expressed in terms of dollars and should be tiered so that households receive a larger subsidy if the customer has lower Federal Poverty income levels and a larger subsidy if they are electric heating customers versus a non-electric heating customer. Maximum CAP credits should be adjusted each year to account for increases in energy prices based on any base rate increases allowed or Price to Compare (PTC) increases. If the distribution or commodity prices increase, then the max CAP credit should also increase, and if they decrease, then the maximum CAP credits should remain the same.

UGI should also be required to update its PIPP and maximum CAP credits. UGI should also be required to track the CAP credit totals, and if the total/aggregate CAP credits for all customers exceeds 125% of the projected amounts, then the Companies should be required to file with the Public Utility Commission and propose additional cost control features. The OCA discusses the proposal in more detail below regarding the need for on-going monitoring.

As set forth above, in the event that the Commission determines a maximum CAP credit is needed, the OCA recommends that the PIPP design be retained with maximum CAP credits as defined above. In addition, the OCA supports implementation of UGI's proposed outreach to high use CAP participants and for customers with 125% of usage compared to the last year. LIURP can be an effective tool to reduce the high costs of CAP for customers with high CAP credits.

B. DHS Data Sharing

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 CAP

enrollment. Proposed 2026 USECP at 5, 13; *July 24, 2025 Order* at 21. In the Commission’s *July 24, 2025 Order*, the Commission states that:

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.

July 24, 2025 Order at 21-22. The Commission requested that the Company provide in its Supplemental Information the process by which UGI 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. *Id.* at 22. The Commission requested that “this explanation must detail what communication methods it will utilize to ask customers whether they [would] 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 customers.” *Id.*

In the Supplemental Information, the Company provided:

[p]er Paragraph 59(c) of the 2025 Gas Base Rae CASE Settlement. “The Company will no longer require applicants for its CAP, Low Income Usage Reduction Program (“LIURP”), or Operation Share programs to produce income documentation if the applicant (1) received a LIHEAP grant within the current or prior LIHEAP season and (2) are included within the LIHEAP data shared by DHS. UGI Gas will update all relevant applications and communications to inform applicants of this documentation waiver.” However, customers must still meet the relevant program’s criteria. For LIURP, customers must have usage exceeding the stated thresholds; for Operation Share, customers must have a hardship – e.g., death of major wage earner, have past due balances, termination notice, etc. For Electric customers, if LIHEAP is on the account, customers do not have to provide income so long as they meet program requirements.

Supplemental Information at 4.

The OCA strongly supports the proposed data sharing with DHS; however, the USECP does not address data sharing between UGI Gas and UGI Electric. Customers may be served by

both UGI Gas and UGI Electric. UGI Gas and UGI Electric operate their programs separately. The OCA recommends that if a customer wants to use their data sharing to opt into CAP through their LIHEAP application, they should be able to do that at the same time for both UGI Gas and UGI Electric. The customer should not need to take two separate actions in order to accomplish the objective.

The separate CAP enrollment requirements was identified as an area of concern in the APPRISE Evaluation. The APPRISE Evaluation provided:

[t]he agency has different sign-in procedures for each of the UGI divisions they work with. For example, if a customer has both an electric and gas account, the staff members must sign into the system two separate times when handling their case.

APPRISE Evaluation at 12. The APPRISE Evaluation also identified that:

[s]ome of these division-specific COS pages have different formatting elements. For example, one of these pages require dashes in the social security number section, while another does not—this can be confusing for staff members.

APPRISE Evaluation at 12.

Similarly, to the extent that UGI Gas and Electric can share information about confirmed low-income customers to facilitate addressing enrollment of confirmed low-income customers in each of the respective programs where the utility has information that the customer is confirmed low-income and has high arrearages, shutoffs or payment arrangements. The purpose of the data sharing is to eliminate existing barriers. UGI should also look to examine what barriers exist within the divisions to facilitate easier enrollment through the data sharing.

The OCA recommends that UGI Electric and UGI Gas engage in additional data sharing and address the concerns raised by the APPRISE Evaluation regarding intra-company coordination.

C. Security Deposits

The OCA is concerned regarding the application of security deposits for low-income customers by UGI. In the *July 24 2025 Order* the Commission provides:

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.¹²

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.

July 24, 2025 Order at 28.

In the Supplemental Information, the Commission requested clarification that UGI “detail its deposit procedures and how these practices are compliant with the relevant statutes and regulations.” *July 24, 2025 Order* at 28. The Supplemental Information provides that a deposit is waived under the following conditions:

Customers who also express an inability to pay the deposit due to household income are sent a letter providing them with instructions to have their income verified to be less than 150% of Federal Poverty Levels (FPL). However, customers who have previously had their income verified to be less than 150% FPL in the past 12 month will have their deposit waived, without the need to verify income again and are not quoted a security deposit.

Upon income verification, any previously fully or partial paid deposits are automatically refunded to the customer, with any accrued interest, by the customer

¹² See *July 24, 2025 Order* at 28; *Duquesne 2020-2025 USECP Order*, Docket No. M-2019-3008227, Order at 55-57 (Order entered April 14, 2022); *PGW 2023-2027 USECP Order*, Docket No. M-2021-3029323, Order at 25-28 (Order entered on January 12, 2023); *Columbia 2024-2028 USECP Order*, Docket No. M-2023-3039487, Order at 29-31 (Order entered April 4, 2024).

billing system. Any unpaid deposit charges are automatically reversed by the customer billing system.

Supplemental Information at 7.

The Supplemental Information also references the pending Settlement in the 2025 UGI Gas base rate proceeding settlement which provides:

[t]he Company will add the following language within its gas service tariff related to the Company's current practice of not collecting deposits from low income verified customers. This language will be consistent with the language as stated in Title 52 Chapter § 56.32(e) Security and cash deposits. "The Company may not require a cash deposit from an applicant who is, based upon household income, confirmed to be eligible for a customer assistance program. An applicant is confirmed to be eligible for a customer assistance programs by the Company if the applicant provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the Company's customer assistance programs. For existing customers that already have monies paid against a security deposit and become enrolled in the Company's customer assistance programs, the Company will provide the customer a direct refund of the security deposit amount, along with applicable interest. The Company may apply the refund of the security deposit amount, with applicable interest, to the customer's account balance with the customer's informed consent.

Supplemental Information at 8.

CAP customers by definition are confirmed low income customers, but they are not the entire universe of confirmed low income customers. Many customers are confirmed to be low income but not in CAP. In Section 56.32(e), the Commission has articulated this distinction and provided that "a public utility may not require a cash deposit from an applicant *who is, based upon household income, confirmed to be eligible for a customer assistance program*. An applicant is confirmed to be eligible for a customer assistance program by the public utility *if the applicant provides income documents or other information attesting to his or her eligibility for state benefits based on household income eligibility requirements that are consistent with those of the public utility's customer assistance programs.*" 52 Pa. Code § 56.32(e) (emphasis added).

