

COMMONWEALTH OF PENNSYLVANIA



PATRICK M. CICERO
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

February 3, 2023

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

Re: Pennsylvania Public Utility Commission
v.
UGI Utilities, Inc. – Electric Division
Docket No. R-2022-3037368

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

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

Respectfully submitted,

/s/ Harrison W. Breitman
Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Enclosures:

cc: The Honorable Charles E. Rainey, Jr. (**email only:** crainey@pa.gov)
Bureau of Technical Utility Services (**email only:** pdiskin@pa.gov)
Office of Special Assistants (**email only:** ra-OSA@pa.gov)
Certificate of Service

*340530

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
 :
 v. : Docket No. R-2022-3037368
 :
 UGI Utilities, Inc. – Electric Division :

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

Dated this 3rd day of February 2023.

SERVICE BY E-MAIL ONLY

Richard A. Kanaskie, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
rkanaskie@pa.gov
Counsel for I&E

NazAarah Sabree, Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
ra-sba@pa.gov
tereswagne@pa.gov
Counsel for OSBA

Kent D. Murphy, Esquire
Michael S. Swerling, Esquire
Timothy K. McHugh, Esquire
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
murphyke@ugicorp.com
swerlingm@ugicorp.com
MchughT@ugicorp.com
Counsel for UGI Electric

Devin T. Ryan, Esquire
Garrett P. Lent, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
dryan@postschell.com
glent@postschell.com
Counsel for UGI Electric

SERVICE BY E-MAIL ONLY (continued)

David B. MacGregor, Esquire
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103-2808
dmacgregor@postschell.com
Counsel for UGI Electric

William Ostroski
100 Sorbertown Hill
Hunlock Creek, PA 18621
Blyo58@aol.com

Travis Clay Buchanan
764 West Main Street
Plymouth, PA 18651
Cchickenhawk187@yahoo.com

/s/ Harrison W. Breitman
Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CApplby@paoca.org

Darryl A. Lawrence
Senior Assistant Consumer Advocate
PA Attorney I.D. # 93682
E-Mail: DLawrence@paoca.org

Counsel for:
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
Dated: February 3, 2023
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PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. CUSTOMER NAME (COMPLAINANT)

Patrick Cicero, Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

2. UTILITY NAME (RESPONDENT)

UGI Utilities, Inc. – Electric Division – Docket No. R-2022-3037368

3. TYPE OF UTILITY

Electric

4. COMPLAINT

A. On January 27, 2023, UGI Utilities, Inc. – Electric Division (UGI Electric or the Company) filed Proposed Supplement No. 51 to UGI Electric Tariff Pa. P.U.C. No. 6 (Proposed Supplement No. 51) and Proposed Supplement No. 7 to UGI Electric Tariff Pa. P.U.C. No. 2S (Proposed Supplement No. 7), with a proposed effective date of March 28, 2023. The rates set forth therein would increase the Company’s annual jurisdictional distribution operating revenues by \$11.4 million and would produce an increase in total revenues (distribution and generation charges) of approximately 7.5%.

B. The Company is engaged in the business of providing electric distribution service to approximately 62,877 residential, commercial, and industrial customers in Luzerne and Wyoming Counties and 35 municipalities throughout Pennsylvania.

C. The Company is proposing to allocate approximately \$10.7 million of the proposed \$11.4 million increase to the residential class based on the results of a class cost of service study.

D. The Company states that its proposal is driven by additional plant investments, increased operations and maintenance expenses, and its inability to earn a fair rate of return with its current rates.

E. If the Company's request is approved by the Commission, the Company would also be allowed an overall return on rate base of 8.5%, which is based upon a 11.3% return on common equity, including a 0.2% management adder component.

F. The Company is proposing an increase to the residential customer charge from \$9.50 to \$13.50, or by 42.1%.

F. Under this proposal, the total average monthly bill of a residential customer using 1,000 kWh per month would increase from \$192.73 to \$209.96 per month, or by 8.9%.

