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August 31, 2017

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: UGI Utilities, Inc. - Electric Division Petition for Approval of Modifications of
its Energy Efficiency and Conservation Plan Changes
Docket No. M-2015-2477174**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of UGI Utilities, Inc. – Electric Division (“UGI Electric”) is a petition for approval of proposed changes to UGI Electric’s Energy Efficiency and Conservation Plan.

The proposed changes include one minor and one major modification. As stated in the petition, UGI Electric submits both for approval in accordance with the procedure for changes outlined in the January 16, 2009 Order of the Pennsylvania Public Utility Commission at Docket M-2008-2069987, which provides 30 days for comment and 20 days for reply comment.

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

Very truly yours,

Danielle Jouenne
Counsel for UGI Electric

Enclosures

cc: Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
Division for Approval of Modifications of : Docket No. M-2015-2477174
its Energy Efficiency and Conservation :
Plan :

CERTIFICATE OF SERVICE

I hereby certify that I have, this 31st day of August 2017, served a true and correct copy of the foregoing document in the manner and upon the persons listed below in accordance with requirements of 52 Pa. Code § 1.54 (relating to service by a participant):

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Danielle Jouenne

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
Division for Approval of Modifications of : Docket No. M-2015-2477174
its Energy Efficiency and Conservation :
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**PETITION OF UGI UTILITIES, INC. – ELECTRIC DIVISION
FOR APPROVAL OF MODIFICATIONS OF ITS ENERGY EFFICIENCY &
CONSERVATION PLAN**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to 52 Pa. Code §5.41 UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) hereby petitions the Pennsylvania Public Utility Commission (“Commission”) to approve two modifications to the Company’s Phase II Energy Efficiency and Conservation (“EE&C”) Plan (“Phase II EE&C Plan”), in accordance with the Commission’s Implementation Order at Docket No. M-2008-2069887 (Order entered January 16, 2009). As explained herein, UGI Electric desires to: (1) change the conditions of a measure by eliminating the Fifty Dollar (\$50.00) customer contribution for the Home Energy Assessment Program for a minimum of six months or, if successful in increasing participation, until the Program Year Budget has been met; and (2) eliminate the HVAC Tune-Up Program, due to low commercial customer utilization, evidenced by TRC values of 0.44 and 0.62 for Program Years 4 and 5 respectively. For these reasons and as explained in more detail below, UGI Electric’s Petition should be granted. In support of the instant Petition, UGI Electric states as follows:

I. INTRODUCTION

A. PLAN FILINGS

1. UGI Electric is a “public utility” and an “electric distribution company” (“EDC”), as those terms are defined in Sections 102 and 2803 of the Public Utility Code, 66 Pa. C.S. §§ 102, 2803.

2. UGI Electric is not subject to the energy efficiency requirements of Act 129 of 2008, P.L. 1592, because it has fewer than 100,000 customers (“Act 129”). 66 Pa. C.S. § 2806.1(l). However, on December 23, 2009, at Docket No. M-2009-2142851, the Commission issued a Secretarial Letter that encouraged smaller EDCs to file voluntary EE&C Plans. *See Re: Voluntary Energy Efficiency and Conservation Program*, Docket No. M-2009-2142851 (Dec. 23, 2009) (“Secretarial Letter”).

3. On November 9, 2010, the Company filed a Petition at Docket No. M-2010-2210316 requesting approval of its voluntary Phase I EE&C Plan pursuant to the Commission’s Secretarial Letter. The Commission ultimately approved UGI Electric’s Phase I EE&C Plan, with modification, and the Company began implementing its voluntary Phase I EE&C Plan on June 1, 2012.

4. On April 9, 2015, UGI Electric filed a Petition at Docket No. M-2010-2210316 to extend its Phase I EE&C Plan until its Phase II EE&C Plan was approved. The Commission approved UGI Electric’s Petition by its Order entered May 19, 2015.

5. On April 16, 2015, UGI Electric filed a Petition at Docket No. M-2015-2477174 seeking Commission approval of its Phase II EE&C Plan. The parties were able to reach a settlement of all issues and, thereafter, filed a Joint Petition for Settlement on April 21, 2016.

6. On April 26, 2016, Administrative Law Judge David A. Salapa (the “ALJ”) issued a Recommended Decision recommending the approval of UGI Electric’s Phase II EE&C Plan, as modified by the Joint Petition for Settlement.

7. On June 9, 2016, the Commission entered an Order adopting the Recommended Decision without modification and approving UGI Electric’s Phase II EE&C Plan. *See Petition of UGI Utilities, Inc. – Electric Division for Approval of Phase II of its Energy Efficiency and Conservation Plan*, Docket No. M-2015-2477174 (Order Entered June 9, 2016) (“Phase II Order”). As approved by the Phase II Order, UGI Electric’s Phase II EE&C Plan was set to expire on May 31, 2018.

8. On March 22, 2017, UGI Electric filed a Petition to amend the Phase II Order and extend its Phase II EE&C Plan by one year, until May 31, 2019, and to authorize it to move funding between programs within the same customer class based on customer participation. The Commission approved UGI Electric’s Petition by its Order entered May 4, 2017. *See Petition of UGI Utilities, Inc. – Electric Division for Approval to Extend its Phase II Energy Efficiency and Conservation Plan by One Year*, Docket No. M-2015-2477174 (Order Entered May 4, 2016) (“Extension Order”).