UGI's provision should be clarified to be consistent with the Commission's regulations and its stated explanation of its policies for waiving security deposits. 52 Pa. Code § 56.32(e). Columbia's USECP prior to the Commission Order only provided that CAP participants are not charged security deposits, and as the Commission noted in its *July 24, 2025 Order* in this case, the Commission required that the language be modified.¹³ Columbia's language was actually broader than UGI's language. UGI's language further limits the applicability of the security deposit waiver to "active CAP participants" and requires that the income be "verified" in order to qualify for a deposit waiver. Supplemental Information at 7-8. The regulations do not include language requiring a customer to be an "active" CAP customer; moreover, the regulations refer to an applicant, not just a customer. UGI's provisions impose requirements that are not provided for in the PUC regulations. There is no requirement that the income "verified" in order to be eligible for a deposit waiver. The PUC's regulations refer to whether an "applicant" or "customer" "provides income documents or other information attesting to his or her eligibility for state benefits..." 52 Pa. Code § 56.32(e).

Although the Company provided that with informed consent, the security deposit amount may be applied to the customer's account balance, the OCA believes that the term "informed consent" should include the affirmative choice of whether to receive a refund of the security deposit or to apply the amount to the customer's balance that would otherwise be subject to forgiveness with future, ongoing monthly payments. The Commission regulations make it plain 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). Instead, it may merely be redirecting the deposit to be

¹³ 52 Pa. Code § 56.32(e).

applied against the customer's account to reduce the arrears that would otherwise be subject to forgiveness. UGI should clarify its policy, and if it is applied to any arrears, the Commission should direct UGI to provide customers with an affirmative choice of whether to receive a refund of the security deposit or to apply the amount to the customer's balance that would otherwise be subject to forgiveness with future, ongoing monthly payments.

D. Standardization of Documentation

In the *July 24, 2025 Order*, the Commission references that UGI proposes in its Proposed 2026 USECP to standardize "identification and income document requirements across all UGI universal service programs except CARES." *July 24, 2025 Order* at 11. While standardization of requirements seems like it would be a positive to streamline in programs, the issue presented is how the Company defines those programs to be standardized. The Company's description only exempts CARES (Customer Assistance and Referral Evaluation Services) from the standardization of documentation. The OCA agrees that standardization of documentation for CAP and LIURP would help to streamline enrollment in the programs and should be approved. However, that standardization should not narrow eligibility for other low-income assistance that is available for low-income customers who may not be enrolled in CAP. The Company's "universal service programs" extend beyond CAP, LIURP, the Hardship Fund, and CARES. The universal service programs may also include programs that define "confirmed low-income customer" and assist confirmed low-income customers such as qualifications of deposit exemptions and winter shut-off protection. For those consumer protections, the Company should not require burdensome documentation.

E. On-line CAP Application

The CAP Policy Statement recommends that public utilities accept applications through mail, telephone, electronically, in-person, and offer online platforms that allow CAP customers to submit the applications and documentation electronically. 52 Pa. Code § 69.265(8)(ii); *July 24, 2025 Order* at 16. The Commission’s *July 24, 2025 Order* provides that “UGI is the only jurisdictional EDC or NGDC that does not offer an online option for its CAP application.” *July 24, 2025 Order* at 16. The OCA notes that the Company’s evaluation also similarly identified that Community Based Organizations (CBOs) had identified UGI not having an online application as a shortcoming of their programs. APPRISE Evaluation at 14. The Commission requested that UGI explain whether it is working on an online application for CAP and other universal service programs and that UGI should provide a timeline for any work under consideration. *Id.* at 17. The Commission further directed that if UGI does not intend to implement an online CAP application, that the Company be directed to explain its reasons. *Id.*

The Supplemental Information provided that:

Preliminary estimates for developing an online CAP application are between \$5.5-\$6.5 million and would take approximately 2-3 years to complete. There are no plans to implement it at this time. Assurance of full and current cost recovery would be required before incurring these costs. Customers can download the CAP application online and email a completed copy along with associated documentation to the CBO or the Company.

Supplemental Information at 2.

In its Supplemental Information, the Company provided no details regarding how it has estimated at \$5.5-\$6.5 million and two- to three-year timeframe for implementation of the online application. The OCA does not believe that any of the other NGDCs or EDCs have proposed a cost for implementation of an online application in this cost range, and the OCA requests that the Company provide further information regarding why it would be so expensive to implement an online application. All of the other NGDCs and EDCs have been able to do so, and the Company’s

explanation does not provide any detail regarding why they are not able to do so. Online applications will facilitate customer enrollment and assist customers with being able to easily access CAP.

As the Commission provided in its *2019 Final CAP Policy Statement Order*:

The Commission finds that electronic submission of CAP applications and documentation, provided as a standard component of each utility's CAP design, would promote and enhance energy affordability, consistent with the goals of universal service. This method may be more convenient for customers who have applied for other benefits online, such as the Supplemental Nutrition Assistance Program (SNAP) and LIHEAP. Offering an electronic means to apply for low-income programs also produces an electronic trail that leaves no question on whether or not an individual applied for certain programs or provided documentation. This process also makes it less likely that income documentation would be lost and would not necessitate further contact to either request documentation or inquire as to whether it was received. We recognize, however, that there could be considerable back office changes required to implement such systems. Nevertheless, PECO, PGW, and PPL already have such systems in place.

2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code § 69.261-69.267, Order at 62 (Nov. 5, 2019) (*2019 Final CAP Policy Statement Order*)(footnote omitted).

Subsequent to the Commission's *2019 CAP Policy Statement Order* and as noted in the *July 24, 2025 Order*, the then FirstEnergy Companies, National Fuel Gas, Duquesne Light Company, and Columbia Gas of Pennsylvania all have implemented online CAP applications. If every other NGDC and EDC in Pennsylvania has found a way to implement a CAP application online, then UGI should similarly be able to do so. The benefits of a CAP application online are clear, and the OCA does not believe that UGI has provided sufficient basis to demonstrate that it is not possible for UGI to implement an online application. The OCA recommends that UGI be directed to implement an online application in a cost-effective manner and to demonstrate that the projected costs are in fact necessary to implement an online application.

F. 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 agencies.” Proposed 2026 USECP at 26; *July 24, 2025 Order* at 26. The *July 24, 2025 Order* provided that it is “unclear how UGI enforces participation in non-LIHEAP weatherization services.” *July 24, 2025 Order* at 26. The Commission requested clarification regarding how the Company enforces the requirement that customers must participate in non-LIURP weatherization services offered through local and state weatherization agencies. Additionally, UGI was directed to identify how many customers have been removed annually from CAP in 2023 and 2024 for failure to participate in LIRP and failure to participate in other weatherization services. *Id.*

In the Supplemental Information, UGI responded that it removed one customer for failure to participate from January 1, 2023 through December 31, 2024. Supplemental Information at 6, Para. (k), bullet number 2. The Supplemental Information did not provide any additional information about why the customer declined to participate in LIURP and whether only one customer refused LIURP participation during the timeframe.

