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VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
rchiavetta@pa.gov

**Re: Emergency Order Re: Establishing Public Utility Service Termination
Moratorium
Docket No.: M-2020-3019244**

Dear Secretary Chiavetta:

Enclosed, please find the comments of UGI Utilities, Inc. – Gas Division and UGI Utilities, Inc. – Electric Division filed in response to the Pennsylvania Public Utility Commission’s October 13, 2020 Order regarding the Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order.

Very truly yours,

DocuSigned by:
Danielle Jouenne

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Danielle Jouenne
Counsel for UGI Utilities, Inc.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Emergency Order Re: Establishing Public Utility Service Termination Moratorium	: : :	Docket No. M-2020-3019244
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**UGI UTILITIES, INC. – GAS AND ELECTRIC DIVISIONS’ COMMENTS TO THE
OCTOBER 13, 2020 SERVICE TERMINATION MORATORIUM ORDER**

I. INTRODUCTION

UGI Utilities, Inc. – Gas and Electric Divisions (“UGI Gas” and “UGI Electric” respectively, and collectively “UGI” or the “Company”) submits these comments in response to the Pennsylvania Public Utility Commission’s (“PUC” or “Commission”) October 13, 2020 Order regarding the Public Utility Service Termination Moratorium – Modification of March 13th Emergency Order.

UGI is a PUC-certificated natural gas distribution company (“NGDC”) and electric distribution company (“EDC”) as defined under the Public Utility Code, 66 Pa. C.S. §§ 2202 and 2803. UGI currently provides natural gas utility service to approximately 660,000 customers across Pennsylvania, and electric utility service to approximately 62,000 customers in portions of Luzerne and Wyoming Counties. Along with the comments provided herein, the Company supports the comments of the Energy Association of Pennsylvania (“EAP”).

II. COMMENTS

The Company echoes the conclusion drawn by EAP that the return to a full, regular, collections process is needed to curtail growing arrearages and ensure that energy assistance funding is being sought and utilized by customers who are in need of assistance. The termination moratorium, bookended by the 2019-2020 and 2020-2021 winter moratoriums (14 months in total) has realized an accumulation of large arrearages for UGI’s customers, with an apparent large part

being related to the unintended disincentive for customers to apply for available customer assistance.

As described in more detail below, the Company has enhanced existing programs, and created new ones, to assist customers impacted by the COVID-19 Pandemic. Despite this, over the same period, the Company has experienced an increase in arrearages, a decrease in the number of customers utilizing Low Income Home Energy Assistance Program (“LIHEAP”) funding, and a drop in the number of customers recertifying for its universal service Customer Assistance Plan (“CAP”). Additionally, though the Company’s newly-created Emergency Relief Program (“ERP”) has been successful, the Company anticipates that a return to normal collections will result in more customers applying for, and benefitting from, a pending continuation of the ERP, which is tailored to assist customers who have been impacted by the COVID-19 Pandemic but who are not income-eligible for the Company’s universal service programs.

The need to reinstate normal collections is particularly important in light of \$570 million in federal relief funding through the Emergency Rental Assistance (“ERA”) program¹ that is being appropriated through Pennsylvania Act 1 of 2021. This ERA funding is expected to be available in March 2021, and will be administered by Pennsylvania counties. Among other purposes, this funding will be available for the payment of utility service. A normal collections process is critical to ensure that the incentive is in place for eligible customers to apply timely and benefit from this federal relief program to reduce or eliminate their utility arrearages. A continuation of the unintended disincentive for customers to participate in relief programs will unfortunately produce

¹ The ERA is established by section 501 of Division N of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (Dec. 27, 2020).

underutilization of this federal relief funding and leave customers persisting in overall difficult arrearage circumstances.

A. UGI's Enhancements to Universal Service Programs and the COVID-19 Emergency Relief Program

i. Universal Service Plan Modifications

UGI acted quickly to modify its existing universal service programs in response to the COVID-19 Pandemic. Beginning March 18, 2020, the Company ceased removing customers from CAP for failure to recertify, and authorized telephonic “signatures” for CAP program authorizations. On March 24, 2020, the Company began waiving all late payment charges. On May 21, 2020, the Company filed a petition to implement a pre-pandemic proposal to reduce maximum-tiered monthly Percent-of-Income payments (“PIPs”) required of its CAP customers to provide greater benefits consistent with the Commission’s revised CAP Policy Statement at 52 Pa. Code § 69.261 et seq.² The Company subsequently made changes to its Low Income Usage Reduction Program (“LIURP”) to provide additional funding of up to \$500 per LIURP job in instances where the LIURP contractor incurs documented COVID-19 related costs and expanded eligibility under its Operation Share grant program to 250% of the federal poverty limit (“FPL”) and increased the maximum grant size from \$400 to \$600. The Company has sought continuation of these and other universal service program modifications in the ERP petitions referenced below.