B. COMMISSION PROCEDURE FOR MODIFYING AN EE&C PLAN

9. The Commission has established a procedure to consider EDCs’ changes to existing EE&C Plans. *See Energy Efficiency and Conservation Program Implementation Order*, Docket M-2008-2069987 (entered on January 16, 2009) (“January 16th Implementation Order”). Parties can submit plan changes in conjunction with annual report filings required by Act 129 pursuant to 66 Pa. C.S. § 2806.1(i)(1). The Commission and any interested parties can make recommendations for plan improvement or object to an EDC’s proposed plan revision within 30

days of the annual report filing. EDCs have 20 days to file replies, after which the Commission determines whether to rule on the recommended changes or refer the matter to an ALJ for hearings and a recommended decision.

10. In a Final Order entered June 10, 2011 at the same docket, (“June 10th Order”) the Commission introduced a procedure for approval of “minor modifications” of an EE&C plan, which are defined as: (1) the elimination of a measure that is underperforming, no longer viable for reasons of cost-effectiveness, savings or market penetration or has met its approved budgeted funding, participation level or amount of savings; (2) the transfer of funds from one measure or program to another measure or program within the same customer class; and (3) adding a measure or changing the conditions of a measure, such as its eligibility requirements, technical description, rebate structure or amount, projected savings, estimated incremental costs, projected number of participants, or other conditions so long as the change does not increase the overall costs to that customer class. (June 10th Order, p. 20)

11. Modifications to EE&C Plans that are not specified in the Order dated June 10th Order must follow the procedure for changes as outlined in the Commission’s January 16th Implementation Order.

12. UGI Electric’s proposed change to reduce the customer contribution for its Home Energy Assessment Program is a minor modification and therefore, is eligible to receive expedited review under the June 10th Order. UGI Electric’s proposed change regarding the elimination of the HVAC Tune-Up Program does not fit the criteria for expedited review, and therefore, is considered a major modification.

13. UGI Electric therefore respectfully requests that the Commission consider both the proposed minor and major modifications under the procedure outlined in the January 16th Implementation Order.

II. UGI ELECTRIC'S REQUESTS FOR TWO MODIFICATIONS TO ITS EE&C PLAN SHOULD BE GRANTED

A. UGI Electric's Request for a Minor Modification to Reduce the Customer Contribution for the Home Energy Assessment Program Should Be Granted

14. UGI Electric's EE&C Plan for residential customers currently includes a Home Energy Assessment Program which provides a home energy assessment, valued at Five Hundred Dollars (\$500.00), with a customer contribution of Fifty Dollars (\$50.00). A certified energy efficiency professional provides an assessment of a participating customer's home and makes recommendations designed to increase the home's energy efficiency. The customer also receives the following direct installed measures: up to 6 LEDs, a smart strip, two faucet aerators, water pipe insulation, and a water heater thermostat setback.

15. Since the Home Energy Assessment Program launched in December 2016, the Company has only had twelve participants in this program. The Company proposes to eliminate the customer contribution for this program for a six-month period, subject to participation caps, to evaluate whether the elimination of customer participation fees will increase customer participation in the program.

16. If participation increases to substantially meet the Company's goal of 22 participants/month during the initial six-month period, the Company will continue to offer the reduction in the customer contribution until the participation budget has been met for each Program Year.

17. The Company will set a cap on customer participation of 260 participants per Program Year.

18. The Company's budget for this program is \$411,000 and expenditures as of the date of this filing are \$36,409, of which \$33,000 was spent for startup costs associated with the program. Therefore, any increase in participation and decreased customer contribution amount is not predicted to have an impact to the residential customer class beyond what was approved by the Commission in the EE&C budget for this program.

19. This change is therefore a minor modification because it only changes the conditions of a measure and does not increase the overall costs to the customer class and will not substantially affect the program's implementation, cost, or budget.

B. UGI Electric's Request for a Major Modification to eliminate the HVAC Tune-Up Program Should be Granted

20. UGI Electric's EE&C Plan for commercial customers includes a HVAC Tune-Up Program which provides instant discounts on specific contractors' services for adjustments and retrofits of a commercial customer's HVAC system. UGI Electric also provides rebates on the cost of these services through contractor discounts on customer invoices.

21. During Program Year 4 and Program Year 5, a total of 38 commercial customers utilized the HVAC Tune-Up Program. There were 365 measures installed, which is well below the total of 544 anticipated measures per Program Year, resulting in an adoption rate of only .005. The total amount of incentives paid out for the HVAC Tune-up Program for Phase II was \$28,525, which is below the budget of \$35,575 per Program Year. The TRC for both Program Years in Phase II was less than the anticipated value of 1.02 per Program Year (.44 in Program Year 4 and .62 in Program Year 5).

22. UGI Electric seeks to eliminate this program from its EE&C Plan offering to better serve this customer group. UGI Electric continues to pay the program provider a monthly labor charge with very little customer participation. UGI Electric contends that the dollars associated with this program would be better allocated to the Custom Incentive Program which serves this same customer class.

23. The elimination of this specific offering is a major modification as delineated in Act 129, though it will not affect the EE&C Plan's overall implementation, cost, or budget.

For the foregoing reasons, UGI Utilities, Inc. – Electric Division respectfully requests that the Pennsylvania Public Utility Commission approve this petition for its specified modifications.



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