Whatever the circumstances for the one customer’s removal, the OCA does not agree that there should be a program requirement to participate in LIURP or other weatherization services in order to qualify for CAP. While it is important for customers to have the ability to participate in LIURP and that customers should be encouraged to participate, some individuals may have legitimate reasons for objecting to someone coming into the home to perform weatherization that may not fall within a utility’s exemptions. There are a myriad number of reasons why a customer may otherwise not want to participate in LIURP, and CAP participants should not be financially harmed by being removed from CAP for those reasons alone. Moreover, unless UGI makes available sufficient resources to deliver LIURP services to all high usage customers, UGI should

not be permitted to threaten or to remove customers from CAP due to a refusal to participate. As noted above, the Company did not provide information about whether other customers declined to participate in LIURP. To the extent that the Company is also threatening to remove participants from LIURP without effect, the OCA is concerned that the threat may chill possible enrollment in CAP. Just as customers are not required to participate in CAP to qualify for LIURP, they should not be required to participate in LIURP to qualify for CAP.

The OCA recommends that the requirement for LIURP participation to be enrolled in CAP be removed.

G. CAP Assistance and Continuation of Operations

The *July 24, 2025 Order* raises concerns that were presented by the 2024 APPRISE Impact Evaluation. *July 24, 2025 Order* at 37-38; APPRISE Evaluation at 82. The APPRISE Evaluation identified concerns raised by the CAP agency that there is “often back-and-forth communication between CBOs [community based organizations] and the UGI call center, particularly when a customer is seeking assistance with a shut-off notice.” *July 24, 2025 Order* at 37. 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.” *July 24, 2025 Order* at 38, citing 2024 APPRISE Evaluation at 82.

The *July 24, 2025 Order* provided:

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.

July 24, 2025 Order at 38.

The Commission directed UGI to clarify whether procedures have been developed to ensure that CAP and CAP-eligible customers are able to receive assistance either by contacting UGI or the CAP agency and be transferred, as necessary, to the correct representative that can best address the issues raised. UGI was also directed to clarify any contingency procedures on how the Company would continue CAP operations in the event that an emergency makes the CBO unavailable, such as a cyberattack or an abrupt end of a contract. *July 24, 2025 Order* at 38.

In the Supplemental Information, the Company responded “the Company has developed procedures to ensure CAP customers can receive assistance by contacting UGI or agencies.” Supplemental Information at 13. UGI also responded that:

In the event of an emergency, such as a cyber-attack, the Company would process CAP applications in-house. Additionally, the Company’s contracts with CAP agencies that state agencies must give the Company 20 days’ notice to terminate a contract, therefore the Company would initiate steps to contract with another CBO.

Supplemental Information at 13.

The Supplemental Information did not provide any information about the procedures that it implemented to ensure that CAP customers can receive assistance and did not otherwise this issue in its USECP. The Company should be required to provide greater detail about the process changes implemented and how they resulted in a resolution of the issues identified in the 2024 APPRISE Evaluation. The OCA continues to have concerns about the coordination issue identified by the Commission’s Order. The problem is further compounded regarding the separate requirements for enrollment into CAP for UGI Gas and Electric. The OCA recommends that UGI

Gas and Electric be directed adopt APPRISE’s recommendation 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.” APPRISE Evaluation at 82. The OCA also recommends that this be expanded to include coordination between UGI Gas and UGI Electric and the CBOs.

H. Customer Education and Outreach Plan

1. Overview

UGI’s Proposed 2026 USECP includes Customer Education and Outreach Plan (CEOP) at Appendix H which details the Company’s external, internal, and educational outreach efforts for each of the universal service programs. Proposed 2026 USECP at App. H; *July 24, 2025 Order* at 39-40. UGI’s CEOP includes its external and internal outreach efforts as well as the welcome packet provided to all new customers. *Id.* UGI also provides that it intends to begin targeted outreach to customers with incomes from 0-50% of the Federal Poverty Level upon approval of the 2026 USECP. Proposed 2026 USECP at App. H, 7-9. The *July 24, 2025 Order* requested that the Company provide clarifications and information regarding: (1) which CEOP initiatives are new, implemented after 2021 or later) and which represent existing practices; (2) explain how the Company educates customers on how to determine their household energy burden and to encourage interest and participation in CAP and to stimulate actions for energy conservation in the household; and (3) if the targeted education and outreach to landlords is tracked and whether it resulted in increased participation in LIURP by rental properties. *July 24, 2025 Order* at 40.

The OCA recommends that the findings of the APPRISE Evaluation be incorporated into the Company’s CEOP as set forth below. Specifically, the APPRISE Evaluation found that “participation in CAP resulted in a reduction in disconnection orders.” APPRISE Evaluation at ii.

The APPRISE Evaluation also found that “participation in CAP resulted in a reduction in collection activities, which should result in a reduction in collection costs.” *Id.*

The APPRISE Evaluation also noted important information that should be considered as a part of its development of a CEOP:

- (1) “Only 27 percent of the nonparticipants said that they were aware of CAP.”
- (2) “Respondents were unlikely to report that it was difficult to enroll in CAP. Only three percent said it was somewhat difficult and one percent said it was very difficult to enroll, while 70 percent said it was not at all difficult.”
- (3) “While 61 percent of CAP participants said it was very difficult to make their monthly UGI payment prior to enrolling in CAP, only five percent said that it was very difficult after enrolling. Twenty-five percent of nonparticipants said it was very difficult to make their monthly UGI payments and 35 percent it is somewhat difficult.”
- (4) “73 percent of nonparticipants said they would be interested in enrolling in CAP if they were eligible.”
- (5) “82 percent of participants said that CAP was very important in helping to meet their needs and 12 percent said it was somewhat important.”
- (6) “23 percent of participants and 65 percent of nonparticipants said that they did not need additional assistance.”
- (7) “About 50 percent of all CAP participants and 70 percent of CAP participants who remain on CAP for the full year pay their full CAP bill over the course of the year.”
- (8) “CAP participants improved their payment behavior in the year following enrollment. The percentage with no missed payments increased from 13 to 34 percent and the percentage with one to three missed payments increased from 15 to 28 percent. The nonparticipants missed fewer payments but did not experience the improvement that the new CAP enrollees experienced.”
- (9) Electric CAP participants paid 72 percent of their bill on average in the year before enrolling in CAP and 90 percent on average in the year after enrolling. Gas CAP participants paid 70 percent of their bill in the year prior to enrollment and 89 percent in the year following enrollment.
- (10) “The total number of collections actions declined by an average of 4.4 actions per participant in the year following enrollment compared to a small increase for the nonparticipants. The greatest decline was in the number of letters. While the CAP participants received an average of 5.1 collection letters in the year prior to enrollment, they received an average of 1.7 letters in the year following enrollment.”

APPRISE Evaluation at iv-vii.

The APPRISE Evaluation also made an explicit recommendation that UGI should assess “how to increase outreach to increase awareness of CAP.” APPRISE Evaluation at xi. UGI does not reference or address these issues in its Proposed 2026 USECP, and these observations from the

APPRISE Evaluation should be the basis for developing a plan to address the information gaps for applicants and CAP customers and how to reduce the numbers identified in the Evaluation.

2. OCA Recommendations

The customer knowledge issues that were identified in the Company's APPRISE Evaluation should be addressed as part of its CEOP. UGI does not address these issues, and the OCA recommends that they be addressed as a part of the CEOP. Specifically, APPRISE recommended additional outreach. The results of these evaluations should be used in aiding the recommendations.

