

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

Public Meeting held June 4, 2026

Commissioners Present:

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

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

M-2025-3054362

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

M-2025-3054366

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

P-2025-3054381

ORDER

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BY THE COMMISSION:

On April 1, 2025, UGI Utilities, Inc. – Gas Division (UGI Gas), a jurisdictional natural gas distribution company (NGDC), and UGI Utilities, Inc. – Electric Division (UGI Electric), a jurisdictional electric distribution company (EDC) (collectively UGI) filed their proposed 2026-2030 Universal Service and Energy Conservation Plan (Proposed 2026 USECP) in compliance with 52 Pa. Code §§ 54.74 and 62.4, relating to electric and natural gas universal service and energy conservation reporting requirements, at Docket Nos. M-2025-3054362 and M-2025-3054366.

On July 24, 2025, the Pennsylvania Public Utility Commission (Commission) entered an Order (July 2025 Order) indicating issues that required further attention on the record, directed UGI to provide supplemental information, and established a timeline for stakeholder comments and reply comments.

UGI filed Supplemental Information in response to the July 2025 Order. The Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA), the Office of Consumer Advocate (OCA), and UGI individually filed comments and/or reply comments. We have considered the supplemental information, comments, and reply comments filed by the parties and direct UGI to submit a Revised 2026 USECP, consistent with this Order for the reasons described herein. UGI's current 2020-2025 USECP (2020 USECP) filed on March 4, 2024, at Docket No. M-2019-3014966, will continue to operate in whole or in part until its 2026 USECP is fully implemented.¹

¹ *UGI 2020 USECP*, Docket No. M-2019-3014966 (filed on March 4, 2024) can be viewed at: https://www.puc.pa.gov/media/2953/usecp_ugi_electric-gas_revised030424.pdf.

I. BACKGROUND

NGDCs serving more than 100,000 residential accounts, such as UGI Gas, must periodically submit proposed USECPs to the Commission for approval.^{2, 3} EDCs with less than 60,000 accounts, such as UGI Electric, are not required to adhere to many of the Commission's universal service regulations.⁴ However, UGI Electric voluntarily adopted the programs, policies, and procedures of UGI Gas in its 2020 USECP.

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

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

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

On September 15, 2022, the Commission entered an Order (September 2022 Order) at Docket No. R-2021-3030218, *et al.* approving the terms and conditions of the

² In 2023, UGI Gas served 624,914 residential customers. *2023 Report on Universal Service and Collections Performance* at 6. <https://www.puc.pa.gov/media/3195/2023-universal-service-report-final.pdf>.

³ NGDCs are subject to the universal service reporting regulations at 52 Pa. Code §§ 62.1-62.8, relating to natural gas supply customer choice, and the low-income usage reduction regulations at 52 Pa. Code §§ 58.1-58.18, relating to residential low income usage reduction programs. NGDCs are guided by the recommendations in the CAP Policy Statement at 52 Pa. Code §§ 69.261-69.267.

⁴ 52 Pa. Code §54.77.

Joint Petition for Approval of Settlement of All Issues (June 2022 Rate Case Settlement) filed on June 24, 2022, in UGI Gas's 2022 Base Rate Case. The June 2022 Rate Case Settlement included, *inter alia*, changes to UGI Gas's universal service and energy conservation programs. September 2022 Order at 2, OP #2; June 2022 Rate Case Settlement at 12-15.

The universal service changes in the June 2022 Rate Case Settlement included:

- Expanding income eligibility for Operation Share from 200% to 250% of the Federal Poverty Income Guidelines (FPIG).
- Increasing UGI Gas's Operation Share annual contributions to \$30,000 and maximum grant amount to \$600.
- Increasing UGI Gas's annual Low Income Usage Reduction Program (LIURP) budget by \$250,000 on January 1, 2023, and January 1, 2024.
- Increasing per-job spend on LIURP projects involving furnace replacement to \$14,000.
- Expanding LIURP to customers with incomes between 151% and 200% of the FPIG.
- Lowering the minimum usage threshold for LIURP to 73.1 Ccf per month for customers with incomes at or below 200% of the FPIG.
- Requiring solicitation of customers for CAP enrollment if they report they are low income.

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

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

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

The universal service changes in the July 2023 Rate Case Settlement included:

- Expanding income eligibility for Operation Share from 200% to 250% of the FPIG.
- Increasing UGI Electric's Operation Share annual contributions to \$30,000 and maximum grant amount to \$600.
- Agreeing to issue a Request for Proposal seeking additional LIURP resources, including Community-Based Organizations (CBOs), to perform an additional 20 baseload and 10 heating jobs annually.
- Expanding LIURP heating and baseload job access to customers with incomes between 151% and 200% of the FPIG, limited to 20% of the overall LIURP budget.
- Requiring solicitation of customers for CAP enrollment if they report they are low income.
- Initiated a pilot for auto-enrolling customers into CAP if they received a Low-Income Home Energy Assistance Program (LIHEAP) grant and are not enrolled with a supplier.

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

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

An evaluation of the UGI universal service and energy conservation efforts for both UGI Gas and UGI Electric was completed by the Applied Public Policy Research Institute for Study and Evaluation (APPRISE) (2024 APPRISE Impact Evaluation) and filed at Docket No. M-2024-3048077 on April 1, 2024.⁵

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

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

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

On April 1, 2025, UGI filed its Proposed 2026 USECP. On April 29, 2025, staff from the Commission's Bureau of Consumer Services (BCS) convened a telephonic meeting to allow stakeholders an opportunity to provide informal comments and questions about the Proposed 2026 USECP prior to issuance of a Commission Order.

In addition to the April 29, 2025 stakeholder meeting, CAUSE-PA reported that it met with UGI on March 14, 2025, to discuss the upcoming proceeding. CAUSE-PA further reported that UGI provided informal responses to CAUSE-PA's inquiries on August 8, 2025 (UGI Informal Response to CAUSE-PA).

⁵ The 2024 APPRISE Impact Evaluation can be viewed at: <https://www.puc.pa.gov/pcdocs/1823103.pdf>.

On July 24, 2025, the Commission entered its July 2025 Order. UGI filed Supplemental Information in response to the July 2025 Order on August 25, 2025 (UGI Supplemental Information). On September 10, 2025, BCS issued a Secretarial Letter (September 2025 Secretarial Letter) directing UGI to file additional clarification to the UGI Supplemental Information. UGI filed Further Supplemental Information in response to the September 2025 Secretarial Letter on September 22, 2025 (UGI Further Supplemental Information). On October 6, 2025, CAUSE-PA and OCA individually filed comments. On October 28, 2025, CAUSE-PA filed amended comments.⁶ On November 10, 2025, UGI, CAUSE-PA, and OCA individually filed reply comments. On December 22, 2025, BCS issued a Secretarial Letter (December 2025 Secretarial Letter) directing UGI to file a Revised Needs Assessment for UGI Gas. On January 16, 2026, UGI filed a Revised Needs Assessment in response to the December 2025 Secretarial Letter (UGI Revised Needs Assessment). On February 6, 2026, CAUSE-PA and OCA individually filed comments. On February 17, 2026, UGI filed reply comments.

UGI 2025 Rate Case (Docket No. R-2024-3052716)

On September 11, 2025, the Commission entered an Order (September 2025 Order) at Docket No. R-2024-3052716, *et al.* adopting the Recommended Decision (August 2025 RD) issued August 8, 2025, approving the terms and conditions of the Joint Petition for Approval of Settlement of All Issues (July 2025 Rate Case Settlement) filed on July 9, 2025, in UGI Gas’s 2025 Base Rate Case. The July 2025 Rate Case Settlement included, *inter alia*, changes to UGI Gas’s universal service and energy conservation programs.

The universal service changes in the July 2025 Rate Case Settlement included:

⁶ All references to “CAUSE-PA Comments” refer specifically to CAUSE-PA’s amended comments.

- Implementation of the common application form (CAF) within 90 days of the September 2025 Order.
- Automatic recertification for CAP customers who consent to sharing income information via LIHEAP data sharing.
- No longer require income documentation from customers who received LIHEAP within the current or prior season and are included in LIHEAP data shared by the Department of Human Services (DHS).
- Host quarterly working groups to utilize LIHEAP data for auto-enrollment in UGI Gas's CAP.
- Increase LIURP budget by \$1,000,000 annually, effective January 1, 2026.
- Continue the Low-Income Customer Assessment and Outreach Pilot.
- Hold additional Winter Assistance Relief Mobilization (WARM) events at targeted locations.
- Track annual progress for reducing certain Confirmed Low-Income Customers metrics for three years and provide follow-up reporting and plan further measures where reductions do not occur.
- Increase Operation Share annual shareholder donation by \$500,000.
- Waive reconnection fees for confirmed low-income customers that provide verification of household income.

July 2025 Rate Case Settlement at 13-18, ¶¶ 59-62.

II. DISCUSSION

A. Universal Service Programs

1. CAP

The July 2025 Order identified areas of concern with UGI's CAP program requiring clarification, which are detailed below, along with UGI's response, stakeholder comments/reply comments, and our resolution on the matters.

a. Accepting 30 Days or 12 Months of Income

The Commission noted there is ambiguity in UGI's Proposed 2026 USECP about whether it currently accepts 30 days or 12 months of income when determining eligibility for CAP. In the July 2025 Order, the Commission directed UGI to clarify the timeframes in which income documentation for CAP will be accepted. July 2025 Order at 12-13.

UGI Response and Comments

UGI reports that the timeframes in which income documentation will be accepted are relative to the date of the application. UGI specifies the following timeframe for each type of income documentation listed in the Proposed 2026 USECP:

Pay Stub	Last 30 days or most recent 12 months of pay stubs
Form W-2	Prior calendar year*
1040 / Tax Form	Ending year prior to application
Bank Statement	30 Days
Statement from DHS	30 Days
Benefit Letter**	Prior year if current letter not yet available
Unemployment Letter	Must reasonably align with the date of the application
Notarized letter	Dated within 30 days
Zero Income Form	Submitted within 30 days

UGI Supplemental Information at 1.

CAUSE-PA supports a flexible approach to determining household income and recommends that UGI explicitly state that it will use the timeframe most beneficial and most reflective of a household’s actual income. CAUSE-PA asserts that the flexibility to use whichever timeframe is more beneficial helps improve access to assistance, more effectively accounts for fluctuations in hourly or seasonal low-wage work, and improves coordination with LIHEAP. CAUSE-PA adds that accepting income for the last 30 days or 12 months for the purpose of CAP enrollment and recertification is consistent with the recommendations in the CAP Policy Statement.⁷ CAUSE-PA opines that UGI should not adhere strictly to its list of acceptable income documentation and recommends that UGI develop a table further listing types of income, documents accepted, and the recertification timeline associated with each. UGI should then share the information with its Universal Service Advisory Committee (USAC) to further develop its list, then file a table as an appendix to its USECP to improve clarity. CAUSE-PA Comments at 15-17.

UGI maintains that it already accepts 30 days or 12 months of income, whichever is more beneficial, and uses the most beneficial calculation and trains its CBOs

⁷ See 52 Pa. Code § 69.265(8)(ii)(B)(I).

accordingly. UGI states that it currently does accept a Form W-2 from the previous calendar year, a federal benefits award letter from a prior year if the current year is not available, and unemployment compensation documents that align with the date of application. UGI agrees with CAUSE-PA’s recommendation to list these documents in its Proposed 2026 USECP. Lastly, UGI maintains that it already has and utilizes a documentation list as recommended by CAUSE-PA with the timelines associated with each document. As shown in Table 1, UGI proposes to append the following list to its USECP as part of its compliance filing:

Table 1
Acceptable Income Documentation and Time Periods

Type of Document	Acceptable Period
Pay stub	Prior 30 days or Most Recent Pay Period Available
Form W-2	Most Recent Available
Benefit Letter	Prior year if current award letter is not yet available
Bank Statement	Last 30 days
Social Security	Prior year if current award letter is not yet available
Pension	Prior year if current award letter is not yet available
Disability	Prior year if current award letter is not yet available
Supplemental Security Income	Prior year if current award letter is not yet available
Alimony Support	Most Recent Available
Unemployment Designation Letter	Current approval letter
Notarized Letter Stating Income*	Most Recent Available (within 30 days)
Zero Income Form	Must be completed at the CBO
Rental Income	Last 30 days
*This is if none of the other document types listed are available. This would apply to seasonal or gig work.	

UGI Reply Comments at 2-4.

Resolution: The CAP Policy Statement recommends that public utilities accept income documentation from the past 30 days or 12 months, whichever is more beneficial. 52 Pa. Code § 69.265(8)(ii)(B)(I). The Commission has clarified that these options give CAP applicants and participants the option of selecting a timeframe which is most

representative of their true annual household income.⁸ We support UGI's inclusion of a list of acceptable documents. However, the list does not make it clear that a customer may submit either the past 30 days or 12 months. Documents such as pay stubs, bank statements, or rental income may not reflect the most beneficial income if only the past 30 days are accepted. If both 30 days and 12 months of data are available, UGI should allow the customer to utilize whichever is more beneficial and reflective of actual annual household income.

Accordingly, UGI is directed to include the documentation list it has provided above as part of its Revised 2026 USECP. Additionally, UGI is directed to modify the list to clearly indicate that 30 days or 12 months of income data may be utilized when available. UGI is further directed to incorporate specific language into its Revised 2026 USECP to indicate that it will accept documentation from the past 30 days or 12 months, whichever timeframe is most beneficial and most reflective of a household's actual income. We also direct UGI to work with its USAC to update its CAP applications and letters consistent with these changes, and file and serve the updated documents at this docket within 12 months from the entry date of this Order.

b. Average Bill

UGI proposes to maintain the provision which bases a CAP customer's average bill on 12 months of historical usage for the residence. Where usage data is not available, UGI would calculate the average bill using average usage for all customers. Proposed 2026 USECP at 11, Fn 14.

⁸ See 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code §§ 69.261–69.267, Final Policy Statement and Order, Docket No. M-2019-3012599 (Order entered November 5, 2019) at 41.

In the July 2025 Order, the Commission directed UGI to clarify whether it uses the average bill from the prior tenant in cases where the customer does not have 12 months of historical usage at the residence, but where 12 months of historical usage from the prior tenant is available. Additionally, the Commission directed UGI to clarify whether it has conducted any assessments to determine whether average usage for previous tenants or all residential customers is more accurate once the average 12-month usage for the CAP customer is later determined. July 2025 Order at 13-14.

UGI Response and Comments

UGI states that it considers the usage for the residence, including usage from the prior tenant, to determine the 12 months of historical usage. If information from a prior tenant is not available, then the bill would be based on the average for all residential customers. UGI Supplemental Information at 1.

UGI reports it has not conducted an assessment to determine whether the average usage for previous tenants or all residential customers is more accurate once the 12-month usage for a CAP customer has been determined. UGI claims that using the prior tenant's consumption at the same service address is more accurate because usage is specific to the age, structure, and condition of the home. UGI Supplemental Information at 2.

CAUSE-PA does not support UGI's default use of a previous tenant's usage if 12 months of historical usage for the CAP customer is not available. CAUSE-PA states that there are additional factors, such as household composition or medical conditions, that could affect usage and asserts that relying on a previous tenant's usage assumes similar usage patterns. CAUSE-PA adds that using the average bill would even out these usage differences. CAUSE-PA recommends that UGI should offer CAP customers the most affordable of the two options. CAUSE-PA Comments at 19.

CAUSE-PA questions when UGI begins including the current tenant's usage in the average bill calculations. CAUSE-PA suggests factoring the tenant's usage into the average bill amount on a rolling basis once a full month of tenant usage information is available to ensure UGI is providing affordable monthly bills at the rate most advantageous to the customer. CAUSE-PA strongly recommends that the Commission require UGI to reevaluate and adjust CAP rates monthly rather than quarterly to ensure CAP participants are always charged the most affordable bill available. CAUSE-PA Comments at 19-20.

UGI asserts that CAUSE-PA's recommendations to evaluate which is more affordable, the average residential bill or the average bill based on the previous tenant's usage, are not minor changes and would require IT enhancements and result in additional costs. UGI disagrees with CAUSE-PA's recommendation to integrate actual usage into its calculations and to adjust billing on a monthly basis. UGI asserts that changing CAP rates on a monthly basis would cause confusion. UGI notes that CAUSE-PA proposed a monthly review of CAP rates in UGI's 2019 base rate case at Docket Nos. R-2018-3006814, *et al.* In the settlement in that proceeding (2019 Rate Case Settlement), UGI agreed to review its CAP rates on a quarterly basis. UGI sees no need to deviate from the terms of the 2019 Rate Case Settlement. UGI Reply Comments at 4-6, *citing* the 2019 Rate Case Settlement (Filed on July 22, 2019) at 14-15, ¶47.

Resolution: CAUSE-PA's concerns regarding the additional factors that could affect usage is worth consideration. Household composition, medical conditions, and poor payment history resulting in *de facto* heating usage, etc., can all result in higher usage from the prior tenant and by extension a higher bill for the new customers. However, if the prior tenant used far less than average, then it could create a situation where the customer settles into a lower bill and is surprised when the bill increases upon establishing their own usage history.

In the CAP Final Policy Statement and Order, the Commission found that utilities should evaluate CAP bills regularly to ensure households are receiving appropriate CAP credits to keep the monthly bills as affordable as possible.⁹ We agree that a public utility should charge the rate most beneficial to the customer. UGI is already charging CAP customers an average bill based on historical usage of the residence or the average of all CAP customers if 12 months of usage history is not available. Since neither calculation is necessarily an accurate assessment of a CAP household’s historical usage, it seems reasonable to use the average CAP bill calculation that is more beneficial to the customer (*i.e.*, the lower of the two). UGI claims that costly IT enhancements would be required to implement this check. However, UGI states in its reply comments regarding Online Applications that it has plans to replace its Customer Outreach System (COS). We find it reasonable that UGI incorporates the comparison of average CAP bills into its planned COS upgrade.

Reviewing bills quarterly or more frequently is consistent with the guidance set forth in the CAP Policy Statement, which states a public utility should review CAP participant’s bills “at least quarterly” to ensure the credit amount and billing method is appropriate. 52 Pa. Code § 69.265(8)(vii). The Commission has previously approved conducting monthly reviews of CAP bills. National Fuel Gas Distribution Corporation (NFG), Peoples Natural Gas Company LLC (Peoples), and PPL Electric Utilities, Inc. (PPL) currently have processes to review CAP bills on a monthly basis.¹⁰ However, the Commission has never required utilities to review CAP bills more frequently than on a

⁹ 2019 Amendments to Policy Statement on Customer Assistance Program, 52 Pa. Code § 69.261–69.267 Final Policy Statement and Order, Docket No. M-2019-3012599 (Order issued September 19, 2019), at 75.

¹⁰ See NFG 2022-2026 USECP at 22; Peoples 2019-2024 USECP at 8-9; PPL 2023-2027 USECP at 5.

quarterly basis. UGI agreed to quarterly CAP bill reviews in the 2019 Rate Case Settlement¹¹ and this timeframe was not modified in the July 2025 Rate Case Settlement.

We agree with UGI that there is currently no cause to deviate from the quarterly CAP bill review agreed upon in the 2019 Rate Case Settlement. However, consistent with the 2019 Rate Case Settlement, UGI must ensure that the historical usage for a CAP customer is incorporated into the quarterly adjustments to CAP bills.

Accordingly, UGI is directed to incorporate historical usage for quarterly review into its planned COS upgrade using the lowest average bill amount, based on the historical usage of all CAP customers or the residence, whichever is lower, if 12 months of historical usage is not available. UGI is also directed to clarify in its Revised 2026 USECP that the historical usage for a CAP customer is incorporated into the determination of quarterly adjustments to CAP bills. Further, we encourage UGI to consider incorporating a monthly review of CAP bills into its planned COS upgrade.

c. Identification Documentation

In the July 2025 Order, the Commission noted that, as it is currently written, it appears that UGI does not require identification for any household members other than the applicant when determining eligibility for CAP. The Commission directed UGI to clarify whether it will verify the identity of just the CAP applicant or all household members. July 2025 Order at 14.

¹¹ See *Joint Petition for Settlement Agreement UGI Utilities, Inc.*, Docket No. M-2018-3006814 (filed July 22, 2019), at 14-15.

UGI Response and Comments

UGI states that it verifies the identity of the account holder, adding that if there is a co-responsible party applying for CAP, then identification verification is required for all co-responsible parties. UGI Supplemental Information at 2.

CAUSE-PA noted that in the UGI Informal Response to CAUSE-PA, UGI stated the purpose of requiring identification from existing customers enrolling in CAP is to minimize fraud and confirm no changes since service was established. CAUSE-PA adds that UGI reported it removed three people from CAP for fraud between January 2022 and June 2025. CAUSE-PA asserts that there is no indication that further identification requirements would have prevented these cases. CAUSE-PA Comments at 21-22.

CAUSE-PA opposes the imposition of identification requirements to enroll in UGI's universal service programs beyond the verification of identity when residential customers establish service. CAUSE-PA avers that, given the extremely low instances of fraud, there is no evidence or reason to support the need to submit duplicate proof of identity. CAUSE-PA also believes that customers may be deterred from the program if UGI does not indicate that disclosure of social security numbers (SSNs) is optional. CAUSE-PA recommends that the Commission direct UGI to amend its Proposed 2026 USECP to indicate that no additional proof of identification is required for a customer to enroll in universal service programs and disclosure of SSNs is optional. CAUSE-PA further recommends that the Commission not direct UGI to require identification for all other adult household members. CAUSE-PA Comments at 22-24.

If the Commission decides to continue requiring identification for enrollment in universal service programs, CAUSE-PA urges the Commission to review UGI's list of acceptable identification documents and require UGI to broaden the list to include other forms of identification, such as documents issued by a foreign government. CAUSE-PA

asserts the current list is restrictive and may result in certain vulnerable customer groups, including seniors and immigrants, from enrollment, and UGI should work with customers to determine whether the identification provided verifies the identity and age of the customer. CAUSE-PA Comments at 25.

OCA agrees with standardization of documentation requirements for CAP and LIURP to streamline enrollment in UGI's universal service programs. OCA adds that standardization should not narrow eligibility for other assistance programs for low-income customers not enrolled in CAP. OCA avers that to protect consumers, UGI should not maintain burdensome documentation requirements. OCA notes that UGI should not require documentation for deposit exemptions and winter shut-off protections. OCA Comments at 25.

UGI does not object to CAUSE-PA's recommendation to make disclosure of SSNs optional as UGI will be implementing the CAF, which does not require disclosure of SSNs. UGI asserts that its list of accepted identification methods is consistent with other utilities and points to the Columbia Gas of Pennsylvania, Inc. (Columbia Gas) 2024-2028 USECP proceeding where the Commission expressed concern that "eliminating identification requirements puts universal service programs at a greater risk of fraud at the expense of other ratepayers."¹² UGI declines to modify its list of accepted identification methods and maintains that this list is adequate and consistent with identification requirements of other utilities. UGI adds that the identification requirements in its Proposed 2026 USECP are now consistent between Operation Share, LIURP, and CAP. In response to OCA's comment that UGI should not require documentation for deposit exemptions, winter shut-off protections, and other consumer protections, UGI states that there is no request for proof of income or identification to

¹² See *Columbia Gas 2024-2028 USECP Order* (Columbia Gas 2024 USECP Order), Docket No. M-2023-3039487 (Order entered on April 4, 2024), at 40.

create an account unless the credit check returns a red flag. UGI adds that this also applies to CAP customers. UGI Reply Comments at 6-8.

Resolution: The CAP Policy Statement recommends that public utilities request identification for the applicant and each household member during CAP intake, either through a SSN or an alternative form of identification. 52 Pa. Code § 69.265(8)(ii)(A). In the Columbia Gas 2024 USECP proceeding, the Commission denied the proposal of Columbia Gas to only require identification for the CAP applicant and accept names and birth dates as proof of identity for all other household members. As noted by UGI, the Commission recognized the potential burdens of verifying the identity of each household member but determined that eliminating identification requirements increases the risk of fraud in the program. The Commission has never approved eliminating identification requirements for a CAP in a USECP proceeding. Columbia Gas's and NFG's CAPs require proof of identity for all adults in the household and PGW's CAP requires identification for all household members listed on the application.¹³

While additional identification requirements may not further reduce occurrences of fraud, we also cannot know whether occurrences of fraud would remain steady with fewer identification requirements. We also note that UGI has not specified what process it uses to identify instances of fraud or how frequently it occurs. Therefore, we cannot conclude that the low number of cases of identified fraud is evidence that additional identification requirements are unnecessary.

UGI is not proposing to change its existing CAP verification policy. In the Columbia Gas 2024 USECP proceeding, the Commission determined that a universal service rulemaking would be the appropriate forum for considering modifying CAP verification requirements. Columbia Gas 2024 USECP Order at 40-41. Consistent with

¹³ See *Columbia Gas 2024-2028 USECP* at 28; *NFG 2022-2026 USECP* at 32; *PGW 2023-2027 USECP* at 12.

that decision, we find it reasonable to allow UGI to maintain its current CAP identification requirements. Accordingly, we are not directing any changes to this aspect of UGI's 2026 USECP.

d. Common Application Form (CAF)

In the July 2025 Order, the Commission directed UGI to clarify whether it intends to modify its CAP application consistent with the CAF data elements based on the recommendations from the Universal Service Working Group (USWG) Report within the duration of its 2026 USECP, and, if not, to explain its reasons. July 2025 Order at 14-16.

UGI Response and Comments

UGI states it will use the CAF with slight modifications as agreed upon as part of the July 2025 Rate Case Settlement. Specifically, UGI includes a checkbox on the CAF for applicants to identify whether they are enrolled with an alternate energy supplier. UGI will suspend collection activity for 45 days for customers who are found eligible for CAP to allow time to return to default service. UGI Supplemental Information at 2, *citing* the July 2025 Rate Case Settlement at 21, ¶ 66(c).

CAUSE-PA agrees that implementation of the CAF will improve universal service program coordination among utilities and streamline enrollment. CAUSE-PA also agrees with UGI reserving the right to make minor changes to the CAF but cautions against the inclusion of additional unnecessary requirements on the application. CAUSE-PA is specifically concerned about the application requesting the applicant's SSN noting that UGI's current application does not indicate that this field is optional and adding that the CAF does not request or require SSNs. Further, CAUSE-PA notes that UGI's current application collects gender for all household members, as well as a list of household expenses. CAUSE-PA asserts that there is no reason or requirement to collect this

information and avers that the requirement is invasive and unnecessary. CAUSE-PA recommends that the Commission direct UGI to immediately update its existing CAP application to specify that SSNs are optional and remove the gender and household expense fields from the application until UGI transitions to the CAF. CAUSE-PA Comments at 26-29.

UGI agrees to implement the CAF as recommended and notes that it reviewed the application with its USAC on October 14, 2025, and no concerns were raised. UGI agrees with CAUSE-PA's concerns requiring disclosure of SSN, gender, and household expenses. UGI also agrees with OCA's recommendation to amend the CAP application to inform applicants to exclude income for minors. UGI believes these recommendations are no longer an issue due to the adoption of the CAF. UGI Reply Comments at 8-9.

Resolution: UGI has addressed our concerns regarding this issue through the implementation of the CAF, which is currently available to UGI customers.¹⁴ Accordingly, we direct UGI to include a copy of its CAF as part of its Revised 2026 USECP.

e. Online Application

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

UGI is the only jurisdictional EDC or NGDC that does not currently offer an online option for customers to apply for CAP. UGI's Proposed 2026 USECP does not

¹⁴ The UGI CAP Application can be viewed at: https://www.ugi.com/wp-content/uploads/2025/12/UGI-FORM-25-M-Common-Application-Form_Final-English-1.pdf.

describe a current or future plan for implementing an online CAP application process. In the July 2025 Order, the Commission directed UGI to explain whether it is working on an online application for CAP and other universal service programs and provide a timeline for any work under consideration. The July 2025 Order also directed UGI to explain its reasoning if it does not intend to implement an online CAP application. July 2025 Order at 16-17.

UGI Response and Comments

UGI states that it has no plans to implement an online CAP application at this time. UGI estimates that developing an online application would take two to three years and cost between \$5.5-\$6.5 million. UGI notes that customers can currently download its CAP application and submit it via email. UGI Supplemental Information at 2-3.

CAUSE-PA finds UGI's time and cost estimates for the development of an online application to be overstated and unsupported. CAUSE-PA avers that providing an online portal would help remove barriers to CAP enrollment, such as travel to CBOs or limited access to printing or email. CAUSE-PA states it is unacceptable for the largest NGDC in the Commonwealth to not have access to an online CAP application. CAUSE-PA suggests that UGI consult with other NGDCs who have successfully implemented an online application on ways to reduce the estimated cost and timeframe. CAUSE-PA recommends the Commission direct UGI to begin development of an online application within 60 days of approval of its 2026 USECP. CAUSE-PA Comments at 29-32.

OCA states that UGI should explain how it estimated the projected cost and timeframe for developing an online application. OCA asserts that if every other EDC and NGDC in Pennsylvania has implemented an online CAP application, UGI should be able to as well. OCA recommends that the Commission direct UGI to implement an online

application in a cost-effective manner and justify the costs and timeframe for its implementation. OCA Comments at 26-27.

UGI notes that the CAP Policy Statement recommends an online application but does not require it. In response to CAUSE-PA and OCA stating that UGI provided no justification for its time and cost estimates, UGI clarifies that these estimates are due to its plans to replace its COS, which will include, *inter alia*, an online application. UGI agrees with CAUSE-PA's recommendation to coordinate with other NGDCs on how it can reduce costs and shorten the timeframe to implement an online application and will engage with other NGDCs to explore potential solutions within 90 days of the Final Order in this proceeding. UGI Reply Comments at 9-11.

Resolution: UGI has addressed our initial questions on this issue by confirming that it plans to implement an online application as part of its planned COS upgrade. We support UGI's plan to consult with other NGDCs to determine how it may develop an online application in less time and with lower costs than projected, as recommended by CAUSE-PA. Accordingly, UGI is directed to file and serve at Docket Nos. M-2025-3054362 and M-2025-3054366 its plan, timeline, and cost estimates for implementing an online CAP application within six months from the entry date of this Order.

f. UGI Electric CAP Automatic Enrollment

Consistent with the July 2023 Rate Case Settlement in the UGI Electric 2023 Rate Case, UGI Electric began conducting an interim pilot to automatically enroll non-shopping electric customers who receive a LIHEAP grant until DHS begins sharing LIHEAP participant data. 2020 USECP at 7-8. UGI proposes to continue this CAP auto-enrollment pilot for the duration of the Proposed 2026 USECP. Proposed 2026 USECP at 15.

In the July 2025 Rate Case Settlement, UGI reiterated that it will automatically recertify CAP customers who have received LIHEAP and are included in LIHEAP data shared by DHS during the current or prior LIHEAP season. August 2025 RD at 98. July 2025 Rate Case Settlement at 13, ¶59(b).

In the July 2025 Order, the Commission directed UGI to clarify whether UGI Electric customers who are automatically enrolled in CAP based on a LIHEAP grant are still required to recertify within one year if they have provided income documentation to lower their CAP payment amount. Additionally, the July 2025 Order directed UGI to provide a copy of its CAP auto-enrollment letter and explain whether it provides additional means of notification (*e.g.*, text, phone call) to educate auto-enrolled customers about CAP. The July 2025 Order further directed UGI to provide information on its opt-out process, including how much time electric customers have to opt-out of CAP auto-enrollment and what actions they must take. July 2025 Order at 18-19.

The Commission also required UGI to identify the number of electric customers that have been auto-enrolled in CAP, including:

- The number who provided income documentation to change their CAP payment amount after enrollment.
- The number paying the average bill, percent of income payment (PIP) amount, and minimum payment amount.
- The number who have opted out of CAP within the established timeframe.
- The number who have attempted to opt-out of CAP after the opt-out period had elapsed.

Finally, the Commission directed UGI to identify the impact on payment behavior and collection activity for electric customers auto-enrolled in CAP. July 2025 Order at 19-20.

UGI Response and Comments

UGI states that customers who are auto-enrolled are not required to recertify because receipt of LIHEAP would serve as income verification. UGI adds that the 12-month recertification window depends on the last time income was received. If a customer provides documentation to lower their CAP payment prior to the recertification period, it would restart the 12-month recertification window. UGI Supplemental Information at 3.

