

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
BUREAU OF AUDITS**



**REPORT ON
UGI UTILITIES, INC – ELECTRIC DIVISION**

**STATEMENTS OF GENERATION SUPPLY RATE
FOR THE 12-MONTH PERIODS ENDED MAY 31, 2023,
MAY 31, 2022, AND MAY 31, 2021**

**OCTOBER 24, 2025
DOCKET NO. D-2024-3049835**

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3049835**

Table of Contents

	<u>Page</u>
BACKGROUND	1
FINANCIAL REVIEW	
Independent Auditor's Report	2
Generation Supply Rate (GSR) Over/(Under) Collections (Section 1307(e)) for the 12 months ended May 31, 2023	4
Generation Supply Rate (GSR) Over/(Under) Collections (Section 1307(e)) for the 12 months ended May 31, 2022	5
Generation Supply Rate (GSR) Over/(Under) Collections (Section 1307(e)) for the 12 months ended May 31, 2021	6
Notes to the Financial Statements	7

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3049835**

Background

UGI Utilities, Inc. is a company principally engaged in providing transmission and distribution of electric and natural gas services. UGI Utilities, Inc. is headquartered in Denver, Pennsylvania and is a wholly owned subsidiary of UGI Corporation headquartered in Valley Forge, Pennsylvania. According to UGI Utilities, Inc. - Electric Division's (UGI-Electric) annual reports filed with the Pennsylvania Public Utility Commission (PUC or Commission) for the calendar years 2023, 2022, and 2021, UGI-Electric's total electric distribution revenues were \$133,198,870; \$136,050,920; and \$91,564,509; respectively.

UGI-Electric provides electric distribution service to approximately 62,900 customers in Luzerne and Wyoming counties utilizing its system of approximately 2,700 miles of transmission and distribution lines.

The Generation Supply Service (GSS) Rider is a reconcilable adjustment clause mechanism that authorizes UGI-Electric to recover the costs to provide electric supply, to those customers within their service territory that do not receive their electric supply from an alternate electric generation supplier, through a Generation Supply Rate (GSR).

The GSS rate classes are: GSR-1 for customers having an annual peak load less than 100 kW and GSR-2 for customers having an annual peak load greater than 100 kW. UGI-Electric bills its GSR-2 Customers on a calendar month based upon actual costs incurred which results in a zero over/under collection balance and no 1307(e) statement for the rate class being filed.

UGI-Electric's Default Service Plan for the period June 1, 2017 through May 31, 2021 was approved November 9, 2016 at Docket No. P-2016-2543523, and the Plan for the period June 1, 2021 through May 31, 2025 was approved January 14, 2021 at Docket No. P-2020-3019907.



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
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Independent Auditor's Report to the Pennsylvania Public Utility Commission

Report on the Financial Statements

We have audited UGI Utilities, Inc. – Electric Division's Statements of Generation Supply Rate Over/Under Collections for the 12-month periods ended May 31, 2023, May 31, 2022 and May 31, 2021.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

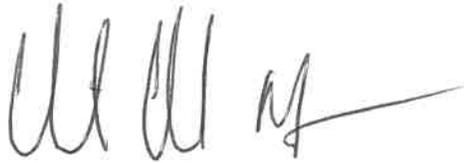
Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether these statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in these statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of these statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of these statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of these statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Generation Supply Rate Statements, referred to above, present fairly, in all material respects, the Generation Supply Rate revenue and expenses of UGI Utilities, Inc. – Electric Division for the years ending May 31, 2023, May 31, 2022, and May 31, 2021, in conformity with accounting principles generally accepted in the United States of America and the requirements of the Pennsylvania Public Utility Commission.

Report on Other Legal and Regulatory Requirements

The accompanying statements were prepared for the purpose of complying with the rules and regulations of the Pennsylvania Public Utility Commission and are not intended to be a complete presentation of UGI Utilities, Inc. – Electric Division's revenue and expenses.

A handwritten signature in black ink, appearing to read 'C. Yother', with a long horizontal flourish extending to the right.

Chris Yother, CPA
Director
Bureau of Audits
Harrisburg, PA
October 24, 2025

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3049835**

**Generation Supply Rate¹
Over/(Under) Collections (Section 1307(e))
for the 12 months ended May 31, 2023²**

<u>Month</u>	<u>GSR-1 Revenue</u> (1)	<u>GSR-1 Expenses</u> (2)	<u>Over/(Under) Collections</u> (3) = (1) - (2)
June 2022	\$ 4,995,526	\$ 4,746,089	\$ 249,437
July	6,008,923	7,356,436	(1,347,512)
August	8,335,510	8,118,124	217,385
September	6,132,371	4,226,844	1,905,527
October	4,891,318	4,123,896	767,422
November	4,746,288	5,747,031	(1,000,742)
December	7,367,649	11,106,528	(3,738,879)
January 2023	8,303,436	8,244,332	59,104
February	6,454,538	5,691,475	763,063
March	7,422,734	6,503,865	918,869
April	4,719,865	4,912,736	(192,871)
May	4,993,746	4,555,936	437,810
Total	<u>\$ 74,371,905</u>	<u>\$ 75,333,293</u>	<u>\$ (961,388)</u>

¹ As reported to the Commission at Docket No. M-2023-3041572. Arithmetical differences are due to rounding.