In UGI's recent base rate proceeding at Docket No. R-2024-3052716, OCA witness Roger Colton identified concerns regarding the number of Confirmed Low-Income customers that were having their service disconnected and how many Confirmed Low-Income customers are entering into payment arrangements instead of being enrolled in CAP, and how many Confirmed Low-Income customers have high average arrears. Mr. Colton testified regarding the number of Confirmed Low-Income customers that were disconnected and the number that were reconnected:

UGI Gas reports the following Confirmed Low-Income customers that were disconnected and subsequently reconnected: (1) 1,090 reconnected of 2,197 disconnected (50%) (2021); (2) 963 reconnected of 2,968 disconnected (32%) (2023); and (3) 2,884 reconnected of 3,446 disconnected (84%) (2024). (OCA-16(b), 16(f)).

OCA St. 4 at 36.¹⁴ Only a percentage of the customers were reconnected. The OCA recommends that the CEOP should also document UGI plans to target these customers to get them enrolled in CAP.

In order to address the APPRISE Evaluation data, the OCA recommends that UGI Gas should provide a stand-alone written communication with Confirmed Low-Income customers prior

¹⁴ OCA Statement 4 was admitted into the record of UGI's gas base rate proceeding by Stipulation. The Settlement in the UGI Gas base rate proceeding is currently pending before the Commission.

to the disconnection of a Confirmed Low-Income customer informing customers of the availability of CAP and of the availability of arrearage forgiveness. UGI Gas should also adopt a procedure, developed in collaboration with its Universal Service Advisory Group (USAG), under which it would seek to make personal contact with the customer subject to disconnection. In that personal contact, the Company shall offer the Confirmed Low-Income customer the opportunity to apply for the Company's CAP and arrearage forgiveness program. If the customer expresses a desire to make such application, UGI Gas will postpone the disconnection for a reasonable period of time to allow the application process to be completed.

Before UGI Gas enters into a deferred payment arrangement (DPA) with a customer which the Company either (1) knows to be a Confirmed Low-Income customer; or (2) has generated information through the DPA process documenting that the customer is in the Tier 1 income range (at or below 150% FPL), it should be required to provide the customer a stand-alone Plain Language notice to that customer of the customer's right to enter into CAP and an explanation of the advantages of CAP's arrearage forgiveness benefits. UGI Gas should develop this Plain language notice in collaboration with its Universal Service Advisory Group.

UGI Gas should be allowed to require a Confirmed Low-Income customer to pay off arrears through a payment arrangement only with the customer's informed consent. As discussed above regarding security deposits, the Commission has similarly stated that informed consent should be provided regarding applying deposits against arrearage balances. The Company here should also explain how enrolling in CAP and making the customer's arrearage subject to arrearage forgiveness "would impact the customer's monthly bill" relative to a customer's decision to enter into a DPA.

When Confirmed Low-Income customers accrue an unpaid balance of \$500, UGI Gas should provide a stand-alone written Plain Language notice informing these customers of their right to enroll in the Company’s CAP (along with an explanation of the advantages of CAP’s arrearage forgiveness provisions).

The *July 24, 2025 Order* also states that “UGI also has targeted outreach for Spanish speakers and Limited English Proficiency (LEP) customers...” *July 24, 2025 Order* at 39. The OCA is concerned about whether the proposed outreach for Spanish speakers and LEP is achieving the objectives. The OCA recommends that UGI look to the Fair Housing Act requirements standard.¹⁵ The OCA recommends that UGI should be directed to comply with the FHA’s Limited English Proficiency (LEP) guidelines as they relate to providing translations of “vital documents.”

The HUD Guidance provides:

HUD “Safe Harbors” for Language Translations of Vital Documents ¹⁶	
Size of language group	Recommended provision of written language assistance
1,000 or more in the eligible population in the market area or among current beneficiaries	Translated vital documents
More than 5% of the eligibility population or beneficiaries AND more than 50 in number	Translated vital documents
More than 5% of the eligible population or beneficiaries AND 50 or less in number	Translated written notice of right to receive free oral interpretation of documents
5% or less of the eligible population or beneficiaries AND less than 1,000 in number	No written translation is required

The OCA recommends that UGI be directed to prepare and include in its CEOP, within six months of a final order in this proceeding, an inventory of non-English languages spoken by 1,000

¹⁵ Under the HUD LEP Final Guidance (72 FR 2732), when an eligible LEP language group makes up 5% of the population, “vital” documents must be translated.

¹⁶ 72 F.R. 2753.

or more persons in the service territory. In consultation with interested stakeholders, including the OCA and CAUSE-PA, with state immigration officials, with immigration advocacy groups, and other stakeholders who express an interest in participating, UGI should identify and maintain on an annual basis, a list of vital documents that should be translated into these non-English languages. UGI should then have special pages made available through the Company's website and IVR system through which persons can access these translated documents.

The OCA also recommends that the Company factor into its CEOP greater outreach to customers about CAP at the time that customers apply for service and when customers move. In the on-going Columbia base rate proceeding, OCA witness Colton recommended that the Company develop a script for screening new customers for low-income status in consultation with the Company's Universal Services Advisory Committee (USAC).

Mr. Colton explained the reason for his recommendation. He testified:

[t]he outreach that Columbia provides for its Universal Service programs today is largely provided in a reactive fashion. When a customer develops arrears and contacts the Company to arrange a deferred payment arrangement, for example, the Company seeks to educate the customer about the availability of CAP. When a customer receives a notice of the pending disconnection of service for nonpayment, the Company seeks to educate the customer about the availability of CAP. When a customer has had service disconnected and remains disconnected at the beginning of the cold weather season (and thus subject to the Cold Weather Survey), the Company seeks to educate the customer about the availability of CAP.¹⁷

The problem with this approach is that providing outreach at a time of crisis means that the customer may be less inclined to take action that may provide speculative benefits in the future and is more inclined to make a decision that is limited to resolving the immediate crisis, such as the disconnection.¹⁸

¹⁷ See, OCA St. 5 at 65=66 in the Columbia base rate proceeding. Mr. Colton's testimony was stipulated into the record of *Pa. PUC v. Columbia Gas of Pennsylvania*, Docket No. R-2025-3053499. See discussion at *Pa. PUC v. Columbia Gas of Pennsylvania*, Docket No. R-2025-3053499, Recommended Decision at 547 (Oct. 3, 2025).

¹⁸ OCA St. 5 at 66.

The OCA recommends that a similar approach be integrated into UGI's USECP, and that the Company improve screening of applicants for service at the time of the application and when a customer moves service. In the Recommended Decision for Columbia's base rate proceeding, the ALJs identified the importance of this screening as follows:

Improved screening and referrals could help ensure households are receiving the most advantageous available rate and is a statutory requirement. Furthermore, proactive CAP enrollment strategies, such as routine screening, also serve as a critical collection and cost containment tool that helps reduce the accrual of unmanageable debts, reduce uncollectible expenses and other collections costs, and reduce the cost of the CAP arrearage management program. We believe that the Company would save money on CAP outreach in the long term.

