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VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Alternative Ratemaking Methodologies,
Docket No. M-2015-2518883**

Dear Secretary Chiavetta:

Enclosed, please find supplemental information of the UGI Distribution Companies.

Very truly yours,

Mark C. Morrow

Counsel for the UGI Distribution Companies

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Alternative Ratemaking Methodologies : Docket No. M-2015-2518883

**SUPPLEMENTAL INFORMATION OF THE
UGI DISTRIBUTION COMPANIES**

The UGI Distribution Companies (“UGI”), comprised for the purpose of this submission of UGI Utilities, Inc. – Gas Division (“UGI-GD”), UGI Utilities, Inc. – Electric Division (“UGI-ED”), UGI Penn Natural Gas, Inc. (“UGI-PNG”) and UGI Central Penn Gas, Inc. (“UGI-CPG”),¹ submitted comments and information at the above-captioned docket on May 31, 2017 in response to the Commission’s Tentative Order entered on March 2, 2017 in the above-captioned proceeding. At the time of this submission, UGI did not have certain data concerning the percentage of revenues derived from its existing alternative rate mechanisms available, and hereby submits the undated charts shown below to provide additional information. The updated information is based on the projected budget for UGI’s 2018 Fiscal Year running from October 1, 2017 through September 31, 2018.

A. Electric Utilities

1. Identify the alternative rate methodologies each EDC is currently using, including the number and types of automatic adjustment clauses, cost trackers

¹ UGI-GD, UGI-PNG and UGI-CPG are certificated natural gas distribution companies (“NGDC”) that provide natural gas distribution service to in excess of 617,000 customers in service territories encompassing all or portions of 44 Pennsylvania counties. UGI-ED is a certificated electric distribution company (“EDC”) that provides electric distribution service to approximately 62,000 customers in portions of two Pennsylvania counties.

and separate cost recovery mechanisms. Also identify, as a percentage of total costs or revenues, the costs or revenues each separate mechanism recovers.

Rate Mechanism	Percentage of Revenues	Percentage of Costs	Time Period/Comment
State Tax Surcharge	1.6%	100%	Generally recovers or refunds the costs of state tax changes between base rate cases
Net Metering	Not currently available (“NCA”)	Not Applicable	Provides a credit to qualifying customer-generators – the distribution credit is generally not recoverable between base rate cases
Power Factor Charge	NCA	Not Applicable	A rider on the Rates under certain rate schedules if power factors fall below 90%
Pole Removal and Relocation Charge	NCA	100%	Recovers costs of customer-requested pole removals and relocations
Generation Supply Service Charge	54%	100%	Recovers costs of securing default service supplies pursuant to a PUC-approved supply plan
Customer Assistance Program Rider	2.0%	100% of costs for which there was not a separate allowance in base rates.	Recovers Customer Assistance Program costs
Energy Efficiency and Conservation Rider	3.4%	100%	Recovers costs of PUC-approved EE&C program

B. Natural Gas Utilities

1. Identify the alternative rate methodology(ies) each NGDC is currently using, including the number and types of automatic adjustment clauses, cost trackers and separate cost recovery mechanisms. Also identify, as a percentage of total costs or revenues, the costs or revenues each separate mechanism recovers.

Rate Mechanism	Percentage of Revenues	Percentage of Costs	Time Period/Comment
State Tax Surcharge	UGI-GD: -0.05% UGI PNG: 0.0% UGI CPG: -0.33%	100%	Generally recovers or refunds the costs of state tax changes between base rate cases
Contribution-In-Aid-of-Construction Charges	NCA	100% of costs of extensions of service not justified by anticipated revenues for customers not participating in GET Gas	
GET Gas Rider Pilot	UGI-GD: 0.06% UGI PNG: 0.04% UGI CPG: 0.02%	Designed to recover 100%	Recovers costs of qualifying line extensions through class-based charges
Purchased Gas Cost Charges	UGI-GD: 36% UGI PNG: 30% UGI CPG: 28%	Recovers 100% of costs of a portfolio of gas supplies to serve supplier of last resort customers that meet certain statutory tests in an annual review process	
Incentive Sharing Mechanism	NCA	Not Applicable	Permits Company to retain 25% of certain

			revenues received through efforts to maximize the value of PGC assets in secondary markets when they are not needed to meet core market demand.
Merchant Function Charge	UGI-GD: 1.22% UGI PNG: 0.84% UGI CPG: 0.72%	Designed to recover 100% of costs	Charge designed to recover uncollectible expenses from PGC customers to place PGC price-to-compare on a more equal footing with NGS offerings
Gas Procurement Charge		Rate not reconciled to actual costs	Charge designed to recover costs of procuring gas commodity from PGC customers to place PGC price-to-compare on a more equal footing with NGS offerings
Universal Service Program Rider	UGI-GD: 1.42% UGI PNG: 1.83% UGI CPG: 1.26%	100% of eligible costs	Reconcilable charge designed to recover the actual costs of providing universal service programs
EE&C Rider	UGI-GD: 0.66% UGI PNG: 0.00% UGI CPG: 0.00%	100% of eligible costs	Reconcilable charge designed to recover the actual costs of implementing a Commission-approved energy efficiency and conservation program
Technology and Economic Development Rider Pilot	NCA	Not Applicable	Rate mechanism designed to provide increased rate options for Rate N, NT, DS and LFD customers to address project-specific competitive issues and to expand

			the use of natural gas in an economic manner.
Distribution System Improvement Charge	UGI-GD: 0.66% UGI PNG: 0.00% UGI CPG: 4.97%	Up to 100% of eligible costs and return on investment	Rate mechanism authorized by statute to permit the timely recovery of and on investments in eligible facilities between base rate cases.
Standby Service Charge	NCA	Rate not reconciled to actual costs	Charge imposed where gas is being used as a back-up or supplementary fuel.
<i>Demand Charge Rates</i>	NCA	Not Applicable	UGI has various rates with demand charge components.

Respectfully submitted,

Mark C. Morrow

Counsel for the UGI Distribution Companies

Dated: August 2, 2017