UGI states that it sends CAP auto-enrollment notification letters through the U.S. Postal Service. UGI explains it provides auto-enrolled customers with 2-3 weeks to opt-out by email or phone call. UGI notes that this timeframe takes into consideration the impact of holidays. If a customer does not opt-out within the allowed timeframe, they will be auto-enrolled but may contact UGI at any time to request removal. UGI Supplemental Information at 3, Attachment 1.

UGI reports that 635 electric customers have been auto-enrolled in CAP. Of those customers:

- 14 customers have provided income documentation after auto-enrollment from winter 2023 to present.
- 315 customers are paying the average bill, 245 are paying the PIP, and 43 are paying the minimum payment amount.
- 84 customers opted out of CAP within the timeframe, and 17 opted out after.

UGI further reports that of the customers auto-enrolled in CAP, 433 are still enrolled and 45% have unpaid CAP bills that are 30 days or older. UGI Supplemental Information at 4.

UGI also indicated in the July 2025 Rate Case Settlement that it will host quarterly working group meetings to discuss facilitation of auto-enrollment in UGI Gas's CAP. July 2025 Rate Case Settlement at 14, ¶59(d).

CAUSE-PA first addressed the recertification aspect of UGI Electric's CAP auto-enrollment. CAUSE-PA posits that UGI should not require auto-enrolled customers to submit additional income information to receive a PIP CAP rate. CAUSE-PA asserts that LIHEAP data should be sufficient for recertification and adds that as of August 2025, DHS is sharing detailed household income and composition information, which would allow for appropriate PIP calculations at enrollment and recertification. CAUSE-PA Comments at 33.

CAUSE-PA strongly recommends that UGI follow the recertification guidelines from the CAP Policy Statement¹⁵ for all customers, including auto-enrolled electric CAP customers. CAUSE-PA notes that as part of the July 2025 Rate Case Settlement, UGI agreed to automatically recertify LIHEAP recipients who consent to share their data via the DHS data sharing check box on the LIHEAP application. CAUSE-PA asserts that utilization of DHS data sharing to confirm ongoing eligibility is equivalent to recertification and no additional recertification requirements should be permitted. CAUSE-PA avers that this process should be completed every three years consistent with the CAP Policy Statement to reduce redundant and burdensome paperwork requirements for low-income households. CAUSE-PA Comments at 32-35.

¹⁵ 52 Pa. Code § 69.265(8)(viii).

CAUSE-PA notes that UGI Gas has a higher rate of default than the industry average and states that failure to recertify is a leading cause of CAP removal. In data provided in the UGI Informal Response to CAUSE-PA, UGI reported nearly half of all CAP customers removed from the program between January 1 and April 30, 2025, were removed for failure to recertify. CAUSE-PA opines that UGI should extend the policy of not requiring yearly recertification for auto-enrolled customers to all CAP customers who receive LIHEAP and whose primary source of income is social security, SSI, or pensions. CAUSE-PA recommends that UGI (1) revise its Proposed 2026 USECP to establish the recommended recertification timeframes, (2) consult with its USAC regarding recertification timeframes and communications, (3) provide training to appropriate staff regarding the policy and procedure changes, and (4) confirm UGI is utilizing LIHEAP data to perform recertifications and to determine appropriate PIP bills where there is complete income information. CAUSE-PA Comments at 35-36.

CAUSE-PA strongly supports efforts to leverage LIHEAP data for auto-enrollment and auto-recertification in CAP and recommends UGI review and enhanced notifications to auto-enrolled customers to address customer confusion. CAUSE-PA notes that the UGI Electric needs assessment projects that less than one-third of potentially eligible customers will enroll in CAP. CAUSE-PA Comments at 38.

CAUSE-PA asserts that auto-enrollment is critical to improving CAP enrollment rates. CAUSE-PA asserts that the Commission should not step back from program enhancements, adding that while some auto-enrolled customers were confused, they were not upset or dissatisfied with their enrollment in CAP. CAUSE-PA questioned why UGI customers with both gas and electric service should receive separate bills once enrolled in CAP given that an eligible customer would be eligible for both programs. While this issue was not raised by the Commission, CAUSE-PA recommends it should be further explored. CAUSE-PA Comments at 38-39.

CAUSE-PA further recommends that UGI work with its USAC to review and revise notifications for auto-enrolled electric customers to help ensure understanding of program parameters and the associated rights and responsibilities. CAUSE-PA notes that the July 2025 Rate Case Settlement established a working group to “identify considerations for utilizing LIHEAP data to facilitate auto-enrollment in UGI Gas’s CAP.” CAUSE-PA hopes this working group will explore the intersectionality between UGI’s gas and electric CAPs to improve consistency and experience for dual-service customers. CAUSE-PA Comments at 39.

UGI states that it auto-enrolls electric customers who have received LIHEAP regardless of whether they checked the box on their LIHEAP application unless the customer requests to opt-out of the auto-enrollment process. If a customer is auto-enrolled without checking the box, UGI does not receive income information and will enroll the customer in the average bill. The customer would still need to provide income information to enroll in a PIP. UGI Reply Comments at 11.

UGI asserts it complies with the CAP Policy Statement regarding recertification timelines, including for auto-enrolled CAP customers. UGI also maintains that it only requires recertification every three years if LIHEAP is on the account but will no longer require recertification for LIHEAP recipients consistent with the terms set forth in the July 2025 Rate Case Settlement. UGI Reply Comments at 11-12, *citing* the July 2025 Rate Case Settlement at 13, ¶¶ 59(b)-(c).

Regarding default rates, UGI reports that its previous CAP default rates in its universal service reporting requirements (USRR) included removal reasons that should not have been considered default. UGI provided recalculated default rates based only on missing or late payments or failure to recertify showing reduced default rates for CAP. UGI Reply Comments at 12-13.

UGI states it is working to automate utilization of LIHEAP data but the review is currently a manual process. UGI adds that CAP auto-enrollment is only available for UGI Electric customers and CAP auto-recertification is only available based on receipt of LIHEAP. UGI Reply Comments at 13-14.

UGI disagrees with CAUSE-PA's recommendation to review and revise auto-enrollment notifications. UGI reports that it provides a Rules and Guidelines document to all CAP enrollees, including program requirements and benefits information in its recertification letters, and has developed messaging with examples of the types of documents it sends as part of its Customer Education and Outreach Plan (CEOP). UGI states that it is willing to work with its USAC if the Commission takes issue with UGI's current practices. UGI Reply Comments at 14.

Resolution: UGI has answered our initial question by clarifying that it will automatically recertify CAP customers who have received LIHEAP and are included in LIHEAP data shared by DHS during the current or prior LIHEAP season. UGI has also clarified that it will auto-enroll an electric customer into CAP who receives LIHEAP even if they have not marked the necessary box to participate in LIHEAP data sharing.

As part of the electric CAP auto-enrollment discussion, CAUSE-PA recommends that UGI adopt the recertification timeframes in the CAP Policy Statement. UGI currently requires LIHEAP recipients to recertify for CAP once every three years and requires all other CAP customers to recertify annually, unless they report zero income. CAP customers who report zero income must recertify every six months. Proposed 2026 USECP at 22-23. Although UGI has not adopted the maximum timeframes for CAP recertification in all circumstances recommended in the CAP Policy Statement, its recertification timeframes are inconsistent with the Commission's recommendations.

Another issue raised is UGI's practice of issuing separate gas and electric bills when a customer enrolls in CAP. While UGI Gas and UGI Electric operate as two separate companies under UGI Utilities Inc., UGI has provided combined billing for dual-commodity customers who are not enrolled in CAP.¹⁶ Upon enrollment in CAP, whether by standard means or via auto-enrollment in the case of qualifying UGI Electric customers, a dual-commodity customer's bill is separated and UGI contacts the customer to check if the customer wishes to enroll in CAP for the other commodity, but the bills do not appear to be rejoined in the event that a customer chooses to enroll in both companies' CAP programs.

We support extending the current joint billing process to include customers enrolled in CAP and encourage UGI to explore the possibility of implementing joint billing for CAP customers as part of its planned COS upgrade. Although we are directing no changes to this aspect of UGI's Proposed 2026 USECP, we do find merit in CAUSE-PA's recommendation that UGI should consult with its USAC on communications sent to auto-enrolled customers. Accordingly, we direct UGI to meet with its USAC to review letters and other communications issued to auto-enrolled electric CAP customers within 12 months from the entry date of this Order.

UGI has provided data on electric customers auto-enrolled in CAP as requested in the July 2025 Order. UGI reports 603 out of 645 auto-enrolled customers are paying the average bill, PIP, or minimum payment amount, but does not account for the remaining 42 customers. UGI also reports that 433 auto-enrolled customers are still enrolled while 101 customers opted out of the program but does not account for the remaining auto-enrolled customers (also 101). This raises concerns about the accuracy of tracking and evaluation of UGI Electric's auto-enrollment program.

¹⁶ See *UGI Gas: Service Tariff No. 7*, Supplement No. 55, at 45.

As part of Peoples 2025 Petition to Amend its USECP to include CAP auto-enrollment, the Commission recommended that Peoples establish new tracking and reporting to evaluate its impact.¹⁷ We find it appropriate that UGI Electric also establish tracking and reporting for its auto-enrolled CAP customers. Accordingly, beginning in 2027, UGI Electric shall track the following information, which it must then file and serve at this docket on July 1 annually through the duration of its 2026 USECP:

1. the number of auto-enrolled customers broken down by FPIG level.
2. the number of auto-enrolled customers who provided income documentation to change their CAP payment amount after enrollment.
3. the number of auto-enrolled customers paying the average bill, PIP amount, and minimum payment amount, broken down by FPIG level.
4. the number of auto-enrolled customers who have opted out of CAP within the established timeframe.
5. the number of auto-enrolled customers who have attempted to opt-out of CAP after the opt-out period had elapsed.
6. the impact of auto-enrollment on payment behavior and debt forgiveness.

Finally, in its Proposed 2026 USECP, UGI reported it was auto-enrolling customers who received a LIHEAP grant within the past 12 months until DHS resumes LIHEAP data sharing,¹⁸ consistent with the terms of the July 2023 Rate Case Settlement at ¶ 60(d). Since the 2025-2026 LIHEAP season began on December 1, 2025, DHS has been sharing income and household information for LIHEAP recipients who have granted approval. Therefore, the description of UGI Electric's CAP auto-enrollment process in its 2026 USECP should reflect the current process of auto-enrolling customers who participate in LIHEAP data sharing, consistent with the July 2023 Rate Case

¹⁷ *Peoples 2024 Petition to Amend*, Docket Nos. P-2024-3052324 *et al.* (Order issued April 24, 2025), at 23.

¹⁸ *Proposed 2026 USECP* at 15.

Settlement at ¶ 60(c). As CAUSE-PA points out, this means that UGI Electric should have the income information to calculate a PIP bill for all auto-enrolled CAP customers going forward. Accordingly, UGI is directed to modify its description of the UGI Electric CAP auto-enrollment to reflect that it auto-enrolls customers who participate in LIHEAP data sharing, consistent with the process approved in the July 2023 Rate Case Settlement.

g. Use of LIHEAP Data Sharing

In the July 2025 Order, the Commission directed UGI to explain what additional information, beyond what is already provided through LIHEAP data sharing, customers need to provide to determine their eligibility for both LIURP and Operation Share. July 2025 Order at 20-21.

UGI Response and Comments

In the July 2025 Rate Case Settlement, UGI agreed to no longer require CAP, LIURP, or Operation Share applicants to produce income verification documents if they received a LIHEAP grant within the current or prior LIHEAP season and opted into LIHEAP data sharing. August 2025 RD at 29 and 98; July 2025 Rate Case Settlement at 13, ¶59(c).

UGI noted this rate case settlement provision in its Supplemental Information but added that customers must still meet the relevant program criteria which requires customer usage to exceed the threshold to qualify for LIURP or have a hardship to qualify for Operation Share. UGI Supplemental Information at 4.

CAUSE-PA asserts that the additional eligibility information required to qualify a customer for LIURP or Operation Share is data that is available to UGI. UGI can review

household usage for LIURP and can review payment and collections status for Operation Share. CAUSE-PA points to UGI's unspent Operation Share funds from 2024 and opines that UGI needs to better connect customers in need of grant assistance with Operation Share. CAUSE-PA notes that in the July 2025 Rate Case Settlement, UGI agreed to convene a working group to "identify considerations for utilizing LIHEAP data to facilitate auto-enrollment in UGI Gas's CAP." CAUSE-PA recommends that UGI expand the scope of the working group to include considering a further streamlined or automated process for enrollment in LIURP and Operation Share. CAUSE-PA Comments at 39-41.

OCA strongly supports DHS data sharing but observes that the Proposed 2026 USECP does not address data sharing between UGI Gas and UGI Electric. OCA noted that the 2024 APPRISE Impact Evaluation raised concerns about separate CAP enrollment requirements. OCA recommends UGI address intra-company coordination concerns raised by APPRISE and clarify that customers who opt into LIHEAP data sharing can apply the opt-in to both gas and electric. OCA Comments at 19-21.

UGI asserts that while a customer with LIHEAP does not need to provide proof of income for LIURP or Operation Share, UGI still needs income and household composition to determine FPIG levels. While UGI agrees with CAUSE-PA that finding efficiencies without affecting customer service remains a goal, this does not mean automation should be used in every circumstance. UGI adds that it has provided examples of its marketing efforts to LIHEAP recipients who have not enrolled in its CAP as part of its CEOP and in a prior USAC meeting and has not received any comments. Therefore, UGI does not believe additional review of its marketing is necessary. UGI Reply Comments at 14-16.

UGI disagrees with OCA's recommendation to utilize LIHEAP data sharing to opt into CAP for UGI Gas when auto-enrolling in UGI Electric. UGI states it must speak to

combined electric and gas customers when they are auto-enrolled to offer enrollment into CAP for UGI Gas because it has found that automatically enrolling the customer in both programs leaves customers dissatisfied. UGI adds that combined bill auto-enrollment would require significant IT changes that would increase staff-related costs. UGI Reply Comments at 16.

UGI disagrees with OCA's recommendations to utilize data sharing between UGI Gas and Electric. UGI notes that only two individuals surveyed in the 2024 APPRISE Impact Evaluation expressed that having separate systems was somewhat burdensome. UGI reiterates that these recommended changes would require additional IT enhancements and costs. UGI adds that OCA's recommendations for intra-company coordination are unclear. UGI Reply Comments at 16-17. 2024 APPRISE Impact Evaluation at 12.

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

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

June 2024 Order at 3.

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

UGI has addressed our initial question by providing verification that it will no longer require CAP, LIURP, or Operation Share applicants to produce income verification documents if they received a LIHEAP grant within the current or prior LIHEAP season and opted into the LIHEAP data sharing. However, UGI claims not all information necessary for enrollment for LIURP and Operation Share is available via LIHEAP data sharing.

For UGI's LIURP, in addition to the household income information provided by LIHEAP data sharing, UGI requires, *inter alia*, annual consumption and service data, weatherization history, and information on whether the premises is suitable for weatherization services. For Operation Share, UGI requires, *inter alia*, grant history and demonstration of ability to pay.

We are satisfied that UGI will not require duplicative documentation of income information received through LIHEAP data sharing. However, we agree with CAUSE-PA that much of the additional information required for LIURP and Operation Share eligibility is already captured in UGI's COS. This includes annual consumption data and weatherization history of the premises to determine LIURP eligibility and grant and payment history to determine Operation Share eligibility. UGI should review its LIURP and Operation Share application processes with its USAC to ensure customers are not asked to provide any information which UGI already possesses, including household composition information provided through LIHEAP data sharing and usage, weatherization, grant, and payment information retained in COS.

Accordingly, UGI is directed to clarify in its Revised 2026 USECP that customers who have received a LIHEAP grant within the current or prior LIHEAP season and opted into LIHEAP data sharing are not required to provide income verification for CAP, LIURP, or Operation Share. UGI is also directed to consult with its USAC within 12 months from the entry date of this Order to ensure no unnecessary information (*i.e.*, information already available to UGI) is requested from customers who opted-in to LIHEAP data sharing and want to enroll in LIURP or Operation Share.

h. Opt-in for Universal Service Programs

In the Proposed 2026 USECP, UGI states that it will allow natural gas customers who agree to share their income and household information on their LIHEAP application to opt-in for enrollment into CAP. UGI proposes sending communication to these customers informing them of the ability to opt into CAP and requesting their consent to participate. Proposed 2026 USECP at 5, 13. In the July 2025 Order, the Commission directed UGI to describe the process by which it plans to communicate to customers who agree to share their income and household information with UGI through a LIHEAP application that they can opt into CAP enrollment. July 2025 Order at 21-22.

UGI Response and Comments

UGI provided an example copy of the opt-in solicitation email and letter it sends to CAP customers. UGI Supplemental Information at 4, Attachments 2a and 2b.

CAUSE-PA asserts that UGI's CAP is undersubscribed, adding that UGI's opt-in program is an important tool to narrow the gap in assistance. CAUSE-PA believes that auto-enrollment is a more effective and efficient way to increase enrollment but supports the opt-in policy as an interim step. CAUSE-PA recommends that UGI work with its USAC to revise materials and the process for disseminating these materials to LIHEAP

recipients not yet enrolled in CAP. CAUSE-PA strongly supports implementing auto-enrollment and recertification procedures for UGI Gas and looks forward to the working group established in the July 2025 Rate Case Settlement to continue exploring auto-enrollment procedures. CAUSE-PA Comments at 42-43.

UGI states that there is currently no automated process to enroll customers into UGI Gas's CAP. UGI avers that this would entail system enhancements, including the planned COS upgrade discussed as part of implementing an online application. UGI notes that Peoples Natural Gas proposed an auto-enrollment process for its CAP and was rejected by the Commission. UGI indicates that they will discuss the feasibility of auto-enrollment in UGI Gas's CAP consistent with the July 2025 Rate Case Settlement. UGI Reply Comments at 17-18, *citing the Peoples Gas Petition to Amend 2019-2024 USECP Order*, Docket No. P-2024-3052324 (Order entered April 24, 2025) and July 2025 Rate Case Settlement at 13, ¶ 59(c).

Resolution: UGI has answered our initial question by providing copies of its opt-in solicitation communications. UGI is directed to include copies of its opt-in solicitation communications as attachments to its Revised 2026 USECP. UGI is also directed to consult with its USAC within 12 months from the entry date of this Order to review opt-in solicitation materials and discuss ways to improve dissemination of these materials to LIHEAP recipients not yet enrolled in CAP.

i. Recertification Notices

APPRISE recommended reducing the number of CAP recertification reminders because customers who had already submitted their recertification received additional reminders and became confused, resulting in duplicative company contacts to confirm the original recertification had been received and processed. 2024 APPRISE Impact Evaluation at ix, 82.

In the July 2025 Order, the Commission directed UGI to clarify whether it has or is developing a process to stop sending CAP recertification reminders if the customer has already submitted their recertification information. We also directed UGI to identify what methods of delivery, besides paper, it uses or plans to use to send recertification notices (*e.g.*, text, email). July 2025 Order at 22-24.

UGI Response and Comments

UGI states that it has developed a process to stop sending recertification reminders once a customer has provided income information and it is entered into the system. UGI reports that, in addition to paper notices, it uses email to remind customers to recertify when available. UGI Supplemental Information at 5.

CAUSE-PA disagrees with the recommendation by APPRISE to reduce the number of recertification notices but supports eliminating reminders for CAP participants who have already completed recertification to reduce confusion. CAUSE-PA notes that between 45-50% of UGI CAP participants were removed for failure to recertify between January and April 2025, which underscores the need to improve outreach. CAUSE-PA recommends that UGI retain the number and frequency of recertification notifications and consult with its USAC to review the language in the notices, determine whether its current recertification email outreach is sufficient, and assess whether additional means of electronic outreach should be implemented. CAUSE-PA further recommends that UGI work with its USAC to review and revise the process for sending recertification notices to improve response rates. CAUSE-PA Comments at 43-45.

UGI agrees with CAUSE-PA's recommendation to eliminate reminders for customers who have already recertified. UGI disagrees with CAUSE-PA's recommendation to track the number and frequency of notices to CAP customers

regarding recertification because it would require IT enhancements that would increase operating costs. UGI also asserts that this tracking would not increase program participation or retention and would increase administrative burdens without worthwhile benefit. UGI Reply Comments at 18-19.

UGI asserts that it has addressed CAUSE-PA's recommendations to have its USAC review and revise its notices and the process for sending these notices. UGI states that it included these communications as part of its CEOP at Exhibit 15 so all parties, including the USAC, can review and provide feedback. UGI asserts that adding a text/SMS messaging system would be unduly burdensome while providing no material benefit for customers. UGI agreed to review new messaging notices and letters with its USAC. UGI Reply Comments at 19-20.

Resolution: UGI has addressed our initial concerns by confirming that it would stop sending recertification notices to customers once they have submitted their recertification information. We agree with CAUSE-PA that UGI should not reduce the number of recertification notifications it currently sends to CAP customers who have not yet recertified. Further, UGI should continue working with its USAC to review and improve its recertification notification process.

The CAP Policy Statement recommends that public utilities offer platforms for customers to submit CAP applications and documentation electronically.¹⁹ However, it does not specifically recommend how a customer should receive recertification or other types of CAP notifications. UGI has asserted that implementing an SMS messaging system would be burdensome and costly to implement, but a greater breadth of communication methods could be beneficial to customers who might not check their mail or email. While we are not directing any changes to UGI's current notification processes,

¹⁹ 52 Pa. Code § 69.265(8)(ii) relating to CAP design elements.

we encourage UGI to consider adding SMS messaging as part of its planned COS upgrade.

Accordingly, UGI is directed to implement a process to stop sending recertification notices to customers once they have submitted their recertification information within six months of the entry date of this Order. UGI shall file and serve notification at this docket when this change is made. UGI is also directed to consult with its USAC to review its CAP recertification process, communication methods, and notices within 12 months from the entry date of this Order.

j. Voluntary Removal from CAP

In an Order entered on August 8, 2019 at Docket No. M-2017-2598190, *et al.* (August 2019 Order), the Commission directed UGI to permit customers who voluntarily exit CAP to reapply if they have paid at least the CAP amount for the months spent out of the program (CAP catch-up amount). August 2019 Order at 30-33.

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

In the July 2025 Order, the Commission directed UGI to clarify all circumstances under which a customer who has voluntarily removed themselves from CAP can be reinstated in the program. The Commission also directed UGI to clarify when the 12-month waiting period starts (*e.g.*, on the date the customer was removed or requested removal, on or after the next billing cycle, etc.) and how this policy complies with the Commission's directive in the August 2019 Order. July 2025 Order at 24-26.

UGI Response and Comments

UGI states that a customer who requests removal from CAP for seasonal short-term benefit or because seasonal bills are lower than the monthly CAP amount must wait 12 months to be reinstated or to reenroll unless they pay any missed CAP payments plus any applicable reconnection. If a customer has defaulted from the program or voluntarily requests removal because CAP is no longer a benefit, they do not have a 12-month wait to reapply provided any reason for prior default is cured. UGI Supplemental Information at 5.

UGI added that a customer who moves to another premises served by UGI must complete a transfer of service within 30 days to remain in CAP or they will need to reapply. CAP customers who move outside of the UGI service territory but return later can reenroll in CAP if they still meet program requirements. UGI Supplemental Information at 5.

CAUSE-PA opposes the use of a 12-month stay out as proposed by UGI. CAUSE-PA asserts that customers should be able to reenter the program provided they pay what would have been their CAP rate for the months spent outside of the program, as directed by the August 2019 Order at Docket No. M-2017-2598190. CAUSE-PA asserts that UGI's proposal to permit re-enrollment if the customer satisfies both the missed CAP payments plus applicable reconnection fees to restore service is not consistent with direction given in the August 2019 Order because it suggests UGI is not applying this policy where a customer has removed themselves for short-term benefit. CAUSE-PA proposes that UGI reach out to customers denied enrollment since August 2019 as a result of this policy to invite re-enrollment, clearly identify any CAP catch-up amount, provide information on the enrollment process, and assist customers with re-enrollment. CAUSE-PA Comments at 45-48.

UGI states that CAP is designed for customers to stay enrolled as a long-term plan. UGI asserts that a 12-month stay-out period incentivizes customers to remain in CAP while protecting UGI from additional administrative burdens. UGI disagrees with CAUSE-PA's recommendation to reach out to customers denied re-enrollment in CAP since August 2019. UGI asserts that this recommendation is not beneficial or practical and would require significant IT assistance and additional administrative costs. UGI notes that per the July 2025 Rate Case Settlement, UGI is utilizing a low-income assessment and outreach pilot program to assess, identify, and engage potential qualifying customers for CAP. UGI Reply Comments at 20-21.

Resolution: UGI proposed a 12-month stay-out provision for customers who leave CAP for short-term seasonal benefit as part of its 2020 USECP proceeding. UGI noted that the 12-month stay-out provision would only apply to customers who do not pay at least the CAP amount for the months spent out of the program (*i.e.*, CAP catch-up amount). While this provision remained in the 2020 USECP, the Commission directed UGI to clarify in its USECP that customers who voluntarily exit CAP can reapply provided they have paid at least the CAP catch-up amount as part of the August 2019 Order.

UGI's clarification that customers who voluntarily exit CAP for seasonal benefits can reenroll in less than 12 months if they pay the CAP catch-up amount appears to be consistent with its 2020 USECP and the August 2019 Order. UGI should consistently explain this policy in its USECP and communications with CAP customers. As noted in the July 2025 Order, there are sections in the Proposed 2026 USECP describing UGI's CAP stay-out policy where the option for former CAP customers to pay the CAP catch-up amount to reenroll in less than 12 months is not explained. July 2025 Order at 24-25. Accordingly, UGI is directed to consistently identify in a Revised 2026 USECP that customers who voluntarily remove themselves from CAP must remain out of the program for 12 months unless they pay the CAP catch-up amount.

k. Obligation to Participate in Other Weatherization Services

In the Proposed 2026 USECP, UGI states that for a customer to remain eligible for CAP, they must participate in LIURP “and any other weatherization services offered through local and state weatherization agencies.” Proposed 2026 USECP at 20. In the July 2025 Order, the Commission directed UGI to clarify how it enforces the requirement that customers must participate in non-LIURP weatherization services offered through local and state weatherization agencies. Additionally, the Commission directed UGI to identify how many customers had been removed annually from CAP in 2023 and 2024 for (1) failing to participate in LIURP; and (2) failing to participate in other weatherization services. July 2025 Order at 26.

UGI Response and Comments

UGI reports that it does not have the authority to enforce participation in non-LIURP weatherization services and is not tracking participation in those programs or removing customers from CAP for non-participation. UGI clarifies it will remove a high-usage CAP customer who refuses to participate in LIURP. UGI reported that only one customer was removed from CAP for failure to participate in LIURP from January 1, 2023, through December 31, 2024. UGI Supplemental Information at 6.

CAUSE-PA recommends that UGI amend its Proposed 2026 USECP to clarify that it does not remove low-income households from CAP for failure to participate in LIURP or “any other weatherization services offered through local and state weatherization agencies.” CAUSE-PA supports encouraging CAP participants to pursue free weatherization services but does not support mandated participation. CAUSE-PA asserts that CAP participants should not be penalized for not pursuing participation in other programs and recommends that UGI also amend its Proposed 2026 USECP to

indicate it will encourage and support CAP participants in pursuing weatherization services other than LIURP. CAUSE-PA Comments at 48-49.

Resolution: UGI has addressed our initial question regarding this issue by clarifying that it does not penalize or remove customers from CAP for failure to participate in weatherization services offered through local and state weatherization agencies, as stated in its Proposed 2026 USECP. If UGI does not enforce participation in these programs as a prerequisite for CAP, then it should remove this provision from its USECP. Accordingly, we direct UGI to remove this provision from its Revised 2026 USECP.

We address CAUSE-PA's recommendation that UGI should eliminate the requirement that CAP customers must participate in LIURP in the following section.

1. LIURP and High-Usage Controls

In the Proposed 2026 USECP, UGI proposed to continue the provision that a CAP customer may be removed from CAP if they refuse to participate in LIURP or comply with high-usage controls. Proposed 2026 USECP at 22. In the July 2025 Order, the Commission directed UGI to identify whether it allows any exceptions to this requirement. The Commission also directed UGI to report the number of customers removed from CAP for refusal to participate in LIURP or comply with high-usage controls from 2022 through 2024. Additionally, the Commission directed UGI to provide copies of the letter sent to customers to notify them that they have been removed from CAP for failing to participate in LIURP or comply with usage controls. July 2025 Order at 26-27.

UGI Response and Comments

UGI states that if a customer's landlord refuses LIURP services, or the customer has extenuating circumstances, such as medical equipment, additional household members, or household occupants under 5 years or over 62 years of age, UGI would consider an exception to the high-usage controls. UGI reported that seven customers were removed from CAP for failure to reduce usage from January 1, 2022, through December 2024, and one customer was removed for failure to participate in LIURP. UGI provided copies of the CAP removal notification letters for failure to participate in LIURP. UGI Supplemental Information at 6, Attachments 3a and 3b.

CAUSE-PA reports that UGI stated if a customer provides information such as additional household members, illness, or another contributing factor beyond their control, UGI would provide an exemption to its high-usage threshold. CAUSE-PA reports that when it asked for clarification on how UGI determines whether a customer has increased consumption beyond the customer's reasonable control, UGI explained that CBOs interact with customers to obtain additional information. CAUSE-PA submits that removal from CAP is punitive and should be a last resort. CAUSE-PA stresses the importance of recognizing and applying exemptions in all cases where a household cannot participate in LIURP. CAUSE-PA Comments at 49-50, *citing* the UGI Informal Response to CAUSE-PA.

OCA asserts that there are multiple reasons why a customer is unable or unwilling to participate in LIURP. OCA adds that unless LIURP is available for all high-usage customers, UGI should not threaten to remove customers from CAP for a refusal to participate. OCA is concerned that this requirement and threats of removal could reduce participation in CAP. OCA recommends that UGI remove the requirement that customers must agree to participate in LIURP to be enrolled in CAP. OCA Comments at 28-29.

UGI reiterates that it has only removed one customer for refusal to participate in LIURP, stating that it does not regularly remove customers for their inability to participate in CAP due to conditions in the home, lack of landlord permission, or other extenuating circumstances. UGI holds that it is important to maintain this provision for extreme cases including the one customer who was removed due to extremely high usage. UGI notes that other utilities require CAP customers to participate in LIURP and maintains that this program requirement is managed fairly and allows for reasonable cost controls. UGI states that it already encourages CAP participants to pursue other weatherization services through referrals from its customer assistance and referral evaluation services (CARES) program and its CBOs. Therefore, UGI states that amending the USECP is not necessary, and the Commission should reject CAUSE-PA and OCA's recommendations to remove the LIURP participation requirement. UGI Reply Comments at 21-23.

Resolution: The Commission has previously approved public utility USECPs requiring high-usage CAP customers to participate in LIURPs²⁰ and directed public utilities to enforce such a requirement.²¹ Therefore, we support UGI's proposal to maintain this provision for cases of extremely high usage. However, we agree with UGI and CAUSE-PA that there are situations where an exception can and should be made. Accordingly, UGI is directed to include a provision in its Revised 2026 USECP that exceptions to LIURP participation may be granted based on the conditions of the home, lack of landlord permission, or other extenuating circumstances. UGI is further directed to clarify in its Revised 2026 USECP that it will provide an exemption to its high-usage

²⁰ For example, see *Columbia Gas 2024-2028 USECP*, Docket No. M-2023-3039487 (filed on August 29, 2024), at 30; and *PECO Energy Company (PECO) 2019-2028 USECP*, Docket No. M-2018-3005795 (filed on October 30, 2023), at 14.

²¹ See *Metropolitan Edison, West Penn Power, Pennsylvania Power, and Pennsylvania Electric Companies 2024-2028 USECP Order*, Docket Nos. M-2022-3036532, *et al.* (Order entered on March 14, 2024), at 70-74.

threshold if the customer reports additional household members, illness, or another contributing factor beyond their control.

m. Security Deposits

UGI's current and proposed USECPs state that a customer enrolled in CAP is not charged a security deposit but does not address if and how security deposits assessed prior to enrollment in CAP are refunded. 2020 USECP at 25 and Proposed 2026 USECP at 20. In the July 2025 Order, the Commission directed UGI to detail its security deposit procedures and how these practices are compliant with the relevant statutes and regulations. The Commission also directed UGI to clarify what notifications, if any, customers receive when determined to be eligible for a security deposit refund. July 2025 Order at 27-28.