ii. The UGI COVID-19 Emergency Relief Program

In October 2020, the Company launched an ERP for its Gas Division. Under Phase I of the UGI Gas ERP, described in detail in the settlement of UGI Gas’s 2020 base rate proceeding,³ customers in arrears who do not qualify for CAP, yet demonstrate a COVID-19 impact, were

² *Petition for Amendment of UGI Universal Service and Energy Conservation Plan for January 1, 2020 – December 31, 2025*, Docket Nos. M-2019-3014966 and P-2020-3019196.

³ *Pa. PUC v. UGI Utilities, Inc. – Gas Division*, Docket Nos. R-2019-3015162, et al.

afforded various protections including maximum grants equal to the lesser of \$400 or 25% of their balance accrued during the COVID-19 Pandemic. The initial Phase I of the UGI Gas ERP terminated on December 31, 2020 and achieved nearly 2,000 customer enrollments and over 3,200 referrals to UGI's universal service programs. A summary of the Company's ERP and universal service outreach and progress to date is provided in Appendix A.

In recognition that Pennsylvania continues to experience material COVID-19 impacts, the Company recently filed a petition with the Commission for approval of Phase II of its UGI Gas ERP and a petition to commence a UGI Electric ERP.⁴ The UGI Gas and Electric ERPs are intended to run concurrently from February 2021 through April 2021. Under Phase II of the UGI Gas ERP, and the UGI Electric ERP, a residential customer enrollee that is in arrears will be eligible for the lesser of a maximum grant of \$400 or an amount equal to 25% of the balance. Residential customers who are not in arrears but who are otherwise eligible and who have income at or below 300% of the Federal Poverty Income Guidelines will receive a grant up to \$200. Lastly, small business customers impacted by COVID-19 with an applicable past due balance shall be provided a long-term deferred payment arrangement of eighteen months through the enrollment period terminating on April 30, 2021. Within days of filing the UGI Gas Phase II and Electric ERP petitions, UGI received approximately 800 inquiries for ERP assistance in response to its initial customer outreach, which signals the outstanding need for payment relief.

⁴ *Petition of UGI Utilities, Inc. – Gas Division For Expedited Approvals: (1) To Implement Phase II of Its COVID-19 Emergency Relief Program; (2) To Implement Further Voluntary, Temporary Modifications To Its Universal Service and Energy Conservation Plan; and (3) For Accounting and Regulatory Approvals Associated with the Costs to Implement Phase II of the COVID-19 Emergency Relief Program, Docket No. P-2021-3023839; Petition of UGI Utilities, Inc. - Electric Division For Expedited Approvals: (1) To Implement A COVID-19 Emergency Relief Program; (2) To Implement Voluntary, Temporary Modifications To Its Universal Service And Energy Conservation Plan; and (3) For Accounting And Regulatory Approvals Associated With The Costs To Implement The COVID-19 Emergency Relief Program, Docket No. P-2021-3023992.*

The Company's modifications to its universal service programs and its Gas and Electric ERPs, have been, and will be, successful in alleviating some of the burden experienced by UGI's customers due to the COVID-19 Pandemic. Additional relief will result if the pending PIP Petition is approved. However, as discussed below, despite UGI's committed efforts, without the signal that termination notices bring, numerous otherwise-eligible customers will not act to avail themselves of the utility assistance programs for which they qualify. By extension, it can also be reasoned that these customers will also not fully avail themselves to the benefits that may be associated with Pennsylvania's recently enacted \$570 million rental and utility relief assistance effort. Returning to normal collection procedures will ultimately serve to connect customers in need with these resources and to do so in a timely manner which will not result in funding being turned back to the federal government or redirected elsewhere.