² Notes to the Financial Statements are an integral part of this report.

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3049835**

**Generation Supply Rate ³
Over/(Under) Collections (Section 1307(e))
for the 12 months ended May 31, 2022⁴**

<u>Month</u>	<u>GSR-1 Revenue</u> (1)	<u>GSR-1 Expenses</u> (2)	<u>Over/(Under) Collections</u> (3) = (1) - (2)
June 2021	\$ 3,475,731	\$ 2,397,710	\$ 1,078,021
July	3,961,849	4,925,648	(963,799)
August	4,179,267	3,455,261	724,006
September	3,508,786	4,540,209	(1,031,423)
October	3,135,728	2,944,170	141,558
November	2,870,257	3,450,935	(580,678)
December	4,376,501	5,475,115	(1,098,614)
January 2022	6,469,976	7,084,391	(614,415)
February	5,459,487	5,139,458	320,029
March	6,558,748	5,182,048	1,376,700
April	3,713,748	3,843,963	(130,215)
May	<u>3,719,202</u>	<u>4,150,274</u>	<u>(431,072)</u>
Total	<u>\$ 51,429,280</u>	<u>\$ 52,639,181</u>	<u>\$ (1,209,901)</u>

³ As reported to the Commission at Docket No. M-2022-3033454. Arithmetical differences are due to rounding.

⁴ Notes to the Financial Statements are an integral part of this report.

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3049835**

**Generation Supply Rate ⁵
Over/(Under) Collections (Section 1307(e))
for the 12 months ended May 31, 2021⁶**

<u>Month</u>	<u>GSR-1 Revenue</u> (1)	<u>GSR-1 Expenses</u> (2)	<u>Over/(Under) Collections</u> (3) = (1) - (2)
June 2020	\$ 3,148,255	\$ 2,890,404	\$ 257,851
July	4,269,308	3,700,504	568,804
August	3,998,574	3,317,290	681,284
September	3,118,968	2,642,875	476,093
October	3,106,870	2,800,498	306,372
November	2,125,717	3,008,910	(883,193)
December	4,556,346	3,953,193	603,153
January 2021	3,994,714	4,269,620	(274,906)
February	3,960,716	3,836,311	124,406
March	4,841,658	3,572,665	1,268,993
April	3,058,794	2,851,473	207,322
May	<u>2,431,307</u>	<u>3,005,970</u>	<u>(574,663)</u>
Total	<u>\$ 42,611,228</u>	<u>\$ 39,849,713</u>	<u>\$ 2,761,515</u>

⁵ As reported to the Commission at Docket No. M-2021-3026984. Arithmetical differences are due to rounding.

⁶ Notes to the Financial Statements are an integral part of this report.

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2024-3049835**

Notes to the Financial Statements

1 – Statements

The Generation Supply Rate (GSR) Over/(Under) Collections presented in this report are condensed from the officially filed statements. The audit was conducted on UGI-Electric's officially filed 1307(e) statements submitted to the PUC in accordance with Section 1307(e)(1) of the Public Utility Code on July 18, 2023, June 30, 2022, and June 30, 2021. The statements are available on the PUC's website at (<http://www.puc.pa.gov>) at Docket Nos. M-2023-3041572, M-2022-3033454, and M-2021-3026984.

2 – GSR-1 Revenue

GSR-1 Revenue is calculated by multiplying the sales volumes billed during the month by the applicable GSR-1 rate, excluding the E-Factor.

3 – GSR-1 Expenses

GSR-1 Expenses are the direct and indirect purchased power costs incurred by UGI-Electric to acquire electric supply for the GSR-1 customers including a load following service, wholesale energy costs, alternative energy credits, capacity costs, transmission costs, and all other PJM bill line-item expenses/credits excluding network transmission service credits and firm point to point transmission service credits/expenses. GSR-1 Expenses also include administrative costs, legal costs, taxes, and any other applicable costs of providing default service for GSR-1 customers.

4 – Over/(Under) Collections

The Over/(Under) Collection is the difference between the GSR-1 Revenue and the GSR-1 Expenses. The resulting amount represents the portion of GSR-1 Revenue refundable, or GSR-1 Expenses recoverable, through subsequent GSR-1 rates. Differences arise for two primary reasons:

- Variations between the actual volumes billed to customers and the estimates used to determine the GSR-1 rates; and,
- Variations between the actual GSR-1 Expenses and the estimates used to determine the GSR-1 rates.