UGI Response and Comments

UGI cited its gas service tariff to explain its security deposit policies, which were modified as part of the July 2025 Rate Case Settlement. UGI added the following language to its gas tariff clarifying its current practice of not collecting security deposits from verified low-income customers:

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 program 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.

UGI also added that checks providing a refund of a security deposit that are returned as undeliverable will be applied to the customer's account as a bill credit unless the customer contacts UGI with an updated address. UGI Supplemental Information at 7-8, *citing* the July 2025 Rate Case Settlement at 19-20, ¶65.

UGI also provided further details on how it establishes creditworthiness, how it determines the security deposit amount, when it waives security deposits, how interest is accrued, and how it refunds security deposits. UGI states that after 12 billing periods of consecutive on-time payments, the security deposit, plus interest, is applied to the next bill. UGI Supplemental Information at 7-8.

CAUSE-PA notes that it supported the terms set forth in the July 2025 Rate Case Settlement to ensure UGI is not collecting deposits from low-income customers. CAUSE-PA adds that this updated policy will help low-income customers receive refunds on deposits. CAUSE-PA recommends that UGI update its USECP to be consistent with the July 2025 Rate Case Settlement and gas tariff. CAUSE-PA also recommends that UGI consult with its USAC on any customer-facing materials or notices related to deposits and report on the number of deposits returned at each USAC meeting. CAUSE-PA Comments 51-53.

OCA notes that 52 Pa. Code § 56.32(e) prohibits requiring cash deposits from low-income customers, not just those enrolled in CAP. OCA adds that as part of "informed consent," CAP-eligible customers should be given the opportunity to make the affirmative choice on whether to have a deposit refunded or applied to the balance that would otherwise be eligible for forgiveness in CAP. OCA states that UGI should clarify

these provisions in its Proposed 2026 USECP consistent with Commission regulations. OCA Comments at 22-25.

UGI reiterates that it is not collecting security deposits from verified low-income customers and automatically refunds deposits with applicable interest upon verification of a low-income status. UGI agrees with CAUSE-PA's recommendation to consult with its USAC on customer-facing materials and notices and notes that this process has already begun. UGI states that no further revision of the Proposed 2026 USECP is necessary and maintains that the settlement provisions are compliant with applicable regulations and should not be modified. UGI Reply Comments at 23-25.

Resolution: UGI has satisfied our questions regarding this issue by clarifying it is not charging security deposits to verified low-income customers and refunding deposits, with applicable interest, upon verification of low-income status. We are further satisfied with maintaining the specific procedure for refunding security deposits in UGI's tariff as modified following the July 2025 Rate Case Settlement. Accordingly, UGI is directed to clarify in its Revised 2026 USECP its security deposit refund process, as specified in its gas tariff.

We find merit in OCA's suggestion to ensure customers are aware of the potential for pre-program arrearage (PPA) forgiveness when deciding whether they would prefer a deposit be refunded or applied to the balance. Accordingly, as part of obtaining informed consent to apply a security deposit to an account balance, UGI is directed to explain how applying the security deposit to the balance may impact the customer's bill, including an explanation that the balance may be forgiven if the customer enrolls in CAP and follows program guidelines. UGI is also directed to include a description of this amended informed consent process in its Revised 2026 USECP.

n. CAP Final Billing

UGI did not identify its final billing policies for CAP customers in its Proposed 2026 USECP. In the July 2025 Order, the Commission directed UGI to clarify its current CAP final billing policy, consistent with the relevant statutes and regulations as discussed in the CAP Final Billing Order and explain how the procedure changes in cases of voluntary versus involuntary termination of service. July 2025 Order at 28-30.

UGI Response and Comments

UGI stated that final bills for CAP customers who request discontinuance of service voluntarily will reflect a full “walk away state,” which will include any remaining PPA balance and any non-PPA balance. If an account is terminated for non-payment, the bill will still include any remaining PPA and non-PPA balance but will be eligible for restoration if the customer pays all missed CAP bills within 109 days from the date of termination. UGI Supplemental Information at 9.

CAUSE-PA points to the Commission’s *Staff Review of Customer Assistance Program Final Billing Methods Order* at Docket No. M-2019-3010190 (CAP Final Billing Order), issued March 12, 2020, to reaffirm its position on CAP Final Billing Methods. CAUSE-PA recommends UGI determine the prorated PIP amount (or prorated minimum bill as appropriate) and the bill based on actual usage for the final billing month, then charge the lesser of the actual or prorated bill. CAUSE-PA asserts that this is both fair and equitable, and required under 66 Pa. C.S. § 1303, which states the most advantageous rate shall be used to render bills. CAUSE-PA Comments at 53-55.

UGI notes that no formal guidance was implemented as part of the *Staff Review of CAP Program Final Billing Methods*²² on how utilities must carry out final billing for CAP customers. UGI asserts that its final billing practice is appropriate and consistent with Commission guidance. UGI Reply Comments at 25-26.

Resolution: The CAP Final Billing Order detailed how electric and natural gas public utilities calculated CAP final bills. While the CAP Final Billing Order does not recommend standardizing a policy regarding CAP final bills, it indicated that public utilities' final billing policies should comply with Commission statutes and regulations:

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

CAP Final Billing Order at 22 (emphasis added).

Following issuance of the CAP Final Billing Order, the Commission has addressed the issue of CAP final billing in several public utilities' USECP proceedings. The

²² *Staff Review of CAP Final Billing Methods*, Docket No. M-2019-3010190 (Order entered March 12, 2020).

Commission has directed Columbia Gas²³ and FirstEnergy Pennsylvania Electric Company (FirstEnergy PA)²⁴ in their 2024-2028 USECP proceedings to charge CAP customers no more than their prorated CAP billing amount for usage incurred during their final billing period. *See Columbia Gas 2024 USECP Order* at 42-45; *FirstEnergy PA 2024-2028 USECP Order* at 54-57.

In addition, the Commission approved PPL's proposal to charge the prorated CAP²⁵ amount or actual tariff rate on the final CAP bill, whichever is more advantageous to the customer. *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727 (Order entered on February 9, 2023), at 58-61.

Accordingly, consistent with the recommendation in the CAP Final Billing Order and direction given to other public utilities, UGI is directed to charge CAP customers no more than their prorated CAP billing amount for usage incurred during their final billing period. UGI is further directed to include this provision in its Revised 2026 USECP.

o. CAP Credit Expenditures for UGI Electric

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

The Commission approved eliminating the maximum CAP credit limits for all UGI Utilities in UGI's 2014-2017 USECP proceeding. *UGI 2014-2017 Final Order*, Docket No. M-2013-2371824 (Order entered January 15, 2015), at 25-33. In that

²³ Docket No. M-2023-3039487.

²⁴ Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535 (Order entered on March 14, 2024).

²⁵ PPL's CAP is called OnTrack.

proceeding, UGI projected that the elimination of the CAP credit limits would increase CAP costs by less than \$32,000 per year. UGI 2014-2017 USECP Comments at 10. The Commission directed UGI to file annual reports detailing the impact of this change on CAP credit expenditures. UGI 2014-2017 Final Order at 32-33.

In lieu of CAP credit limits, UGI maintains a high-usage annual threshold of 2,356 Ccf for UGI Gas and 34,465 kWh for UGI Electric. CAP customers that exceed these high-usage thresholds are provided with an energy education session and referred to LIURP, if applicable. UGI continues to monitor these high-usage households for additional outreach and referrals. CAP customers who refuse to participate in LIURP or who fail to comply with high-usage controls risk removal from CAP. 2020 USECP at 26-27.

While there are currently no NGDCs with maximum CAP credit limits, UGI Electric is the only EDC that does not maintain an annual maximum customer limit for CAP credits. In its June 2022 Order approving, *inter alia*, amendments to UGI's CAP energy burden levels, the Commission raised concerns about the impact of this change on UGI Electric's ratepayers. The Commission noted that the reduced energy burden levels were projected to increase non-CAP residential ratepayer bills²⁶ up to \$2 per month, with monthly recovered CAP costs projected to reach \$9.75 per non-CAP customer by 2025. June 2022 Order at 13-14. Although the Commission approved amending the energy burdens for UGI Electric, it questioned whether further cost control measures are warranted:

After reviewing the information provided by UGI in this proceeding, we are persuaded that adopting the proposed CAP PIP energy burdens for UGI Electric will improve CAP bill affordability and should help reduce the number of customers that accrue in-program arrearage and risk termination

²⁶ UGI does not recover CAP costs from residential ratepayers enrolled in CAP. *See UGI Electric: Service Tariff No. 6*, Supplement No. 76, at 42.

of service. However, the impact this change will have on program costs and non-CAP ratepayer bills indicates a need for additional CAP cost control measures beyond UGI Electric's current consumption limits. This may include establishing new maximum CAP credit limits for UGI Electric as part of UGI's next USECP proceeding. We do not have sufficient data to make such a determination at this time. Information from UGI's annual CAP credit evaluation reports and actual data provided after the implementation of these energy burdens will help inform this decision. We also encourage UGI to seek input from its universal service advisory committee on appropriate cost control measures prior to its next USECP filing.

June 2022 Order at 15-16.

UGI's annual CAP Credit Evaluation Reports reflect that electric heating CAP credits have increased by 110.9% and electric non-heating CAP credits have increased by 169%,²⁷ although UGI Electric's average CAP credit expenditures do fall within the current range of maximum CAP credit limits used by other EDCs.

However, average annual CAP credit costs recovered from each UGI Electric non-CAP ratepayer has increased by over 225% from 2019 through 2024 (from \$37.66 to \$122.47).²⁸ In 2023, UGI Electric charged its ratepayers more for recovery of CAP credit expenditures than any other EDC. *2023 Report on Universal Service and Collections Performance* (USC Report) at 68, 89;²⁹ CAP Credit Evaluation Report 2023.

²⁷ Docket Nos. M-2019-3014966, *et al.* – *Letter re CAP Credit Evaluation Reports* (filed on August 15, 2022); *CAP Credit Evaluation Report 2022* (filed on April 3, 2023); *CAP Credit Evaluation Report 2023* (filed April 1, 2024); *CAP Credit Evaluation Report 2024* (filed on April 1, 2025).

²⁸ Docket No. M-2019-3014966, *et al.* – *Letter re CAP Credit Evaluation Reports* (filed August 15, 2022); *Revision to Letter Report* (filed August 26, 2022); *CAP Credit Evaluation Report 2022* (filed April 3, 2023); *CAP Credit Evaluation Report 2023* (filed April 1, 2024); *CAP Credit Evaluation Report 2024* (filed April 1, 2025).

²⁹ https://www.puc.pa.gov/media/3433/2023_universal_service_report-final_rev041525.pdf

In the Proposed 2026 USECP, UGI proposes no limits on maximum CAP credits per customer but does propose to reduce its high-usage threshold for electric from 34,465 kWh annually to 32,632 kWh annually. Proposed 2026 USECP at 21-22.

In the July 2025 Order, the Commission questioned 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. The Commission directed UGI to explain how its proposed high-usage threshold would control or reduce CAP credit costs for UGI Electric. Additionally, the Commission directed UGI to provide recommendations for new CAP credit limits to inform the Commission in the event it determines that maximum CAP credit limits should be reinstated for UGI Electric, including limits based on the subsidization needs of 70%, 80%, and 90% of UGI Electric's CAP customers. July 2025 Order at 30-36.

UGI Response and Comments

UGI asserts that its proposed high-usage threshold aligns with actual 12-month usage for electric CAP customers. UGI states that 212 electric CAP customers would be referred to LIURP under the current threshold, and 261 would be referred to LIURP under the proposed threshold. UGI claims that the proposed usage threshold would allow more LIURP referrals for electric CAP customers, which may lower their usage and the amount of CAP credits applied to their bills. UGI Supplemental Information at 9.

UGI calculated possible max CAP credit limits by taking the 2014 max CAP credit limits of \$1,200 for electric heating and \$700 for electric non-heating and applying incremental rate changes from 2016 to present. This resulted in max CAP credit limits of \$1,969 for electric heating and \$1,149 for electric non-heating, which UGI states aligns with an 84% subsidy rate based on 70%, 80%, and 90% of the FPIG. UGI Supplemental Information at 10.

UGI calculates that, assuming an 84% subsidy max CAP credit threshold, approximately 714 CAP customers would exceed the threshold resulting in an average cost of \$1,187 per CAP customer exceeding the threshold. UGI estimates that this CAP credit limit would reduce annual CAP costs recovered from each ratepayer by \$5.06. UGI stated that significant IT system enhancements would be required to reimplement a maximum CAP credit limit but added that it has not determined the cost or time needed to implement these changes. UGI Supplemental Information at 10.

UGI states that it does not recommend reimplementing a max CAP credit limit citing Commission direction given to remove the max CAP credit limit at Docket No. M-2013-2371824 (*i.e.*, UGI 2014-2017 USECP proceeding). UGI Supplemental Information at 10.³⁰

CAUSE-PA strongly opposes implementation of a maximum CAP credit limit. CAUSE-PA asserts that the LIURP threshold to reduce CAP costs should be separate from any maximum CAP credit calculations. CAUSE-PA asserts that CAP credit limits are ineffective and unjustified adding that imposing a maximum CAP credit limit based on a predetermined failure rate is “arbitrary and capricious.” CAUSE-PA asserts that the Commission is not considering the increased costs of service. CAUSE-PA Comments at 55-59.

CAUSE-PA asserts customers with medical usage or household members more likely to be at home, such as individuals with disabilities or seniors, are more likely to use more energy. CAUSE-PA avers that a maximum CAP credit limit has a punitive impact and disproportionately harms vulnerable households. CAUSE-PA references Duquesne

³⁰ UGI further states that the Commission “ordered” it to remove maximum CAP credit limits in its 2014-2016 USECP proceeding. UGI Supplemental Information at 10. However, as detailed above, the elimination of UGI’s maximum CAP credits was a UGI proposal approved by the Commission, not a Commission-initiated change. *See UGI 2014-2017 Final Order* at 25-33.

Light's maximum CAP credit limits and impact on customers who exceeded the limit. CAUSE-PA calculates that approximately 25% of CAP customers who exceeded Duquesne's maximum CAP credit limit between January 2022 and April 2024 were terminated for non-payment within 120 days.³¹ CAUSE-PA cites the National Energy Assistance Directors Association (NEADA)'s Winter Outlook Report from September 2025³² to demonstrate energy costs are rising at double the rate of inflation. CAUSE-PA notes that costs for ratepayers would be nominally reduced if UGI were to implement the maximum CAP credit limits discussed in the Proposed 2026 USECP while the customers who exceed the maximum would be paying over \$1,000 per year resulting in monthly CAP bills exceeding the energy burden levels established in the CAP Policy Statement.³³ CAUSE-PA Comments at 59-62.

CAUSE-PA further asserts that maximum CAP credits are not effective, particularly given the increasing cost of electricity. CAUSE-PA disagrees with the Commission's conclusion that additional CAP cost control measures beyond consumption limits are required. CAUSE-PA notes that UGI Electric's average CAP credits are consistent with other EDCs. CAUSE-PA further notes that the need for CAP is increasing, which results in greater enrollments and a reduced number of ratepayers. CAUSE-PA asserts that the benefits of CAP are dependent on a consistently affordable bill. CAUSE-PA avers that UGI Electric not having maximum CAP credit limits assists low-income customers by protecting them from fluctuating energy costs. CAUSE-PA recommends that if the Commission decides to consider maximum CAP credit limits, the matter should be referred to the Office of Administrative Law Judge (OALJ) to further consider the issue and determine an appropriate credit level that does not overburden the most vulnerable households. CAUSE-PA Comments at 62-66.

³¹ CAUSE-PA Comments at 59, citing *Pa. P.U.C. v. Duquesne Light Company*, Docket No. R-2024-3046523, CAUSE-PA Direct Testimony at 37, Attachment CAUSE-PA III-7.

³² *National Energy Assistance Directors Association (NEADA) Winter Outlook Report, September 2025*, Available at <https://neada.org/wp-content/uploads/2025/09/winteroutlook25-26.pdf>.

³³ 52 Pa. Code §69.265(2)(i).

OCA notes there are multiple mechanisms a public utility can utilize to control CAP costs. OCA's list includes imposing maximum CAP credit limits, annual budgets, integration with LIURP to target high CAP credit customers, limiting CAP participation, and imposing "payment-troubled" restrictions. OCA asserts that CAP cost controls should be targeted to the circumstances at the time and recommends collecting additional data and cost monitoring to determine the correct approach. OCA also notes that increasing CAP costs can be outside the customers' control due to increases in energy costs, which OCA asserts is not considered in the Commission's analysis. OCA recommends combining usage thresholds as proposed by UGI with an alternative cost control mechanism that does not penalize the customer. OCA further recommends UGI consult with its USAC to discuss an appropriate action if the three-year average annual CAP cost to ratepayers is more than 20% higher than the previous year's three-year average. OCA Comments at 13-16.

OCA recommends the Commission consider an alternative solution to a maximum CAP credit limit. OCA references its suggestions from the FirstEnergy PA 2024-2028 USECP proceeding³⁴ that the public utility have a "maximum" CAP credit limit but customers who reach 80% of the maximum are referred to LIURP and not removed from CAP even if they exceed the credit limit provided the customer has accepted LIURP remediation. If a customer does not accept LIURP, they should stop receiving credits upon reaching 125% of the maximum. OCA further recommends defining maximum CAP credits using FPIG tiers based on heating or non-heating service. OCA further proposes that UGI increase any maximum CAP credits annually based on base rate or Price to Compare (PTC) increases. In the event of a decrease, OCA proposes the maximum CAP credit remain the same. OCA also recommends defining maximum CAP credit limits in terms of usage rather than dollars. OCA Comments at 13-19.

³⁴ See OCA Comments regarding the *FirstEnergy PA 2024-2028 USECP*, Docket Nos. M-2022-3036532 *et. al.* (filed June 20, 2023), at 20.

CAUSE-PA supports a focus on delivery of enhanced efficiency services to its high-usage customers. CAUSE-PA agrees with OCA that UGI should collect additional data and implement cost monitoring. CAUSE-PA adds that rather than imposing punitive maximum CAP credit limits, a comprehensive analysis of the causes of increased CAP costs and potential alternative cost control measures should be implemented if the Commission wants to address the issue of excessive CAP costs. CAUSE-PA continues to support UGI's focus on targeting high-usage CAP customers for enhanced efficiency services and education. CAUSE-PA Reply Comments at 3-4.

OCA opposes re-establishing a maximum CAP credit limit for UGI Electric. OCA asserts that any ceilings imposed should be based on FPIG tier, noting that some customers might reach the maximum CAP credit amount because they have a lower income and are using more of their credits. OCA cites a comparison of UGI Gas and Electric bills from 2019 through 2024 to demonstrate that CAP credits have increased commensurate with average bills. OCA notes that increasing enrollment in CAP will also increase CAP costs, but increased enrollment is consistently viewed favorably. OCA does not believe universal service programs should be funded no matter the cost but asserts that different causes for high CAP costs call for different responses specifically tailored to address these causes. OCA Reply Comments at 6-9.

OCA agrees with CAUSE-PA's assertion that the Commission should weigh the costs and benefits of adopting a maximum CAP credit prior to its adoption. OCA notes that as UGI Gas bills increased from 2019-2023, payment difficulties and average arrears also increased. OCA states that a ceiling on CAP credits may be appropriate in some circumstances but asserts that implementing controls on CAP costs, including the use of maximum CAP credits, would in turn create other costs. OCA Reply Comments at 9-10.

UGI disagrees with CAUSE-PA's recommendation to address underlying causes of unaffordability stating that there is no need for an alternative to maximum CAP credit limits since UGI does not have maximum CAP credit limits. UGI opposes OCA's recommendations arguing that they are far reaching, highly prescriptive, based on unsupported assumptions, and dependent on circumstances that may not occur. UGI states that implementation of these recommendations would be a costly administrative burden and adds that many of OCA's suggestions are not required by Commission regulations or orders. UGI Reply Comments at 26-27.

Resolution: The Public Utility Code requires the Commission to ensure that universal service programs are appropriately funded and available in each EDC service territory. 66 Pa. C.S. § 2804(9). The CAP Policy Statement recommends several types of control features to limit CAP costs. These control features include minimum payment requirements, maximum CAP credits, consumption limits, high-usage treatment, and establishing a payment-troubled criterion for CAP eligibility. 52 Pa. Code §§ 69.265(3)(i-v), (5). The parties appear to agree that implementing a maximum CAP credit limit would be detrimental to the success of UGI Electric's CAP customers. UGI maintains that its high-usage threshold, which provides energy education and LIURP referrals to high-usage CAP customers, is a more appropriate means of reducing the amount of CAP credits applied to UGI Electric CAP bills.

As noted by CAUSE-PA, UGI Electric's average annual CAP credits expenditures are consistent with those of other EDCs. However, UGI Electric is unique among the EDCs that offer CAPs because they have a much smaller residential ratepayer base from which to recover its CAP credit costs.³⁵ As shown in Table 2, UGI Electric's average

³⁵ EDCs with less than 60,000 residential customers are generally not required to administer ratepayer-funded universal service programs. UGI Electric, which had 55,308 residential customers in 2024, voluntarily began administering its CAP as part of a settlement agreement for its 1998 electric restructuring plan, which was approved by the Commission in an Order entered on June 19, 1998. 2024

monthly CAP costs per ratepayer are higher than those of other EDCs. This is the result of the lower number of residential ratepayers subsidizing these costs rather than an indication of above average CAP spending. As shown in Table 3, CAP costs recovered from UGI Electric ratepayers are projected to exceed \$17 per month by 2030, based on its current CAP and residential ratepayer levels.

Table 2
CAP Costs Recovered from EDC Ratepayers - 2024

	Total CAP Costs	Residential Ratepayers Paying CAP Costs	Monthly CAP Costs Recovered per Ratepayer
Duquesne*	\$43,140,698	511,830	\$7.02
Met-Ed**	\$26,599,615	520,972	\$4.26
PECO Electric**	\$148,388,901	1,535,532	\$8.05
Penelec**	\$29,867,516	500,409	\$4.97
Penn Power**	\$6,785,907	150,253	\$3.76
PPL**	\$126,519,852	1,267,686	\$8.32
West Penn**	\$25,733,284	634,376	\$3.38
UGI Electric*	\$6,167,476	50,360	\$10.21

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

** Recovers CAP costs from all residential ratepayers.

Source: 2024 USC Report at 90, CAP Credit Evaluation Report 2024 at 2.

Table 3
UGI Electric - Projected Monthly CAP Costs Recovered from Non-CAP Ratepayers 2026-2030

	2026	2027	2028	2029	2030
CAP Expenditures	\$8,852,945	\$9,226,504	\$9,615,826	\$10,021,576	\$10,444,446
Monthly cost per non-CAP Ratepayer	\$14.65	\$15.27	\$15.91	\$16.58	\$17.28

Based on 50,357 non-CAP residential UGI Electric customers. See Proposed 2026 USECP at 1-2.

USC Report at 84, *UGI Utilities, Inc.-Electric Division Opinion and Order*, Docket No. R-00973975 (Order entered on June 19, 1998), at 5. UGI began filing a joint USECP for its electric and gas companies beginning with its 2011-2013 plan.

UGI and CAUSE-PA argue that establishing UGI Electric’s previous CAP credit limits, adjusted for rate increases over time, could significantly increase the default and termination rate for UGI Electric’s low-income customers while saving ratepayers about \$0.42 per month, or approximately \$5 per year, as shown in Table 4. UGI estimates that approximately 714 customers would have exceeded those maximum CAP credit limit in 2024, which constitutes 15% of UGI Electric’s CAP participants during that year.³⁶

Table 4
UGI Electric Total Annual CAP Credit Costs per Ratepayer
with and without maximum CAP credit limits

Total CAP Credits	Total Amount in Excess of Calculated Max CAP Credit*	Average Number of Ratepayers Paying CAP Costs	Annual CAP Cost per Ratepayer Paying CAP Costs (no Max)	Annual CAP Cost per Ratepayer Paying CAP Costs (Max)
\$6,167,476	\$254,348	50,360	\$122.47	\$117.42

* This figure calculated from the Total Overall CAP Customer Impact of \$847,826 minus Estimated Impact of Bad Debt Expense of \$593,478.

Sources: Docket No. M-2019-3014966, *et al.* – Letter re CAP Credit Evaluation Reports (filed August 15, 2022); Revision to Letter Report (filed August 26, 2022); CAP Credit Evaluation Report 2022 (filed April 3, 2023); CAP Credit Evaluation Report 2023 (filed April 1, 2024); CAP Credit Evaluation Report 2024 (filed April 1, 2025); UGI Supplemental Information at 12.

It is important to recognize that CAPs help to reduce costs for all ratepayers, not just CAP participants. Specifically, CAPs reduce the amount of collection costs and uncollectible utility debt recovered from all ratepayer accounts by helping low-income customers avoid service terminations. Thus, reducing the CAP costs/benefits recovered from non-CAP ratepayers may not actually lead to a decrease in utility bills if utility collection costs and gross debt write-offs increase as a result of this change.

We agree with OCA and CAUSE-PA that more data is required to appropriately determine the cost control measure or measures most appropriate for UGI Electric’s CAP enrollees and the ratepayers paying the CAP costs. In particular, we find more data and

³⁶ UGI Electric reported 4,643 CAP customers in 2024. 2024 USC Report at 84.

tracking of UGI Electric's universal service and collections activity is needed to determine how its CAP and other universal service programs correlate with terminations, payment arrangements, and utility debt of confirmed low-income customers. We also agree with OCA that, in the interim, UGI should propose cost control measures if its annual budget amount increases by at least 20% or justify why no cost controls are needed.

Accordingly, we are not directing any new control measures for UGI Electric's CAP at this time. Beginning in 2027, UGI Electric shall annually file universal service and collections data consistent with the USRR at 52 Pa. Code § 54.75 and BCS' USRR Data Dictionary. This includes the USRR data due annually on April 1st. BCS shall include UGI Electric's data in the annual USC Report beginning with the 2026 report. We shall no longer require UGI Electric to file a CAP Credit Evaluation Report after its April 2026 filing which summarized CAP credit activity in 2025.³⁷

In addition, UGI Electric is directed to implement the following steps if its actual CAP costs exceed the projected budget for that year by greater than 20%:

- Notify all parties to the 2026 USECP by or before March and provide actual annual CAP cost information for the preceding year.
- Schedule a meeting with all related parties within 30 days of this notification to discuss the reason for the cost increase and whether new cost control measures are appropriate.
- File and serve a Petition at UGI's 2026 USECP dockets proposing additional cost control measures or a letter justifying why no cost control measures are needed.

³⁷ UGI filed its 2025 CAP Credit Evaluation Report on April 1, 2026 at Docket Nos. M-2019-3014966 and P-2020-3019196.

p. High-Usage Threshold

As discussed above, UGI currently uses a high-usage threshold to control costs in its CAPs. If the usage threshold is exceeded, UGI reviews the CAP account to determine potential reasons for high usage, provides energy education sessions, and, if applicable, refers the customer to LIURP. In the Proposed 2026 USECP, UGI proposes to lower its high-usage threshold control feature for its gas and electric CAP customers. The current and proposed annual high-usage threshold limits for the UGI companies are shown in Table 5.

Table 5
Annual High-Usage Thresholds for UGI Companies

Company	Current High-Usage Threshold	Proposed High-Usage Threshold	Percent Change
UGI Gas	2,356 Ccf	1,787 Ccf	-18.2%
UGI Electric	34,465 kWh	32,632 kWh	-5.3%

Source: 2020 USECP at 26 and Proposed 2026 USECP at 21-22.

UGI did not provide an explanation for the proposed reduction. In the July 2025 Order, the Commission directed UGI to provide an explanation for reducing its high-usage criteria. Additionally, UGI was directed to report:

- 1) The number of CAP customers for each company found to have exceeded the high-usage threshold from 2020 through 2023.³⁸
- 2) The number of CAP customers for each company that 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.

³⁸ LIURP Savings data is not available for two years following the program year.

- 4) The number of existing CAP customers that currently exceed UGI’s current high-usage thresholds and the number of existing CAP customers who would exceed the proposed high-usage thresholds.

July 2025 Order at 36-37.

UGI Response and Comments

UGI states that the high-usage thresholds were determined by identifying the top 5% of customers and then utilizing the data to establish high-usage criteria. UGI reported high-usage customer counts for 2021-2024, as shown in Table 6:

Table 6
CAP Customers Exceeding High-Usage Thresholds 2021-2024

	2021	2022	2023	2024
UGI Gas	644	502	513	592
UGI Electric	62	66	83	102

Source: UGI Supplemental Information at 12-13.

UGI states that it did not track the number of CAP customers who exceeded the high-usage threshold and were subsequently referred to LIURP prior to 2025. UGI reports that in 2025, 607 gas and 99 electric CAP customers exceeded the high-usage threshold and were all referred to LIURP. As of August 2025, 433 gas and 212 electric CAP customers exceed the current high-usage thresholds. UGI estimates that 1,890 gas and 261 electric existing CAP customers would exceed its proposed high-usage thresholds. UGI Supplemental Information at 13.

CAUSE-PA generally supports UGI’s proposal to reduce its high-usage threshold to allow more eligible households. CAUSE-PA states that high-usage customers should be able to access usage reduction services, therefore it is sensible to set the usage

threshold at a level where it may reasonably serve eligible customers. CAUSE-PA recognizes that not every home eligible for LIURP services can access those services. Therefore, an expanded pool of eligible customers can help ensure UGI fully utilizes its LIURP budget each year. CAUSE-PA Comments at 67.

CAUSE-PA expresses concern that if the Commission directs UGI to implement a maximum CAP credit policy, a reduction in the high-usage threshold for targeting LIURP services and education could compound the negative impacts of a maximum CAP credit limit by setting up more households to exceed the credit limit and thereby increase the risk of households facing collections and termination. CAUSE-PA recommends that if a maximum CAP credit policy is implemented, UGI should maintain separate, higher thresholds for the purpose of calculating credit limits. CAUSE-PA Comments at 67-68.

CAUSE-PA expresses further concern that a flat usage threshold could result in missing smaller residences and favor houses further north. CAUSE-PA observes that housing stock in UGI's service territory includes older homes and premises that have been converted to multiple apartment units adding that these units may not meet UGI's usage threshold but may still have extreme usage for the size of the residence. CAUSE-PA recommends establishing a tiered high-usage threshold based on square footage to better meet usage reduction needs. CAUSE-PA asserts that tiered usage thresholds will also address UGI's below industry average usage reduction percentages thereby improving UGI's return on its LIURP investments. In addition to disparities in residence sizes, CAUSE-PA notes that a flat usage threshold does not account for regional variances in weather and average temperatures. CAUSE-PA posits that a tiered usage threshold could also be a solution to these regional differences. CAUSE-PA Comments at 68-69.

UGI clarifies that it is only proposing to lower its high-usage threshold for CAP and not LIURP. UGI asserts that CAUSE-PA's concern regarding the impact on LIURP

benefits should a maximum CAP credit be imposed is unfounded and should be disregarded. UGI also disagrees with CAUSE-PA's recommendation to establish a tiered high-usage threshold based on square footage because UGI does not capture square footage until an energy audit for LIURP is conducted. UGI asserts that implementing this recommendation would require IT upgrades and pose a difficult administrative hurdle. UGI adds that no other utility program is required to account for regional variations in weather and average temperature and this is not a requirement in statute or policy. Therefore, UGI asserts CAUSE-PA's recommendations should be rejected. UGI Reply Comments at 28-29.

Resolution: UGI has partially addressed our initial questions by providing an explanation of how its high-usage thresholds were determined and providing data regarding its impact in 2025.

We agree with UGI that it would be a significant administrative burden for UGI to collect accurate square footage information for every residence that enrolls in CAP, as recommended by CAUSE-PA. Further, UGI is correct that no other public utility CAP is required to account for regional variations in universal service programs under Pennsylvania statute or regulation. Therefore, we are not persuaded to adopt CAUSE-PA's recommendation to require UGI to establish tiered high-usage threshold based on square footage or regional variations.

We agree with the parties that the reduced high-usage thresholds for UGI's CAPs will allow more gas and electric households to access energy education and receive LIURP referrals, which can lower annual energy usage and CAP costs. Additional tracking will assist in assessing the impact of these changes moving forward. Accordingly, UGI's proposal to lower its high-usage thresholds for its gas and electric CAPs is approved.

