

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

**Pennsylvania Public Utility  
Commission Law Bureau Prosecutory  
Staff v. UGI Utilities, Inc.**

**Public Meeting – January 14, 2010  
2031571-OSA  
Docket No. M-2009-2031571**

**DISSENT IN PART OF VICE CHAIRMAN TYRONE J. CHRISTY**

Today the Commission is considering the Joint Settlement Agreement (Settlement) filed on July 28, 2009, by the Commission's Law Bureau Prosecutory Staff (LBPS) and UGI Utilities, Inc. (UGI), as well as comments submitted by UGI and the Pennsylvania Public Utility Law Project (PULP) in response to the Commission's Tentative Opinion and Order of October 1, 2009. The Commission's Tentative Opinion and Order modified the Settlement by proposing to require UGI to pay a civil penalty of \$80,000, and an additional \$80,000 to UGI's Operation Share Fuel Fund.<sup>1</sup>

The Settlement addresses an informal investigation initiated by the LBPS into an explosion and fire that occurred on December 9, 2006, at 789 Mohawk Street in Allentown, PA. The explosion occurred during the course of an attempted meter removal by an individual working for a subcontractor of a contractor employed by UGI. The property at 789 Mohawk Street and three adjacent row homes were destroyed. There was one minor injury.

The Commission is declining to modify the total penalty amount of \$160,000 as UGI and PULP have urged in their comments.<sup>2</sup> I agree. However, the majority has decided to direct the additional \$80,000 to UGI's Low Income Usage Reduction Program (LIURP), rather than UGI's Operation Share Fuel Fund. I do not agree with this aspect of the majority's decision, nor do I agree with PULP's position that the entire \$160,000 should be directed to LIURP. PULP argues that funds directed to UGI's Operation Share Fund indirectly benefit UGI by reducing uncollectible expenses and arrearages. PULP suggests that directing funds to LIURP is more punitive in nature and therefore more appropriate. I do not agree with PULP's reasoning on this point, and believe that UGI's Operation Share Fund should be the recipient of the funds.

The average LIURP expenditure to weatherize a home in UGI's service territory is about \$2,437.<sup>3</sup> Based upon this average, approximately 33 homes can be weatherized for \$80,000. In contrast, UGI's currently approved universal service plan provides for a maximum Hardship

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<sup>1</sup> Operation Share Fuel Fund is UGI's Hardship Fund.

<sup>2</sup> UGI opposes the additional penalty, and asserts that the Commission's modification of the Settlement is likely to discourage the settlement of future disputes with UGI and other utilities. PULP contends that the Commission would be well within its discretion to impose a civil penalty of approximately \$370,000, and urges the Commission to assess a penalty greater than \$160,000.

<sup>3</sup> Source: Pennsylvania Public Utility Commission Bureau of Consumer Services' *Report on 2008 Universal Service Programs Collections Performance of the Pennsylvania Electric Distribution Companies & Natural Gas Distribution Companies* at 35.

Fund grant of \$300.<sup>4</sup> Based upon a maximum grant of \$300, approximately 267 customers could have been helped if \$80,000 had been directed to the Operation Share Fuel Fund. Given the hard winter we are experiencing in the midst of an economic recession, I believe it would be more appropriate to direct the funds to UGI's Operation Share Fuel Fund in order to maintain service for low-income households. While, I am not opposed to the weatherization of homes, under these circumstances it would be a better use of the funds to forestall service terminations for those truly in need.

In addition, it should be noted that weatherization programs throughout Pennsylvania already have been supplemented by \$252.8 million<sup>5</sup> in American Recovery and Reinvestment Act Weatherization Assistance Program (ARRA WAP) funds administered by the Department of Community and Economic Development's (DCED). Under ARRA WAP, weatherization services will be provided to UGI's high-usage LIHEAP recipients over the next three years. Thus, ARRA WAP already is set to augment UGI's LIURP program.

Based upon the foregoing I respectfully dissent from the majority's decision to direct \$80,000 to UGI's LIURP program, and to impose a civil penalty of \$80,000 on UGI that will be paid to the General Fund. I believe that the Commission should have directed that the entire amount of \$160,000 be directed to UGI's Operation Share Fuel Fund. This would assisted over 530 low-income households in UGI's service territory maintain their service this winter.

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**DATE**

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**TYRONE J. CHRISTY, VICE CHAIRMAN**

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<sup>4</sup> UGI Utilities, Inc.-Gas Division Universal Service Plan July 2, 2007, for 2008 through 2010, p.10.

<sup>5</sup> Pennsylvania ARRA Weatherization State Plan, p1.