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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE**  R-2018-3006814 |

July 21, 2021

Mr. Devin Ryan

Post & Schell  
17 North Second Street

12th Floor

Harrisburg, PA 17101-1601

**Re:** **UGI Utilities, Inc. - Gas Division – Energy Efficiency and Conservation Plan Petition for Minor Modification**

**Docket No. R-2018-3006814**

Dear Mr. Ryan:

On June 23, 2021, UGI Utilities, Inc. – Gas Division (UGI Gas or the Company) filed a *UGI Utilities, Inc.- Gas Division – Energy Efficiency and Conservation Plan Petition for Minor Modification**Docket No. R-2018-3006814*(Petition). The Petition seeks approval of minor changes to the programs contained in its Energy Efficiency and Conservation Plan (EE&C Plan) through the Commission’s expedited process set forth in its June 10, 2011 Final Order at Docket No. M-2008-2069887 (Expedited Process Order). UGI Gas served the Petition on all parties of record. For the reasons discussed below, the Bureau of Technical Utility Services (Staff) will grant UGI Gas’ Petition.

Comments were due by July 8, 2021. No comments were filed.

In the Expedited Process Order, the Commission delegated its authority to review and approve minor EE&C Plan changes to Staff, with assistance from staff of the Law Bureau.[[1]](#footnote-1) The Expedited Process Order directs Staff to issue a Secretarial Letter approving, denying, or transferring to the Office of Administrative Law Judge for hearings, some or all of a petition’s proposed minor plan changes. With this Secretarial Letter, Staff is approving UGI Gas’ Petition.

**Residential New Construction Program**

In its Petition, UGI Gas proposes to transfer $4.5 million from its Residential Retrofit Program to its Residential New Construction Program. The proposed change does not increase the overall budget of the EE&C Plan or the residential programs as a whole. Nor does the proposed change affect the Company’s non-residential programs or budgets.

This requested change is due to the Company experiencing higher customer participation in its Residential New Construction Program and lower customer participation its Residential Retrofit Program than were projected in its originally filed EE&C Plan.

UGI Gas emphasizes that without the proposed change its Residential New Construction Program will run out of funding in early 2022, leading to the program shutting down and ‘going dark’. Furthermore, given current and past participation rates in the Residential Retrofit Program, there will be millions of dollars in unused funds left in that programs budget through Fiscal Year 2024.

UGI Gas asserts that under the current EE&C Plan, the Residential New Construction Program has a budget of $3,231,300 for the five-year life of the EE&C Plan. As of March 31, 2021, UGI Gas has spent $2,275,000 of the Residential New Construction Program budget. Specifically, in the originally filed EE&C Plan, the Company projected 470 and 477 participants in Program Years 1 and 2, respectively. In fact, UGI Gas had 641 participants in Program Year 1. Moreover, based on actual participation to date and updated projections, the Company estimates 1,110 participants for Program Year 2. At current participation rates, UGI Gas anticipates that the Residential New Construction Program will exhaust its total budget of $3,231,300 by September 2021.

Comparatively, the Residential Retrofit Program has seen lower levels of participation. As of March 31, 2021 the Company has spent $641,000 of the Residential Retrofit Program $9,964,000 budget. At current participation rates, UGI Gas anticipates that the current Residential Retrofit Program budget will have approximately $7,100,000 remaining when the EE&C Plan concludes on September 30, 2024.

UGI Gas has utilized a variety of marketing tactics to promote the Residential Retrofit Program, including bill inserts, direct mail campaigns, radio campaigns, and advertisements. Despite the Company’s good faith efforts to encourage participation in the Residential Retrofit Program, the program has seen lower participation rates than anticipated.

As such, UGI Gas requests to reallocate $4,501,800 of the Residential Retrofit Program budget to the Residential New Construction Program budget. UGI Gas asserts that the proposed revision to the EE&C Plan will not result in any increases to the overall costs of a customer class.

Because the funding transfer is based upon the higher customer participation in its Residential New Construction Program and lower customer participation in its Residential Retrofit Program and is entirely within the residential customer class, UGI Gas asserts that it is consistent with the Commission’s criteria in the Expedited Process Order.

**Conclusion**

In view of the above, Staff has determined that the *UGI Utilities, Inc.- Gas Division – Energy Efficiency and Conservation Plan Petition for Minor Modification*, filed on June 23, 2021, at Docket No. R-2018-3006814, satisfies the requirements of the Expedited Process Order and prior related Orders of the Commission. Staff finds that the minor changes proposed in the Petition should help UGI Gas to continue implementing the effective Residential New Construction Program over the life of the EE&C Plan, without jeopardizing the performance of the Residential Retrofit Program. Therefore, Staff finds that the June 23, 2021 minor changes submitted by UGI Gas are approved. UGI Gas is directed to file with the Secretary a revised plan, consistent with this Secretarial Letter, within 30 days of the date of this Letter and post the same on its website.

As directed in the Commission’s Expedited Process Order, petitions for appeal from this Staff action must be filed within ten (10) days after service of this Secretarial Letter in accordance with 52 Pa. Code § 5.44.[[2]](#footnote-2)



Sincerely,

Rosemary Chiavetta

Secretary

cc: Chairman Brown Dutrieuille

Vice Chairman Sweet

Commissioner Coleman

Commissioner Yanora

Parties of Record

Paul Diskin, TUS

Darren Gill, TUS

Joseph Sherrick, TUS

Cornelia Schneck, TUS

Kriss Brown, LAW

Kathryn Sophy, OSA

1. In the Expedited Process Order, the Commission delegated its authority to staff of the Bureau of Conservation, Economics and Energy Planning, with assistance from staff of the Bureau of Fixed Utility Services and the Law Bureau. *See*, Expedited Process Order at 22. In a Final Procedural Order entered on August 11, 2011, at Docket No. M-2008-2071852, the Commission transferred the staff and functions of the Bureaus of Fixed Utility Services and Conservation, Economics and Energy Planning to the Bureau of Technical Utility Services. *See Implementation of Act 129 of 2008 Organization of Bureaus and Offices*, Final Procedural Order at 4. [↑](#footnote-ref-1)
2. Expedited Process Order at 19. [↑](#footnote-ref-2)