We recommend that the Commission required Columbia to: (a) Screen all new and moving customers for income level at the time their service is established and ask whether they would like information about income qualified programs that may reduce their rate; (b) Screen existing customers for household income level on any non-emergency calls and inquire whether there have been any updates to household income information and (c) Develop a process for routine income screening through Columbia's online account portal. Customers identified as income eligible through these processes should be referred to CAP and other universal service programs, as well as LIHEAP. However, customers should be able to opt out of providing household income information after being informed that they may be eligible for lower rates and/or free energy efficiency measures if they choose to disclose the information. The Commission should require Columbia to develop and implement screening and referral recommendations within 90 days of the final order in this proceeding.¹⁹

The OCA recommends that the Commission consider adopting a similar screening and referral recommendation within 90 days of the final order in this proceeding as a part of the Company's CEOP.

For the reasons set forth above, the OCA recommends that the CEOP be modified to address the APPRISE Evaluation concerns and develop Plain Language written notices as a part

¹⁹ *Pa. PUC v. Columbia Gas of Pennsylvania*, Docket No. R-2025-3053499, Recommended Decision at 547 (Oct. 3, 2025).

of the CEOP, to improve language access and to improve the screening efforts for applicants for service and customers that move.

I. Minimum Payments

In the *July 24, 2025 Order*, the Commission identifies that “customers reporting zero income will be charged the minimum bill amount of \$30 for electric heating accounts, \$25 for gas heating accounts, and \$15 for non-heating accounts.” *July 24, 2025 Order* at 11; Proposed 2026 USECP at 18-19. The OCA is concerned about the minimum bill charge for customers who receive electric and natural gas service from UGI Electric and UGI Gas. Under the Company’s minimum charges, customers who have electric heating would pay a \$30 minimum charge, but customers who receive natural gas and electricity from UGI would pay a \$40 minimum charge (\$25 for natural gas and \$15 for non-heating accounts). The OCA recommends that the electric minimum non-heating charge be reduced to \$10 and the natural gas minimum charge should be reduced to \$20 so the sum of the natural gas and electric heating is equal to electric heating.

J. CAP Application

UGI states in its USECP that it complies with the Commission’s *2019 Final CAP Statement Order* that income by or on behalf of minors is not considered. However, the *July 24, 2025 Order* requested as part of the Supplemental Information to provide the “current CAP application.” *July 24, 2025 Order* at 14. The CAP application “requires customers to identify...income sources and amounts for *all household members*.” Supplemental Information at x (emphasis added). UGI’s CAP application, however, does not identify that minor income does not need to be included. Minor income may include minor earned income, child support payments or Social Security income designated for the minor children. The OCA recommends that the CAP application be

amended to specifically inform CAP applicants to exclude minor income so that applicants are aware that minor child income may not be included in the calculation of household income.

K. On-Going USECP Monitoring and Refinement

The OCA believes that the work of serving low-income and vulnerable populations is an ongoing and iterative process that requires continued refinement. To that end, the OCA recommends that UGI should continue to monitor the program's outcomes to evaluate whether its USECP is achieving its intended results. The Commission should direct UGI to develop specific outcomes, and metrics by which those outcomes should be monitored, with input from its Universal Services Advisory Committee, to be presented by the end of 2026 or UGI's next base rate proceeding, whichever comes sooner. The following are areas where OCA believes continuous monitoring is appropriate.

First, UGI would benefit from having a clear objective regarding its disconnection rates, in particular for Confirmed Low-Income customers. "Universal service" is defined to include those policies, protections and services that help low-income customers maintain natural gas service. In addition to tracking its low-income disconnection rates and reporting its findings to the Commission and the parties, UGI should include a plan for how it intends to reduce its rate of disconnections for low-income customers. Second, UGI should have a clear outcome objective regarding the percentage of low-income customers in debt.

Third, UGI should have a clear outcome objective with respect to the percentage of Confirmed Low-Income customers it is enrolling in CAP, with a particular focus on low-income customers who would otherwise be in debt and subject to the disconnection of service for nonpayment. Thus, UGI should develop results-oriented outcome objectives to set clear goals for increasing its enrollment of Confirmed Low-Income customers in CAP, and retaining those CAP

participants once enrolled. It should, as part of the plan it files pursuant to the recommendation above, include an evaluation of its progress at achieving such goals for consideration in future proceedings.

Fourth, as UGI improves its universal service programs through the first three steps identified above, it should carefully track the costs of its programs.

L. LIURP Budget

In its Proposed 2026 USECP, UGI proposes a modification that the LIURP budget will be increased for UGI Gas and UGI Electric commensurate with the residential percentage rate increase approved in any UGI Gas or UGI Electric base rate proceeding that is adjudicated within the term of the USECP. If there is no applicable base rate proceeding, the LIURP budgets will increase by 3% over the prior year's budget.²⁰ The OCA supports being able to modify the LIURP budget in an applicable base rate proceeding; however, the OCA does not agree that the only mechanisms by which a LIURP budget should be set are through the base rate proceeding or on a *pro forma* 3% increase per year basis.

The LIURP budget is defined in the Commission's revised regulations as "the expected cost of providing program services in a given program year as set by the Commission."²¹ Under Section 58.4, the Commission's regulations provide the guidelines for revising program funding:

(c) *Guidelines for establishing or revising a LIURP Budget.* A revision to a public utility's LIURP funding level shall be computed based upon factors including the following:

- (1) the estimated number of customers by FPIG levels identified through census data:
 - (i) 0% through 50%.
 - (ii) 51% through 100%.
 - (iii) 101% through 150%.
 - (iv) 151% through 200%.

²⁰ Proposed 2026 USECP at 6; July 24, 2025 Order at 43.

²¹ 52 Pa. Code 58.1.

- (2) the number of confirmed low-income customers by FPIG levels:
 - (i) 0% through 50%.
 - (ii) 51% through 100%.
 - (iii) 101% through 150%.
 - (iv) 151% through 200%.
- (3) the number of special needs customers
- (4) the number of eligible confirmed low-income customers that could be provided program services. The calculation shall take into consideration the number of customer dwellings that have already received or are not otherwise in need of program services.
- (5) the number of eligible special needs customers that could be provided program services. The calculation shall take into consideration the number of customer dwellings that have already received, or are not otherwise in need of, program services.
- (6) The expected customer participation rates for eligible customers. Expected participation rates shall be based on the number of eligible confirmed low-income customers and historical participation rates.
- (7) The total expense of providing program services, including costs of program measures, energy conservation education and training expenses for LIURP administration.
- (8) A plan for providing program services to eligible customers within a reasonable period of time, with consideration given to ESP capacity necessary for provision of services, including time and materials, and the impact on public utility rates.

52 Pa. Code 58.4 (c) as revised by *Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1-58.18*, Docket No. L-2016-2557886, Final Form Rulemaking Order (March 13, 2025).

