

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120

Pennsylvania Public Utility  
Commission, et al. v. UGI Utilities,  
Inc. Gas Division

Public Meeting September 19, 2019  
3006814-ALJ  
Docket Nos. R-2018-3006814, et al.

MOTION OF VICE CHAIRMAN DAVID W. SWEET

Before the Commission for consideration is Deputy Chief Administrative Law Judge (ALJ) Christopher P. Pell's Recommended Decision in UGI Gas Utilities, Inc. Gas Division's (UGI) base rate proceeding. The ALJ recommends adopting the full settlement submitted by the parties. I commend the parties for reaching a full settlement on this rate case. While I generally agree with the settlement, it includes a provision regarding information technology (IT) changes associated with the quarterly review of rates provided to customers participating in UGI's Customer Assistance Program (CAP) that appears to contain conflicting language and, as such, may lead to misinterpretation.

Specifically, Ordering Paragraph 38 of the Recommended Decision (which mirrors verbatim paragraph 47 of the settlement<sup>1</sup>) states the following:

That UGI Gas review CAP rates for those enrolled in the average bill or percentage of income CAP rate plans on a quarterly basis in order to determine whether a more affordable rate plan is available. To the extent the CAP customer qualifies, the CAP customer's applicable CAP rate will be adjusted to the lowest available rate at the time of review. **UGI Gas will be permitted to recover any just and reasonably incurred Information Technology costs associated with formalizing this practice in its customer billing system through its Rider USP. Such costs to be recovered through the USP will be capped at \$125,000. UGI Gas will be permitted to recover all Information Technology costs associated with formalizing this practice in its customer billing system through its Rider USP.** UGI Gas will begin this review process within 10 months of the effective date of rates. Within 90 days after the first quarterly CAP rate adjustment is made, UGI Gas will report to the parties on the number of rate adjustments made through this review process.

(Emphasis added.)

I believe the language regarding the recovery of IT costs tied to formalizing the quarterly CAP bill review practice to be unclear. Initially, it is stated that IT costs may be recovered through UGI's Rider USP up to a cap of \$125,000. Then, the following sentence states that *all* IT costs associated with formalizing the practice may be recovered through Rider USP. This leads to the question of whether the costs are or are not capped at \$125,000. In reviewing the Statements in Support of the Settlement, UGI is the only party to specifically address the cost

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<sup>1</sup> See *Joint Petition for Approval of Settlement of All Issues*, page 14, filed July 22, 2019.

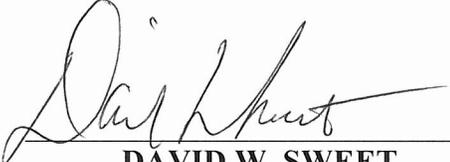
recovery provision, noting that UGI “will be permitted to recover any just and reasonably incurred Information Technology costs associated with formalizing this practice in its customer billing system through its USP Rider, such costs being capped at \$125,000.”<sup>2</sup> It appears that UGI and the parties intend to have a \$125,000 aggregate cap on the IT costs in this provision and that the sentence with the reference to “all costs” may simply be an unintentional error. That being said, while I am always hesitant to amend full settlements as I understand the work and negotiation involved in such discussion, I am also disinclined to issue a Commission Order containing ambiguous language. As such, I move that the following sentence in Ordering Paragraph 38 be removed: “UGI Gas will be permitted to recover all Information Technology costs associated with formalizing this practice in its customer billing system through its Rider USP.” Removal of this sentence removes any ambiguity and makes clear what we believe to be the parties’ intention – that the IT costs associated with the quarterly CAP bill reviews may be recovered through UGI’s Rider USP up to an aggregate<sup>3</sup> total of \$125,000.

I recognize that this change is amending a full settlement. In adopting this amended settlement, we are adopting, among other things, provision 78 which provides the Joint Petitioners a five-day period, from the entry date of an Order modifying the settlement, in which to withdraw from said settlement.<sup>4</sup> Should any Joint Petitioner disagree with the amendment directed herein, they may avail themselves of that five-day withdrawal period.

**THEREFORE, I MOVE THAT:**

1. Paragraph 38 of the Recommended Decision of Deputy Chief Administrative Law Judge Christopher P. Pell be amended to omit the following sentence: UGI Gas will be permitted to recover all Information Technology costs associated with formalizing this practice in its customer billing system through its Rider USP.
2. The Recommended Decision of Deputy Chief Administrative Law Judge Christopher P. Pell be adopted as amended.
3. The Office of Special Assistants prepare an Order consistent with this Motion.

**Date: September 19, 2019**

  
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**DAVID W. SWEET**  
**VICE CHAIRMAN**

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<sup>2</sup> See *UGI Utilities, Inc. – Gas Division Statement in Support of Joint Petition for Approval of Settlement of All Issues*, page 42, filed July 22, 2019.

<sup>3</sup> As opposed to annually

<sup>4</sup> See *Joint Petition for Approval of Settlement of All Issues*, page 24, paragraph 78, filed July 22, 2019.