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January 17, 2012

**VIA E-FILING AND EXPRESS MAIL**

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

**Re: Investigation into Pennsylvania's Retail Electric Market: Intermediate  
Work Plan, Docket No. I-2011-2237952**

Dear Secretary Chiavetta:

Enclosed for filing, please find an e-filing copy of the comments of the UGI Utilities, Inc. – Electric Division filed in response to the Commission's Tentative Order in the above-captioned docket entered on December 16, 2011.

In accordance with the directions set forth in the Tentative Order, a copy of these comments has been submitted to the Office of Competitive Market Oversight Retail Markets Investigation inbox at [ra-RMI@state.pa.us](mailto:ra-RMI@state.pa.us).

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", written over a horizontal line.

Mark C. Morrow

Counsel for UGI Utilities, Inc. –  
Electric Division

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Investigation of Pennsylvania's :  
Retail Electricity Market: :  
Intermediate Work Plan : Docket No. I-2011-2237952

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**COMMENTS OF UGI UTILITIES, INC. –  
ELECTRIC DIVISION**

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UGI Utilities, Inc. – Electric Division (“UGI”) appreciates this opportunity to submit comments in response to the Commission’s Tentative Order in the above-captioned docket entered on December 16, 2011.

A. Small EDC Exemption

UGI is a certificated electric distribution company (“EDC”) providing electric distribution service to approximately 62,000 customers in portions of two northeastern Pennsylvania counties. UGI fully supports efforts to promote retail electric markets, and believes such efforts should be tailored to reflect the circumstances of each EDC.

In recent years, while the commercial and industrial Choice market has been fairly active in the UGI territory, there has been little Electric Generation Supplier (“EGS”) interest in serving residential customers in UGI’s service territory, as evidenced by the absence of any current EGS residential service offerings for UGI customers on the Commission’s PA Power Switch website.<sup>1</sup> UGI believes this lack of interest may be the result of the limited size and characteristics of its residential customer base.

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<sup>1</sup> As of January 2012, UGI has two residential customers, and 530 C&I customers, being served by EGSs. The 530 C&I customers served by EGSs represent thirty-one percent (31%) of UGI’s commercial load, and seventy-eight percent (78%) of UGI’s industrial load.

UGI notes that it was not included in the list of EDCs directed in a December 15, 2011, Secretarial Letter to circulate a Commission-endorsed postcard encouraging customers to shop with a competitive electric generation supplier, presumably because of the lack of EGS service offerings in its service territory, and believes it should continue to be excluded from such mailings until such time as there is increased EGS residential service offerings in its service territory.

UGI similarly reasonably believed it would be exempted as a small EDC from the retail opt-in auction requirement based on the opt-in auction stakeholder discussions it participated in, and was surprised by the Tentative Order's proposal to limit the small EDC exemption to Citizen's Electric, Wellsboro, and Pike County Light & Power Company. Tentative Order, p. 27.

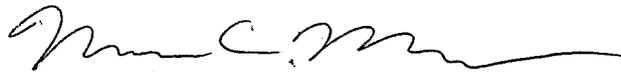
Conducting an opt-in auction in a service territory with little or no EGS service offerings for residential customers, would offer no value to customers and would be unlikely to promote retail choice. Thus, UGI believes the Commission should consider including UGI in the small EDC exemption for opt-in auctions. Alternatively, should the Commission proceed with the finalization of its rules as proposed in the Tentative Order, UGI will most likely have to petition for an exemption from the opt-in auction requirement and other portions of the Commission's requirements that would be difficult if not impossible to implement or which would likely result in customer confusion given the current lack of EGS residential service offerings.

#### B. Customer Referral Programs

UGI shares the concern of many larger EDCs that a customer referral program could place an undue strain on call center resources, and believes that any call center activities to support a customer referral program should be outsourced with recovery of associated costs from either (a) EGSs benefiting from the customer referral program or (b) from benefiting customer

classes through a surcharge or rider. The impact of customer referral programs should also be considered by the Commission in evaluating future call center performance statistics.

Respectfully submitted,

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Mark C. Morrow

Counsel for UGI Utilities, Inc. –  
Electric Division

Dated: January 17, 2012