The OCA does not agree that either setting only in a base rate proceeding or increasing at a *pro forma* 3% per year process would set an adequate LIURP budget and does not consider the factors identified in 52 Pa. Code Section 58.4(c) as revised. LIURP spending and budget should be set at a level sufficient to reach a prescribed percentage of eligible households within a time

certain (e.g., 50% within 15 years). The current and proposed spending which equates to approximately 590 jobs per year does not come close to that. The OCA recommends instead that the LIURP budget be tied to the Needs Assessment.

Specifically, UGI has not set forth a nexus between the LIURP budget, the needs analysis, and the number of units being served each year. The current LIURP budget is set forth without any direct tie to achieving an objective or addressing the current needs analysis and how that needs analysis may change from Plan to Plan or in the event of a rate increase or gas commodity cost increase. While UGI provides for the mechanism of a rate case to address LIURP budget increases which is one tool to address budget needs, it alone does not provide for the important nexus between the budget and the needs of the service territory. Unless the LIURP budget increases over time, due to increasing costs and inflation, the LIURP budget will be able to serve fewer customers at the end of the Plan than it could at the beginning of the Plan.

The OCA does not anticipate that this issue can be resolved through this Comment and Reply Comment period alone or through a base rate proceeding alone. However, what can be achieved through this Plan review is an acknowledgement of the disconnect between the proposed LIURP budget and how it meets the needs of the low-income population, and the need for a dynamic process to address the deficiencies in the current process. The OCA recommends that the Commission require UGI to determine a budget appropriate to meet the needs in its service territory using the existing factors found at 52 Pa. Code Section 58.4(c) and that budget be set as an initial budget that should be revisited by UGI throughout the duration of its plan to account for increased needs and increased costs for UGI to provide services and for consumers in terms of rates that should be mitigated through weatherization assistance. There should be a process be developed for UGI (and all gas and electric utilities) to provide information at least every two years

demonstrating that its LIURP budget is sufficient and that it accounts for changes that occur (including intervening rate increases). Stakeholders should be permitted to comment upon and propose adjustments to the LIURP budget during these interim filings that occur between-USECP filings. Waiting until 2030 or the interim between base rate proceedings is too long to allow the necessary between USECP approvals of increased LIURP budgets based on increased need or costs to serve households.

Moreover, the proposal to apply an increase only during a rate case or by 3% does not consider additional factors that may impact the ability of the budget to address the projected number of homes such as increases to construction costs, higher than budgeted-for inflation, tariff changes, etc. These factors to weatherization costs bear no relationship to the percentage increase in rates. UGI should also consider whether if an inflation factor is applied it should be more closely tied to construction costs or some other factor that relates to an index of weatherization costs.

The OCA additionally seeks clarification as to what the congruence is between the needs assessment and the LIURP budget and how the information in the needs assessment is applied to the LIURP budgets. The OCA is concerned in regard to low LIURP enrollments. According to the OCA's calculation from the data presented in the 2026 Needs Assessment, if you divide that there are 40,789 estimated low-income customers²² who could receive weatherization from LIURP by the number of estimated jobs per year of 500 gas LIURP jobs, it would take over 80 years ($40.789/500=81.758$). This number assumes that no one would need to be re-weatherized. UGI Electric also only estimates 90 LIURP jobs. The OCA submits that there should be greater congruence between the Needs Assessment and the budget.

²² It is important to note that this estimate of estimated and confirmed low-income customers as identified in Table 9 only reflects the UGI Gas customers.

The LIURP budget is not sufficient to serve a reasonable number of homes every year, and increasing the budget by the 3% per year will not address that issue. It also does not address the factors identified for changing a LIURP budget in the Commission's revised regulations at Section 58.4(c). The current LIURP budget is not sufficient to address a reasonable percentage of the estimated number of low-income customers in the UGI service territory.

M. Rollover of Unspent LIURP Dollars

UGI has proposed to discontinue carrying over unspent LIURP funds to the next program year. Proposed 2026 USECP at 6; *July 24, 2025 Order* at 43. The OCA does not agree that the unspent dollars should not be carried forward. The proposal is inconsistent with the Commission's revised LIURP regulations. Section 58.4(d.1) provides:

Unspent LIURP funds. A public utility shall annually reallocate unspent LIURP funds to the LIURP budget for the following program year unless an alternate use is applied by the Commission. An alternate use may include using unspent LIURP funds to provide program service to eligible customers with an income up to 250% of the FPIG.

52 Pa. Code 58.4(d.1); *Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1-58.18*, Docket No. L-2016-2557886, Final Form Rulemaking Order at 129 (March 13, 2025).

The OCA strongly supports continued rollover of unspent LIURP dollars. The proposal is inconsistent with the recent amendments to Section 58.4(d). There are numerous reasons why a Company may under-spend its budget in a particular year. The Company may have been able to achieve greater efficiencies than expected, or alternatively, some intervening action may have prevented the Company from achieving its targets. In either scenario, the dollars should be maintained as a part of the budget and roll forward into the next programmatic year to increase the amount of funds available in the subsequent program year. This rolled-over dollars do not supplant

the dollars available for the next program year, but rather supplement those dollars. If the need still exists for the services, the budgeted dollars should be used to further address that need. Of course, there should be a way to address chronic overestimation of budgeting as well. If after several years, UGI is simply not able to spend its LIURP allocation the Company should be required to propose a plan amendment to modify its budget or its plan to reach more households. The Commission can establish a threshold timeframe by which an unspent carryover budget can be re-examined after several years of continued unspent carryover. A Petition or amendment process for review of the unspent LIURP budget would allow all interested stakeholders the opportunity to review and evaluate the budget, and importantly, to examine the reasons that the carryover budget continued over several years and was unable to be spent. Interested stakeholders could have the opportunity to make recommendations to the Commission regarding how the LIURP budget may be spent. Other modifications to the LIURP may be necessary other than amendment of the budget. If UGI believes that its USECP has systematically over-budgeted for LIURP, it should be required to come back to the Commission with a petition to change its USECP and allow all relevant parties that opportunity to participate in reestablishing an appropriate budget.

N. Calculation of Low-Income Customers in the Needs Assessment

1. Definition of Confirmed Low-Income Customers

In addition to the issues identified regarding integration of the Needs Assessment into LIURP planning, the OCA also requests that the Company provide information regarding what information the Company accepts as sufficient to establish a customer as “Confirmed Low-Income.” *See July 24, 2025 Order* at 65, Table 8. It appears from the information presented is that the Company restricts the definition of Confirmed Low-Income customer to “the Company’s income-verified customers who were eligible for enrollment in a Universal Service program.”

Supplemental Information at 23. It appears that UGI intends “identified low-income customer” to be synonymous (or interchangeable) with the term “confirmed low-income customer.” If this is correct, then UGI’s definition is inconsistent with the definition presented in the Commission’s regulations at Section 62.2.

The Commission’s natural gas definition for identifying Confirmed Low-Income customers is broad. Section 62.2 of the Commission’s regulations provides that a Confirmed Low-Income customer is defined as follows:

Confirmed low-income residential account-Accounts where the NGDC has obtained information that would reasonably place the customer in a low-income designation. This information may include receipt of LIHEAP funds (Low-Income Home Energy Assistance Program), self-certification by the customer, income source or information obtained in § [56.97\(b\)](#) (relating to procedures upon rate-payer or occupant contact prior to termination).

