

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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May 4, 2015

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

RE: Petition of UGI Utilities, Inc. - Electric
Division for Approval of Phase II of its
Energy Efficiency and Conservation Plan
Docket No. M-2015-2477174

Dear Secretary Chiavetta:

Enclosed for filing is the Office of Consumer Advocate's Notice of Intervention,
Public Statement, and Answer, in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Aron J. Beatty".

Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org

Enclosures

cc: Honorable Charles E. Rainey, Jr.
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of UGI Utilities Inc. – Electric :
Division for Approval of Phase II of its : Docket No. M-2015-2477174
Energy Efficiency and Conservation Plan :

NOTICE OF INTERVENTION

Pursuant to 52 Pa. Code Sections 5.71-74, the Office of Consumer Advocate hereby gives Notice of Intervention in the above-captioned proceeding. A copy of all correspondence and notices, documents, orders or other communications with respect to the above-captioned proceeding should be addressed to the following:

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Respectfully submitted,



Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625

DATED: May 4, 2015
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PUBLIC STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC or Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file an Answer and Intervention in proceedings before the Commission involving the proposed filing by UGI Utilities, Inc. – Electric Division (UGI or Company).

On April 9, 2015, UGI filed a Petition with the Commission seeking approval of a Phase II Energy Efficiency and Conservation Plan for the period of June 1, 2015, through May 31, 2018 (Phase II EE&C Plan). The Plan includes a portfolio of energy efficiency and conservation programs, including fuel switching measures and energy education initiatives, to meet the goal of encouraging energy efficiency and energy consumption reduction.

The Consumer Advocate determined to intervene in this proceeding to protect the interests of UGI's customers and to ensure that any increase in rates resulting from the adoption of the proposed programs and any related expenses are just and reasonable. The OCA will work with the parties to ensure that the programs offered meet the needs of residential customers while providing energy and conservation benefits on a system-wide basis.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of UGI Utilities Inc. – Electric :
Division for Approval of Phase II of its : Docket No. M-2015-2477174
Energy Efficiency and Conservation Plan :

ANSWER OF THE OFFICE OF CONSUMER
ADVOCATE TO UGI UTILITIES
PHASE II ENERGY EFFICIENCY AND
CONSERVATION PLAN

I. INTRODUCTION

On April 9, 2015, UGI Utilities, Inc. – Electric Division (UGI or Company) filed a Petition with the Public Utility Commission (Commission) seeking approval of a Phase II Energy Efficiency and Conservation Plan for the period of June 1, 2015, through May 31, 2018 (Phase II EE&C Plan). As the Company notes in its Petition, UGI is not formally subject to the energy efficiency requirements of Act 129 of 2008, because it has fewer than 100,000 customers. 66 Pa. C.S. §2806.1(1). The Commission approved the Company’s voluntary Phase I EE&C Plan, with modifications, in its Order entered October 19, 2011. Petition of UGI Utilities Inc. – Electric Division for Approval of its Energy Efficiency And Conservation Plan, Docket No. M-2010-2210316 (Order entered Oct. 19, 2011) (Phase I Order).

II. ANSWER

The Office of Consumer Advocate (OCA) does not object to UGI's request to continue its EE&C Plan beyond Phase I. In its Petition, UGI requests approval for a second phase beginning on June 1, 2015 and ending June 1, 2018. Petition at ¶11. According to the Company, Phase II includes a variety of energy efficiency and conservation practices, peak load reduction, and energy education initiatives. Petition at ¶11. Specifically, the Company's Phase II programs are designed to achieve an overall energy consumption reduction goal of 2% at the end of the three year Phase II Plan. Petition at ¶12.

The OCA fully supports the Company's efforts to provide cost effective energy efficiency and conservation programs and measures to its customers. The OCA participated in Phase I proceedings before the Commission. As a result of those proceedings, the Company instituted a Phase I EE&C Plan that is capped at the 2% of annual jurisdictional revenue as required under mandatory Act 129 EE&C plans. Phase I Order at 38. UGI also proposes to continue to use the evaluation, measurement and verification standards and the Total Resource Cost (TRC) test as required under mandatory Act 129 EE&C plans. Petition at ¶9, 21-22. In addition, the Company's cost recovery for EE&C costs does not include lost revenues, as initially proposed by UGI. Phase I Order at 23.

Importantly, the proposed Phase II EE&C Plan complies with the cost recovery requirements contained in Phase I. Petition at ¶¶16-17, 23. The Company states that it used the spending targets that resulted from the 2% cap as a baseline for constructing a portfolio of programs that is available to all customer classes. Petition at ¶¶17, 23. The Company proposes to recover the costs of Phase II through a new Phase II reconcilable rate mechanism. The Phase II EE&C Rider will recover, by customer class, the applicable EE&C Plan costs. Petition at ¶24.

Importantly, “the Phase II EE&C Rider contains the same cost recovery provisions as the Phase I EEC Rider.” Petition at ¶15. The OCA submits that continuation of the same cost recovery methodology in Phase II is reasonable.

The OCA notes that the Company has proposed to modify its program offerings in Phase II. Petition at ¶19. The resulting Plan includes eleven programs. Petition at ¶19. Of the eleven programs, six are available to all Residential customers, including low-income customers, and one additional program is available to only low-income customers. Petition at ¶19.

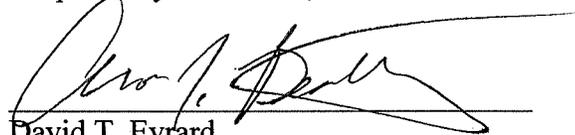
For the Residential class, the Company proposes to continue its customer education and fuel switching programs without modification. Petition Exh. 1 at 3. The Company further proposes to continue its appliance recycling program with increased rebate levels, and modifying its appliance rebate levels with new equipment qualifications and incentives. Petition Exh. 1 at 3. The Company further proposes to modify its energy efficient lighting program to include LED lights. Petition Exh. 1 at 3. Finally, the Company proposes a new Home Energy Audit, as well as a pilot Low Income Usage Reduction Program (LIURP) Water Heater Replacement Program. Petition Exh. 1 at 3.

The OCA supports the continuation of cost effective programs through Phase II. Upon initial review, the Company’s Phase II Plan includes several programs that will benefit residential customers. The OCA looks forward to working with the parties to ensure that the programs offered meet the needs of residential customers while providing energy and conservation benefits on a system-wide basis.

III. CONCLUSION

The OCA supports the Company's efforts to provide cost effective energy efficiency and conservation programs to residential customers through Phase II. The OCA looks forward to working with the parties to help ensure that the programs offered meet the needs of customers while providing energy and conservation benefits on a system-wide basis.

Respectfully Submitted,



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Dated: May 4, 2015
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CERTIFICATE OF SERVICE

Petition of UGI Utilities Inc. – Electric :
Division for Approval of Phase II of its : Docket No. M-2015-2477174
Energy Efficiency and Conservation Plan :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate’s Notice of Intervention, Public Statement, and Answer, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 4th day of May 2015.

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