B. Impact of Termination Moratorium on Customer Enrollment in Assistance Programs.

As reported to the Commission on February 9, 2021 at this docket, the Company has experienced an increase in both the total number of customers at risk for termination and the total aggregate dollars in arrears as of January 31, 2021 in comparison to the totals as of January 31, 2020 as shown below:

	Total Number of Customers at Risk for Termination as of 1/31/20	Total Number of Customers at Risk for Termination as of 1/31/21	Total Aggregate Dollars of Arrears as of 1/31/20	Total Aggregate Dollars of Arrears as of 1/31/21
Gas Division	61,019	64,607	\$36,891,132	\$47,962,415
Difference	3,588		\$11,071,283	
Electric Division	6,842	6,851	\$4,956,339	\$6,551,096
Difference	9		\$1,594,757	

This data demonstrates that while the Company has seen an increase in the number of customers in arrears, it has even more significantly seen an increase in the total accrued arrearages.

As referenced in the EAP comments, other payment metrics appear to be impacted by the moratorium. Utilities have reported an average aggregate 40% decrease in LIHEAP Crisis dollars. With respect to UGI, in comparison to the 2019-2020 LIHEAP season, LIHEAP grants to customers as of month-end January for this season are down 15% to \$760,623.54. The termination moratorium has also impacted CAP income recertification. Currently, nearly 14% of UGI's CAP customers are overdue for recertifying their income, which is required to demonstrate continued eligibility for payment assistance.

Lastly, while the Gas ERP was a successful program and has resulted in nearly 2,000 customer enrollments and over 3,200 referrals to our universal service programs, the Company believes that the program would be more successful if the normal collections process was in place. This is evidenced by the fact that, despite the Company's extensive outreach efforts demonstrated in Appendix A, the Company has identified a far larger group of potentially eligible customers than have applied for and received grants to date. The results of the Company's outreach efforts, while expansive, dedicated and focused, serve as a bellwether for the Commission to consider in evaluating the overall effectiveness of increased outreach without also permitting normal collection. A better and more effective approach can be realized with a return to normal collections; one which also will provide greater benefits to customers as they are directed to appropriate relief channels in a timely manner.

III. CONCLUSION

For the reasons stated above, UGI recommends that the Commission reinstate regular collections to address increasing arrearage and to incent customers to seek available relief and low-

income programs available from their service providers, from existing state and federal programs, and from the newly enacted \$570 million rental and utility relief program. The importance of returning to normal collections is especially imperative at this point in time when such federal aid is being distributed to Pennsylvania counties for the express purpose of paying for utility service but with limited windows of application eligibility. Lastly, the trajectory of this Pandemic is uncertain and the Company urges the Commission to continue to be receptive to voluntary utility-sponsored programs as the best means of providing relief during the continuation of the COVID-19 Pandemic. The Company appreciates this opportunity and asks that the Commission favorably consider its comments.

Respectfully submitted,

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Date: February 16, 2021

Emergency Relief Program Summary Highlights As of 2/2/21

- Approximately 75,000 customers identified as potentially eligible for ERP
- Numerous email, direct mail, outbound phone call and text message campaigns were utilized to inform customers of the ERP
 - Approximately **249,000** e-mails to solicit action by customers falling into arrears and reminder emails for non-responders
 - **61,896** direct mail letters to solicit action by customers with arrears
 - **37,182** dialer reminder calls
 - **4,966** reminder text messages to customers
 - ERP mass media campaign generated over **21,000,000** impressions via pandora, social media, digital display, mass transit ads, billboards, and broadcast/streaming
 - More than **95,000** COVID/ERP website pageviews on Ugi.com since October 1st

ERP Metrics As of 2/2/21

ERP Enrollment Requests	15,800
Agreements Sent to Customers <i>Processed Approximately (4,500) / Not Returned (5,400)</i>	9,500
Referred to WARM* at enrollment inquiry	1,400
Not Eligible (i.e. current, electric)	4,500

ERP Agreements Received and Processed	4,465
Enrolled in ERP	1,917
Referred to WARM* after application review	1,803
Other (Incomplete Application – follow up required)	251
Confirmed Not Eligible (account is now current, did not meet requirements)	494

*Winter Assistance Relief Mobilization

Winter Assistance Relief Mobilization (WARM) for Universal Service Programs - Metrics As of 2/2/21

WARM Enrollment Requests	
Leads Referred from ERP	3,203
Online WARM Leads	4,395
Operation Share Grants Solicited	8,223
CAP	3,089
Rejected (Income too high, previously enrolled in program, other)	550

Note: A customer can be enrolled in more than one program and additional solicits are received through interactions with UGI's Call Center

Note: ~ 6,500 customers to date have benefitted from UGI's ERP Efforts which include WARM referrals