52 Pa. Code § 62.2.

Requiring a customer to be “income verified” adds a qualification to “Confirmed Low-Income customer” status that goes beyond what is included in the Commission’s regulations. UGI should confirm whether it includes all of the categories identified in the Commission’s regulations, including self-certification in its calculation of the number of Confirmed Low-Income customers as identified in Table 8. As can be seen, “Confirmed Low-Income” status is not limited to income which in the words of UGI has been “verified.” Instead, information establishing a customer as “Confirmed Low-Income” would include any information that “would reasonably place the customer in a low-income designation.” Section 62.2, in particular, explicitly provides that such information can be provided through “self-certification by the customer.” The information can also be obtained when seeking to establish a payment plan or otherwise to resolve a pending disconnection. *See* 52 Pa. Code § 56.97(b).

To the extent that the Company does not include customers who have self-certified in its definition of Confirmed Low-Income customers in Table 8, the OCA recommends that the Company broaden the definition to be consistent with Section 62.2. UGI should be directed to conform its identification of “Confirmed Low-Income customers” to the Commission’s regulations.

2. Enrollment Size to Serve all Eligible Customers

Also in Table 8 of the *July 24, 2025 Order*, the Company provides that “enrollment size of CAP to serve all eligible customers” is limited to those customers which UGI has identified as “Confirmed Low-Income.” *July 24, 2025 Order* at 65, Table 8. In Table 8, these numbers are identified. The OCA recommends that the enrollment size of CAP to serve all eligible customers should be equal to the Estimated Low-Income Customers rather than to the Confirmed Low-Income customers. The same issue also is presented in Table B-1 of Appendix B in the Proposed 2026 USECP. Proposed 2026 USECP at App. B, Table B-1. That Table also has the “enrollment size to serve all eligible customers” equal to the number of “identified low-income customers,” not equal to the number of Estimated Low-Income Customers. Proposed 2026 USECP at App. B, Table B-1.

O. Impact of LIURP Rulemaking

The Company’s USECP was filed on April 1, 2025. The Commission issued its final LIURP rulemaking at Docket No. L-2016-2557886 on March 13, 2025.²³ The Plan does not contain any information regarding whether the Plan is consistent with the revised LIURP regulations. In the Supplemental Information, UGI provides that the Company will “comply with any final regulations lawfully adopted and promulgated pursuant to the pending rulemaking proceeding at

²³ *Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1-58.18*, Docket No. L-2016-2557886, Final Form Rulemaking Order (March 13, 2025).

Docket No. L-2016-2557886.” Supplemental Information at 15. There is now a final rulemaking. The Supplemental Information does not acknowledge or address the final rulemaking.

Several issues raised in the Commission’s *July 24, 2025 Order* may be impacted by the revised LIURP regulations. These issues include the timeframe under which LIURP may re-weatherize a home, request for waivers, the treatment of inoperable gas furnaces, payback periods, and incidental repairs and health and safety measures. *See July 24, 2025 Order* at 45, 56-57; 52 Pa. Code §§ 58.18 (request for waivers); 58.1 (definitions of full weatherization, residential space heating and de facto heating), 58.11(a)(payback periods); 58.12 (incidental repairs and health and safety measures).²⁴ The OCA recommends that the Company complete an issue-by-issue review of whether the UGI LIURP USECP is in compliance with the new LIURP regulations. The OCA recommends that the Commission direct the Company to undertake such a compliance review, present that compliance review to the Commission, and for parties to have the opportunity to comment on whether the LIURP portion of the Plan is consistent with the new LIURP regulations.

P. Landlord Consent for LIURP Treatment

In the *July 24, 2025 Order*, the Commission identifies a concern regarding how UGI obtains landlord consent to be able to install LIURP measures. The July 24, 2025 Order provides that “UGI does not explain how written permission is obtained from a landlord and how permission is refused or documented.” *July 24, 2025 Order* at 50.

The process for obtaining landlord consent is not simple as described by UGI. In the Supplemental Information, UGI’s response demonstrates the number of hoops that the landlord must jump through in order to provide permission. UGI states that “[t]he company does not accept any other method of landlord consent other than in writing. When a customer is applying for

²⁴ The list of regulation sections is intended to identify examples and is not comprehensive for regulations impacted by these issues.

LIURP services, they sign an eligibility affidavit waiver with the application.” Supplemental Information at 19.

While Section 58.8 of the Commission’s LIURP regulations provide that prior to the installation of the measures there should be obtained written consent of the landlord, the regulations do not specifically dictate the Company’s process for obtaining written landlord consent. 52 Pa. Code § 58.8. The OCA recommends that the Company develop additional methods by which a landlord may consent. The Commission’s *July 24, 2025 Order* cites to the many Commission Orders where the Commission has examined the different ways that landlord consent could be obtained.²⁵ As the OCA has discussed in these other proceedings, UGI should implement additional options to facilitate customers’ abilities to obtain landlord approval, such as approval by text or email and accepting e-signatures. Easier methods of communication from the landlord to UGI may help to facilitate better response rates. UGI should also work with landlord associations in the service territory to better educate landlords about the information needed for consent.

Q. Inter-utility Coordination

In its Proposed 2026 USECP, UGI states that it initiates inter-utility coordination with other public utilities to coordinate program services to serve LIURP customers. Proposed 2026 USECP at 30. As the Commission’s *July 24, 2025 Order* observes, the 2024 APPRISE Evaluation reports that UGI has challenges coordinating LIURP with other programs because of the different program

²⁵ 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.

requirements for eligibility and prioritization. *July 24, 2025 Order*, citing 2024 APPRISE Evaluation at 29. *The July 24, 2025 Order* provided:

[i]t 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 weatherization programs, including Act 129 and the Department of Community and Economic Development’s Weatherization Assistance Program (WAP).

July 24, 2025 Order at 53 (footnote omitted). The Commission provided that it had previously permitted other public utilities to waive LIURP eligibility criteria, such as the minimum usage requirements for LIURP jobs that were coordinated with other public utility LIURPs and weatherization programs. *July 24, 2025 Order* at 53, citing *FirstEnergy PA 2019-2021 USECP*, Docket Nos. M-2017-2636969, *et al.*, (filed on June 24, 2019) at 19; *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727, Order at 78-79 (Feb. 9, 2023). The Commission requested clarification in the Supplemental Information regarding the exceptions to the LIURP eligibility criteria for LIURP jobs. *July 24, 2025 Order* at 53.

In the Supplemental Information, UGI provided that “[t]he Company does not grant exceptions to the LIURP eligibility criteria simply because a customer is participating in LIURP with another utility or state weatherization program.” Supplemental Information at 20.

The Commission expressly provides in its Order that it has previously granted waivers in order to support inter-utility coordination efforts. *July 24, 2025 Order* at 53. The OCA recommends that the Company explore ways to improve inter- and intra-utility coordination. In addition to coordination with electric and natural gas utilities for LIURP measures, the OCA also recommends that the Company consider how it can better coordinate with water utilities. The inter-utility coordination for LIURP should also extend to water utilities as well.

