

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**PA Public Utility Commission
vs.
UGI Utilities, Inc. – Gas Division**

**Public Meeting September 1, 2016
2518438-ALJ
Docket No. R-2015-2518438, *et. al***

**JOINT STATEMENT OF CHAIRMAN GLADYS M. BROWN AND
COMMISSIONER DAVID W. SWEET**

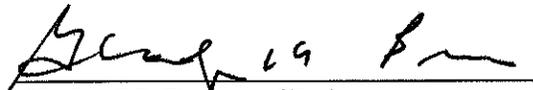
Before the Commission is Administrative Law Judge (ALJ) Susan D. Colwell's Recommended Decision approving a complete settlement in UGI Utilities, Inc. – Gas Division's (UGI) base rate case. All litigating parties, as well as ALJ Colwell, agree that this settlement is in the public interest.

Included in UGI's rate case and the Settlement, among other things, is a voluntary, five-year Energy Efficiency and Conservation (EE&C) Plan. This approximately \$27 million plan will provide rebates and incentives to residential, non-residential and multifamily customers for the installation and retrofitting of efficient equipment and the implementation of behavioral measures to reduce energy consumption. We commend UGI and the parties for developing a voluntary EE&C Plan, one of only few operated by the natural gas distribution companies (NGDCs) in the Commonwealth. With natural gas service expanding within Pennsylvania, it is important that consumers are educated about, and provided with, opportunities to be energy conscious and to conserve their natural gas usage, similar to that which is provided in the electric industry.

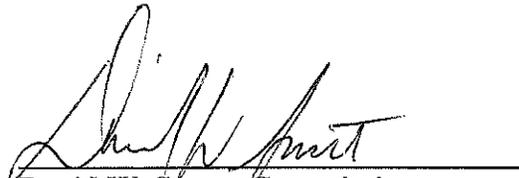
The EE&C Plan also includes a separate program providing incentives to commercial and industrial customers for the installation of combined heat and power (CHP) systems. This Commission has been a strong proponent of CHP, as evidenced in our Act 129 Implementation Order and our Proposed CHP Policy Statement.¹ While this CHP program will not decrease the volume of gas consumed by UGI's customers, the program will result in a net-total energy decrease for participating customers. Since this program is proposed within a rate case, the parties have had opportunity to evaluate any projected increased throughput and correspondingly negotiate settlement terms with this in mind. Additionally, we believe the annual reporting and stakeholder meeting requirements included in the joint settlement will provide the Commission and stakeholders with the opportunity to continuously monitor the implementation of the EE&C Plan, and more specifically, the CHP program. We strongly encourage UGI and stakeholders to work together to continuously monitor the entirety of the EE&C program over its five-year term and for UGI to be receptive and take into consideration any issues and concerns raised by stakeholders throughout that time period.

¹ The Act 129 Phase III EE&C Program Final Implementation Order from the Public Meeting of June 11, 2015 at Docket No. M-2014-2424864. The Proposed Policy Statement on Combined Heat and Power from the Public Meeting of February 25, 2016 at Docket No. M-2016-2530484.

Lastly, included in the Settlement is a three-year Technology and Development (TED) Rider pilot program. The TED Rider allows UGI commercial customers to negotiate a mutually acceptable contribution in aid of construction amount and distribution rate, so long as, in tandem, they achieve a positive projected net-present value for the utility's investment. This novel pilot proposal should increase access and expand the use of natural gas. We commend UGI for including a mechanism which avails larger customers more options to obtain natural gas service.



Gladys M. Brown, Chairman



David W. Sweet, Commissioner

Date: September 1, 2016