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March 10, 2014

VIA E-FILING

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

**Re: Investigation of Pennsylvania's Retail Market: Joint Electric
Distribution Company – Electric Generation Supplier Bill,
Docket No. – M-2014-2401345**

Dear Secretary Chiavetta:

Enclosed for filing, please find the Comments of UGI Utilities, Inc. - Electric Division
filed in response to the Commission's Tentative Order at the above docket entered on February
6, 2014.

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 the UGI Utilities, Inc. –
Electric Division

Generation Suppliers (“EGS”). This cost-benefit ratio may vary by EDC as any significant fixed costs for smaller EDCs, such as UGI, will result in higher customer impacts because there is a smaller customer base over which to spread cost recovery.

Currently, perhaps because of the small size of UGI’s market, EGSs are only offering services to UGI’s C&I customers; there are no offerings to UGI’s residential customers. Thus, to the extent the Commission seeks to implement billing changes focused on the residential market, it should consider exempting UGI until one year after at least two EGSs are participating in UGI’s consolidated billing program for service to UGI residential customers.

UGI currently designs its paper bills internally, but uses outside contractors to print paper bills or present electronic bills. Currently, UGI is able to present all required information including a comments field limited to 17 lines and 1100 characters, on one page. To the extent even a modest amount of additional space is required to accommodate additional EGS logos or messages, it is very likely that UGI would have to move to a two page paper bill, leading both to additional printing and postage costs. UGI also uses an outside supplier to present electronic bills and messaging.

UGI currently provides billing services to two un-affiliated EGSs, and even though UGI was authorized in its electric restructuring proceeding at Docket No. R-00973975 to negotiate charges for providing this service, to date UGI has elected not to charge EGSs for this service in order to facilitate retail choice.

III. Comments

1. EGS Logo Inclusion Can be Accommodated

UGI believes that its current systems could incorporate black and white versions of EGS logos on its paper bills at an initial set-up cost of about \$4,000 per logo, but the space required

for the logo would most likely increase the size of UGI bills to two pages. As of the date of the submission of these comments, UGI has not been able to determine if its electronic billing vendor would be able to accommodate logos on electronic bills without significant system changes, or what the costs of any required modifications would be.

UGI would also note that it is unsure how much value EGSs would place on the inclusion of logos on UGI's bills given the ease with which customers can now access EGS websites, the current EGS name and contact number is already included on the bill, customers already receive EGS branded communications directly from the EGS, and customers receiving such bills have already made the decision to choose an alternate supplier.

2. Expansion of EGS Bill Messaging Space Poses Cost and Administrative Challenges

Because existing messaging space is fairly limited, and is often used for utility messages, the expansion of EGS messaging space will likely trigger a requirement to move to a two-page bill, with attendant increases in printing and postage costs. UGI estimates that the incremental costs of adding a second page is approximately \$0.047 per bill.

While UGI's existing systems could accommodate handling and processing of an EGS's message sent to all of its customers, provided that such messages are delivered to UGI sufficiently in advance to enabling planning for layout and the potential move to a two-page bill, UGI could not easily accommodate messages direct to specific customers or subgroups of customers and, as previously noted, could not accommodate rapid changes in the planned messaging.

3. Inclusion of a Shopping Information Box Is Unnecessary

UGI's bills already prominently display customer number and rate schedule information, and customers already have access to shopping guides on both UGI, OCA, Commission and

other websites. While UGI's bills could be redesigned to place this information in the suggested box format, given the lack of EGS service offerings in UGI's service territories, UGI does not believe that the incremental benefits of a bill re-design would outweigh the costs of performing and introducing the re-design at this time, although UGI would be willing to consider adopting the suggested format at the time of its next general bill update.

4. EDC Bills Should Not Include EGS Bill Inserts

UGI agrees with the Tentative Order's conclusion that the inclusion of EGS bill inserts in EDC bills is not warranted at this time. EDCs currently are required to include inserts for rate filings and other matters, and the inclusion of additional EGS inserts will likely increase postage and printing costs and may require changes to billing envelopes and insertion machinery. Moreover, should the inclusion of EGS bill inserts be directed in the future, careful consideration must be given to the timing of such inserts so as to not dilute messaging effectiveness – such as when an EDC notice of a general rate case is included with the bill.

5. Technological Advances Should Guide Policy

Given the prevalent use of e-mail, widespread web access and the rise of social media, it is likely that EGSs are already able and do engage their customers on a regular basis in formats which are richer and more engaging than what is possible through modifications to EDC bill formats. This should be a primary consideration in both deciding the scope of any changes and in assigning cost responsibility for any required changes.

IV. Conclusion

Once again, UGI appreciates this opportunity to submit comments in response to the Commission's Tentative Order at this docket, and asks the Commission to consider the unique

circumstances of smaller EDCs as it develops future policies to encourage retail choice.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mark C. Morrow", written in a cursive style.

Mark C. Morrow

Counsel for UGI Utilities, Inc. – Electric Division

Dated: March 10, 2014