The OCA supports any cooperation between utilities to increase and maximize the benefits

and efficiency of the service and program. Moreover, as discussed above, the OCA recommends that, as water affordability programs become more prevalent, there should be a cross-enrollment with the water programs as well as other energy programs. The OCA specifically endorses the cooperation between utilities and separate contractors with regards to LIURP projects. Cooperation and the sharing of waiting list would allow contractors to complete all jobs related to all utilities in on visit. The OCA notes that as discussed above regarding enrollment in CAP, in addition to inter-utility coordination, UGI should consider how it can make more efficient its *intra*-utility coordination with UGI Electric.

R. CAP Enrollment Numbers

In the Proposed 2026 USECP, the Company identifies that the number of customers as 29,134 customers. Proposed 2026 USECP at 2. According to UGI, this number reflects the number of customers on CAP at some point in the year, not the number currently enrolled. The OCA is concerned that the number of CAP participants is quite low given the estimated number of low-income customers. Moreover, the number of estimated participants through 2030 is not quite low (26,695 in 2025 up to 31,717 in 2030). See Proposed 2026 USECP at App. A, page A-1.

However, this number should be contrasted with the number presented in the APPRISE Evaluation. See APPRISE Evaluation at viii-ix. In the APPRISE Evaluation, it discusses the “CAP Participation Goals” and provides:

UGI’s CAP participation in 2022 was just under 27,000 compared to a goal of 30,000 that increases to over 42,000 by 2025. UGI developed these goals for CAP participation when they were expecting DHS to provide household size and income for LIHEAP recipients to facilitate CAP auto-enrollment. DHS data sharing is now expected sometime in 2024.

APPRISE Evaluation at viii-ix.

The OCA recommends that UGI should provide an explanation regarding why its current

USECP has a projected participation for 2030 that is more than 10,000 fewer than its “participation goals” published just a year earlier in the APPRISE Evaluation.

S. Additional CAP Credit Issues

In UGI’s Proposed 2026 USECP, UGI makes it clear that the Company does provide a CAP credit, not just an arrearage forgiveness credit, but the CAP credit toward current bills is not applied unless and until a customer makes a complete payment towards their CAP bill. Proposed 2026 USECP at 25. The OCA has several concerns about this process and how the Company resolves the issues presented. Under these circumstances, what would a customer owe if: (1) the customer is removed from CAP or (2) if they have their service disconnected. Would the customer owe their CAP bills or would they owe their entire bill with no CAP credit applied?

On page 25 of the Proposed 2026 USECP, the Company states that “when the service is shutoff for non-payment, the termination customer has up to 109 days to pay the full catch-up CAP amount...” Proposed 2026 USECP at 25. The OCA requests that the Company clarify its process in response to the questions presented above. The OCA does not believe that CAP credits should be contingent upon a customer making a payment. The CAP participant’s bill should be the CAP bill (i.e., the standard bill minus the CAP credit.) CAP credits should be applied to each monthly bill irrespective of the customer payments, not retroactively only if/when the customer makes a full payment.

The OCA is not clear about what UGI does and does not require in order for the customer to receive the CAP credit. The APPRISE Evaluation provides:

CAP credits are the difference between the customer’s actual usage bill and the CAP monthly bill. The credits are applied on a monthly basis with each full CAP payment received. CAP credits associated with missed CAP payments are applied once the customer brings their payments up to date.

APPRISE Evaluation at 16.

The APPRISE Evaluation makes it sound like the CAP participant does not receive their CAP credit as soon as they make a complete payment. It sounds like if a customer misses two payments, they must make-up all of their missed payments before the customer gets any of their credits. The OCA would oppose making CAP credits contingent upon payments at all.

However, in the alternative, the rule should be that which is articulated by the Commission for arrearage forgiveness. A customer should receive their credit upon each complete payment, whether or not that payment is timely. For example, if the customer misses their January and February payments, and in March, the customer completes the January payment, then the customer should get their January credit.

The same issue also arises for the process for CAP customer “reinstatement” in the program. Proposed 2026 USECP at 26. On page 26, UGI states that to be reinstated a customer must “make up all missed CAP payments or full balance when appropriate before reinstatement.” Proposed USECP at 26 (emphasis added). Again, CAP credits should not be contingent upon customer payments. The OCA opposes the process if that reference to “or full balance” means that someone has lost their CAP credit due to nonpayment.

The OCA requests that the Company clarify its process and to the extent that the OCA’s understanding of the process by which CAP credits is applied, the OCA recommends that the Company’s application of CAP credits should be modified.

T. Unresolved APPRISE Evaluation Issues

The APPRISE Evaluation raises numerous issues that do not appear to have been addressed by the USECP, and the OCA recommends that the Commission direct UGI to address these issues in its final 2026 USECP. The purpose of the Commission changing the evaluation schedule was so

that identified issues could be addressed in the next USECP. The OCA recommends that the Commission direct UGI to address these issues as a part of its USECP.

In the APPRISE Evaluation at page ix, the Evaluation recommends that UGI should “consider removing household expense data from the CAP application.” APPRISE Evaluation at ix. Household expense data is not used in determining either CAP eligibility or CAP benefits. According to the Evaluation, collecting that data confuses customers. The OCA submits that being required to provide such personal data may serve to chill CAP applications. UGI’s USECP does not address this recommendation, and the OCA recommends that the APPRISE recommendation to amend the CAP application should be implemented.

In the APPRISE Evaluation at page x, the Evaluation reports that:

[a]n agency reported that they attempt to contact customers solicited for CAP by phone or email first, followed by a mailed letter. The agency does not get reimbursed for sending letters to non-enrollees, including applicants. This is because the COS does not allow the agency to access an account to note down mailing costs unless they are enrolled. This has led to lost revenue for the agency, especially since mailing letters is sometimes the only way to contact customers.

APPRISE Evaluation at x. The Evaluation recommended that “UGI should assess how to compensate agencies for mailing letters to customers solicited for CAP participation.” Id. UGI does not address this recommendation in its USECP or if it has been resolved, and the OCA believes that UGI should address the issue.

On page 12 of the APPRISE Evaluation, the Evaluation discusses the difficulties that agencies have had obtaining information from UGI. APPRISE Evaluation at 12. UGI does not address this issue in its USECP or if it has been resolved, and the OCA believes that UGI should address the issue. Communications issues with the agencies impact the ability of customers to easily enroll in the program and to remain in the program.

The APPRISE Evaluation provided that “UGI reports that the main challenge it faces is that agencies have run out of funds.” APPRISE Evaluation at 33. The Proposed 2026 USECP does not appear to propose increased Hardship Fund funding to address this issue or the finding in the APPRISE Evaluation in any way. The OCA recommends that UGI address how it intends to address this main challenge identified by the APPRISE Evaluation.

The OCA recommends that the Commission direct UGI to address these issues in its final 2026 USECP.

III. CONCLUSION

The OCA appreciates the opportunity to Comment on UGI's Universal Service and Energy Conservation Plan, as well as the Supplemental Information provided by UGI Gas and UGI Electric in response to the Commission's July 24, 2025 Order. The OCA respectfully requests that its Comments and recommendations contained herein should be adopted.

Respectfully submitted,

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