G. In addition, the Company is proposing modifications to its tariff, including: changes to Rule 1-c (regarding the combination of usage for billing purposes; changes to its outdoor lighting provisions, and changes to Large Power Rate (Rate LP). The Company also addresses compliance related to its battery storage project and Flood Control Power Rate (Rate FCP).

H. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission), pursuant to Act 161 of the General Assembly, as amended, 71 P.S. §§ 309-1, *et seq.*

I. A preliminary examination of the Company's Proposed Supplement No. 51 and Proposed Supplement No. 7 indicates that the Company's existing and proposed changes in rates, rules and regulations may be unjust, unreasonable, in violation of the law and will or may produce

an excessive return on investment in violation of the Public Utility Code, 66 Pa. C.S. § 1301, *et seq.*

J. The Consumer Advocate also avers that the proposed tariff changes and proposed rate structure and rate design may be unlawfully discriminatory, in violation of the Public Utility Code, 66 Pa. C.S. §§ 1301 and 1304, *et seq.*, and may otherwise be contrary to sound ratemaking principles and public policy.

K. The Consumer Advocate files this Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether the Company's existing and proposed rates--and any and all rate policy changes--are just and reasonable, and are not unduly discriminatory or otherwise unlawful.

5. RELIEF

The Consumer Advocate respectfully requests that the Commission take the following actions:

A. Suspend and investigate the operation of Proposed Supplement No. 51 to UGI Electric Tariff Pa. P.U.C. No. 6 and Proposed Supplement No. 7 to UGI Electric Tariff Pa. P.U.C. No. 2S pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);

B. Consolidate all complaints filed against proposed Supplement No. 51 and Supplement No. 7;

C. Hold full evidentiary hearings examining the reasonableness of the Company's current rates and its proposed increases in rates;

D. After providing the public with adequate notice, hold public input hearings in order to provide customers with an opportunity to be heard on the record, and hold those hearings as early in the case as feasible;

E. Deny any increase or change in the Company's rates that is unjust, unreasonable, discriminatory or inconsistent with the Public Utility Code, sound ratemaking principles, and public policy;

F. Determine the justness and reasonableness of the Company's current and proposed rates and tariff; and

G. Grant such other relief it deems appropriate.

6. VERIFICATION AND SIGNATURE

Verification:

I, Patrick M. Cicero, Consumer Advocate, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Patrick M. Cicero
(Signature)

02/03/2023
(Date)

7. LEGAL REPRESENTATION

Harrison W. Breitman, Assistant Consumer Advocate, PA Bar No. 320580
Darryl A. Lawrence, Senior Assistant Consumer Advocate, PA Bar No. 93682
Christy M. Appleby, Assistant Consumer Advocate, PA Bar No. 85824

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County
Phone: (717) 783-5048
E-mail: HBreitman@paoca.org
DLawrence@paoca.org
CAappleby@paoca.org

**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 interest of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the Commission involving the proposed rate increase requested by UGI Utilities, Inc. – Electric Division (UGI Electric or the Company) docketed at R-2022-3037368.

The Company is engaged in the business of providing electric distribution service to approximately 62,877 residential, commercial, and industrial customers in Luzerne and Wyoming Counties and 35 municipalities throughout Pennsylvania. The proposed tariff, if approved, would allow the Company an increase to its annual jurisdictional distribution operating revenues of \$11.4 million and would produce an increase in total revenues (distribution and generation charges) of approximately 7.5%. The Company would also be allowed an overall return on rate base of 7.57%, which includes a 11.3% return on common equity. Under the Company's proposal, the total average monthly bill of a residential customer using 1,000 kWh per month would increase from \$192.73 to \$209.96 per month, or by 8.9%.

The Consumer Advocate files this Complaint to ensure that the Company's existing and proposed rates, including the Company's requested rate increase and other charges and mechanisms sought by the Company, are just and reasonable. The Consumer Advocate will represent the interests of UGI Electric ratepayers before the Commission and will seek to ensure that customers are not charged rates that are unjust, unreasonable, discriminatory or otherwise contrary to law.