Additionally, UGI is directed to file and serve the following data at Docket Nos. M-2025-3054362 and M-2025-3054366 on February 1 each year, beginning in 2027, regarding CAP customers who met the high-usage threshold in the preceding calendar year:

- 1) The number of CAP customers for each company that exceeded the high-usage threshold.
- 2) The number of CAP customers for each company that exceeded the high-usage threshold who received energy education.
- 3) The number of CAP customers for each company that exceeded the high-usage threshold who were referred to LIURP.
- 4) The average percentage of energy reduction for high-usage CAP customers who received energy education.
- 5) The number of high-usage CAP customers removed from CAP for refusing to participate in LIURP.
- 6) The number of high-usage CAP customers removed from CAP for failing to reduce usage after receiving energy education.
- 7) The number of high-usage CAP customers removed from CAP for failing to reduce usage after receiving LIURP.

q. CAP Assistance and Continuation of Operations

Due to information in the 2024 APPRISE Impact Evaluation and a review of informal complaints from UGI CAP customers, the Commission expressed concerns that UGI and its CAP agencies are not fully trained or empowered to assist CAP or CAP-eligible customers. In the July 2025 Order, the Commission directed UGI to clarify whether it has developed procedures to ensure CAP and CAP-eligible customers can receive assistance by contacting either UGI or its CAP agency and, if necessary, be transferred to the correct representative who can best address their situation.

Additionally, the Commission directed UGI to clarify its contingency procedures, if any, on how it would continue CAP operations in the event of an emergency that makes the CAP agency unavailable, such as a cyberattack or an abrupt end to a contract. July 2025 Order at 37-38.

UGI Response and Comments

UGI states that it has developed procedures to ensure CAP customers can receive assistance by contacting either UGI or its CAP agencies. In the event of an emergency, UGI reports that it would process CAP applications in-house. UGI reports its contracts with its CAP agencies state that the agencies must give a 20-day notice to terminate a contract, which would give UGI the opportunity to start the process of contracting with another CBO. UGI Supplemental Information at 13.

CAUSE-PA asserts that without more detailed information, it is not possible to assess whether UGI's procedures are sufficient. CAUSE-PA states that a customer at risk of termination should not need to make multiple phone calls between multiple entities to access assistance. CAUSE-PA recommends that UGI provide further information regarding its procedures to ensure low-income customers can access assistance through CBOs. CAUSE-PA states that it appears that if a customer's service has already been terminated, the CBO cannot process an Operation Share grant and must send the customer back to UGI. CAUSE-PA contends that this extra step is a barrier to restoration of service and can lead to further consequences for customers. CAUSE-PA recommends that UGI streamline its procedures for issuing Operation Share grants to customers whose service has been terminated. CAUSE-PA also recommends that UGI should provide semiannual training and education for its CBO partners and UGI call center and intake staff to ensure all employees and contractors are well-equipped to provide consumers with clear, complete, and accurate information and referrals. CAUSE-PA Comments at 69-71.

OCA states that UGI's Supplemental Information did not give information on the procedures it uses to ensure CAP customers can receive assistance. OCA requests greater detail and asserts that this problem is compounded by separate requirements to enroll in CAP for UGI Gas and Electric. OCA recommends UGI adopt the recommendations from the 2024 APPRISE Impact Evaluation to 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." OCA further recommends that UGI expand this to include coordination between UGI Gas and Electric and UGI's CBOs. OCA Comments at 29-31, *citing* 2024 APPRISE Impact Evaluation at 82.

UGI clarifies that the issue raised in the 2024 APPRAISE Impact Evaluation referenced by CAUSE-PA summarized a concern from one agency about customers seeking information about a pending termination notice. UGI asserts that it should be a customer's first contact for terminations. UGI disagrees with CAUSE-PA's recommendation to streamline procedures for issuing Operation Share grants for customers whose service has already been terminated. UGI asserts implementing this recommendation would require IT enhancements and additional costs and adds that CBOs do not have the details necessary to assist with restoration of service. UGI Reply Comments at 30.

UGI states that while it is open to additional training for its CBOs, there is no indication that additional training is needed. UGI avers that additional training would be an administrative burden and adds that the Commission does not have the authority to direct the timing or frequency of trainings for employees or CBOs. UGI states that it will conduct additional USAC meetings that include its CBOs to discuss program trends and regulatory updates. UGI Reply Comments at 31.

UGI agrees with OCA's recommendations to develop training for its customer service representatives to address contacts from customers at risk of termination. UGI maintains that it has procedures in place for its call center and CBOs and includes information in termination notices. UGI disagrees with OCA's claim that there are separate enrollment requirements for UGI Gas and Electric with the exception of auto-enrollment for qualifying UGI Electric customers. UGI Reply Comments at 31-32.

Resolution: UGI has addressed our question about how CAP applications will be processed in emergency situations by explaining that the company will process CAP applications if a CAP agency cannot. We agree with UGI that the public utility should be a customer's first point of contact to address a service termination. However, a customer seeking to enroll in universal service programs should be able to receive prompt and thorough assistance whether they contact the public utility or its contracted agency. Accordingly, UGI is directed to clarify in its Revised 2026 USECP that customers can receive assistance with CAP-related issues by contacting either UGI or its CAP agencies.

We support UGI's proposal to develop training for its customer service representatives to address contacts from customers at risk of termination. Accordingly, UGI is directed to share this proposed process with its USAC within 12 months from the entry date of this Order. UGI is also directed to work with its USAC to discuss and review current training provided to both its CBOs and customer service representatives to ensure customers in need of universal service assistance are provided consistent information and service.

r. Service Restoration for CAP-Eligible Customers

This issue was not addressed by the Commission in the July 2025 Order.

In the Proposed 2026 USECP, UGI requires that, to be eligible for its CAP, a customer must have an active heating or non-heating residential account. Proposed 2026 USECP at 9.

UGI Response and Comments

CAUSE-PA asserts that this deviates from the Commission definition of “customer” at 52 Pa. Code § 56.2 and suggests that this means CAP enrollment is not sufficient to restore service to a customer whose service has been terminated in the last 30 days, even for customers who are new to CAP. CAUSE-PA expressed concern that customers are treated differently if their service has been terminated within the past 30 days. CAUSE-PA observes that of 15,280 households UGI identified without heating service in its most recent Cold Weather Survey in late 2024³⁹, 12,985 were restored by payment or some other means. CAUSE-PA reports that as of February 1, 2025, UGI had nearly 2,000 households without heat-related services. CAUSE-PA Comments at 120-122.

CAUSE-PA recommends UGI amend its USECP to allow all customers to qualify for CAP as a means of restoring service, even if they have been terminated within the last 30 days, provided all other program eligibility requirements are met. CAUSE-PA further recommends UGI develop outreach materials for terminated customers by informing them that service may be restored if they enroll in CAP, including instructions for enrollment. Lastly, CAUSE-PA recommends UGI coordinate with its USAC to develop these outreach materials. CAUSE-PA Comments at 122.

UGI maintains that an applicant must be an active customer to enroll in its CAP. UGI asserts that CAUSE-PA’s recommendation would require additional IT

³⁹ The 2024 Pennsylvania Cold Weather Survey can be viewed at: https://www.puc.pa.gov/media/3326/cold_weather_survey_results-2024v2.pdf.

enhancements and costs. UGI asserts that its policy of enrolling customers in CAP following reconnection is consistent with Commission regulations. UGI states that Commission regulation and policy does not dictate that a utility should allow a customer to qualify for CAP as a means of restoring service. UGI notes that it agreed to notify customers of the option to enroll in CAP as part of the July 2025 Rate Case Settlement adding that changes were implemented on October 26, 2025. UGI Reply Comments at 73-74 *citing* July 2025 Rate Case Settlement at 22, ¶67(c).

Resolution: 52 Pa. Code § 56.191(c)(2)(iv) allows for full payment of a reconnection fee along with a 24-month payment arrangement of an outstanding balance. While CAP is not a payment arrangement or amortization of an outstanding balance, permitting a customer to defer their arrearages via CAP is consistent with Commission regulations which do not require full payment of arrearages as a condition for reconnection of service unless a customer or applicant under 300% of the FPIG has defaulted on two or more prior payment arrangement requests (PARs).⁴⁰

The Commission has previously required a public utility to allow customers to enroll in CAP to restore service. In the Peoples 2019-2024 USECP proceeding, the Commission found it unreasonable to impose payment requirements for service restoration for CAP-eligible customers and applicants who would be enrolling in CAP for the first time. The Commission directed Peoples to allow CAP-eligible customers to obtain restoration of service without requiring an arrearage payment if the customer is enrolling in CAP for the first time. The Commission further directed Peoples to treat the outstanding balance as PPA.⁴¹ Additionally, the Commission approved PECO's current process of allowing eligible customers who have never previously enrolled in CAP to

⁴⁰ 52 Pa. Code § 56.191(c)(2)(i).

⁴¹ *See Peoples Gas 2019-2024 USECP Order*, Docket Nos. M-2018-3003177, *et al.* (Order entered May 12, 2022), at 52-53.

enroll in the program as a means of restoring service and deferring the balance owed as PPA.⁴²

As noted by CAUSE-PA, a customer is defined, *inter alia*, as a person who, within 30 days after service termination or discontinuance of service, seeks to have service reconnected at the same residence or another residence within the public utility's service territory. 52 Pa. Code § 56.2 (relating to definitions). It is reasonable that eligible customers whose utility service has been terminated within the past 30 days should be offered the same opportunity to enroll in CAP and have their balance deferred for PPA forgiveness the same as any customer with an active service. Accordingly, UGI is directed to permit all eligible customers to enroll in CAP as a means of restoring service, even if they have had service terminated within the past 30 days, if they meet all other program and restoration requirements. UGI is also directed to allow eligible customers who have never participated in CAP to restore service by enrolling in the program and deferring any balance owed for PPA forgiveness. UGI shall clarify these revised eligibility and restoration policies for CAP customers in its Revised 2026 USECP.

While paragraph 67(c) of the July 2025 Rate Case Settlement does address updating customer communications and call center scripts to inform customers of CAP, it does not specifically address outreach to terminated customers. Accordingly, UGI is further directed to work with its USAC to review its CAP outreach and determine how to expand existing outreach and communications to inform recently terminated customers of the option to enroll in CAP to restore service and receive PPA forgiveness, if applicable, within 12 months from the entry date of this Order.

⁴² See *PECO 2019-2028 USECP*, Docket No. M-2018-3005795 (filed on October 30, 2023), at 9.

s. Protections for Victims of Domestic Violence

This issue was not addressed by the Commission in the July 2025 Order.

In the Proposed 2026 USECP, UGI states that “all customers who provide UGI with a copy of a Protection from Abuse (PFA) order are handled by the smaller number of CARES representatives for specific program referrals and payment options.”

Proposed 2026 USECP at 7.

UGI Response and Comments

CAUSE-PA supports referring victims of domestic violence to UGI’s CARES team. CAUSE-PA recommends that UGI explicitly clarify in the Proposed 2026 USECP that PFAs and “other court orders issued in the Commonwealth that provides clear evidence of domestic violence” are accepted. CAUSE-PA further recommends that UGI also clarify its process for retention of PFAs and other orders, as well as for monitoring these accounts. CAUSE-PA specifically suggests that UGI mark accounts with the requisite protections and provide enhanced privacy protections on the accounts, such as limiting access to account information and password protections. Lastly, CAUSE-PA recommends that UGI provide specialized training for the employees responsible for survivor engagement. CAUSE-PA suggested UGI contact the Pennsylvania Coalition Against Domestic Violence (PCADV) for trainings. CAUSE-PA Comments at 123-124.

UGI states that its processes relating to PFAs are adequate to protect customers and it complies with Commission regulations regarding those with PFAs. UGI asserts that CAUSE-PA’s recommendations go beyond what is required by Commission regulations and would need to be addressed as part of a separate rulemaking process. UGI adds that, when a PFA is created, it provides the customer with information on

obtaining a new account number and protecting the account with a password. UGI Reply Comments at 74-75.

Resolution: 52 Pa. Code Chapter 56 Subchapters L—V set forth provisions for victims of domestic violence who have a PFA or court order which provides clear evidence of domestic violence. Specifically, Commission regulations require utilities to provide, *inter alia*, “special protections” for domestic violence victims. 52 Pa. Code § 56.91(b)(11). As noted above, UGI proposes special handling for “customers who provide UGI with a copy of a PFA Order,” but does not clarify that it will also accept a court order issued by a court of competent jurisdiction in this Commonwealth which provides clear evidence of domestic violence, consistent with the provisions of 52 Pa. Code § 56.251. Accordingly, we direct UGI to add this clarification to its Revised 2026 USECP.

Additionally, we find merit in seeking to improve existing processes and training in handling cases of domestic violence, as recommended by CAUSE-PA. We encourage UGI to explore ways it can improve PFA customer tracking as part of its planned COS upgrade. UGI is further directed to consult with its USAC within 12 months from the entry date of this Order on its current processes and training for handling PFA customers who apply for universal service programs.

t. Application of CAP Credits

This issue was not addressed by the Commission in the July 2025 Order.

In the Proposed 2026 USECP, UGI reports that CAP credits are only issued when a customer makes a complete payment toward their CAP bill. Customers have up to 109 days after termination to pay the catch-up amount. UGI also states that a customer must

make up all missed CAP payments or the full balance when appropriate to be reinstated into CAP. Proposed 2026 USECP at 21, 25-26.

UGI Response and Comments

OCA questions whether a UGI CAP customer who is removed from the program or has service disconnected will owe the CAP bill or the entire bill with no CAP credit applied. OCA believes that CAP credits should not be contingent upon a customer payment and should be applied every month, not just retroactively upon a full payment or catching up on all missed payments, even in cases of reinstatement. OCA requests that UGI clarify how it applies CAP credits and recommends UGI modify how it applies CAP credits. OCA Comments at 52-53.

UGI states that it only applies PPA and CAP credits when a full CAP payment is posted. UGI does not see a reason to alter the timing of these credits without regulatory requirement and adds that doing so would require IT reconfiguration and lead to increased customer confusion. UGI Reply Comments at 43-45.

Resolution: UGI is the only NGDC or EDC to apply CAP credits after a payment has been made. While the CAP Policy Statement recommends making PPA forgiveness contingent upon monthly payments,⁴³ the Commission has never recommended applying CAP credits to a balanced owed only after receipt of a customer payment. Most public utilities have applied CAP credits at the time of billing or have modified their program to do so. In the Peoples 2015-2018 USECP proceeding, the Commission approved Peoples' proposal to apply CAP credits upon issuance of CAP bills, not upon payment.⁴⁴ We share OCA's concerns that UGI's current application of CAP credits could result in CAP

⁴³ 52 Pa. Code § 69.265(8)(ix).

⁴⁴ See *Peoples 2015-2018 USECP Order*, Docket No. M-2014-2432515 (Order entered December 17, 2015), at 11.

customers whose service is terminated receiving a final bill based on the full tariff rate for the time period spent in CAP. Accordingly, as part of its planned COS upgrade, UGI is directed to modify its processes to apply CAP credits at the time of billing instead of after a payment has been made.

u. Minimum Payment Amount

In the Proposed 2026 USECP, UGI proposed adjusting its minimum payment amounts to \$30 for electric heating accounts, \$25 for gas heating accounts, and \$15 for electric non-heating accounts. Proposed 2026 USECP at 19.

UGI Response and Comments

OCA states that it is concerned about the minimum bill amounts. OCA recommends the minimum bill for UGI Electric non-heating customers be reduced to \$10. OCA also recommends the minimum bill for UGI Gas heating customers be reduced to \$20 so that the sum of natural gas heating and electric non-heating is equal to the \$30 minimum bill UGI has proposed for electric heating customers. OCA Comments at 38

UGI claims it would require additional IT programming to apply OCA's recommendation to customers who receive both gas and electric service. UGI asserts that if customers have separate service utilities, they will incur two separate charges and must pay for what they use. UGI believes this is a ratemaking issue that should be addressed in a base rate case. UGI Reply Comments at 75.

Resolution: While Commission regulations direct the use of minimum payment amounts as a cost control measure for CAP programs,⁴⁵ the Commission has not previously required a public utility to use specific minimum payment amounts. Further, the Commission has permitted a public utility to establish minimum payment amounts that are different for dual-commodity customers when compared to single commodity customers. Specifically, PECO currently charges a minimum CAP bill amount of \$20 for gas heating, \$20 for electric heating, and \$10 for electric non-heating. This results in PECO dual-commodity CAP customers paying a total minimum bill amount of \$30; \$10 higher than the minimum bill for single commodity/electric heating customers.⁴⁶ Accordingly, we are not persuaded to direct any changes to UGI’s minimum bill requirements in its Proposed 2026 USECP.

v. *Customer Education and Outreach Plan (CEOP)*⁴⁷

In the July 2025 Order, the Commission directed UGI to provide the following clarifications and information related to its CEOP initiatives:

- Indicate which CEOP initiatives are new (*i.e.*, implemented in 2021 or later) and which initiatives represent existing practices to help its most vulnerable customers (*e.g.*, at or below 50% of the FPIG, Limited English Proficiency (LEP), etc.).
- Explain how it educates customers on how to determine their own “household energy burden” to help encourage interest and participation in CAP and stimulate actions for energy conservation in the household.

⁴⁵ See 52 Pa. Code § 69.265(3)(i) (relating to CAP design elements).

⁴⁶ *PECO 2019-2028 USECP*, Docket No. M-2018-3005795 (filed on October 30, 2023), at 4.

⁴⁷ The CAP Policy Statement recommends that a public utility develop and incorporate a CEOP as part of its USECP which identifies, *inter alia*, (1) information on benefits and responsibilities of CAP participation and the importance of energy conservation; (2) efforts to educate and enroll eligible and interested customers with incomes at or below 50% of the FPIG; and (3) resources, services, and translated materials available to those customers who are of Limited English Proficiency. 52 Pa. Code §§ 69.265(8)(i) and 69.265(8)(vi).

- Explain if targeted education and outreach to landlords is tracked and, if so, whether it has resulted in increased participation of rental properties in LIURP.

July 2025 Order at 40.

UGI Response

UGI states that its CEOP initiatives are primarily all new, but noted that links to the assistance webpages, LIHEAP news release, welcome packet, ebill information, social media posts, and CAP recertification letter are not new.⁴⁸ UGI notes that its marketing focuses on CAP benefits, such as PPA forgiveness and lowered payments, but does not focus on energy burden messaging. UGI also reports that it is not providing targeted education or outreach to landlords about the benefits of LIURP. UGI Supplemental Information at 14.

Comments

We have summarized the stakeholder comments based on the different issues raised related to the CEOP below. We will, however, collectively address these issues in the resolution.

Incorporate July 2025 Rate Case Settlement

CAUSE-PA notes that the CEOP does not incorporate all the outreach and education provisions approved in the July 2025 Rate Case Settlement. CAUSE-PA asserts that these outreach and education enhancements will provide a greater focus on

⁴⁸ Proposed 2026 USECP, Appendix H, at Exhibits 2-4, 7-8, and 15.

specific populations while providing data necessary to assess and improve outreach further. CAUSE-PA Comments at 73-74.

UGI agrees with CAUSE-PA that its CEOP should be amended to incorporate the provisions agreed upon in the July 2025 Rate Case Settlement. UGI Reply Comments at 41.

Targeting Disconnecting Customers for CAP

OCA notes that during UGI’s 2025 Rate Case proceeding, Roger Colton⁴⁹ testified regarding the number of confirmed low-income customers disconnected and reconnected by year are as follows:

Table 7
Reconnection Rate – 2021-2024

	Disconnections	Reconnections	Reconnection Rate
2021	2,197	1,090	50%
2023	2,968	963	32%
2024	3,446	2,884	84%

Source: OCA Comments at 33, *citing* Statement 4 at 36, Docket No. R-2024-3052716.

OCA recommends that UGI target disconnected confirmed low-income customers for CAP enrollment. OCA Comments at 33.

UGI reports that its CEOP includes information on its CAP solicitation efforts containing standard language that can be used for multiple items. UGI states OCA’s

⁴⁹ 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. OCA Comments, Fn 1.

recommendation had been addressed through the July 2025 Rate Case Settlement, in which UGI agreed to develop training materials for its field representatives about making personal contact with customers prior to disconnection and also agreed to consult with stakeholders regarding these training materials.⁵⁰ UGI avers that additional efforts would necessitate full and current cost recovery through its Universal Service Programs (USP) Rider. UGI Reply Comments at 35-36.

Landlord/Tenant Targeted Outreach

CAUSE-PA recommends that in addition to incorporating the provisions from the July 2025 Rate Case Settlement, UGI should consult with its USAC to expand its CEOP to include targeted outreach for landlords, landlord associations, housing providers, and public housing authorities related to LIURP and weatherization services. CAUSE-PA also recommends targeted outreach and education for tenants through community trainings and targeted outreach materials. CAUSE-PA Comments at 74.

OCA supports CAUSE-PA's recommendations for targeted outreach to landlords and tenants and integration of commitments from the July 2025 Rate Case Settlement. OCA Reply Comments at 11.

Regarding CAUSE-PA's recommendation to expand UGI's CEOP to include engagement with landlords and tenants to help increase LIURP participation by tenant-occupied households, UGI states that tenants are already included in targeted LIURP outreach if their name is on the account. UGI adds that it is unwilling to commit to additional LIURP outreach at this time as it would require new processes with corresponding training and administration. UGI asserts that CAUSE-PA has not

⁵⁰ July 2025 Rate Case Settlement at 26, ¶84.

provided analysis or data to support its recommendation and the Commission should reject it. UGI Reply Comments at 41-42.

UGI avers that it has worked with landlord associations and similar agencies as recommended by CAUSE-PA but has not seen substantive results from these interactions. UGI asserts that additional costs, coordination, and meetings would be required to involve stakeholders with minimum benefit. UGI Reply Comments at 42.

In response to CAUSE-PA's recommendation to target outreach to tenants through community trainings and targeted outreach materials, UGI reiterates that tenants already receive universal service program messaging if the account is in the tenant's name. UGI Reply Comments at 42.

We note that UGI has committed to developing and implementing a targeted outreach plan for the LIURP Rehabilitation Program, including targeted outreach to local landlord associations, housing providers, and public housing authorities. UGI is also required to track and report these efforts annually. We find this approach sufficient to facilitate providing program information to both landlords and tenants.

Incorporate 2024 APPRISE Impact Evaluation Issues

OCA recommends that UGI incorporate findings from the 2024 APPRISE Impact Evaluation into its CEOP as discussed below. OCA notes that APPRISE found participation in CAP reduces disconnections and collection activity. OCA further notes that APPRISE recommended specific information to consider as part of UGI's CEOP development. APPRISE also recommended that UGI assess how it can increase its outreach to improve CAP awareness. OCA Comments at 31-33, *citing* the 2024 APPRISE Impact Evaluation at ii, iv-vii, xi.

UGI states that OCA's recommendations based on the 2024 APPRISE Impact Evaluation are already incorporated into its CEOP. UGI reiterates that there is no cost recovery mechanism for CAP advertising and states that its current marketing is sufficient. UGI notes that APPRISE found that UGI had significantly increased its CAP marketing efforts.⁵¹ UGI states it is willing to modify its CAP letters to include programs available through other agencies. UGI Reply Comments at 33-35.

New/Moving Customers

OCA recommends that UGI increase CAP outreach to customers who are applying for service or moving. OCA asserts that providing outreach only at a time of crisis does not increase the likelihood that a customer may take action to gain future benefits. Customers instead focus on resolving the immediate crisis (*i.e.*, disconnection). OCA notes that in the Recommended Decisions (RD) in Columbia's 2025 base rate proceeding,⁵² the Administrative Law Judge (ALJ) recommended that Columbia:

- (a) Screen all new and moving customers for income level at time service is established and offer information about income qualified programs;
- (b) Screen existing customers for income level and income updates during non-emergency calls; and
- (c) Develop a process for routine income screening through Columbia's online account portal.

The ALJ further recommended referring customers determined to be income eligible to CAP and other universal service programs. The Commission adopted the RD by Order entered December 9, 2025. OCA recommends that the Commission consider

⁵¹ 2024 APPRISE Impact Evaluation at viii.

⁵² Pa. PUC v. Columbia Gas of Pennsylvania, Docket No. R-2025-3053499, Recommended Decision at 549-550 (Oct. 3, 2025).

requiring UGI to adopt a similar screening and referral process for new and moving customers. OCA Comments at 36-38.

UGI avers that OCA's recommendation to include greater outreach to new or moving customers is already covered by the welcome packet included in its CEOP. UGI adds that it committed to adding universal service program information to its new customer welcome packet as part of the July 2025 Rate Case Settlement.⁵³ In the event of a customer moving to a new premises, UGI conducts a credit check. UGI states that it will send a security deposit waiver letter if a customer fails a credit check and says they cannot pay the security deposit. UGI notes that per the July 2025 Rate Case Settlement it has modified the security deposit waiver letter consistent with 52 Pa. Code § 56.32(e) regarding security and cash deposits.⁵⁴ UGI Reply Comments at 40.

UGI disagrees with OCA's recommendation to develop a script for screening new customers for low-income status, arguing that this would require screening all customers and non-emergency calls and could be perceived as intrusive while also increasing call times and overburdening call center staff. UGI asserts that OCA has included no analysis or calculations of the additional call times, resources, or administrative efforts this recommendation would require and recommends that OCA's recommendation be rejected. UGI Reply Comments at 40-41

Informed Consent (CAP and PPA Forgiveness)

OCA recommends that UGI provide a notice and procedures to contact confirmed low-income customers who accrue an unpaid balance of \$500, are seeking to establish a Payment-Arrangement Request (PAR), or are at risk of having service disconnected. OCA asserts UGI should inform these customers of the benefits of CAP, particularly the

⁵³ July 2025 Settlement at ¶45.

⁵⁴ July 2025 Settlement at ¶65(a).

PPA forgiveness program benefit. If the customer expresses interest in enrolling in CAP during a pre-disconnect contact, OCA recommends that UGI postpone disconnection to allow time to complete and process the CAP application. OCA further recommends that UGI develop this notice and procedure with its USAC. OCA Comments at 33-35.

OCA further recommends that UGI should only provide confirmed low-income customers with a PAR if the customer provides informed consent that they know the benefits of enrolling in CAP instead, including that CAP provides arrearage forgiveness rather than amortization. OCA calculates that approximately 80% of customers with a PAR from 2022-2023 receive the designation “payment troubled,” indicating that they defaulted on one or more payment arrangements in a 1-year period. OCA asserts that there is legal precedent for requiring informed consent for customer decision-making, noting that the Commission directed Columbia to obtain informed consent before applying a refunded security deposit to the account balance.⁵⁵ OCA also states that there is statutory basis for requiring informed consent from confirmed low-income customers before issuing a PAR, citing 66 Pa.C.S. § 1303, which requires public utilities to charge customers the most advantageous rate. OCA avers that confirmed low-income customers should not be required to pay arrearages through a PAR when they could have those arrears forgiven through CAP. OCA Reply Comments at 11-14.

UGI asserts that it has already agreed in the July 2025 Rate Case Settlement to update customer dunning communications and credit call center scripts to inform qualifying customers of the option to enroll in CAP and obtain arrearage forgiveness as recommended by OCA.⁵⁶ However, UGI commits to adding this information to its 10-day notices, soft notices, and door hangers as well. UGI Reply Comments at 35.

⁵⁵ See *Columbia Gas 2024-2028 USECP Order* (Columbia Gas 2024 USECP Order), Docket No. M-2023-3039487 (Order entered on April 4, 2024), at 30-31.

⁵⁶ July 2025 Rate Case Settlement at ¶ 67(c).

UGI states that it sends a soft letter with plain language to customers with a past-due payment providing the option to enroll in CAP and receive PPA forgiveness, including instructions for enrollment, consistent with the July 2025 Rate Case Settlement. UGI also includes this language in call center scripts. UGI avers that this process addresses OCA's concerns about providing a plain language explanation of how CAP enrollment would impact the customer's bill. UGI Reply Comments at 36-38.

UGI also notes that in the July 2025 Rate Case Settlement it agreed to implement written communication to confirm the terms of PARs following verbal agreement by the customer, beginning April 1, 2026.⁵⁷ UGI asserts that this addresses OCA's argument that UGI should only allow PARs for confirmed low-income customers with the customer's informed consent. UGI Reply Comments at 37.

UGI asserts that OCA's proposal to provide notice to confirmed low-income customers informing them of the option to enroll in CAP and arrearage forgiveness upon accruing an unpaid balance of \$500 would require additional IT programming and is not necessary based on the communications included in its CEOP. UGI Reply Comments at 38.

Limited English Proficiency

OCA questions whether UGI's proposed outreach for LEP customers is achieving its objectives and recommends that UGI comply with the Fair Housing Act's (FHA) LEP guidelines, which requires translation of vital documents when a language group makes up 5% of the population.⁵⁸ OCA recommends UGI take an inventory of non-English languages spoken by at least 1,000 people in its service territory and provide this information in its CEOP within six months of the issuance of a final Order in this

⁵⁷ July 2025 Rate Case Settlement at ¶ 87.

⁵⁸ OCA Comments at 35, *citing* 72 FR 2732.

proceeding. OCA further recommends UGI work with interested stakeholders to identify and maintain a list of vital documents that should be translated into the identified non-English languages. Lastly, OCA recommends that UGI make pages available through its website and Interactive Voice Response (IVR) system where these translated documents can be accessed. OCA Comments at 35-36.

UGI reports that its CEOP includes resources in Spanish, as well as a Spanish-language CAP application. UGI adds that its Low Income Assessment Pilot provided a landing page for customers determined eligible for CAP, as well as emails and postcards for the target audience. UGI asserts it would need full and total cost recovery to implement translation services for all languages. UGI Reply Comments at 34.

UGI claims that OCA's recommendation to look to FHA's LEP guidelines relating to providing translations of "vital documents" is not acceptable because UGI is not subject to FHA requirements and the Commission does not have jurisdiction to enforce these requirements. UGI agrees with the importance of having translated resources available but asserts that UGI is in compliance with Commission regulations and existing obligations under its base rate cases and adopting further requirements as recommended by OCA would be overly burdensome. UGI Reply Comments at 38-39.

Resolution: UGI has addressed our initial question by clarifying which of its CEOP initiatives are new and by clarifying that it does not currently focus on energy burden messaging for customers or provide targeted education or outreach to landlords relating to the benefits of LIURP. While we are directing some changes and noting areas for follow-up, as specified below, the Commission accepts UGI's first CEOP as a starting point.

We direct UGI to note in its Revised 2026 USECP that its CEOP reflects an evolving process that will be modified and enhanced as needed within the duration of the

2026 USECP. Also, beginning in 2027 and for the duration of its 2026 USECP, UGI shall file and serve, by March 1st at Docket Nos. M-2025-3054362 and M-2025-3054366, annual updates to its CEOP and include outreach and education actions taken.

We agree with all parties that the education and outreach provisions in the July 2025 Rate Case Settlement should be incorporated into UGI's CEOP. Accordingly, UGI is directed to include the relevant July 2025 Rate Case Settlement provisions into its CEOP:

Regarding OCA's recommendation that UGI target CAP outreach to disconnected customers, we agree with UGI that this issue has been addressed in the July 2025 Rate Case Settlement. Under the settlement provisions, UGI shall develop training materials for its field representatives about making personal contact with customers prior to disconnection and will consult with stakeholders regarding these training materials.

In response to CAUSE-PA's recommendation that UGI provide targeted outreach and education for tenants, we note that UGI has committed to developing and implementing a targeted outreach plan for the LIURP Rehabilitation Program, including targeted outreach to local landlord associations, housing providers, and public housing authorities. UGI is also required to track and report these efforts to its USAC, annually. We find this approach sufficient to facilitate program information to both landlords and tenants. Further, UGI's annual CEOP reporting obligation provides an opportunity for UGI to identify effective strategies and areas for improvement. It also provides an opportunity for UGI to obtain input from its USAC on ways to improve its tenant and landlord outreach and incorporate those recommendations into its CEOP update, as appropriate.

We find that UGI has already incorporated many of the recommendations from the 2024 APPRISE Impact Evaluation. This includes increasing outreach and awareness and

making more materials available in Spanish.⁵⁹ We support UGI's proposal to modify its CAP letters to include information on programs available through other agencies. We further support UGI's proposal to add communications regarding CAP enrollment and PPA forgiveness to 10-day notices, soft notices, and door hangers. Accordingly, UGI is directed to incorporate these changes into its CEOP.

