

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

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

**Public Meeting – October 21, 2010  
2138591-OSA  
Docket No. M-2010-2138591**

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

I consistently have advocated that, in lieu of imposing civil penalties on utilities involving violations, or alleged violations, of the Public Utility Code or the Commission's Regulations, the greater public good would be served by applying these dollar amounts toward deserving utility-related social low income programs, thereby helping those truly in need. I will continue to advocate for applying these monies to well run programs, such as the Dollar Energy Fund and other similar programs.

During my tenure at the Commission, we have approved and directed over \$4.5 million to various low-income universal service programs, including Hardship Funds, Low Income Usage Reduction Programs, Customer Assistance Programs, and the Dollar Energy Fund. The source of these funds has included civil penalties from jurisdictional energy utilities, as well as refunds to jurisdictional natural gas distribution utilities from interstate pipelines. Assuming an average contribution to customers of \$300, these past Commission actions have provided assistance to approximately 15,000 low-income households, have minimized customer hardship by making customer bills more affordable and have helped maintain customers' essential utility service. Unfortunately, during this same time frame, the Commission has directed \$261,500 in penalties associated with the provision of less than acceptable service to energy customers has been paid to the General Fund. Had this money been directed to low-income universal service programs instead of to the General Fund, over 700 additional need households could have received assistance.

Today the Commission considered the Settlement Agreement (Settlement) filed on July 7, 2010, by the Commission's Law Bureau Prosecutory Staff (LBPS) and UGI Utilities, Inc. (UGI). The Settlement, among other things, provides for a civil penalty of \$17,500.<sup>1</sup>

By an Opinion and Order entered August 23, 2010, the Commission requested comments on the Settlement. In a Statement dated August 18, 2010, I requested that interested parties address the appropriateness of directing the \$17,500 to UGI's Operation Share program in lieu of imposing a civil penalty.

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<sup>1</sup> In addition, UGI will revise its internal operating procedures, has converted the Farmington Way subdivision from propane to natural gas as of June 30, 2010, and will verify that an emergency telephone number on a fence placard has been corrected to display a working telephone number for reaching the company in the event of an emergency.

Comments were filed by The Dollar Energy Fund (Dollar Energy), the Farmington Way Homeowners Association, Inc. (Farmington Way Association), the Pennsylvania Utility Law Project (PULP), and the LBPS.

Dollar Energy supports redirecting the \$17,500 to a hardship fund to assist low-income customers, PULP suggests that the money be directed to the Low Income Usage Reduction Program and the Farmington Way Association states that the money should be paid directly to them because its member were the families at risk that suffered undue hardship. The LBPS opposes directing \$17,500 to UGI's hardship fund and supports the imposition of a \$17,500 civil penalty. LBPS is of the opinion that the \$17,500 should not be paid into the UGI's hardship fund because the curative and punitive effects of the penalty would be eliminated.

The Commission should always send a strong message that safety or other violations will not be tolerated. Directing that a utility make a payment to a hardship fund is, in my opinion, every bit as effective as a civil penalty in sending a message to a utility that safety violations will not be tolerated as imposing a civil penalty. Consequently, I disagree with LBPS's unsupported assertion that directing penalties toward uses that would benefit ratepayers in need of help is not as effective as a civil penalty. Utility customers in need are at the heart of the public interest that the Commission is trying to protect. Imposition of a civil penalty on the utility provides no benefit to these customers. Regardless of whether money is directed to a hardship program, or to a civil penalty directed to the general fund, it comes directly from the pockets of a utility's shareholders. The deterrent effect on the utility is the same.

I am in the minority today in my desire to redirect this civil penalty. If applied to the Operation Share fund, this additional funding would help approximately 58 low-income customers maintain their service, assuming an average grant of about \$300. I believe that providing additional assistance to low-income customers is an important consideration, particularly during these tough economic times during which many individuals are being forced to choose between paying for utility service and paying for other essentials for their families.

I respectfully dissent from the majority's decision to the extent, and for the reasons, discussed above.

10-21-10  
DATE

Tyrone J. Christy  
TYRONE J. CHRISTY, VICE CHAIRMAN