



COMMONWEALTH OF PENNSYLVANIA

June 11, 2020

E-FILED

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

Re: Petition of UGI Utilities, Inc. – Electric Division for Approval of a Default Service Plan for the Period of June 1, 2021 through May 31, 2025 / Docket No. P-2020-3019907

Dear Secretary Chiavetta:

Enclosed please find the Answer, Notice of Intervention, Public Statement and Verification, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: Robert D. Knecht
Parties of Record

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
Division for Approval of a Default Service:
Plan for the Period of June 1, 2021 : **Docket No. P-2020-3019907**
through May 31, 2025 :

**ANSWER OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

Pursuant to 52 Pa. Code § 5.61(a), the Office of Small Business Advocate (“OSBA”) submits this Answer to the Petition of UGI Utilities, Inc. – Electric Division (“UGI-E” or the “Company”) for Approval of a Default Service Plan for the Period of June 1, 2021 through May 31, 2025 (“*Petition*”) that was filed with the Pennsylvania Public Utility Commission (“Commission”) on May 26, 2020.

Answer

After an initial review of the Petition, the OSBA has identified the following initial list of issues that it will evaluate in this proceeding:

- The OSBA will evaluate whether the Company’s analysis showing that the standalone cost for procuring electric supplies for small commercial customers is substantially lower than that for residential customers is reasonable and accurate;
- The OSBA will evaluate whether the Company’s proposal to continue combined procurement of residential and small commercial GSR-1 supplies is reasonable in light of the Company’s load research analysis;
- If combined procurement of GSR-1 supplies remains reasonable, the OSBA will evaluate whether an alternative cost allocation methodology should be applied to GSR-1 procurement costs in order to reflect the substantial standalone procurement cost differences estimated by the Company;
- Review shopping trends, for residential, small commercial, and larger customer groups;
- Evaluate whether a four-year plan is reasonable;

- Evaluate whether the 100 kW demarcation between GSR-1 and GSR-2 remains reasonable;
- Evaluate whether the proposed continuation of the 50/50 full requirements/block & spot approach to procurement remains reasonable, including a review of the relative costs of the two approaches in DSP II and DSP III;
- Evaluate whether the timing and duration of the various procurements remains reasonable;
- Seek an understanding as to why no EGSs participate in the standard offer program;
- Review historical and proposed AEPSA procurement practices;
- Evaluate whether the claimed administrative costs associated with the default service program are reasonable;
- Evaluate the impact of net metering policies on default service costs; and
- Consider whether the proposed waivers for affiliate participation are legally reasonable.

Conclusion

In view of the issues set forth above, the Office of Small Business Advocate respectfully requests that the Pennsylvania Public Utility Commission:

- A. Direct the Office of Administrative Law Judge to hold hearings on the *Petition* and prepare an initial decision; and
- B. Grant such other relief as may be necessary or appropriate.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray
Attorney I.D. No. 77538
Senior Supervising
Assistant Small Business Advocate

For:
John R. Evans
Small Business Advocate

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Dated: June 11, 2020

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
Division for Approval of a Default Service:
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through May 31, 2025 :

**NOTICE OF INTERVENTION
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

The Office of Small Business Advocate (“OSBA”) files this Notice of Intervention with respect to the Petition of UGI Utilities, Inc. – Electric Division (“UGI-E” or the “Company”) for Approval of a Default Service Plan for the Period of June 1, 2021 through May 31, 2025 (“*Petition*”) that was filed with the Pennsylvania Public Utility Commission (“Commission”) on May 26, 2020. In support of this Notice of Intervention, the OSBA avers as follows:

1. The OSBA is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50) to represent the interest of small business consumers as a party in proceedings before the Commission.

2. Representing the OSBA in this proceeding is:

Steven C. Gray, Esquire
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Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
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For:
John R. Evans
Small Business Advocate

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Date: June 11, 2020

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
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through May 31, 2025 :

**PUBLIC STATEMENT OF
THE OFFICE OF SMALL BUSINESS ADVOCATE**

The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (the “Act”). The Act further provides that the Small Business Advocate is to issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by his initiation of or intervention in any proceeding involving those interests before the Public Utility Commission (“Commission”) or any other agency or court. This public statement relates to the filing today by the Small Business Advocate of an Answer and Notice of Intervention in the above-captioned Commission proceeding.

On May 26, 2020, UGI Utilities, Inc. – Electric Division (“UGI-E” or the “Company”) filed a petition for approval of a program (“Petition”) to provide default service from June 1, 2021, through May 31, 2025.

The Small Business Advocate is intervening in this proceeding in order to protect the interests of the Company’s small business customers. A thorough inquiry by the Commission into all of the elements of the Petition is necessary to ascertain whether the Company’s proposals for procuring electricity conform to the Public Utility Code and to the Commission’s regulations regarding default service.

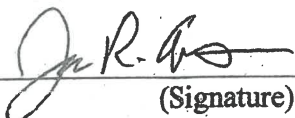
In view of the foregoing, the Small Business Advocate is requesting that the Petition be subject to investigation and evidentiary hearings before the Commission. The Small Business Advocate will ask the Commission to deny or modify any aspect of the Company's proposals that are not proven by UGI-E to be in accordance with the Public Utility Code and with the Commission's regulations regarding default service.

Dated: June 11, 2020

VERIFICATION

I, John R. Evans, hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 06/11/20


(Signature)

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Dennis J. Buckley
Administrative Law Judge
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DATE: June 11, 2020

/s/ Steven C. Gray

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