We are not persuaded to require UGI to adopt an income screening process for new and moving customers at this time, as recommended by OCA. We find UGI has a process to educate new customers about its universal service programs as UGI has agreed to provide this information in welcome packets sent to new customers as part of the July 2025 Rate Case Settlement. However, UGI does not appear to have a process in place to educate customers who move about available universal service programs. UGI's process of conducting credit checks and waiving security deposits for customers who transfer service to a new residence does not appear to include any universal service education or outreach. Accordingly, UGI is directed to provide information on its universal service programs in written communication to customers who request transfer of service to a new residence and include this procedure in its Revised 2026 USECP. UGI shall consult with its USAC within 12 months from the entry date of this Order to review the text of this information.

We agree with OCA that confirmed low-income customers should be offered an opportunity to enroll in CAP before establishing a PAR. UGI has agreed to update customer dunning communications and credit call center scripts to inform confirmed low-income customers of the option to enroll in CAP and obtain arrearage forgiveness in its July 2025 Rate Case Settlement. We find this process provides sufficient opportunities for customers to make an informed choice on whether to enroll in CAP before establishing a PAR on a past-due balance.

⁵⁹ Proposed 2026 USECP, Appendix H, at 2-8. 2024 APPRISE Impact Evaluation at xi.

We agree that UGI should provide, at a minimum, descriptions of its available programs and universal service applications in other languages, as necessary. The LIURP regulations, which became effective on December 13, 2025, require public utilities to provide LIURP outreach in a language other than English when census data indicates that 5% or more of the residents in the public utility's service territory are using the other language. The regulation also requires public utilities to consult with its USAC at least annually to identify other language needs in its service territory.⁶⁰ UGI must comply with these provisions by or before December 13, 2026. Having additional language options available for program information and applications is a good first step towards assisting LEP customers access UGI's universal service programs. Although we are not requiring UGI to translate all of its outreach and education material into multiple languages, it should have a written description of its universal service programs and applications available in languages used in its service territory. Accordingly, UGI is directed to make written notices explaining its universal service programs and applications for its programs available in any language determined appropriate under its obligations regarding 52 Pa Code § 58.9. UGI shall file and serve copies of these documents at Dockets M-2025-3054362 and M-2025-3054366 within 12 months from the entry date of this Order.

Finally, we direct UGI to consult with its USAC and the Commission's Office of Communications when updating and enhancing its CEOP each year. UGI shall consult with its USAC to, *inter alia*, develop ways to incentivize customers to embrace household conservation efforts and ways to increase enrollment in universal service programs. Specifically, as part of the first annual filing, we direct UGI to:

⁶⁰ LIURP regulations at § 58.9.

- Include more educational training webinars and workshops using virtual or hybrid and in-person events to keep community partners and interested stakeholders informed and updated about universal service programs.
- Broaden its outreach to effectively connect with household incomes at or below 50% of the FPIG. This should include a description of planned approaches, partnerships, and tools to support this targeted engagement and efforts.
- Begin to incorporate specific tools, structured approaches, and targeted outreach activities that focus on energy-burden education for future CEOPs.
- At a minimum, work to create clear educational information and materials about household energy burdens – including its definition, how it is calculated, and why it is important – and center messaging to encourage greater awareness of affordability.
- Offer additional education and outreach events throughout the service territory led by staff from UGI.
- Provide additional measurable data for WARM events including the number of events, CAP enrollment impact, and the communities targeted.

w. Consumer Education Materials

In the July 2025 Order, the Commission noted inconsistencies between education documents presented at Appendix H and the eligibility information detailed in other sections of the Proposed 2026 USECP. The Commission directed UGI to update the LIURP income-eligibility criteria in Appendix H, Exhibit 9, to reflect the current LIURP income criteria and revise any other outreach and education material in Appendix H that was inconsistent with program policies and procedures in its Proposed 2026 USECP. July 2025 Order at 40-41.

UGI Response and Comments

UGI provided an updated copy of the current insert outlining income criteria that it distributes with its universal service program brochure. UGI states that it will provide the updated copy of the universal service program brochure once it has been revised to include content pending approval in the July 2025 Rate Case Settlement. UGI Supplemental Information at 14, Exhibit 4.

CAUSE-PA observes that the updated outreach materials UGI provided appear to be consistent with universal service program eligibility criteria. Comments at 74-75.

Resolution: UGI has addressed our initial request by providing the current insert that outlines income criteria that UGI distributes with its Universal Service Program brochure. However, it is not clear whether UGI intends to ensure all consumer education materials will include income criteria where appropriate. In addition to the Universal Service Program Brochure that UGI has noted it will be updating, we also recommend UGI include income criteria on the “Boots on the Ground” handout⁶¹, and the one-page insert included with UGI’s Conservation Packet.⁶²

2. LIURP

The July 2025 Order identified areas of concern with UGI’s LIURP requiring clarification, which are detailed below, along with UGI’s response, stakeholder comments/reply comments, and our resolution on the matters.

⁶¹ Proposed 2026 USECP, Appendix H, Exhibit 19.

⁶² Proposed 2026 USECP, Appendix H, Exhibit 13.

a. LIURP Eligibility Criteria

In the July 2025 Order, the Commission directed UGI to explain the basis of removing the provision that eligible customers with gross household income at or below 150% of the FPIG could qualify for LIURP from the Proposed 2026 USECP. Further, the Commission directed UGI to clarify if it serves “special needs customers” with household income between 151% and 200% of the FPIG. If so, UGI was directed to clarify its definition of the term “special needs customer” regarding LIURP eligibility and explain its guidelines for using up to 20% of its LIURP budget on providing services to “special needs customers” with household income between 151% and 200% of the FPIG if such customers were eligible for LIURP. July 2025 Order at 43-45.

UGI Response and Comments

UGI states that it inadvertently excluded the provision that customers at or below 150% of the FPIG are eligible for LIURP and will update this language in its Revised 2026 USECP. UGI reports that it offers LIURP to all UGI Gas customers in the 151-200% of the FPIG and uses up to 20% of its UGI Electric LIURP budget to offer LIURP to all UGI Electric customers (including special needs) in the 151-200% of the FPIG. UGI states that it will add a definition of “special needs customer” in its Revised 2026 USECP. UGI asserts that it does not differentiate between special needs and non-special needs customers when using 20% of its Electric LIURP budget. UGI notes that it will comply with any final regulations lawfully adopted and promulgated pursuant to the LIURP Rulemaking proceeding at Docket No. L-2016-2557886. UGI Supplemental Information at 15.

CAUSE-PA agrees that UGI’s Proposed 2026 USECP should be amended to specifically state that customers between 0-150% of the FPIG are eligible for LIURP and add its definition of “special needs customer.” CAUSE-PA recommends UGI include the

specific categories of “special needs customer” delineated in the LIURP Rulemaking, including household members age 62 and over or five and under, or who have a disability or PFA order or other court order containing clear evidence of domestic violence. CAUSE-PA asserts that special needs populations tend to have higher home energy burdens because they are more likely to be homebound due to a reliance on medical equipment or a requirement for a stable temperature in the home. Further, CAUSE-PA asserts that by explicitly excluding an arrearage requirement for “special needs customers,” UGI helps ensure reduction services are available to uniquely vulnerable households. CAUSE-PA recommends that the Commission require UGI to track and report various LIURP data by FPIG tier and separately indicate data for special needs households to help ensure UGI, the Commission, and stakeholders can more effectively evaluate how well UGI’s LIURP is reaching eligible households across FPIG tiers. CAUSE-PA Comments at 77-79.

UGI agrees with CAUSE-PA’s recommendation to include the criteria for “special needs customers” in the revised LIURP regulations as its definition of “special needs customers” and make the definition flexible by stating that the list is not exhaustive. UGI states that it cannot commit to tracking various LIURP data by FPIG tier and separately indicate data for special needs customers. UGI avers that doing so would require IT enhancements and change how FPIG data is currently tracked. UGI recommends the Commission reject CAUSE-PA’s additional reporting recommendation. UGI Reply Comments at 45-46.

Resolution: UGI has addressed our initial question by clarifying that eligible customers with gross household income at or below 150% of the FPIG qualify for LIURP. UGI has also clarified that it offers LIURP to all UGI Gas customers in the 151-200% FPIG tier and uses up to 20% of its UGI Electric LIURP budget to offer LIURP to all UGI Electric customers (*i.e.*, special needs and non-special needs) in the 151-200% FPIG tier. We support UGI’s proposal to add a definition for “special needs customers” in its Revised

2026 USECP that will include the recommended categories of special needs customers defined in the LIURP regulation,⁶³ as recommended by CAUSE-PA.

We find merit in CAUSE-PA’s recommendation to require UGI to separately track and report LIURP data by FPIG tier and separately indicate data for special needs customers. The LIURP regulations, which became effective on December 13, 2025, require public utilities to track eligible customers by FPIG tier, including the total number and costs of special needs households served, if applicable, and file the data at its current USECP docket each year by April 30th.⁶⁴ Compliance with this provision of the LIURP regulations is required within 12 months of its effective date (*i.e.*, by December 13, 2026).

Accordingly, UGI is directed to add language which clarifies that customers at or below 150% of the FPIG are eligible for LIURP in the Revised 2026 USECP. Further, we approve UGI’s proposed definition of “special needs customers” and direct UGI to include this definition in its Revised 2026 USECP. UGI shall also track and report LIURP data by FPIG tier and separately indicate data for special needs customers, consistent with the compliance requirements of the LIURP regulations.⁶⁵

⁶³ LIURP regulations at § 58.2 defines “Special needs customer” as a customer with household income between 151% and 200% of the FPIG who meets additional criteria specified in a public utility’s approved USECP. The additional criteria may include requiring that one or more household members meet any of the following criteria: (i) Are 62 years of age and over or 5 years of age and under. (ii) Have a disability. (iii) Are under a protection from abuse order or other court order that contains clear evidence of domestic violence.

⁶⁴ LIURP regulations at §§ 58.4(c) and 58.15a(3)(iv).

⁶⁵ Compliance with the LIURP regulations is required within 12 months of its effective date (*i.e.*, by December 13, 2026); except for compliance with reporting data on LIURP deferrals in 52 Pa. Code § 58.15a(3)(i), is required within 24 months after the effective date (*i.e.*, December 13, 2027).

b. LIURP Eligibility – Exceptions

In the Proposed 2026 USECP, UGI states that it allows for exceptions to the LIURP eligibility guidelines but does not specify how the exceptions are determined. In the July 2025 Order, the Commission directed UGI to describe the circumstances under which a customer could qualify for exceptions to its LIURP eligibility guidelines. The Commission also directed UGI to explain what specific circumstances or situations, if any, qualify a customer for an exception to its current seven-year time limit for re-weatherization. July 2025 Order at 45.

UGI Response and Comments

UGI states that it provides exceptions to customers with extenuating circumstances who do not exceed the LIURP usage threshold and do not qualify for the heating system repair program. These extenuating circumstances include a household with young, elderly, or ill members. UGI also provides an exception to the seven-year re-weatherization time limit based on certain circumstances such as addressing customer satisfaction or other issues with installed measures identified within 12 months of the weatherization date. UGI Supplemental Information at 15.

CAUSE-PA supports flexibility in eligibility requirements and recommends that UGI explicitly state its exceptions to the seven-year re-weatherization stay-out provision in its USECP. CAUSE-PA recommends expanding the re-weatherization exception criteria to homes whose usage remains above the threshold even after LIURP services are provided, as well as homes that could benefit from coordinated services across related programs. CAUSE-PA further recommends that the Commission direct UGI to track the exceptions made, requested but denied, and the reasons for each. CAUSE-PA avers that this tracking aligns with revised LIURP regulations at 52 Pa. Code § 58.14. CAUSE-PA adds that if exceptions are regularly applied, UGI should reevaluate the time allotted

between re-weatherization to determine if additional exceptions should be added to the USECP. CAUSE-PA Comments at 79-81.

UGI states that it already provides exceptions for customers who are not satisfied with the quality of work completed and agrees to incorporate this exception language into its Revised 2026 USECP. UGI disagrees with CAUSE-PA's recommendation to include exceptions for customers whose energy usage remains above the threshold level post-installation of measures, or for homes that may benefit from coordinating with other weatherization programs. UGI asserts that implementing these proposed exceptions would involve additional tracking without ensuring benefits or additional savings. UGI notes that a home may continue to have high usage post-installation of LIURP measures for reasons beyond UGI's control and installing additional weatherization measures may not be effective to address it. UGI states that it is willing to track exceptions to the seven-year stay-out provision for re-weatherization as recommended by CAUSE-PA but asserts that internal tracking is sufficient and opposes submitting a report with this data. UGI Reply Comments at 47-48.

Resolution: UGI has addressed our questions by specifying the circumstances in which a household may qualify for an exception to the LIURP eligibility guidelines, including the exceptions to the seven-year re-weatherization time limit. While we find merit in CAUSE-PA's recommendation for UGI to expand its exception criteria to homes that could benefit from coordinated services, we will not require UGI to include this exception criteria to its policy at this time. We note that we have permitted other public utilities to waive the minimum annual usage requirements for LIURP jobs coordinated

with other weatherization and energy assistance programs.⁶⁶ We have found that waiving usage requirements for weatherization jobs that are coordinated with other program services can provide deeper, whole-house savings for low-income customers. Notwithstanding, we support UGI's existing policies for providing exceptions to its LIURP eligibility guidelines.

We support UGI's proposal to track the exceptions to the LIURP eligibility guidelines, as recommended by CAUSE-PA. While we will not require UGI to file and serve a separate report with this data, we find it appropriate for UGI to share the results of this tracking with its USAC at least annually, beginning in 2027.

Accordingly, UGI is directed to include the exceptions to the LIURP eligibility guidelines and the exceptions to the seven-year re-weatherization time limit in its Revised 2026 USECP. UGI is also directed to track the exceptions as recommended by CAUSE-PA and share the results of this tracking with its USAC at least annually, beginning in 2027, and continuing through the duration of its 2026 USECP.

c. Energy Conservation Kits

In the July 2025 Order, the Commission directed UGI to explain the basis for the proposed removal of a provision to provide UGI Electric LIURP participants with energy conservation kits in its Proposed 2026 USECP and clarify if it still provides electric non-heating LIURP participants with energy conservation kits. July 2025 Order at 46.

⁶⁶ For example, see *Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company's (collectively 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 92; *Columbia Gas 2024-2028 USECP*, Docket No. M-2023-3039487 filed on August 29, 2024), at 21; and *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727 (order entered on February 9, 2023), at 78-79.

UGI Response and Comments

UGI states that it removed the provision to provide energy conservation kits⁶⁷ due to reported low customer demand from CBOs. UGI reports that it now provides conservation education packets⁶⁸ to customers upon request. UGI Supplemental Information at 16.

CAUSE-PA questions the effectiveness of energy conservation kits at driving long-term usage reduction and posits that these resources could be better used developing more direct pathways to universal service enrollment. CAUSE-PA states that it is unclear if UGI performs any follow up or tracking to assess whether conservation education packets increase enrollment in universal service programs or reduce usage. CAUSE-PA recommends that UGI monitor customer accounts that receive conservation education packets for usage reduction and universal service program enrollment. CAUSE-PA further recommends that UGI follow up with these customers to determine if they have additional questions or need referrals to available assistance programs. CAUSE-PA Comments at 81-82.

UGI asserts that monitoring and tracking customer accounts that receive conservation education packets would be time consuming and require new processes. UGI acknowledges CAUSE-PA's concerns about the efficacy of conservation education packets and states that customers do not frequently request them. UGI asserts that it can contact customers regarding enrollment by leveraging existing communications through

⁶⁷ Energy conservation kits contain items that customers may install to reduce electric consumption. 2020 USECP at 28.

⁶⁸ Conservation education packets include adult coloring book (with energy saving tips); child coloring book (Sparky the energy saving squirrel); magnet with contact information to inquire about low-income and energy-saving programs; safety – “smell gas” steps; energy saving tips brochure; and information regarding all energy assistance programs with translated content. *Proposed 2026 USECP CEOP* at 5, 7.

its CEOP and proposes to eliminate the distribution of conservation education packets in its Revised 2026 USECP. UGI Reply Comments at 48-49.

Resolution: UGI has addressed our questions by clarifying that it removed the provision for providing energy conservation kits due to limited customer demand and began offering conservation education packets to customers only upon request. Based on the additional information provided by UGI, we are not persuaded to grant UGI's proposal to cease distribution of the energy education packets. UGI states in its Proposed 2026 USECP that it provides conservation education packets to its CAP and LIURP agencies for distribution.⁶⁹ We find that UGI should maintain this distribution process in addition to leveraging existing communications through its CEOP to contact customers for enrollment into universal service programs. Maintaining access to these packets, even if on a request-only-basis, benefits customers by ensuring that energy education materials remain available to those who may need them. At this time, we decline to require UGI to monitor and track the accounts that receive energy education packets, as recommended by CAUSE-PA, but may revisit this issue by or before UGI's next USECP proceeding.

Accordingly, we direct UGI to clarify in the LIURP section of its Revised 2026 USECP that it provides conservation education packets to its CAP and LIURP agencies for distribution.

d. Energy Conservation Education

In the Proposed 2026 USECP, UGI states that eligible non-heating customers may receive low-cost energy savings measures or in-home or telephonic energy education sessions. Proposed 2026 USECP at 28. In the July 2025 Order, the Commission directed UGI to explain what a home and telephonic energy education session entails and how it

⁶⁹ *Proposed 2026 USECP, Appendix H CEOP* at 5, 7.

communicates energy education content and requirements to agency providers, including LIURP agency contractors. July 2025 Order at 46.

UGI Response and Comments

UGI reports that its contracted LIURP agencies conduct energy audits and provide education to UGI Electric non-heating customers during the audit based on their findings and identified measures to be installed. UGI states that these customers will receive energy efficiency tips if no measures can be installed. UGI Supplemental Information at 16.

UGI explains that the majority of LIURP energy education sessions are completed in-person but if that's not feasible, a contractor will perform a phone session. UGI describes this process as follows:

- The LIURP contractor performs an energy audit and explains the audit findings, including any measures covered by LIURP.
- If no measures can be installed due to mold, asbestos, rodent infestation, or other conditions that cannot be remediated within the parameters of LIURP, the contractor will discuss how those conditions can be remediated and provide energy conservation tips to the customer. If the customer subsequently remediates those conditions in a manner that supports the installation of energy saving measures, the contractor will then discuss the measures covered by LIURP.
- At the end of the meeting, the contractor will complete an Energy Education Form, have the customer sign it, and retain it for four years.
- After weatherization measures are completed, the customer will sign the Certificate of Completion Form.

UGI Further Supplemental Information at 5.

CAUSE-PA posits that there are opportunities for UGI and its contractors to improve outcomes through substantive and actionable education at the time services are provided. CAUSE-PA recommends that the Commission further review the information and guidance UGI is providing its contractors to ensure customers are receiving comprehensive usage reduction education and that UGI's contractors are receiving guidance to pursue the maximum level of comprehensive measures. CAUSE-PA adds that this review should, at minimum, include an opportunity for stakeholders to review and offer comment. CAUSE-PA Comments at 82-84.

UGI asserts that an extended review and comment period on its energy education materials, as recommended by CAUSE-PA, is unnecessary and questions what benefit it would have. UGI states that it does not directly provide energy conservation tips to LIURP customers. UGI explains that its contractors provide energy conservation guidance to LIURP customers based on their own knowledge, training, and experience and are the appropriate providers for energy education and materials. UGI Reply Comments at 49-50.

Resolution: Based on the additional information provided by UGI, we find UGI's clarification of what an in-home and telephonic energy education session entails satisfactory. We acknowledge CAUSE-PA's recommendation for the Commission to further review the information and guidance UGI provides its contractors. While UGI does not provide energy conservation education directly to customers, it is evident that UGI's contractors are providing the education to customers during in-home and telephonic energy education sessions. However, UGI still has a responsibility to provide guidance and program updates to its contractors to ensure appropriate information is being shared. We find the appropriate forum for Commission staff and stakeholders to review and discuss UGI's guidance to contractors and the types of energy education provided to LIURP customers is through its USAC.

Accordingly, UGI is directed to include the process of an in-home and telephonic energy education session, as explained above, in its Revised 2026 USECP. UGI is also directed to share its guidance given to contractors, specific examples of the energy education provided to LIURP customers, and copies of its Energy Education and Certification of Completion forms to its USAC for their feedback on potential enhancements to the guidance, procedure, and material. UGI shall consult with its USAC on this topic within three months from the entry date of this Order. If the discussion results in any changes to UGI's forms or procedures, UGI shall file and serve updated forms and/or an amendment to its 2026 USECP within six months from the entry date of this Order.

e. Minimum Usage Threshold for Electric Baseload

UGI proposes a new minimum usage criteria threshold of 6,000 kWh for electric baseload (non-heating) LIURP jobs, in addition to threshold requirements for gas heating (877 Ccf) and electric heating (12,788 kWh). Proposed 2026 USECP at 6, 29. However, UGI did not specify why it established this minimum usage threshold or how the usage threshold was determined. In the July 2025 Order, the Commission directed UGI to explain the reason for creating a minimum usage threshold for electric baseload customers in addition to the threshold requirements for gas heating and electric heating and the methodology used to establish the 6,000 kWh minimum usage threshold criteria electric baseload LIURP jobs. July 2025 Order at 47.

UGI Response and Comments

UGI states that its minimum kWh usage is based on an analysis of electric baseload low-income customer usage. UGI reports that this minimum usage threshold

has been in place for many years but was not defined in the 2020 USECP. UGI Supplemental Information at 16.

CAUSE-PA supports defining the minimum usage threshold for baseload customers in UGI's Revised 2026 USECP and does not oppose a threshold of 6,000 kWh. CAUSE-PA recommends UGI reserve the ability to make exceptions to the threshold for smaller homes or unique hardships. CAUSE-PA asserts that the pending LIURP regulations recognize the ability of LIURP to remediate inefficient space-cooling and UGI should closely evaluate whether to make further adjustments to the minimum usage baseload threshold to ensure households with high cooling costs are effectively served. CAUSE-PA expresses concern that the usage threshold for electric heating customers may be too high and recommends setting the minimum usage threshold for both heating and non-heating electric customers at 6,000 kWh, consistent with other EDCs. CAUSE-PA posits that this change adds flexibility to address high electric usage in smaller homes. CAUSE-PA Comments at 84-85.

UGI opposes CAUSE-PA's recommendation to set the usage threshold for electric heating customers to 6,000 kWh because UGI Electric is a smaller EDC with a smaller LIURP budget. UGI asserts that reducing the usage threshold for electric heating by over 50% would result in more customers eligible for LIURP than UGI Electric could support. UGI maintains that the Commission should approve the proposed energy thresholds without modification. UGI Reply Comments at 50.

Resolution: UGI has addressed our initial questions by clarifying that the minimum usage threshold of 6,000 kWh for electric baseload non-heating is based on an analysis of electric baseload low-income customer usage. While we acknowledge CAUSE-PA's recommendation for UGI to change the minimum usage threshold for electric heating customers to 6,000 kWh, we are not persuaded to direct UGI to make this change. UGI has raised reasonable concerns that lowering the minimum usage threshold for electric

heating to 6,000 kWh could significantly increase the number of LIURP-eligible customers beyond what UGI's current budget could support.

Accordingly, we approve UGI's proposed usage thresholds for LIURP without modification.

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

In the July 2025 Order, the Commission directed UGI to explain their parameters and allowance thresholds for performing incidental repairs. UGI was directed to indicate whether it performs routine health and safety measures and, if so, to explain its parameters and allowance thresholds for addressing those issues. Further, the Commission directed UGI to identify its process for disqualifying dwellings from LIURP, including how customers are notified of the reasons for disqualification; the number of disqualified dwellings per year from 2022 to 2024 and the reasons for disqualification; what agencies or programs it refers deferred dwellings; and how long it maintains a list of deferred dwellings. July 2025 Order at 47-49.

UGI Response and Comments

UGI states that it allows its contractors/agencies to spend up to \$2,000 for homeowners and \$1,250 for renters on incidental repairs necessary to install LIURP program measures and addresses health and safety measures on a case-by-case basis consistent with this allowance. UGI provided examples of safety hazards that could disqualify a dwelling from receiving LIURP, such as hoarding, asbestos, rodent infestation, mold, and flooding. UGI explains that at the initial energy audit, safety hazards are identified and documented. The customer is informed of the hazards that need to be resolved before LIURP measures can be performed. UGI asserts that the deferral allows the customer to remediate the issue and pursue LIURP at a later date.

UGI reports the following disqualifications/deferrals from 2022-2024:

	2022	2023	2024
UGI Gas	160	146	276
UGI Electric	14	28	17

UGI Supplemental Information at 16-17.

UGI explains that contractors are required to install carbon monoxide and/or smoke detectors, if one is not present or not in working order, for each LIURP job. UGI states that other health and safety measures include efficiency tests, installation of range hoods and/or dryer vents and/or exhaust fans, and repair of minor leaks that are identified during the energy audit. UGI reports that all its LIURP contractors are Building Performance Institute (BPI) certified to assess and remediate environmental health and safety hazards within the scope of its health and safety parameters. UGI Further Supplemental Information at 6.

UGI explains that when customers are deferred from receiving LIURP, the LIURP agencies refer them to other agencies that can address the deferral issue, such as the Pennsylvania Department of Community & Economic Development (DCED) Weatherization Assistance Program (WAP), Pennsylvania Homeowners Assistance Fund (PAHAF), county-specific whole home repair programs, or the Area Agency on Aging (AAA) for elderly customers. UGI states that LIURP agencies are responsible for tracking deferrals and if a customer's deferral issue is not remediated within six months, the customer's account is removed from its COS. After the six-month period, customers may inquire about LIURP eligibility on a case-by-case basis. UGI asserts that if the deferral issues have been corrected, the customer will be resolicited to determine if they are still eligible for LIURP. UGI Further Supplemental Information at 6-7.

CAUSE-PA states that UGI appears to be either not separating the parameters and budget for incidental repairs from its parameters and budget for health and safety measures, or it is not allowing any budget for incidental repairs. CAUSE-PA notes that the Commission's LIURP Rulemaking will establish separate allowance limits for incidental repairs and for health and safety measures. CAUSE-PA states that UGI should be required to establish separate parameters and budgets for incidental repairs and health and safety measures through this proceeding and determine whether those parameters are sufficient to meet its customers' needs. CAUSE-PA avers that contractors must have clear and actionable guidance to address incidental repairs and health and safety issues. CAUSE-PA states that this will reduce deferrals and help ensure assistance for those most in need. CAUSE-PA Comments 87-88.

CAUSE-PA questions why UGI refers deferrals to PAHAF, noting that it was a short-term program and never provided funds for home repair. CAUSE-PA asserts that this indicates a need for UGI to update its list of referral agencies/programs and expresses concern that UGI only provides general information without attempting to coordinate its LIURP with other programs. CAUSE-PA recommends that UGI improve coordination with other programs that could address the reasons for deferrals, including exploring whether its health and safety budget could be effectively leveraged through more formalized partnerships with other programs. CAUSE-PA Comments at 88-90.

CAUSE-PA asserts that while UGI tracks deferrals, it is unclear whether UGI tracks the reason for deferral. CAUSE-PA opines that tracking only the number of deferrals is inadequate to understand the scope of barriers in each household and determine whether adjustments to the deferral process are necessary. CAUSE-PA recommends that UGI begin tracking both deferrals and the reason for deferral and increase the amount of time it maintains a list of deferrals from six months to at least two years. Additionally, CAUSE-PA recommends UGI use the deferral list to reach out to

homes that are most in need and make additional efforts to provide coordinated usage reduction services for these households. CAUSE-PA Comments at 90-91.

UGI notes that it will comply with any final regulations lawfully adopted and promulgated pursuant to the LIURP Rulemaking proceeding at Docket No. L-2016-2557886 but opposes implementing changes prior to finalization of the final-form regulations. UGI disagrees with CAUSE-PA's recommendations to improve coordination with other programs that could address the reasons for deferrals. UGI asserts that while it maintains a list of available programs, its CBOs are better positioned to refer customers to other assistance programs in its service territory. UGI Reply Comments at 51-52.

UGI clarifies that it tracks and documents the reasons for deferrals in its COS but does not prepare a formal deferral report with this information. UGI disagrees with CAUSE-PA's recommendation to maintain a deferral list for a minimum of two years and to periodically follow up with customers during that timeframe. UGI avers that its policy of maintaining a deferral list for six months is sufficient and CAUSE-PA's recommendation would add an unnecessary administrative burden. UGI reiterates that it will comply with all reporting requirements related to LIURP deferrals lawfully adopted and promulgated pursuant to the LIURP Rulemaking proceeding. UGI Reply Comments at 52-53.

Resolution: UGI has addressed our initial questions by identifying allowance limits for incidental repairs and health and safety measures (*i.e.*, \$2,000 for homeowners and \$1,250 for renters), describing the types of recommended health and safety measures, and outlining its deferral process. However, while UGI has identified allowance limits for incidental repairs and health and safety measures, we share CAUSE-PA's concern that it remains unclear whether these stated allowance limits for incidental repairs and health and safety measures represent separate allowances or combined limits. In prior USECP

proceedings, we have directed public utilities to separately identify their parameters and allowance limits for performing incidental repairs and health and safety measures.⁷⁰ Further, the LIURP regulations, which became effective on December 13, 2025, require public utilities to clearly identify in their USECP the criteria used to perform incidental repairs and health and safety measures, including the establishment of separate parameters and allowance limits for each.⁷¹ Notwithstanding, UGI is required to comply with this provision of LIURP regulations within 12 months of its effective date (*i.e.*, by December 13, 2026).

Regarding UGI's deferral process, we support UGI's practice of notifying customers of deferrals at the initial energy audit, documenting the deferral, and providing referrals to other agencies to address the deferral issue. However, we agree with CAUSE-PA that UGI should track both the number of deferrals and the associated deferral reasons. Tracking deferral counts alone is insufficient to fully understand the barriers present in deferred homes or to assess whether modifications to the deferral process are needed. We also agree with CAUSE-PA that UGI should retain customers on the deferral list for longer than six months. We note that the LIURP regulations include new provisions requiring public utilities to annually report LIURP deferral data, including the reasons for the deferral, and to retain households on a deferral list for a minimum of three years.⁷²

Accordingly, we direct UGI to include its process for deferrals, including how customers are notified of the reasons for deferral, examples of safety hazards, list of referral agencies/programs, and the steps for tracking deferrals in its Revised 2026

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

⁷¹ LIURP regulations at § 58.12(a)(1), (a)(2), (b).

⁷² LIURP regulations at §§ 58.12(c)(2) and 58.15a(3)(i).

USECP. UGI shall track and report LIURP deferral data, including the associated deferral reasons, and retain households on a deferral list for at least three years, consistent with the compliance requirements and timeframe established in the LIURP regulations. UGI shall also file and serve an amendment to its 2026 USECP with separate allowance limits for performing incidental repairs and for performing health and safety measures consistent with the requirements of the LIURP regulations. We note that compliance with these provisions of the LIURP regulations are required within 12 months of its effective date (*i.e.*, by December 13, 2026); except for compliance with reporting data on LIURP deferrals in 52 Pa. Code § 58.15a(3)(i) which is required within 24 months after the effective date (*i.e.*, December 13, 2027).

g. Post-Installation Inspection

In the July 2025 Order, the Commission directed UGI to outline its LIURP quality control guidelines, including the methodology it uses to select a percentage of completed LIURP jobs to receive a post-installation inspection. UGI was also directed to explain what actions, if any, are taken if an installed program measure is not operating efficiently and/or when a LIURP recipient's energy usage increases after program measures are installed, including its warranty for covering workmanship. Further, the Commission directed UGI to explain its process for handling complaints from customers when they have an issue with a LIURP contractor's work and/or service. July 2025 Order at 49-50.

UGI Response and Comments

UGI states that it uses a third-party inspector to evaluate all LIURP jobs completed through October of each year, which represents about 71% of the jobs completed in calendar year 2024. UGI reports that post-installation inspections stop in October to give time to close out the year and avoid program year crossover. UGI Supplemental Information at 17.

UGI reports that its standard post-installation inspection protocols include interviewing customers to assess satisfaction with the audit and installation process and identify any customer concerns and determining if the installed program measures:

- Are appropriate based on Building Science principles.
- Achieve energy savings.
- Resolve any health and safety issue(s).
- Are installed correctly according to BPI protocol, Standard Work Specification, etc.

UGI Supplemental Information at 17.

