



UGI Utilities, Inc.
460 North Gulph Road
King of Prussia, PA 19406

Post Office Box 858
Valley Forge, PA 19482-0858

(610) 337-1000 Telephone
(610) 992-3258 Fax

November 3, 2008

VIA EXPRESS MAIL

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Energy Efficiency and Conservation Program and EDC Plans,
Docket No. M-2008-2069887**

Dear Secretary McNulty:

Enclosed for filing, please find an original and three copies of the Comments of UGI Utilities, Inc. – Electric Division (“UGI”). An electronic copy of these comments is also enclosed on a disc. Further copies of these comments have also been served upon the persons and in the manner indicated on the attached certificate of service.

Should you have any questions concerning this filing, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark C. Morrow". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark C. Morrow

Counsel for UGI Utilities, Inc. –
Electric Division

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency and Conservation :
Program and EDCs Plans : Docket No. M-2008-2069887

CERTIFICATE OF SERVICE

I hereby certify that I have, this 3rd day of November, 2008, served a true and correct copy of the foregoing comments of UGI Utilities, Inc. – Electric Division 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):

VIA ELECTRONIC AND FIRST CLASS MAIL:

Kriss Brown
Law Bureau
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
kribrown@state.pa.us

Robert F. Wilson, Director
Bureau of Fixed Utility Services
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
rwilson@state.pa.us

Wayne Williams, Director
Bureau of Conservation, Economics and
Energy Planning
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
wwilliams@state.pa.us



Mark C. Morrow

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Energy Efficiency and Conservation :
Program and EDCs Plans : Docket No. M-2008-2069887

COMMENTS OF
UGI UTILITIES, INC. – ELECTRIC DIVISION

UGI Utilities, Inc. – Electric Division (“UGI”) appreciates this opportunity to submit comments in response to the Commission’s Revised Secretarial Order in the above-captioned docket issued on October 28, 2008. UGI is a small electric distribution company (“EDC”) serving approximately 62,000 customers in northeast Pennsylvania. Over 85% of the customers served are residential.

Since UGI serves less than 100,000 customers, it is exempt from the energy and peak load reduction statutory provisions cited in the Revised Secretarial Letter. UGI believes that this exemption recognized that certain energy and peak load reduction programs might not be cost effective for small EDCs to implement given the small size of their customer base over which to spread implementation costs. Nonetheless, the Commission should be aware that UGI intends to seek out and implement cost effective conservation, energy efficiency and demand side response measures where there is an opportunity to do so in a cost-effective manner that would be truly beneficial for UGI’s customers. Examples of measures which UGI has taken to date have included (1) a high efficiency heat pump rebate program, (2) a voluntary load reduction program for larger customers and (3) energy conservation education efforts including the distribution of brochures explaining ways to reduce energy use.

As UGI seeks ways to promote energy conservation and peak load reduction in a cost-effective way, it will be mindful of the characteristics of its customer base. For example, UGI only serves (a) approximately 18,300 residential customers that have electric water heating, (b)

approximately 10,000 heating customers with resistance space heat which in the majority of the cases can not be controlled from a single source and (c) relatively few customers with central air conditioning. These demographics may reduce the level of conservation / demand reductions that can be achieved in a cost effective manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark C. Morrow", with a long horizontal flourish extending to the right.

Mark C. Morrow

Counsel for UGI Utilities, Inc. –
Electric Division

Dated: November 3, 2008