UGI states that the inspector ensures there are no health and safety issues in need of remediation based on installed program measures and notes issues in UGI's COS. UGI reports that it uses the same inspecting agency that performs post-installation inspections for other utilities' LIURP. The inspecting agency answers questions in UGI's COS regarding the overall quality of work, energy saving measures, customer satisfaction, and inputs any additional comments the inspector may have concerning the property. UGI Supplemental Information at 17-18.

UGI states that if an installed program measure is not operating efficiently within a year of installation, the agency is required to return to the premises to remediate or complete the work. If a LIURP recipient's energy usage increases after the installation of program measures, UGI will investigate the cause on a case-by-case basis. UGI reports that this investigation includes:

- Providing CBOs with a list of customers whose energy usage did not result in energy savings;

- CBO outreach to those customers to determine the reason for increased energy usage; and
- If the increased energy usage is determined to be attributable to workmanship issues or installed program measures within one year of installation, the agency will remediate the issue. If the increased energy usage is determined to result from customer actions or additional occupants in the home, the agency will take no further action.

UGI Supplemental Information at 18.

UGI explains that if a customer complains about a LIURP contractor, then UGI will send a different contractor to remediate the work. UGI Supplemental Information at 18.

CAUSE-PA recommends that UGI clarify the details of its post-installation inspection and remediation process in its Revised 2026 USECP. CAUSE-PA states that UGI's process for choosing which homes receive a post-installation inspection is unclear. CAUSE-PA avers that the homes being selected for post-installation inspection should be representative of homes that have received services, including various types of housing, locations, and contractors to accurately reflect a sample of the LIURP jobs completed. CAUSE-PA Comments at 92-93.

Regarding customer complaints about LIURP work, CAUSE-PA recommends that in addition to sending a second contractor to address the issue UGI should follow up with the initial contractor to discuss the complaint and ensure controls are in place to prevent further issues. CAUSE-PA recommends that UGI track complaints by contractor and issue and analyze the results of this tracking on a regular basis to identify repeat or systemic issues that may require further investigation. CAUSE-PA Comments at 93.

UGI states that it will update its Revised 2026 USECP with the details provided in its Supplemental Information regarding its post-installation inspection and remediation process, as recommended by CAUSE-PA. UGI asserts that its system for selecting which LIURP jobs receive a post-installation inspection is adequate and does not require revision. UGI agrees with CAUSE-PA's recommendation to track customer complaints by contractor and issue. UGI contends that because its existing process largely conforms to CAUSE-PA's recommendations, it should not be required to revise its follow-up process for customer complaints concerning contractors. UGI Reply Comments at 53-54.

Resolution: UGI has addressed our initial questions by clarifying its post-installation inspection protocols and customer complaint process. We find that UGI's methodology of inspecting all LIURP jobs completed between January through October of each year represents an adequate sample of LIURP jobs for post-installation inspection, which is a requirement of the LIURP regulations at § 58.14a(b).⁷³ We also find UGI's process for handling customer complaints satisfactory, as it addresses the quality of work, workmanship, and serviceability of the energy service provider (ESP), which are also requirements of the LIURP regulations at § 58.14a(d).⁷⁴ We note that compliance with these provisions of the LIURP regulations are required within 12 months of its effective date (*i.e.*, by December 13, 2026).

We support UGI's proposal to track customer complaints by contractor and issue, consistent with CAUSE-PA's recommendation. However, we are not persuaded to direct UGI to add further follow-up steps to its customer complaint process. We agree with

⁷³ LIURP regulations at § 58.14a(b). A public utility shall schedule post-installation inspections on a minimum of 10% of completed full-cost space-heating LIURP jobs and on a minimum of 5% for other LIURP jobs where program measures are installed for each ESP.

⁷⁴ LIURP regulations at § 58.14a(d). A public utility shall establish a process for a customer to file a complaint about the quality of work, workmanship or serviceability of the ESP and shall document the complaint process in its USECP.

UGI that its existing process is reasonable and already includes follow-up steps that largely reflect the intent of CAUSE-PA's recommendations.

Accordingly, we direct UGI to incorporate its LIURP post-installation inspection protocols and customer complaint process in its Revised 2026 USECP, including the methodology used to select completed LIURP jobs for post-installation inspection and the process for tracking customer complaints by contractor and issue, as described above.

h. Landlord and Customer Consent

In the July 2025 Order, the Commission directed UGI to clarify the method by which it documents landlord permission or refusal of LIURP services and to provide a copy of the letter or other communication used to request landlord consent. UGI was directed to describe all ways consent is obtained and documented if landlord consent was accepted in a method other than in writing. UGI was also directed to clarify how customer consent for LIURP services is obtained, including customer consent to share their information with LIURP agencies/contractors, and provide a copy of any consent form. Further, the Commission directed UGI to identify what program measures and/or referrals, if any, are provided to a renter if the landlord refuses to give consent to install comprehensive program measures. July 2025 Order at 50-51.

UGI Response and Comments

UGI states that LIURP agencies obtain and store signed landlord consent letters for four years and provided an example landlord consent letter. UGI clarifies that there is no physical documentation to indicate denial by the landlord, but the agency notes the job rejection in COS. UGI reports that it does not accept any method of landlord consent other than in writing and that customers applying for LIURP sign an eligibility affidavit waiver with the application. UGI states that there are no referrals or measures provided

to an eligible tenant if a landlord refuses to give consent. UGI Supplemental Information at 19, Exhibit 5-6.

CAUSE-PA recommends that UGI develop a process to accept verbal and electronic landlord consent for LIURP as required in the Commission's pending LIURP Final-Form Rulemaking Order at 52 Pa. Code § 58.8(a)(1). CAUSE-PA asserts that accepting verbal and electronic landlord approval will reduce administrative burden on UGI and landlords and will improve access to LIURP for tenants. CAUSE-PA Comments at 94-95.

CAUSE-PA suggests that UGI be required to target outreach to tenants and landlords including engagement with local landlord associations, housing providers, and public housing authorities. CAUSE-PA notes that renters are often unaware of the assistance available and suggests targeted outreach to tenants through community events, outreach materials, and direct messaging to housing providers and tenant groups. CAUSE-PA Comments at 95.

CAUSE-PA raises concerns about UGI not providing baseload measures or referrals to tenants that are unable to obtain landlord consent in writing. CAUSE-PA notes that amended 52 Pa. Code § 58.8(a)(2) recognizes that if a landlord does not grant permission for the installation of program measures, the tenant household remains eligible for baseload measures and energy conservation education. CAUSE-PA further notes that UGI supported this revision of the LIURP final-form regulations⁷⁵ and recommends that UGI include this provision in its Revised 2026 USECP. CAUSE-PA further recommends that UGI develop follow-up communications to tenants when the landlord fails to provide consent. CAUSE-PA asserts that this communication should inform tenants that they are eligible to receive limited LIURP services and will be

⁷⁵ CAUSE-PA Comments at 95, *citing* the LIURP Final-Form Rulemaking Order at 153.

considered for full LIURP services if landlord consent is later obtained. CAUSE-PA Comments at 95-96.

OCA states that 52 Pa. Code § 58.8⁷⁶ does not specifically dictate how a public utility should obtain written consent from a landlord. OCA recommends that UGI develop other options for obtaining landlord approval, such as by text or email and accept e-signatures. OCA posits that using more obtainable methods of communication may help improve approval response rates. OCA also recommends that UGI work with landlord associations to better inform landlords about the information needed for LIURP consent. OCA Comments at 48-49.

UGI contends that CAUSE-PA and OCA's recommendations to obtain landlord consent in a form other than a physical signature and perform baseload measures regardless of landlord consent appears to be an attempt to conform the Revised 2026 USECP with the pending revised LIURP regulations. UGI notes that it will comply with any final regulations lawfully adopted and promulgated pursuant to the LIURP Rulemaking proceeding at Docket No. L-2016-2557886 and maintains that its current level of outreach to landlords, tenants, and community organizations is appropriate. UGI Reply Comments at 54-55.

Resolution: UGI has addressed our initial questions by clarifying that it only accepts written consent from both the landlord and the customer (e.g., landlord consent form and eligibility affidavit waiver) to perform LIURP services and confirmed that it does not provide referrals or baseload measures when a landlord refuses to give consent. While we find merit in the recommendations of CAUSE-PA and OCA to require UGI to develop a process to accept verbal and electronic landlord consent, we decline to mandate such a requirement. The LIURP regulations, effective December 13, 2025, provide

⁷⁶ Former LIURP regulations at § 58.8 amended January 2, 1998, effective January 3, 1998, 28 Pa.B. 25.

public utilities with the flexibility, but do not require them, to obtain landlord consent through methods other than in writing, provided the consent is documented.⁷⁷

We also find merit in CAUSE-PA and OCA’s recommendations that UGI provide non-comprehensive program measures and referrals to tenant households that are unable to obtain landlord consent. The LIURP regulations recognize that, even when a landlord does not grant permission for the installation of program measures, the tenant household remains eligible to receive baseload measures and energy conservation education.⁷⁸ We have already addressed CAUSE-PA and OCA’s recommendation that UGI conduct targeted outreach to tenants and landlords in our resolution to UGI’s CEOP.

Based on our review of UGI’s landlord consent form and eligibility affidavit waiver, we identified areas that may warrant further clarification. For example, the eligibility affidavit waiver includes language stating:

I understand that UGI Utilities, Inc. (“UGI”) or its contractor will perform a free energy audit at the above identified property before any grant approval is issued. Based on the audit results, UGI or its contractor will recommend the implementation of those conservation items with the quickest payback period until the allocated grant fund is exhausted. By signing this waiver I am allowing UGI to release to its contractor information about my account necessary to implement the Program. [Emphasis added]

The reference to “grant” in this language could be misinterpreted to suggest that, once the grant is approved, grant funds will be issued directly to the customer and expended until exhausted.

⁷⁷ LIURP regulations at § 58.8(a)(1). A tenant household may be eligible for the installation of program measures if the landlord has granted permission to the public utility by verbal, written, or electronic means and the public utility documents the landlord’s consent for the ESP to perform work on the dwelling. A public utility shall provide a copy of the landlord’s documented consent form to the landlord and to the tenant household.

⁷⁸ LIURP regulations at § 58.8(a)(2). If the landlord does not grant permission for the installation of program measures, the tenant household remains eligible for baseload measures and energy conservation education that do not require landlord permission.

Accordingly, UGI is directed to clarify the method and process for obtaining landlord and customer consent, as described above, including identifying the applicable forms (*i.e.*, landlord consent form, eligibility affidavit waiver) in its Revised 2026 USECP. UGI is further directed to review the landlord consent form and eligibility affidavit waiver with its USAC within three months of the entry date of this Order to determine whether clarifications or enhancements are warranted. If modifications are made, UGI shall file and serve the updated landlord consent form and eligibility affidavit waiver at this docket within six months of the entry date of this Order. Further, UGI shall begin providing a copy of the landlord’s documented consent form to both the landlord and the tenant household and offer eligible tenant households baseload measures and energy conservation education, consistent with the compliance requirements of the LIURP regulations.⁷⁹

i. Contractor Training and Certification Requirements

In the July 2025 Order, the Commission directed UGI to provide details of its LIURP contractor training and certification requirements. July 2025 Order at 52.

UGI Response and Comments

UGI states that it hosts annual hands-on contractor training at Penn College and provides training for new employees and/or LIURP agencies on an as-needed basis. UGI reports that its Master Service Agreement states:

“Contractor represents and warrants that Contractor is duly authorized to enter into the Contract Documents and to perform its obligations hereunder;

⁷⁹ Compliance with the LIURP regulations is required within 12 months of its effective date (*i.e.*, by December 13, 2026); except for compliance with reporting data on LIURP deferrals in 52 Pa. Code § 58.15a(3)(i), is required within 24 months after the effective date (*i.e.*, December 13, 2027).

that Contractor's employees, agents and contractors performing the Services are fully experienced and properly qualified to perform the Services; and that the Services will be performed with Contractor's best efforts and skills.”

UGI Supplemental Information at 19.

CAUSE-PA states it cannot assess the adequacy of UGI's contractor trainings and certification requirements without additional information on the details of those trainings. CAUSE-PA supports UGI's use of a broad group of contractors, including CBOs, and commends UGI for collaborating with Penn College. CAUSE-PA recommends that the Commission require UGI to further specify relevant details about LIURP certification and training requirements, including frequency of required trainings and contractor support, in its Proposed 2026 USECP. CAUSE-PA Comments at 96-97.

UGI reports that its next contractor training is scheduled for November 2025 and it intends to hold annual training sessions moving forward. UGI explains that the November 2025 training includes in-person sessions for installers/crew leaders and auditors/quality control inspectors, as well as online and in-person training for UGI administrators and a self-paced customer relations course. UGI asserts that it provides virtual training to all LIURP contractors and new personnel employed by the contractors on its policies and procedures, including how to use COS to track program measures performed. UGI further asserts that it also provides contractor training through Pennsylvania College of Technology. UGI notes that it regularly reviews and updates its training content to ensure it remains current with industry standards and maintains that its existing training program is sufficient and does not require revisions. UGI opposes adding its training procedures to its Revised 2026 USECP, arguing that doing so could limit its flexibility to adjust training in response to issues encountered. UGI Reply Comments at 55-56.

Resolution: Based on the additional information provided by UGI, we find its LIURP contractor training and certification requirements satisfactory. We support UGI's initiative to hold an annual LIURP contractor training each year and find value in its practice of including virtual training on its LIURP policies and procedures. However, we disagree with UGI that adding its training procedures to its Revised 2026 USECP would limit its flexibility to adjust training if necessary. In previous USECP proceedings we have directed public utilities to document their LIURP contractor training and certification requirements in their USECPs.⁸⁰ Documenting training procedures in a USECP supports flexibility by setting expectations for training content and oversight, without dictating the exact details presented or method of delivery.

Accordingly, UGI is directed to incorporate its LIURP contractor certification requirements, as described in its Further Supplemental Information, into its Revised 2026 USECP. UGI shall also document its annual LIURP contractor training and virtual training procedures, including the basic content covered, in its Revised 2026 USECP.

j. Inter-Utility Coordination - Exceptions

UGI states that it initiates inter-utility coordination with other public utilities to coordinate comprehensive program services to better serve LIURP customers. Proposed 2026 USECP at 30. In the 2024 APPRISE Impact Evaluation, APPRISE noted it was not clear if UGI waives certain LIURP eligibility criteria for LIURP jobs coordinated with other public utilities and/or other weatherization programs. In the July 2025 Order, the Commission directed UGI to clarify if it grants exceptions to the LIURP eligibility criteria for LIURP jobs coordinated with other public utility LIURPs and other weatherization programs. July 2025 Order at 52-53.

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

UGI Response and Comments

UGI reports that it does not grant exceptions to LIURP eligibility criteria if a customer is participating in another public utility's LIURP or other state weatherization program. UGI Supplemental Information at 20.

CAUSE-PA recommends that UGI permit a limited waiver of its high-usage threshold when LIURP services can be coordinated with other federal, state, local, or utility weatherization or efficiency programs. CAUSE-PA asserts that this flexibility would support more efficient coordination of weatherization and efficiency jobs with existing and new programs. CAUSE-PA highlights the pending LIURP regulations at 52 Pa. Code § 58.14c, which establishes provisions for inter-utility coordination and coordination with other conservation and energy assistance programs, including the DCED WAP. CAUSE-PA recommends that UGI define and explain in its Revised 2026 USECP how it intends to coordinate LIURP with WAP and other energy efficiency programs. As an example, CAUSE-PA suggests that UGI allow contractors to install certain LIURP measures while performing WAP or other federal, state, or EDC LIURP programs for an eligible low-income customer. CAUSE-PA further recommends that UGI track and report the annual number of coordinated LIURP jobs completed. CAUSE-PA Comments at 97-99.

OCA recommends that UGI explore ways to improve both inter-and-intra-utility coordination to maximize program benefits and operational efficiency, including enhancing intra-utility coordination with UGI Electric. OCA urges UGI to expand coordination for LIURP beyond electric and natural gas utilities to include water utilities, and to consider cross-program enrollment as water assistance programs become more prevalent. OCA supports cooperation between all utilities and contractors, including

sharing waiting lists, to enable contractors to complete coordinated jobs in a single visit. OCA Comments at 49-51.

UGI asserts that it does not grant exceptions solely based on a customer participating in another public utility's LIURP or state weatherization program and recommends that the Commission reject CAUSE-PA's recommendation to allow a limited waiver under these circumstances. UGI asserts that a customer's participation in another program, by itself, is not a sufficient basis to warrant an exception to its LIURP eligibility criteria. UGI claims that denying LIURP to customers who do not meet the minimum usage requirement is not evidence of inflexibility but rather reflects mindfulness of its resource allocation. UGI asserts that it reviews requests for a LIURP eligibility exception, regardless of the reason, and will grant an exception when warranted. UGI further asserts that its contractors already coordinate LIURP with other weatherization and efficiency programs and CAUSE-PA has not provided data or analysis demonstrating that its existing coordination processes are ineffective. UGI notes that it reports the number of coordinated LIURP jobs to the Commission in annual reporting submitted in April and recommends that the Commission reject CAUSE-PA's recommendation to impose additional reporting requirements. UGI Reply Comments at 56-57.

Resolution: UGI has addressed our initial question by clarifying that it maintains its LIURP usage threshold requirement when coordinating jobs with other public utility LIURPs and weatherization programs. We have found that permitting public utilities to waive LIURP requirements, such as the minimum usage threshold, for coordinated LIURP jobs can provide deeper, whole-house savings for low-income customers.⁸¹

⁸¹ For example, see *Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company's* (collectively FirstEnergy PA) *2019-2021 USECP*, Docket Nos. M-2017-2636969, M-2017-2636973, M-2017-2636976, and M-2017-2636978 (filed on June 24, 2019), at 19. See also, *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727 (Order entered on February 9, 2023), at 78-79.

However, we acknowledge that UGI's position reflects appropriate consideration of how it allocates its program resources. Given that UGI retains discretion to grant exceptions to customer accounts when warranted, we will not require UGI to waive its minimum usage threshold for coordinated LIURP jobs at this time.

We recognize that UGI's contractors currently coordinate LIURP jobs and report the number of coordinated jobs consistent with the regulations requiring annual LIURP data reporting to the Commission by April 30th.⁸² We further note that the LIURP regulations require public utilities to pursue coordination of LIURP jobs and to annually report both the number and costs of coordinated LIURP jobs at their current USECP docket.⁸³ Therefore, we decline to direct UGI to implement additional tracking and reporting beyond the requirements already in place, as recommended by CAUSE-PA.

Accordingly, we direct UGI to clarify that it retains discretion to grant an exception to the LIURP eligibility requirements when warranted in its Revised 2026 USECP.

k. Rehabilitation Program

In the July 2025 Order, the Commission directed UGI to explain the basis for omitting the 2020 USECP provisions addressing the Rehabilitation Program eligibility and reporting requirements from the Proposed 2026 USECP and confirm if those provisions are still applicable. UGI was also directed to clarify if the Rehabilitation Program is still available to homeowners and renters. Further, the Commission directed UGI to provide Rehabilitation Program annual data for each of the UGI companies from 2022 through 2024, including:

⁸² See § 62.5(ii)(I) (relating to LIURP reporting data).

⁸³ See LIURP regulations at §§ 58.14c and 58.15a(3).

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

July 2025 Order at 53-56.

UGI Response and Comments

UGI states that it inadvertently omitted these Rehabilitation Program provisions from the Proposed 2026 USECP but confirms that those provisions remain applicable. UGI also clarifies that it inadvertently omitted the provision requiring tracking and reporting the Rehabilitation Program results and details separately. UGI reports that it will include these provisions in its Revised 2026 USECP. UGI further clarifies that the Rehabilitation Program is available to both homeowners and renters, but notes that no rehabilitation jobs were completed during the 2022-2024 timeframe. UGI Supplemental Information at 20.

While CAUSE-PA expresses support for UGI's Rehabilitation Program, it raises concerns that UGI is not fully utilizing the program's potential. CAUSE-PA asserts that the program could facilitate coordination with Act 129 programs offered by EDCs with overlapping service territories and help low-income customers avoid high usage and arrearages. CAUSE-PA questions why UGI has not used the Rehabilitation Program over the past three years, given that it reported \$156,296 in unspent LIURP funds in

2024.⁸⁴ CAUSE-PA asserts that UGI may have been able to use these funds had it established relationships with housing providers or other entities working on rehabilitation programs. CAUSE-PA recommends that the Commission require UGI to conduct targeted outreach to develop relationships with individuals and organizations involved in developing and rehabilitating affordable low-income housing, including local landlord associations, housing providers, and public housing authorities. CAUSE-PA further recommends that UGI use these partnerships to identify projects eligible for its Rehabilitation Program. CAUSE-PA Comments at 99-101.

UGI agrees with CAUSE-PA's recommendation to conduct targeted outreach for the Rehabilitation Program and states that it will work with its Sales and Community Relations team to try to use the full allocated budget. UGI further notes that, in prior years, unspent Rehabilitation Program funds were reallocated and used to support its LIURP. UGI Reply Comments at 57-58.

Resolution: UGI has addressed our initial questions by confirming that the Rehabilitation Program provisions it inadvertently omitted remain applicable and clarifying that the program serves both homeowners and renters. However, we share CAUSE-PA's concern that UGI has not fully utilized the Rehabilitation Program to its full potential. Given that no Rehabilitation Program jobs were completed in the past three years, we question whether UGI has been actively identifying eligible projects or pursuing opportunities to coordinate rehabilitation work through the program. Although certain LIURP eligibility requirements, such as a minimum usage threshold, may limit LIURP coordination opportunities, the Rehabilitation Program is not subject to those same restrictions, which should allow for greater flexibility to leverage and coordinate resources. Therefore, we support UGI's commitment to develop and implement a targeted outreach plan for the Rehabilitation Program, consistent with CAUSE-PA's recommendation.

⁸⁴ CAUSE PA Comments at 100, Fn 310, *citing* UGI's 2024 Base Rate Case, Docket No. R-2024-3052716, CAUSE-PA Direct Testimony at 43.

As the Rehabilitation Program is a permanent universal service program within its LIURP, it is subject to the universal service reporting requirements at 52 Pa. Code §§ 62.5(a)(2)(ii)(A)(I)-(II) and 54.75(2)(ii)(A)(I)-(II), which require public utilities to report LIURP data as established in 52 Pa. Code § 58.15a.

Accordingly, we direct UGI to include in its Revised 2026 USECP the provisions clarifying the Rehabilitation Program funding and reporting requirements and that the program serves both homeowners and renters, as detailed above. Further, we direct UGI to provide Rehabilitation Program annual data consistent with the universal service reporting requirements at 52 Pa. Code §§ 62.5(a)(2)(ii)(A)(I)-(II), 54.75(2)(ii)(A)(I)-(II) and the LIURP regulations at 52 Pa. Code § 58.15a,⁸⁵ including reporting the number of homeowners served and renters served. UGI is also directed to track and report on its targeted Rehabilitation Program outreach efforts to its USAC at least annually, beginning in 2027, for the duration of the 2026 USECP.

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

UGI Gas filed the April 2025 Petition concurrently with the Proposed 2026 USECP, at Docket No. P-2025-3054381, requesting limited waivers of 52 Pa. Code § 58.10(a)(1), high use criteria, and § 58.11(a), payback requirements, for all its service territories for the duration of its Proposed 2026 USECP. April 2025 Petition at 3. The Commission requested stakeholder comments on UGI's April 2025 Petition. July 2025 Order at 56-57.

⁸⁵ Compliance with the LIURP regulations is required within 12 months of its effective date (*i.e.*, by December 13, 2026); except for compliance with reporting data on LIURP deferrals in 52 Pa. Code § 58.15a(3)(i), is required within 24 months after the effective date (*i.e.*, December 13, 2027).

UGI Response and Comments

CAUSE-PA generally supports UGI's Petition for Regulatory Waivers to operate a furnace repair or replacement program. CAUSE-PA agrees with UGI's position that a limited waiver of the currently effective LIURP regulations at §§ 58.10(a)(1) and 58.11(a) is in the public interest and necessary to allow UGI to provide furnace repair or replacement services as an available LIURP measure. CAUSE-PA opines that granting the limited waiver will enable UGI to reach vulnerable households without a central heating system, address urgent health and safety issues, and promote overall energy efficiency by reducing inefficient alternatives. CAUSE-PA asserts that allowing UGI this regulatory flexibility is particularly important given the current uncertainty concerning the future of LIHEAP benefits and programming. CAUSE-PA Comments at 101-102.

Resolution: We have reviewed UGI's justifications for the requested waiver, as set forth in the April 2025 Petition, and have considered CAUSE-PA's supportive comments. Although UGI requests a waiver of the former LIURP regulations⁸⁶ at 52 Pa. Code §§ 58.10(a)(1) and 58.11(a), we base our determination on the current LIURP regulations, which became effective on December 13, 2025.

Under the LIURP regulation at § 58.10(a)(1), public utilities must first offer program services to eligible customers with high energy usage and the greatest opportunity for bill reduction, while retaining flexibility, when feasible, to determine the factors used to prioritize eligible high-usage customers. We recognize that an otherwise LIURP-eligible customer may not meet the high energy usage threshold due to an inoperable heating system. Therefore, we find UGI's justification to waive the high-usage prioritization requirement, for the limited purpose of repairing or replacing

⁸⁶ See former LIURP regulations at § 58.8 amended January 2, 1998, effective January 3, 1998, 28 Pa.B. 25.

inoperable gas furnaces, to be in the public interest and a feasible prioritization factor that may reduce the customer's overall energy costs.

We note that UGI's request to waive the seven and 12-year payback requirements for furnace repair and replacement is no longer a requirement in the LIURP regulations at § 58.11(a). Instead, it permits public utilities to install program measures when the estimated energy savings of all program measures exceed the costs over the expected lifetime of those program measures. While the regulation provides flexibility in applying this cost-effective standard, we find it reasonable to allow UGI to waive this provision for eligible furnace repairs and replacements, as there may be unique circumstances that warrant such flexibility.

Accordingly, the Commission hereby grants UGI's April 2025 Petition for limited waivers of Sections 58.10(a)(1) and 58.11(a) for the purpose of providing repairs and replacements of inoperable gas furnaces to LIURP-eligible customers for the duration of UGI's 2026 USECP. The waivers are temporary in that they will expire with UGI's next USECP, unless an extension is requested by UGI and expressly granted by the Commission. Further, the waivers do not excuse UGI from complying with the rest of its obligations under Sections 58.10 and 58.11. We direct UGI to update its Revised 2026 USECP to reflect the approved limited waivers of Sections 58.10(a)(1) and 58.11(a).

3. CARES

The July 2025 Order identified areas of concern with UGI's CARES requiring clarification, which are detailed below, along with UGI's response, stakeholder comments/reply comments, and our resolution on the matters.

a. CARES Program Funding

UGI did not specifically identify the CARES budget as a recoverable cost in the Proposed 2026 USECP. In the July 2025 Order, the Commission directed UGI to clarify how its CARES program is funded and costs recovered, if applicable. July 2025 Order at 58-59.

UGI Response and Comments

UGI reports that CARES is not part of the USP rider and is instead funded through its operating expense budgets. UGI Supplemental Information at 21.

CAUSE-PA believes that funding the CARES program through the company's operating expense budgets is appropriate and notes that future changes should be addressed in a base rate proceeding. CAUSE-PA Comments at 102.

UGI agrees with CAUSE-PA's recommendation to address CARES costs through base rate proceedings and will continue utilizing cost recovery methods for CARES through its operating expense budget. UGI Reply Comments at 58.

Resolution: UGI has addressed our initial question by clarifying that it funds CARES through its operating expense budget. Accordingly, we are directing no changes to this aspect of UGI's 2026 USECP at this time.

b. LIHEAP Outreach

In the July 2025 Order, the Commission directed UGI to explain whether it would consider expanding its LIHEAP outreach to include additional initiatives such as a general calling campaign. Additionally, the Commission directed UGI to explain what

factors may have resulted in the increase in CAP enrollees participating in LIHEAP, as well as how it plans to increase LIHEAP participation with a reduced LIHEAP outreach staff. July 2025 Order at 59-60.

UGI Response and Comments

UGI stated that it is continuing to expand efforts to inform customers of all its low-income programs, including LIHEAP. UGI intends to utilize its dialer to inform CAP recipients who haven't received LIHEAP of the program benefits and how to apply. UGI also intends to attend special educational events that may be able to assist customers with energy bills. UGI Supplemental Information at 21.

UGI explained that it has cross-trained personnel and implemented measures to handle LIHEAP calls. Additionally, UGI has a "confirmed low-income email campaign" for customers not enrolled in universal service programs that references LIHEAP. UGI also has a standard response to email inquiries during LIHEAP season that includes a link to COMPASS to apply directly and also provides an option to request a physical LIHEAP application by mail. UGI Supplemental Information at 21.

CAUSE-PA recognizes the improvements in UGI's LIHEAP outreach efforts, but believes additional improvements are necessary. CAUSE-PA recommends that UGI form a sub-committee of its USAC members to address outreach to CAP customers regarding LIHEAP enrollment. CAUSE-PA notes that UGI does not specify whether its confirmed low-income email also encourages enrollment in CAP and encourages UGI to use this outreach as an opportunity to promote enrollment in CAP as well. CAUSE-PA Comments at 102-104.

UGI states that it uses a dialer system to inform customers of LIHEAP. UGI adds that its LIHEAP representatives provide information to County Assistance Offices

needed to process LIHEAP applications rather than conducting outreach. UGI disagrees with CAUSE-PA's recommendation to form a USAC sub-committee to address LIHEAP outreach for CAP customers because UGI already has processes in place. UGI notes its Low-Income Assessment Pilot from the July 2025 Rate Case Settlement will be reviewed with its USAC. UGI avers that its confirmed low-income email campaign provides information on all universal service programs, including LIHEAP, and copies of the communications can be found at Exhibits 10 and 11 of the Proposed 2026 USECP. UGI Reply Comments at 58-59.

Resolution: UGI has addressed our initial question by explaining its intent to continue expanding its LIHEAP outreach through use of its dialer, special educational events, an email campaign and standard response to email inquiries, and cross training personnel to handle LIHEAP calls. We agree with UGI that establishing a separate USAC sub-committee to address LIHEAP outreach to CAP customers may not be necessary, particularly since UGI is seeing an increase in CAP enrollees participating in LIHEAP. However, UGI should continually seek input from its USAC on how to improve its LIHEAP outreach. Accordingly, UGI is directed to continue to work with the parties at its USAC meetings to review its Low-Income Assessment Pilot, as well as seek input and feedback on how its LIHEAP outreach and communications could potentially be improved.

4. Operation Share Energy Fund

The July 2025 Order identified areas of concern with UGI's Operation Share program requiring clarification, which are detailed below, along with UGI's response, stakeholder comments/reply comments, and our resolution on the matters.

a. Eligibility – CAP Customers

UGI states in its summary of changes to the USECP that CAP customers will be eligible to receive Operation Share grants. However, the program description states that “CAP participants are eligible to receive Operation Share for their past due CAP under circumstances that warrant a grant being awarded, such as death, loss of job, increased medical costs, protection from abuse orders, etc.” Proposed 2026 USECP at 10.

In the July 2025 Order, the Commission directed UGI to clarify whether and under what circumstances, if applicable, a CAP customer would be eligible to receive an Operation Share grant. July 2025 Order at 62.

UGI Response and Comments

UGI states that CAP customers are eligible for an Operation Share grant as long as they meet program guidelines. UGI Supplemental Information at 22.

CAUSE-PA states that it is critical that CAP customers have equitable access to Hardship Fund grants if they are experiencing financial hardship. CAUSE-PA recommends that UGI clarify in its Proposed 2026 USECP that CAP customers are eligible for Operation Share without the need to prove an additional significant hardship. CAUSE-PA Comments at 104-105.

UGI agrees with CAUSE-PA’s recommendation to clarify in its USECP that CAP customers do not need to prove additional significant hardship to apply for an Operation Share grant. UGI proposes to provide this clarification in its Revised 2026 USECP. UGI Reply Comments at 60.

Resolution: UGI has addressed our questions on this issue by clarifying that all customers, regardless of CAP enrollment, are eligible for an Operation Share grant provided the guidelines for the Hardship Fund program are met. We support UGI's proposal to clarify in its USECP that CAP customers do not need to prove additional hardships to qualify for an Operation Share grant. Accordingly, UGI is directed to include this clarification in its Revised 2026 USECP.

b. Operation Share Donations

UGI projected lower cash donations for the Proposed 2026 USECP. Proposed 2026 USECP at Appendix A, A-2. In the July 2025 Order, the Commission observed that UGI Gas has consistently had voluntary Hardship Fund contributions below industry average. The Commission directed UGI to explain the reasons why it anticipates a decrease in UGI Gas and Electric cash donations for Operation Share and what steps it is taking to solicit more donations from customers and employees. July 2025 Order at 63-64.

UGI Response and Comments

UGI explains that its anticipated decrease in public cash donations is based on historical trends. UGI reports a 63% decrease in cash donations from 2022 to 2024 and has increased its marketing efforts to solicit additional donations for Operation Share. UGI Supplemental Information at 22.

CAUSE-PA is concerned about UGI's anticipated decrease in customer contributions to Operation Share. CAUSE-PA observes that per-customer contributions have decreased by more than 50% since 2013. CAUSE-PA recommends UGI focus on improving solicitation of its e-bill customers noting that Hardship Fund contributions dropped around the time e-billing was rolled out. CAUSE-PA asserts that customers are

less likely to open and review e-bill “inserts,” and as a result are even less likely to donate to Operation Share. CAUSE-PA avers that customers who can afford to donate are often enrolled in autopay because there is no danger of overdrawing due to lack of funds. CAUSE-PA emphasizes the importance of funding hardship funds and urges the Commission to require UGI to expand its voluntary donation solicitations, as well as to work with its USAC to develop a solicitation plan. CAUSE-PA Comments at 105-107.

UGI notes that it has agreed to increase company contributions to Operation Share by \$500,000 as part of the July 2025 Rate Case Settlement.⁸⁷ UGI avers that its methods of soliciting donations from customers is adequate when taken with the increased company contributions. UGI agrees with CAUSE-PA’s recommendation to improve solicitation of its e-bill customers and will send e-bill customers an email annually about Operation Share and how to donate. UGI states it will incorporate this change in its Revised 2026 USECP. UGI Comments at 60-61, *citing* July 2025 Rate Case Settlement at 18, ¶62(a).

Resolution: While UGI does not speculate why historical trends have shown a decrease in funding, we are satisfied with its efforts to enhance its marketing to attempt to reverse this trend. We support UGI’s proposal, in response to CAUSE-PA’s recommendations, to improve solicitation of its e-bill customers and incorporate this change into its USECP. Accordingly, UGI is directed to include in its Revised 2026 USECP and CEOP that it will send an email annually to e-bill customers about Operation Share and how to donate.

c. Exceptions to Maximum Grant Amounts

In the Proposed 2026 USECP, UGI stated that it may approve exceptions to the Operation Share maximum grant amount for “special circumstance customers.” UGI

⁸⁷ UGI’s 2025 base rate proceeding included a \$500,000 increase to Operation Share for a total annual contribution of \$1,084,500. July 2025 Rate Case Settlement at 18, ¶62(a). August 2025 RD at 33.

defined “special circumstances” for CARES as including, but not limited to, a need for help in paying their utility bill, but does not provide any clarification on what “special circumstances” may qualify a customer for an exception to the maximum grant amount for Operation Share. Proposed 2026 USECP at 7, 11. In the July 2025 Order, the Commission directed UGI to outline the “special circumstances” under which a customer would qualify for an exception to the maximum grant amount for Operation Share. July 2025 Order at 64.

UGI Response and Comments

UGI reports that it does not provide exceptions to maximum grant amounts. UGI Supplemental Information at 22.

In the September 2025 Secretarial Letter, BCS questioned this statement as inconsistent with the program description in the current 2020 USECP and Proposed 2026 USECP.⁸⁸ BCS instructed UGI to explain why the provision was included in the 2020 USECP and the Proposed 2026 USECP if it does not provide exceptions to the maximum grant amount. September 2025 Secretarial Letter at 2.

UGI asserts that it is proposing to remove the provision permitting exceptions because the maximum grant amount of \$600, as approved through its recent base rate case settlements,⁸⁹ is adequate. If a customer needs additional assistance beyond the maximum Operation Share grant, UGI states it will utilize the CARES program or recommend third-party agencies. UGI Further Supplemental Information at 7.

⁸⁸ In the 2020 USECP, UGI states that “exceptions to the maximum grant amount may be approved for special circumstance customers.” 2020 USECP at 15. This language is unchanged in the Proposed 2026 USECP.

⁸⁹ UGI Gas raised the maximum grant amount to \$600 in the 2022 UGI Base Rate Case at Docket Nos. R-2021-3030218, *et al.* UGI Electric raised the maximum grant amount to \$600 in the 2023 UGI Electric Base Rate Case at Docket Nos. R-2022-3037368, *et al.*

CAUSE-PA opposes removing this provision and instead recommends UGI identify specific parameters where an exception to the maximum grant amount may be made. CAUSE-PA specifically supports applying reasonable exemptions to prevent a shut-off or assist with reconnection in households with medically vulnerable individuals, young children, or seniors. CAUSE-PA Comments at 108-109.

UGI reiterates that there are other mechanisms to assist customers who need additional assistance, as described by CAUSE-PA, but adds that the delayed LIHEAP funding in 2025 is a clear example where flexibility to exceed the maximum grant amount is beneficial for customers. UGI states that having discretion in times of need allows UGI to support customers during a crisis. UGI Reply Comments at 61.

Resolution: UGI originally proposed to remove the provision allowing exceptions to maximum Operation Share grant amounts in response to questions raised in the July 2025 Order. However, UGI has acknowledged that having the discretion to grant exceptions allows it to support customers in times of crisis. We support UGI's practice of utilizing all mechanisms, such as its CARES program, to assist customers who may need additional assistance beyond the maximum grant amount. We also support granting reasonable exceptions to the maximum grant amount when appropriate, such as to stop a service termination or restore service for vulnerable households. However, given the limits of Operation Share funding, we decline to adopt CAUSE-PA's recommendation to require UGI to list specific circumstances in its 2026 USECP when an exception to the maximum Operation Share amount will be granted. Maintaining the existing language gives UGI the discretion to make exceptions on a case-by-case basis based on available program funding and the special circumstances impacting the applicant household. Accordingly, UGI is directed to maintain the provision permitting exceptions to the maximum grant amount for special circumstance customers in its Revised 2026 USECP.

d. Regional Operation Share Budget Reallocation

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

In the July 2025 Order, the Commission directed UGI to detail the criteria, data, and methodologies it will employ to assess the need for funding reallocation and the amount of funds to be reallocated. July 2025 Order at 64-65.

As part of its 2025 base rate case settlement, UGI Gas agreed to increase the annual budget reallocation limitation across its former three rate districts from 5% to 50%. In the event that any reallocation of funds exceeds 25%, UGI Gas will file a letter with the Commission at the USECP docket explaining the reason for the reallocation. July 2025 Rate Case Settlement at 18, ¶62(b); August 2025 RD at 33.

UGI Response and Comments

UGI states that it proposed a maximum of 25% for reallocation due to historical data indicating that funding was underutilized within certain regions given the current provision to not exceed the 5% reallocation limit. UGI Supplemental Information at 22.

CAUSE-PA supports reallocation of Operation Share funds to ensure customers are not denied access to these grants based solely on location. CAUSE-PA adds that this provision includes safeguards to ensure equitable distribution of funds and to prevent distribution based solely on agency performance. CAUSE-PA recommends UGI improve training and support for its CBOs to ensure agencies are administering Operation Share effectively and efficiently regardless of where the customer lives. CAUSE-PA Comments at 109-110.

Resolution: UGI has addressed our initial question by highlighting historical data indicating underutilization of Operation Share funding within certain regions. We have no further questions or concerns regarding the reallocation of Operation Share funding. However, we encourage UGI to continue working with its CBOs to improve Operation Share training and support, as recommended by CAUSE-PA. Accordingly, we direct UGI to amend its Operation Share reallocation policy in its Revised 2026 USECP consistent with the July 2025 Rate Case Settlement.

B. Projected Needs Assessment

In compliance with 52 Pa. Code § 62.4(b)(3), the Proposed 2026 USECP included a needs assessment for UGI's universal service programs.

a. Estimated and Confirmed Low-Income Customer Count

In the July 2025 Order, the Commission directed UGI to explain the reason for the reduction in estimated and confirmed low-income customer counts for UGI Gas as compared to the data previously reported for 2023. The Commission also directed UGI Gas to update its count of estimated low-income customers based on 2019-2023 Census data. The Commission further directed UGI update its confirmed low-income customer count, if needed, and identify separately the number of estimated and confirmed customers with incomes between 151% to 200% of the FPIG.

UGI Response and Comments

UGI reports a confirmed low-income customer count of 40,879 as set forth in Table B-1 of the Proposed 2026 USECP. UGI referenced the 2023 USC Report⁹⁰ which lists an estimated low-income customer count of 166,336. UGI adds that this count was miscalculated due to erroneous inclusion of non-residential customer counts. UGI avers that the Proposed 2026 USECP correctly used a residential customer count of 147,552 when calculating estimated low-income customers. UGI reports that the estimated low-income customer count in the 2023 USC Report included confirmed low-income customers up to 250% of the FPIG and added that it is correcting the reporting to only include customers up to 150% of the FPIG. UGI further reports an estimated low-income gas customers count of 143,404 based on the 2019-2023 American Community Survey 5-Year Estimates (2019-2023 ACS). UGI claims it cannot segment customer-level data between 151-200% of the FPIG but estimates 58,800 low-income customers fall in this range based on 2019-2023 census data. UGI Supplemental Information at 23.

CAUSE-PA urges UGI to recalculate its confirmed low-income customer count and needs assessment based on the definition of confirmed low-income customers approved in the July 2025 Rate Case Settlement. CAUSE-PA asserts that narrowing the scope of the definition of confirmed low-income customers is inconsistent with this definition and will result in a circular needs assessment, thereby permitting UGI to assess needs based solely on the number of customers already participating in UGI's universal service programs. CAUSE-PA avers that these errors and limitations inhibit analysis of UGI's universal service program performance compared to other NGDCs. CAUSE-PA states that adoption of the appropriate definition of "confirmed low-income" is a good step towards accuracy but recommends that UGI also update its needs assessment based on this definition. CAUSE-PA Comments at 110-112.

⁹⁰ The 2023 USC Report can be viewed at: https://www.puc.pa.gov/media/3433/2023_universal_service_report-final_rev041525.pdf

OCA asserts that requiring a customer to be “income-verified” goes beyond the Commission’s regulations. OCA avers that “confirmed low-income” is not limited to verified income and should include any information that could reasonably indicate that a customer is low-income, such as self-certification. OCA recommends that UGI broaden its definition of confirmed low-income customer to be consistent with 52 Pa. Code § 62.2. OCA Comments at 45-47.

OCA also recommends that the “enrollment size of CAP to serve all eligible customers” should be based on the estimated low-income customer count rather than the number of confirmed low-income customers. OCA Comments at 47.

UGI notes the definition of “confirmed low-income” customer is addressed by the July 2025 Rate Case Settlement. Additionally, UGI does not agree with developing a new needs assessment until the revised LIURP regulations are implemented. UGI states that it requires customers to be income-verified to participate in its universal service programs. However, UGI notes it has agreed to accept self-certification to confirm a customer is low income consistent with the definition of “confirmed low-income customer” in the July 2025 Rate Case Settlement. UGI disagrees with OCA’s recommendation to make the CAP enrollment size consistent with the estimated low-income customer count rather than the confirmed low-income customer count. UGI asserts that estimated low-income customer numbers based on census data are inflated compared to the actual low-income customers within UGI’s service territory. UGI Reply Comments at 62-64, *citing* July 2025 Rate Case Settlement at 21-22, ¶¶67(a)—(b).

Resolution: UGI has addressed our initial question by explaining the miscalculations in the 2023 USC Report and providing the Revised Needs Assessment for UGI Gas consistent with the December 2025 Secretarial Letter. The Revised Needs Assessment includes both updated estimated and confirmed low-income customer counts and

separately identifies the number of estimated and confirmed customers with incomes between 151% to 200% of the FPIG.⁹¹ Accordingly, we have no further questions or issues regarding UGI's estimated and confirmed low-income customer counts. However, UGI is instructed to notify BCS as soon as errors in its USRR data are identified so that corrections to USC Report information can be made.

b. Customers in Need of LIURP

In the July 2025 Order, the Commission directed UGI to identify the eligibility factors used to calculate the number of customers potentially eligible for LIURP and provide customer numbers for each factor, broken down by FPIG level (*i.e.*, 0%-150% and 151%-200%).⁹² Further, the Commission directed UGI to explain how it ensures that the customers within the 0%-150% tier of the FPIG are prioritized for LIURP. July 2025 Order at 68.

UGI Response and Comments

UGI states that it was unable to break down customers between 0-150% and 151-200% of the FPIG. UGI evaluated income-verified customers whose usage exceeded thresholds following factors under 52 Pa. Code §§ 58.4(c)(1)-(4). UGI asserts that it instructs its LIURP agencies to prioritize customers at or below 150% of the FPIG as only 20% of the LIURP budget can be used for customers between 151-200% of the FPIG. UGI Supplemental Information at 23-24.

UGI explains that it identified 13,780 income-verified potentially LIURP-eligible customers at or below 150% of the FPIG. UGI avers that it did not previously provide a

⁹¹ The Revised Needs Assessment is discussed in greater detail below.

⁹² Section 58.4(c)(1)-(4) provide how the steps/factors should be considered. 52 Pa. Code § 58.4(c)(1)-(4). Former LIURP regulations amended January 2, 1998, effective January 3, 1998, 28 Pa.B. 25.

breakdown of customers between 151-200% of the FPIG because this group is largely based on self-certification during interactions with call center representatives and cannot confirm if this group is LIURP-eligible. UGI notes that this group of customers only recently became eligible for LIURP and Operation Share following UGI's Gas 2022 Rate Case and Electric 2023 Rate Case. UGI reports that there are 4,836 self-certified potentially LIURP-eligible customers in the 151-200% FPIG tier based on available customer data, filtered by customers whose annual usage is over 877 Ccf, had 12 consecutive months of consumption, and did not receive LIURP within the prior seven years. UGI asserts that this group of customers would also be subject to UGI's income verification process. UGI Further Supplemental Information at 8.

CAUSE-PA states that because UGI's confirmed low-income customer count was inaccurate, it resulted in an inaccurate needs assessment. CAUSE-PA adds that UGI did not provide information needed to assess UGI's assertion that it properly assessed the factors in 52 Pa. Code §§ 58.4(c)(1)-(4). CAUSE-PA claims that targeted enrollment levels and budgetary needs cannot be determined until UGI's needs assessment is better understood. CAUSE-PA Comments at 113-114.

UGI asserts that it needs clarification of what additional information CAUSE-PA needs to understand whether it properly assessed the factors in 52 Pa. Code §§ 58.4(c)(1)-(4) to estimate the number of customers who need LIURP. UGI Reply Comments at 64-65.

In response to the December 2025 Secretarial Letter, UGI provided a revised needs assessment as reflected in Table 8. UGI states that the estimated low-income customer counts are based on the 2019-2023 ACS provided annually by BCS, with the 151-200% FPIG population calculated as the difference between households at or below 150% of the FPIG within its service territory. UGI explains that confirmed low-income customer counts are consistent with the definition in paragraph 67(a)(i)-(iii) of the July

2025 Rate Case Settlement, and that payment-troubled customers are those with at least one broken payment arrangement in the prior 12 months. UGI Revised Needs Assessment at 3.

UGI further explains that it identified potentially LIURP-eligible customers by filtering the number of residential heating customers (*i.e.*, 77,055) using usage data from December 2024 through November 2025 and applying the following eligibility factors:⁹³ confirmed low-income; 12 months of consecutive service; LIURP usage threshold; and the premises has not received LIURP within the past seven years. UGI states that it calculates the cost to serve all potentially LIURP-eligible customers based on the average LIURP job cost of \$7,249 multiplied by the estimated number of LIURP-eligible customers, and that the enrollment size of CAP to serve all eligible customers is based on the number of confirmed low-income customers, consistent with CAP eligibility requirements. UGI Revised Needs Assessment at 3-4.

⁹³ UGI notes that exceptions for customers who do not meet the eligibility factors may be granted, when warranted, on a case-by-case basis. UGI Revised Needs Assessment at 4.

Table 8
Revised Needs Assessment for UGI Gas

Criteria	0-150% FPIG	151-200% FPIG	Total
1. Number of Estimated Low-Income Customers	143,404	58,880	202,284
2. Number of Confirmed Low-Income Customers	68,867	11,726	80,593
3. Number of Identified Payment-Troubled Low-Income Customers	7,258	57	7,315
4. Number of Potentially LIURP-Eligible Low Income Customers (*See Eligibility Criteria)	27,704	5,043	32,747
5. Cost of Serving the Number of Customers in Need of LIURP	\$200,826,296	\$36,556,707	\$237,383,003
6. Enrollment Size of CAP to Serve All Eligible Customers	68,687 ⁹⁴	N/A	68,687
*Eligibility Criteria	0-150% FPIG	151-200% FPIG	Total
12 Months Consecutive Usage	51,754	10,017	61,771
Over 877 Ccf	30,246	5,223	35,469
Over 877 Ccf Not Weatherized in Last 7 Yrs	27,704	5,043	32,747
Over 877 Ccf Weatherized in Last 7 Yrs	2,542	180	2,722
Under 877 Ccf	21,508	4,794	26,302
*Eligibility Criteria	0-150% FPIG	151-200% FPIG	Total
Less Than 12 Months Consecutive Usage	13,963	1,321	15,284
Over 877 Ccf	4,390	165	4,555
Over 877 Ccf Not Weatherized in Last 7 Yrs	4,306	164	4,470
Over 877 Ccf Weatherized in Last 7 Yrs	85	1	85
Under 877 Ccf	9,573	1,156	10,729

Source: UGI Revised Needs Assessment at 3-4.

⁹⁴ UGI clarifies that the number it reported in the revised needs assessment for enrollment size to serve all eligible CAP customers was inadvertently transposed and that the number count is the same as confirmed low-income customers (*i.e.*, 68,867). UGI Reply Comments to UGI Revised Needs Assessment at 9-11.

CAUSE-PA states that it is satisfied with the updated estimates of low-income and confirmed low-income customer counts in UGI's revised needs assessment. CAUSE-PA recommends that the Commission direct UGI to establish reasonable and measurable goals to improve CAP enrollment, including setting annual enrollment targets equal to 20% of the estimated low-income customer population until at least 75% of that population is enrolled. It also urges the Commission to direct UGI to work with its USAC to develop quantitative goals for affirmative outreach, such as calls, mailings, and approved electronic communications (*i.e.*, with customer consent) and to track and report outreach progress to its USAC. CAUSE-PA notes that improved identification of low-income households will ensure assistance reaches those most in need and requiring UGI to establish specific outreach goals also ensures accessibility to its programs. CAUSE-PA Comments to UGI Revised Needs Assessment at 4.

CAUSE-PA further states that while UGI appears to meet most of the criteria under the former LIURP regulation at § 58.4(c), it has not demonstrated a plan to deliver program services within a reasonable period of time. CAUSE-PA notes that based on UGI's projected enrollment rate of 500 LIURP jobs per year it would take approximately 65 years to serve all eligible households and asserts that it's not a "reasonable period of time" as intended under the former and final-form LIURP regulations. However, CAUSE-PA concludes it cannot determine what constitutes as reasonable without factual information and additional data and emphasizes that LIURP budgets must account for inflation, rising program costs, rate and commodity price increases, including regulatory requirements that stem from the LIURP final-form regulations. Given these complexities and the need for factual information to assess the reasonableness of a specific timeframe, CAUSE-PA recommends referring this issue to the OALJ to develop a factual record of determination. CAUSE-PA Comments to UGI Revised Needs Assessment at 5-7.

OCA questions how UGI used the 2019-2023 ACS data in the revised projected needs assessment, noting that this data does not report households by specific FPIG level.

OCA requests that UGI identify the specific tables it used and provide further information regarding how it used the 2019-2023 ACS data. OCA asserts that the number of estimated low-income, confirmed low-income, and payment-troubled low-income customers reported in the revised needs assessment are different than the numbers reported in the 2023 and 2024 USC Reports. OCA also requests that UGI explain the reasons for these differences and clarify why the number of payment-troubled low-income customers appears to have declined substantially from prior years. OCA Comments to UGI Revised Needs Assessment at 3-4.

OCA also questions why the enrollment size of CAP to serve all eligible customers is slightly lower than the number of confirmed low-income customers and not equal to the number of eligible low-income customers. OCA requests that UGI clarify whether these populations of customers are distinct and what criteria would render an estimated low-income customer not eligible for enrollment in CAP. OCA Comments to UGI Revised Needs Assessment at 4-5.

UGI states that its revised needs assessment identifies 68,697⁹⁵ confirmed low-income gas customers, consistent with the definition adopted in paragraph 67(a)(i-iii) of the July 2025 Rate Case Settlement, and that its estimate of 143,404 low-income customers is based on 2019-2023 ACS data. UGI contends that CAUSE-PA's proposal to enroll 20% of estimated low-income customers annually into CAP until reaching 75% enrolled is unreasonable, asserting that 2019-2023 ACS data is a high-level estimate that does not reflect actual UGI customer-level data. UGI notes that Experian identified approximately 99,000 and 96,000 estimated low-income customers in 2023 and 2026, respectively. UGI asserts that the CAUSE-PA proposal would require roughly 28,700 new CAP enrollments in one year, exceeding its current CAP enrollment of 26,274, and

⁹⁵ UGI notes 68,697 confirmed low-income customers; this appears to be an inadvertent error as UGI further clarifies that the number it reported in the revised needs assessment for enrollment size to serve all eligible CAP customers was inadvertently transposed and is the same customer count as confirmed low-income customers (*i.e.*, 68,867). UGI Reply Comments to UGI Revised Needs Assessment at 9-11.

would double the costs of the USP Rider by about \$100 per year for all non-CAP ratepayers. UGI Reply Comments to UGI Revised Needs Assessment at 3-4.

UGI disagrees with CAUSE-PA's recommendation to work with its USAC to set measurable outreach goals and material to enroll customers into CAP, stating that it has implemented a CEOP through its Proposed 2026 USECP, vetted by its USAC. UGI highlights its Low-Income Assessment Pilot conducted in fall 2024 and in February 2026, which targeted approximately 100,000 Experian-identified low-income customers for CAP enrollment, consistent with the three-year term approved in paragraph 61(a) of the July 2025 Rate Case Settlement. UGI maintains that these efforts represent reasonable steps to promote CAP enrollment, noting that additional, unspecified outreach and reporting would be duplicative and beyond what is required in the CAP Policy Statement. UGI Reply Comments to UGI Needs Assessment at 2-5.

UGI asserts that the revised projected needs assessment includes the eligibility factors it used to determine the number of potentially LIURP-eligible households. UGI opines that CAUSE-PA oversimplifies the estimated 65-year timeframe to serve all potentially LIURP-eligible customers by assuming only 500 LIURP jobs per year. UGI reports that it currently averages 533 jobs annually, has increased its LIURP budget to \$5.2 million under the July 2025 Rate Case Settlement, and expects to complete approximately 600 LIURP jobs beginning in 2026. UGI explains that not all potentially LIURP-eligible customers will participate or qualify, citing that approximately 30% of identified homes were ineligible due to reasons such as housing conditions or receiving weatherization through other programs. UGI maintains that for these reasons, the 65-year timeframe is overstated and there are no issues of material fact that warrant referral to the OALJ. UGI Reply Comments to UGI Revised Needs Assessment at 5-7.

UGI disagrees with OCA's assertion that the 2019-2023 ACS data does not report households by FPIG level, stating that the data includes household counts by FPIG level

(i.e., below 50%, 100%, 150%, and 200%). UGI clarifies that it inadvertently overstated the number of estimated low-income customers and confirmed low-income customers in prior USC Reports due to the inclusion of non-residential customers and customers with income up to 250% of the FPIG. UGI notes that these errors have been fully explained and addressed so future needs assessments will only reflect low-income residential customer counts. UGI Reply Comments to UGI Revised Needs Assessment at 7-9.

Further, UGI clarifies that it revised its definition of payment-troubled customers from those assessed a late payment charge while on a payment arrangement to those issued a written termination notice while on a payment arrangement, to better align with the practices of other EDCs. UGI states that this change in definition accounts for the differences in payment-troubled low-income customer counts between the 2024 USC Report and its revised needs assessment. UGI also clarifies that the number reported in the revised needs assessment for enrollment size to serve all eligible CAP customers was inadvertently transposed and is the same customer count as confirmed low-income customers (i.e., 68,867). UGI explains that it bases the enrollment size of CAP on the number of confirmed low-income customers because it has relative information on them, whereas the estimated low-income counts derived from the 2019-2023 ACS data are hypothetical and not reflective of actual customer records. UGI Reply Comments to UGI Revised Needs Assessment at 9-11.

Resolution: UGI has addressed our initial questions by identifying the eligibility factors used to estimate the number of potentially LIURP-eligible customers and by explaining that its contractors are instructed to prioritize customers with household income at or below 150% of the FPIG. We have considered the concerns raised by CAUSE-PA, including its recommendation that the Commission direct UGI to establish measurable outreach goals, such as achieving enrollment levels equal to 20% of the estimated low-income customer population until 75% of CAP-eligible customers are enrolled and its request to refer the issue regarding its assessment of the term “reasonable period of time”

for delivering program services to the OALJ for determination. However, we agree with UGI that it has implemented reasonable efforts to promote CAP enrollment through its Low-Income Assessment Pilot and CEOP initiatives. We also note that the Commission clarified the term “reasonable period of time” with regard to delivering program services in the LIURP Final-Form Rulemaking Order, as an estimated timeframe based on a public utility’s needs assessment and operational capacity while allowing flexibility to address unforeseen circumstances.⁹⁶ UGI’s projections and explanation appear consistent with this clarification, including its estimates of the number of LIURP jobs expected to be completed and its accounting that approximately 30% of identified homes may be ineligible for LIURP, allowing flexibility for unexpected circumstances. Therefore, we are not persuaded to direct UGI to implement CAUSE-PA’s recommendations.

Further, we have considered the concerns raised by OCA regarding the inconsistencies in customer counts and UGI’s use of the 2019-2023 ACS data. UGI has clarified that the correct number of enrollment size to serve all eligible CAP customers is 68,867, the same count as confirmed low-income customers. We find that UGI has adequately addressed these concerns. However, as noted previously, if UGI identifies discrepancies with the USRR data reported to the Commission, it should promptly notify BCS.

Accordingly, UGI is directed to update Table B-1 in Appendix B of the Revised 2026 USECP to reflect the revised needs assessment, including the corrected number of enrollment size to serve all eligible CAP customers (*i.e.*, 68,867), along with the corresponding clarifications to the customer counts.

⁹⁶ *Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations at 52 Pa. Code §§ 58.1—58.18* Final-Form Rulemaking Order, Docket No. L-2016-2557886 (order entered on March 13, 2025), at 125-126.

c. Projected Needs Assessment for UGI Electric

In the July 2025 Order, the Commission directed UGI to provide a projected needs assessment for UGI Electric. July 2025 Order at 69.

UGI Response and Comments

UGI provided a needs assessment for UGI Electric, as shown in Table 9:

Table 9
Needs Assessment for UGI Electric

Identified Low-Income Customers	6,251
Estimated Low-Income Customers	16,469
Identified Payment-Troubled Low-Income Customers	253
Customers in Need of LIURP Heating Services	676
Customers in Need of LIURP Baseload Services	2,329
Total Customers in Need of LIURP Services	3,005
Cost to Serve Customers in Need of LIURP Heating Services	\$4,298,557
Cost to Serve Customers in Need of LIURP Baseload Services	\$4,860,078
Total Cost to Serve Customers in Need of LIURP Services	\$9,158,635
Enrollment Size of CAP to Serve All Eligible Customers	6,251

Source: UGI Supplemental Information at 24.

Consistent with its prior comments, CAUSE-PA recommends that UGI submit an updated needs assessment for UGI Electric based on the definition of confirmed low-income in 52 Pa. Code §§ 54.72 and 69.262 in addition to a census-based estimated low-income customer count. CAUSE-PA asserts that while the July 2025 Rate Case Settlement only applies to UGI Gas, the provision in the settlement is rooted in regulatory definitions and UGI should apply these definitions consistently to both gas and electric divisions. CAUSE-PA Comments at 114.

UGI disagrees with CAUSE-PA’s recommendation to update its needs assessment for UGI Electric. UGI states that it is not required to conduct a needs assessment for UGI Electric due to its size but provided one as part of its supplemental information per Commission direction in the July 2025 Order. UGI added that it will apply the term “confirmed low-income” consistently for both UGI Gas and UGI Electric. UGI Reply Comments at 65-66.

Resolution: We are satisfied with the initial needs assessment provided for UGI Electric and with UGI’s clarification that it will consistently apply the same definition of “confirmed low-income” for both UGI Gas and UGI Electric. Accordingly, UGI is directed to include the needs assessment for UGI Electric in its Revised 2026 USECP.

UGI is correct that small electric utilities are generally not required to conduct a needs assessment, consistent with 52 Pa. Code § 54.77, which waives certain universal service reporting requirements for EDCs with fewer than 60,000 residential customers. However, because UGI Electric has elected to offer ratepayer-funded universal service programs within its service territory, reporting and evaluation is necessary for the Commission and stakeholders to assess how well UGI Electric’s programs are meeting the needs of its eligible or potentially eligible customers. The Commission has already directed UGI Electric to comply with the reporting requirements under 52 Pa. Code § 54.75. Accordingly, we further direct UGI Electric to comply with the USECP reporting and evaluation requirements under 52 Pa. Code §§ 54.74 and 54.76, which includes providing an assessment of the need for universal service programs within its service territory and a periodic third-party evaluation of the program impacts.⁹⁷ As further explained in our discussion of UGI’s LIURP budgets, UGI Electric will be required to file an updated needs assessment in 2028. UGI Electric’s updated needs assessment shall be consistent with the Revised Needs Assessment filed for UGI Gas, including both

⁹⁷ We note that UGI Electric is already compliant with 52 Pa. Code §54.76, as the 2024 APPRISE Impact Evaluation includes an evaluation of the programs for both UGI Gas and UGI Electric.

estimated and confirmed low-income customer counts and separately identifying the number of estimated and confirmed low-income customers with incomes between 151% to 200% of the FPIG.

C. Projected Enrollment Levels

UGI’s projected enrollment levels from 2026 through 2030 are shown in Tables 10 and 11 below. Proposed 2026 USECP at Appendix A.

**Table 10
Projected CAP Enrollment 2026-2030**

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

**Table 11
Projected LIURP, Operation Share, and CARES Enrollment 2026-2030**

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

In the July 2025 Order, the Commission did not require any additional information or clarifications regarding these projected enrollment levels.

Comments

CAUSE-PA asserts that UGI should adjust its projected LIURP enrollment levels based on a revised needs assessment, which should then be used to establish UGI’s future LIURP budget. CAUSE-PA submits that UGI’s projected enrollment levels are not paced to reach all eligible customers for 27 years. CAUSE-PA states that this is not a “reasonable period of time” per 52 Pa. Code § 58.4(c) but asserts it cannot determine a

reasonable period of time without more information. CAUSE-PA submits that this issue should be referred to the OALJ or parties should be provided with an opportunity to provide further comment after UGI revises its needs assessment. CAUSE-PA Comments at 114-115.

OCA states that the number of CAP participants (*i.e.*, 29,134 customers) reported in the Proposed 2026 USECP is relatively low compared to the estimated number of low-income customers. OCA also points out that UGI's projection of approximately 31,717 CAP customers through 2030 is lower than the participation goals identified in the 2024 APPRISE Impact Evaluation, which projects over 42,000 CAP participants by 2025. OCA asserts that because the new projections are more than 10,000 customers below those earlier goals, it recommends that UGI explain the discrepancy between the projections in the Proposed 2026 USECP and the 2024 APPRISE Impact Evaluation. OCA Comments at 51-52.

UGI states that it intends to update its budgets, estimated low-income and confirmed low-income customers, the number of potentially LIURP-eligible customers, and historical participation rates in accordance with the criteria set forth in the pending LIURP final-form regulations. UGI also recommends waiting for the revised LIURP regulations to take effect before discussing balancing costs and rate considerations against any increased pace in enrollment. UGI states that there are no issues of fact in dispute to support CAUSE-PA's recommendation to refer this matter to OALJ and requests that the Commission issue a Final Order based on the information provided in its reply comments. UGI Reply Comments at 66-67.

UGI disagrees with OCA's allegation that the number of CAP participants is low, stating that it has taken efforts to increase enrollment. In response to OCA's request for an explanation on why it has projected fewer participants for 2030 than was published in the 2024 APPRISE Impact Evaluation, UGI states that its prior USECP was based on

seven-year-old projection calculations that it claims were overly optimistic and unachievable. UGI states that its current projections are based on more recent historical data. UGI Reply Comments at 67-68.

Resolution: We have considered the concerns raised by parties regarding UGI’s projected CAP and LIURP enrollment levels reported in the Proposed 2026 USECP. UGI has clarified the discrepancy between the CAP enrollment projections reported in the Proposed 2026 USECP and the 2024 APPRISE Impact Evaluation. As discussed above, we find that UGI has implemented reasonable efforts to promote CAP enrollment, including through its Low-Income Assessment Pilot and CEOP initiatives. Also discussed above, we noted the term “reasonable period of time” is intended to reflect an estimated timeframe based on a public utility’s needs and operational capacity, while allowing flexibility for unexpected circumstances that may arise. Therefore, we are not inclined to act on CAUSE-PA’s recommendation to refer this issue to the OALJ. However, as UGI has clarified that it intends to serve 600 gas customers through LIURP annually beginning in 2026 due to the LIURP budget increase in the July 2025 Rate Case Settlement, UGI Gas’s projected annual LIURP jobs should be updated accordingly.

Accordingly, UGI is directed to amend the projected LIURP enrollment levels for UGI Gas to 600 annually in the Revised 2026 USECP.

D. Program Budgets

UGI’s proposed program budget levels for 2026 through 2030 are shown in Table 12 below.

**Table 12
Projected Universal Service Budgets 2026-2030**

	2026	2027	2028	2029	2030
UGI Gas					
CAP	\$23,486,391	\$24,520,570	\$25,600,287	\$26,727,547	\$27,904,444
LIURP	\$4,214,350	\$4,214,350	\$4,214,350	\$4,214,350	\$4,214,350
CARES*	\$115,000	\$115,000	\$115,000	\$115,000	\$115,000
Operation Share**	\$584,500	\$584,500	\$584,500	\$584,500	\$584,500
Operation Share Administration Cost	\$29,214	\$29,214	\$29,214	\$29,214	\$29,214
Total	\$28,400,241	\$29,434,420	\$30,514,137	\$31,641,397	\$32,818,294
Costs Recovered from Ratepayers	\$27,729,955	\$28,764,134	\$29,843,851	\$30,971,111	\$32,148,008
Average Monthly Spend per non-CAP Residential Customer***	\$3.80	\$3.95	\$4.09	\$4.25	\$4.41
UGI Electric					
CAP	\$8,852,945	\$9,226,504	\$9,615,826	\$10,021,576	\$10,444,446
LIURP	\$403,679	\$403,679	\$403,679	\$403,679	\$403,679
CARES*	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Operation Share**	\$117,423	\$117,423	\$117,423	\$117,423	\$117,423
Operation Share Administration Cost	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
Total	\$9,394,047	\$9,767,606	\$10,156,928	\$10,562,678	\$10,985,548
Costs Recovered from Ratepayers	\$9,262,024	\$9,635,583	\$10,024,905	\$10,430,655	\$10,853,525
Average Monthly Spend per non-CAP Residential Customer***	\$15.33	\$15.95	\$16.59	\$17.26	\$17.96

Source: Proposed 2026 USECP at Appendix A.

*As discussed above, UGI's CARES is not part of the USP Rider and is funded through UGI's operating expense budget. See [CARES Program Funding](#).

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

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

LIURP Budget

In its Proposed 2026 USECP, UGI proposes different LIURP budget amounts for UGI Electric and each region served by UGI Gas as reflected in Table 13:

Table 13
LIURP Projected Budgets – 2026-2030

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

Source: Proposed 2026 USECP at A-2.

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

In addition, UGI proposes to reserve up to 10% of its total current year LIURP budget for its Rehabilitation Program. Proposed 2026 USECP at 31. However, it is not clear if the projected LIURP budgets for 2026-2030 include or exclude the 10% reserved for the Rehabilitation Program. UGI also did not include annual projected budget levels for the Rehabilitation Program in its Proposed 2026 USECP. July 2025 Order at 73.

In the July 2025 Order, the Commission noted that UGI's proposed annual LIURP budgets for 2026-2030 are fixed annual amounts and do not reflect any anticipated increases. It appeared that the static budget projections create ambiguity about whether UGI intends to increase LIURP budgets by 3% each year when no residential rate case increases are implemented. The Commission further noted that while UGI's intention is to reallocate unspent LIURP funds to LIURP agencies that can use the funds, it is not clear what its policy is for those reallocated funds which remain unspent at the end of the program year. July 2025 Order at 72-73.

The Commission directed UGI to provide a projected annual budget for the Rehabilitation Program for 2026 through 2030 and directed UGI to clarify:

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

July 2025 Order at 73.

UGI Response and Comments

UGI confirms that the projected LIURP budget will increase annually by 3% for each year when no residential rate case increases are implemented. UGI notes that it agreed to make its best effort to spend any remaining LIURP funds from the prior year within the first six months of the following year, consistent with the terms in the July 2025 Rate Case Settlement.⁹⁸ UGI also confirms the projected LIURP budgets include

⁹⁸ July 2025 Rate Case Settlement at 14-15.

the 10% designated for the Rehabilitation Program. UGI added that it will reserve up to 10% of annual LIURP funds for the Rehabilitation Program and will re-release the funds if they are not used. UGI Supplemental Information at 24-25.

CAUSE-PA supports rollover of unspent LIURP funds into the budget for the following program year and recommends UGI update its USECP to clearly state this provision. CAUSE-PA also supports UGI's proposal to increase LIURP funding each year. CAUSE-PA submits that the minimum annual increase should be based on targeted enrollment, which should be based on UGI's needs assessment. CAUSE-PA suggests that annual funding should increase at least at the rate of inflation. CAUSE-PA notes that in the July 2025 Rate Case Settlement, UGI agreed to increase its Gas LIURP budget by \$1,000,000 annually beginning January 1, 2026. CAUSE-PA asserts that this increase is meant to mitigate the impact of the increased rates rather than the existing program shortfall. CAUSE-PA further submits that the increase in LIURP funding approved in the July 2025 Rate Case Settlement should not replace UGI's proposal to increase LIURP funding annually following the 2026 program year. CAUSE-PA Comments at 115-117.

OCA disagrees that UGI's proposed annual budget increases would provide adequate funding for LIURP. OCA calculates that under the current budget proposal, it would take over 80 years to serve all customers in need of LIURP if no customers needed re-weatherization. OCA asserts that the LIURP budget is set with no objectives or consideration for the needs assessment, or how that assessment may change with rate or commodity cost increases. OCA recommends that the LIURP budget be tied to the needs assessment but believes that this issue cannot be resolved through the Comment and Reply Comment period in this proceeding or through a base rate proceeding. OCA further recommends that the Commission establish a process requiring all EDCs and NGDCs to file updated information at least every two years demonstrating that their LIURP budgets are sufficient and account for changes such as rate increases. OCA also notes that these interim filings should provide the opportunity for stakeholders to review

the information and propose adjustments to the LIURP budgets. OCA Comments at 40-44.

Additionally, OCA strongly supports continued rollover of unspent LIURP funds and asserts that the proposal to no longer rollover unspent funds is inconsistent with 52 Pa. Code § 58.4(d). OCA states that if UGI is unable to spend its LIURP budget, it should propose a plan to reach more households. OCA recommends UGI file such a proposal through a Petition or amendment to its USECP to allow stakeholders an opportunity to recommend ways UGI could spend its remaining LIURP budget. OCA Comments at 44-45.

CAUSE-PA supports OCA's recommendation to tie the LIURP budget to the needs assessment but emphasizes that the needs assessment must be accurate. CAUSE-PA reiterates its recommendation for UGI to recalculate its confirmed low-income customer count using the definition approved in the July 2025 Rate Case Settlement and amend its needs assessment. CAUSE-PA further recommends that the revised needs assessment should then be used to determine the LIURP budget past 2026. CAUSE-PA supports OCA's recommendation that the Commission develop a process for all EDCs and NGDCs to demonstrate that their LIURP budgets are sufficient and account for any changes, such as rate increases, that occur. CAUSE-PA further recommends that the Commission ensure stakeholders can comment on any proposed adjustments. CAUSE-PA Reply Comments at 4-5.

UGI agrees with CAUSE-PA's recommendation to update its USECP to clearly state that unspent LIURP funds will be rolled into the following program year's budget. Regarding CAUSE-PA's Comments on budget expectations, UGI notes that the Commission has advised public utilities not to include items from the pending LIURP regulations in proposed USECPs. UGI Reply Comments at 68-69, *citing* Columbia Gas 2024 USECP Order at 53-54.

UGI notes its LIURP gas budget was adjusted through the July 2025 Rate Case Settlement and is based on availability of contractors and the ability to reach homes to perform services, which is limited. UGI disagrees with OCA's recommendation for UGI to demonstrate its budget is sufficient every two years and permit stakeholders to comment on proposed budget adjustments between USECP filings. UGI asserts that this recommendation goes beyond what is allowed by Commission regulations or policy. UGI also disagrees with OCA's proposal to consider whether budget increases should be more closely tied to construction costs or other factors impacting weatherization costs. UGI reiterates that resources and funds are not unlimited and asserts that a 3% annual increase is achievable and reasonable. UGI Reply Comments at 69-71, *citing* July 2025 Rate Case Settlement at 14, ¶60(a).

In response to OCA's assertion that UGI's discontinuance of rolling over unspent LIURP funds is inconsistent with the revised LIURP regulations, UGI notes that in the July 2025 Rate Case Settlement, UGI specifies that its budget will remain unchanged until a change is approved by the Commission, and that UGI will roll over unspent funds. UGI reiterates that it will comply with the revised LIURP regulations when they are finalized. UGI disagrees with OCA's claim that there has been a "chronic overestimation of budget" noting that UGI has spent 90% of its allocated LIURP budget over the prior four years. UGI Reply Comments at 71-72.

Resolution: UGI has answered our initial questions by confirming that the projected LIURP budgets will increase annually by 3% for the years when no residential rate increases are implemented. UGI also explained that its annual LIURP budgets include the 10% allocation designated for the Rehabilitation Program.

The LIURP regulations, which became effective on December 13, 2025, require public utilities to annually reallocate unspent LIURP funds to the LIURP budget for the

following program year unless an alternate use is approved by the Commission.⁹⁹ UGI has confirmed it will carryover unspent LIURP funds to the following program year budget, consistent with the requirements of the LIURP regulations.¹⁰⁰ We note that UGI shall file an explanation at its current USECP docket if more than 10% of the annual LIURP budget remains unspent.¹⁰¹

We have considered the concerns raised by the parties regarding the adequacy of UGI's LIURP budget in conjunction with the revised projected needs assessment. We recognize that UGI Gas's LIURP budget was recently increased by \$1 million annually and the LIURP budgets for both UGI Gas and Electric will increase annually by at least 3% over the term of the USECP. Further, any unspent LIURP funds will be carried over into the subsequent program year. We are also mindful that universal service program costs are recovered from non-CAP ratepayers, and changes to LIURP funding impact residential customer bills. The Commission has previously directed public utilities to file and serve an updated LIURP needs assessment approximately two years after approval of their five-year USECP to determine, *inter alia*, whether their annual LIURP budget should be adjusted.¹⁰² Therefore, we find it reasonable to require UGI to file an updated needs assessment for both UGI Gas and UGI Electric prior to its next USECP to assess the adequacy of its projected needs and whether its projected LIURP budget remains appropriately funded.

⁹⁹ LIURP Regulations at § 58.4(d.1).

¹⁰⁰ Compliance with the LIURP regulations is required within 12 months of its effective date (*i.e.*, by December 13, 2026); except for compliance with reporting data on LIURP deferrals in 52 Pa. Code § 58.15a(3)(i), is required within 24 months after the effective date (*i.e.*, December 13, 2027).

¹⁰¹ LIURP Regulations at § 58.15a(3)(vi).

¹⁰² See *PGW 2023-2027 USECP Order*, Docket No. M-2021-3029323 (order entered on January 12, 2023), at 91-92; *PPL 2023-2027 USECP Order*, Docket No. M-2022-3031727 (order entered on February 9, 2023), at 114-116; *Columbia Gas 2024-2028 USECP Order*, Docket No. M-2023-3039487 (order entered on April 4, 2024), at 104-106; and *FirstEnergy PA 2024-2028 USECP*, Docket Nos. M-2022-3036532, M-2022-3036533, M-2022-3036534, and M-2022-3036535 (order entered on March 14, 2024), at 107-109.

Accordingly, UGI is directed to file and serve updated needs assessments at Docket Nos. M-2025-3054362 and M-2025-3054366 for UGI Gas and UGI Electric on May 1, 2028, consistent with the revised needs assessment for UGI Gas provided in this proceeding. UGI shall include the estimated funding levels and years needed to provide LIURP services to potentially LIURP-eligible customers with income at or below 150% of the FPIG and those with income between 151%-200% of the FPIG. UGI is also directed to update its Revised 2026 USECP to reflect that unspent LIURP funds will carry over into the subsequent program year budget. UGI shall ensure the projected LIURP budget for UGI Gas in its Revised 2026 USECP is updated to reflect an annual increase of \$1 million consistent with the terms of the July 2025 Rate Case Settlement.

E. Use of Community-Based Organizations (CBOs)

In the July 2025 Order, the Commission did not require any clarifications regarding UGI's use of CBOs for the delivery of its CAP, LIURP, CARES, and Hardship Fund programs in its Proposed 2026 USECP.

UGI Response and Comments

CAUSE-PA strongly supports the continued use of CBOs and recommends UGI provide CBOs with additional training and support. CAUSE-PA Comments at 118.

UGI states that it will continue providing training and support to CBOs as applicable. UGI Reply Comments at 72.

Resolution: We are directing no changes to this aspect of UGI's 2026 USECP. However, we encourage UGI to work with its USAC to identify areas where additional training and support for CBOs administering or supporting its universal service programs might be appropriate.

F. Organizational Structure of Universal Service Staff

In the July 2025 Order, the Commission did not require any clarifications to UGI's internal organizational structure for universal service programs in the Proposed 2026 USECP.

Comments

No parties submitted comments regarding UGI's organizational structure of universal service staff.

Resolution: Consistent with the July 2025 Order, we are not currently requiring any changes to this aspect of the Proposed 2026 USECP.

III. CONCLUSION

Consistent with the ordering paragraphs below, we shall direct UGI to file a Revised 2026 USECP reflecting the changes directed herein within 30 days of the date of entry of this Order. We invite UGI to submit its Revised USECP to BCS for a compliance review prior to the filing. Contingent upon these changes, UGI's 2026 USECP is approved. Changes approved or directed shall take effect unless otherwise indicated, within six months from the entry date of this Order. The Commission's approval of the 2026 USECP does not limit the Commission's authority to order future changes to the 2026 USECP based on evaluation findings, universal service data, or ratemaking considerations.

UGI's existing 2020 USECP will continue in operation until replacement provisions of the Revised 2026 USECP are implemented. A third-party independent evaluation of UGI's universal service programs shall be due on November 1, 2029. UGI's next proposed USECP shall be due on or before November 1, 2030, and shall include enrollment and budget projections for five years starting January 2032 (*i.e.*, 2032-2036).

Having addressed UGI's Proposed 2026 USECP and the comments and reply comments, we note that any issue, comment, or reply comment requesting a further deviation from the Proposed 2026 USECP, but which we may not have specifically delineated herein, shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at length each contention or argument raised by the parties. *Consolidated Rail Corp v. Pa. Pub. Util. Comm'n*, 625 A.2d 741 (Pa. Cmwlth.1993); *see also*, generally, *U. of Pa. v. Pa. Pub. Util. Comm'n*, 485 A.2d 1217 (Pa. Cmwlth.1984); **THEREFORE,**

IT IS ORDERED:

1. That the UGI Utilities, Inc. Universal Service and Energy Conservation Plan for 2026-2030 is approved, subject to the conditions established in this Order, consistent with Title 66 of the Pennsylvania Consolidated Statutes, Title 52 of the Pennsylvania Code, and Commission practice.

2. That the Petition of UGI Utilities, Inc. for Limited Waivers of 52 Pa. Code §§ 58.10(a)(1) and 58.11(a), filed on April 1, 2025 at Docket No. P-2025-3054381, is approved consistent with this Order.

3. That UGI Utilities, Inc., shall file a Revised 2026-2030 Universal Service and Energy Conservation Plan conforming to the conditions established in this Order within 30 days from the entry date of this Order.

4. That the Revised 2026-2030 Universal Service and Energy Conservation Plan must be filed in both clean and redline copies and served on the parties to these dockets.

5. That the Revised 2026-2030 Universal Service and Energy Conservation Plan must be provided electronically in Word[®]-compatible format to Nathan Froehlich, Bureau of Consumer Services, nfroehlich@pa.gov; Christina Chase-Pettis, Office of Communications, ccasepett@pa.gov; and Stephanie Wilson, Law Bureau, stepwilson@pa.gov.

6. That UGI Utilities, Inc. shall incorporate the changes, as directed or identified herein, to its Revised 2026-2030 Universal Service and Energy Conservation Plan, including:

a. CAP

- i. Include the full list of acceptable income documentation and clearly indicate that 30 days or 12 months of income can be provided, whichever timeframe is most beneficial and reflective of actual annual household income.
- ii. Clarify that historical usage for CAP customers is incorporated into the determination of quarterly CAP bill adjustments.
- iii. Include a copy of its Common Application Form.
- iv. Update its description of UGI Electric's CAP auto-enrollment process.

- v. Clarify that customers who have received a LIHEAP grant within the current or prior LIHEAP season and opted into LIHEAP data sharing are not required to provide income verification for CAP, LIURP, or Operation Share.
- vi. Include CAP “opt-in” solicitation communications as attachments.
- vii. Clarify that customers who voluntarily remove themselves from CAP will be required to remain out of the program for 12 months unless they pay the CAP catch-up amount.
- viii. Remove the provision that customers must participate in other non-LIURP weatherization services offered through local and state weatherization agencies to remain eligible for CAP.
- ix. Clarify that exceptions to LIURP participation as a requirement for CAP enrollment may be granted based on the conditions of the home, lack of landlord permission, or other extenuating circumstances.
- x. Clarify that exceptions to the high-usage threshold will be provided for CAP customers who report additional household members, illness, or other contributing factors beyond their control.
- xi. Identify how informed consent is obtained before applying a security deposit to a low-income customer’s account balance.
- xii. Clarify that CAP customers will be charged no more than their prorated CAP billing amount for usage incurred during their final billing period.
- xiii. Clarify that customers can receive assistance with CAP-related issues by contacting either UGI or its CAP agencies.
- xiv. Clarify that all eligible customers can enroll in CAP as a means of restoring service, even if they have had service terminated within the past 30 days, if they meet all other program and restoration requirements.
- xv. Clarify that all eligible customers who have never participated in CAP can restore service by enrolling in the program and have any balance owed deferred for PPA forgiveness.

- xvi. Clarify that UGI will handle any customer who provides a copy of a PFA order or a court order issued by a court of competent jurisdiction in this Commonwealth which provides clear evidence of domestic violence through its specialized CARES unit.
- xvii. Explain that its CEOP reflects an evolving process that will be modified and enhanced as needed within the duration of the 2026 USECP.
- xviii. Incorporate education and outreach provisions approved in UGI Utilities, Inc.'s 2025 Base Rate Case settlement into its CEOP.
- xix. Identify in the CEOP that (1) CAP letters will include information on programs available through other agencies, and (2) information regarding CAP enrollment and PPA forgiveness are included in 10-day notices, soft notices, and door hangers.
- xx. Explain that customers who request transfer of service to a new residence will receive information on its universal service programs in written communication.

b. LIURP

- i. Clarify that customers at or below 150% FPIG are eligible for LIURP and include its definition of “special needs customers.”
- ii. Specify the circumstances when a household may qualify for an exception to the LIURP eligibility guidelines and the seven-year re-weatherization time limits.
- iii. Clarify that UGI provides conservation education packets to its CAP and LIURP agencies for distribution.
- iv. Explain the process for an in-home and telephonic energy education session.

- v. Explain the process for LIURP deferrals, including how customers are notified of the reasons for deferral, examples of safety hazards, the list of referral agencies/programs, and the steps for tracking deferrals.
- vi. Explain its LIURP post-installation inspection protocols and customer complaint process, including the methodology used to select completed LIURP jobs for post-installation inspection and the process for tracking customer complaints by contractor and issue.
- vii. Clarify the method and process for obtaining landlord and customer consent, including identifying applicable forms.
- viii. Explain its LIURP contractor certification requirements and document its annual LIURP contractor training and virtual training procedures, including the basic content covered.
- ix. Clarify that UGI retains discretion to grant an exception to LIURP eligibility requirements when warranted.
- x. Include the provisions clarifying the Rehabilitation Program funding and reporting requirements and clarify that the program serves both homeowners and renters.
- xi. Acknowledge the approval of the limited waivers of 52 Pa. Code §§ 58.10(a)(1) and 58.11(a).

c. Operation Share

- i. Clarify that CAP customers do not need to prove additional hardships to qualify for an Operation Share grant.
- ii. Identify that UGI will send an email annually to e-bill customers about Operation Share and how to donate.
- iii. Maintain the provision permitting exceptions to the maximum grant amount for special circumstance customers.

- iv. Amend the Operation Share reallocation policy consistent with the settlement provisions in its 2025 Base Rate Case.

d. Needs Assessment, Enrollment Levels, and Budgets

- i. Update the needs assessment for UGI Gas and add the needs assessment for UGI Electric.
- ii. Update the projected LIURP enrollment levels for UGI Gas to 600 annually.
- iii. Clarify that unspent LIURP funds will carry over into the subsequent program year budget.
- iv. Update the LIURP budget for UGI Gas to reflect an annual increase of \$1 million approved in the 2025 Base Rate Case.

7. That UGI Utilities, Inc. shall incorporate any other necessary changes to its Revised 2026-2030 Universal Service and Energy Conservation Plan to ensure it is consistent with the settlement provisions of its 2025 Base Rate Case at Docket No. Docket No. R-2024-3052716, *et al.*

8. That UGI Utilities, Inc. shall incorporate the following changes to its Customer Outreach System as part of this upgrade:

- a. If 12 months of historical usage for a CAP customer is not available, the average bill amount used for a quarterly CAP bill review will be based on the historical usage of all CAP customers or the residence, whichever is lower.
- b. Applying CAP credits at the time of billing instead of after a CAP payment has been made.

9. That UGI Utilities, Inc. shall file and serve its plan, timeline, and cost estimates for implementing an online CAP application at Docket Nos. M-2025-3054362 and M-2025-3054366 within six months from the entry date of this Order.

10. That UGI Utilities, Inc. shall file and serve notification at Docket Nos. M-2025-3054362 and M-2025-3054366 within six months from the entry date of this Order that UGI has implemented a process to stop sending recertification notices to customers once they have submitted their recertification.

11. That UGI Utilities, Inc. shall review its landlord consent form, eligibility affidavit waiver, guidance to contractors, specific examples of the energy education provided to LIURP customers, and copies of its Energy Education and Certification of Completion forms with its Universal Service Advisory Committee within three months of the entry date of this Order to determine whether clarifications or enhancements are warranted. If modifications to forms or procedures are made, UGI shall file and serve the updated document(s) and/or an amendment to its 2026-2030 Universal Service and Energy Conservation Plan at Docket Nos. M-2025-3054362 and M-2025-3054366 within six months of the entry date of this Order.

12. That UGI Utilities, Inc. shall consult with its Universal Service Advisory Committee on the following issues within 12 months from the entry date of this Order:

- a. Update CAP applications and letters to indicate that 30 days or 12 months of income data, whichever timeframe is most beneficial and reflective of actual annual household income, may be utilized when available to apply for UGI's universal service programs.

- b. Review letters and other communications issued to auto-enrolled electric Customers.
- c. Ensure no unnecessary information (*i.e.*, information already available to UGI) is requested from customer who have opted-in to LIHEAP data sharing and want to enroll in LIURP or Operation Share.
- d. Review CAP “opt-in” solicitation materials and discuss ways to improve dissemination of these materials to LIHEAP recipients not yet enrolled in CAP.
- e. Review CAP recertification process, communication methods, and notices.
- f. Review the training developed for customer service representatives to address contacts from customers at risk of termination.
- g. Review current training for CBOs and customer service representatives to ensure customers in need of universal service assistance are provided with consistent information and service.
- h. Review CAP outreach and determine how to expand existing outreach and communications to inform recently terminated customers of the option to enroll in CAP to restore service and receive PPA forgiveness, if applicable.
- i. Review current processes and training for handling victims of domestic violence who apply for universal service programs.
- j. Review written communication providing information on its universal service programs to customers who request transfer of service to a new residence.
- k. Review UGI’s Low-Income Assessment Pilot at quarterly USAC meetings and seek input and feedback on how LIHEAP outreach and communications could be potentially improved.
- l. Identify areas where additional training and support for CBOs administering or supporting UGI’s universal service programs might be appropriate.

13. That UGI Utilities, Inc. is directed to file and serve the following data at Docket Nos. M-2025-3054362 and M-2025-3054366 on July 1st of each year, beginning in 2027, for the duration of its 2026-2030 Universal Service and Energy Conservation Plan regarding tracking and reporting for UGI Electric auto-enrolled CAP customers:

- a. the number of auto-enrolled customers broken down by FPIG level;
- b. the number of auto-enrolled customers who provided income documentation to change their CAP payment amount after enrollment;
- c. the number of auto-enrolled customers paying the average bill, PIP amount, and minimum payment amount, broken down by FPIG level;
- d. the number of auto-enrolled customers who have opted out of CAP within the established timeframe;
- e. the number of auto-enrolled customers who have attempted to opt-out of CAP after the opt-out period had elapsed; and
- f. the impact of auto-enrollment on payment behavior and debt forgiveness.

14. That UGI Utilities, Inc. – Electric Division shall provide all information required under 52 Pa. Code §§ 54.74 – 54.76 beginning in 2027.

15. That UGI Utilities, Inc. is no longer required to file and serve annual CAP Credit Evaluation Reports.

16. That UGI Utilities, Inc. shall make written notices explaining its universal service programs and applications for its programs available in any language determined appropriate under its obligations regarding 52 Pa Code § 58.9. UGI shall file and serve copies of these documents at Dockets M-2025-3054362 and M-2025-3054366 within 12 months from the entry date of this Order.

17. That UGI Utilities, Inc. shall file and serve an update to its CEOP at Docket Nos. M-2025-3054362 and M-2025-3054366 on March 1st each year beginning in 2027 and continuing for the duration of its 2026-2030 Universal Service and Energy Conservation Plan. The March 1, 2027, CEOP update shall include the following enhancements:

- a. More educational training webinars and workshops using virtual or hybrid and in-person events to keep community partners and interested stakeholders informed and updated about universal service programs.
- b. Broader outreach efforts for households with incomes at or below 50% of the FPIG. This should include a description of planned approaches, partnerships, and tools to support this targeted engagement and efforts.
- c. Specific tools, structured approaches, and targeted outreach focusing on energy burden education.
- d. Clear education information and materials about household energy burdens to encourage greater awareness of affordability.
- e. Additional education and outreach events throughout the service territory led by staff from UGI Utilities, Inc.
- f. Additional measurable data for WARM events, including the number of events, CAP enrollment impact, and the communities targeted.

18. That UGI Utilities, Inc. shall consult with its Universal Service Advisory Committee and the Commission's Office of Communications when updating its CEOP each year.

19. That UGI Utilities, Inc. shall track its targeted Rehabilitation Program outreach efforts and exceptions granted to its LIURP eligibility guidelines and seven-year re-weatherization time limit. UGI Utilities, Inc. shall share the results of this tracking

with its Universal Service Advisory Committee at least annually for the duration of its 2026-2030 Universal Service and Energy Conservation Plan, beginning in 2027.

20. That UGI Utilities, Inc. shall implement the following steps if its actual CAP costs exceed the projected budget for that year by greater than 20%:

- a. Notify all parties to the 2026-2030 Universal Service and Energy Conservation Plan by or before March 1st of the following year and provide actual annual CAP cost information for the preceding year.
- b. Schedule a meeting with all related parties within 30 days of this notification to discuss the reason for the cost increase and whether new cost control measures are appropriate.
- c. File and serve a Petition at Docket Nos. M-2025-3054362 and M-2025-3054366 proposing additional cost control measures or a letter justifying why no additional cost control measures are needed.

21. That UGI Utilities, Inc. shall file and serve the following data at Docket Nos. M-2025-3054362 and M-2025-3054366 on February 1st of each year, beginning in 2027 and continuing for the duration of its 2026-2030 Universal Service and Energy Conservation Plan, regarding customers who met the high-usage threshold in the preceding calendar year:

- a. The number of CAP customers for each company that exceeded the high-usage threshold.
- b. The number of CAP customers for each company that exceeded the high-usage threshold who received energy education.
- c. The number of CAP customers for each company that exceeded the high-usage threshold who were referred to LIURP.

- d. The average percentage of energy reduction for high-usage CAP customers who received energy education.
- e. The number of high-usage CAP customers removed from CAP for refusing to participate in LIURP.
- f. The number of high-usage CAP customers removed from CAP for failing to reduce usage after receiving energy education.
- g. The number of high-usage CAP customers removed from CAP for failing to reduce usage after receiving LIURP.

22. That UGI Utilities, Inc. shall notify the Commission's Bureau of Consumer Services when it identifies errors to its Universal Service Reporting Requirements data.

23. That UGI Utilities, Inc. shall report data on its Rehabilitation Program, including the number of homeowners served and renters served, as part of its reporting requirements under 52 Pa. Code §§ 62.5(a)(2)(ii)(A)(I)-(II) and 54.75(2)(ii)(A)(I)-(II), and 58.15a.

24. That UGI Utilities, Inc. shall file and serve updated needs assessments for UGI Gas and UGI Electric on May 1, 2028 at Docket Nos. M-2025-3054362 and M-2025-3054366.

25. That exceptions and reply exceptions must be served on the parties of record and provided electronically in Word[®]-compatible format to Nathan Froehlich, Bureau of Consumer Services, nfroehlich@pa.gov; Christina Chase-Pettis, Office of Communications, cchasepett@pa.gov; and Stephanie Wilson, Law Bureau, stepwilson@pa.gov.

26. That the Commission's Bureau of Consumer Services, with the assistance of the Commission's Law Bureau, will evaluate the UGI Utilities, Inc. Revised 2026-

2030 Universal Service and Energy Conservation Plan as filed and served pursuant to this Order and will prepare a Secretarial Letter confirming whether the changes in the filing comply with this Order.

27. That changes approved or directed in the UGI Utilities, Inc. 2026-2030 Universal Service and Energy Conservation Plan must take effect, unless otherwise indicated, within six months from the entry date of this Order.

28. That UGI Utilities, Inc. shall file and serve status updates at Docket Nos. M-2025-3054362 and M-2025-3054366 when changes approved or directed in this Order are implemented.

29. That UGI Utilities, Inc. shall file its next third-party independent evaluation of its universal service programs on November 1, 2029. This filing must also be served on the parties at Docket Nos. M-2025-3054362 and M-2025-3054366.

30. That UGI Utilities, Inc. shall file its next Universal Service and Energy Conservation Plan on or before November 1, 2030, which must include enrollment and budget projections for five years starting January 1, 2032. This filing must also be served on the parties to Docket Nos. M-2025-3054362 and M-2025-3054366.

31. That the UGI Utilities, Inc. 2020-2025 Universal Service and Energy Conservation Plan shall remain in operation in whole or in part until replacement provisions of its 2026-2030 Universal Service and Energy Conservation Plan are implemented.

32. That the UGI Utilities, Inc. 2026-2030 Universal Service and Energy Conservation Plan shall remain in effect in whole or in part until a new Universal Service and Energy Conservation Plan is approved and fully implemented.

33. That UGI Utilities, Inc. shall modify its tariff, as needed, to ensure references to its universal service programs are consistent with the policies and procedures in its current Universal Service and Energy Conservation Plan.

BY THE COMMISSION,

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

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: June 4, 2026

ORDER ENTERED: June 4, 2026