

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

May 19, 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. – Gas Division
1307(f) Proceeding
Docket No. R-2023-3040290

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/ Christopher M. Andreoli
Christopher M. Andreoli
Assistant Consumer Advocate
PA Attorney I.D. # 85676
CAndreoli@paoca.org

Enclosures:

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

*346357

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v. : Docket No. R-2023-3040290
UGI Utilities, Inc. – Gas Division :
1307(f) Proceeding :

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 19th day of May 2023.

SERVICE BY E-MAIL ONLY

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
sgranger@pa.gov
Counsel for I&E

Steven C. Gray, Esquire
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
sgray@pa.gov
Counsel for OSBA

Timothy K. McHugh, Esquire
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
mchught@ugicorp.com
Counsel for UGI-Gas

Lindsay A. Berkstresser, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
lberkstresser@postschell.com
Counsel for UGI-Gas

Paul J. Szykman, Chief Regulatory Officer
UGI Utilities, Inc.
1 UGI Drive
Denver, PA 17517
pszykman@ugi.com
Counsel for UGI-Gas

/s/ Christopher M. Andreoli
Christopher M. Andreoli
Assistant Consumer Advocate
PA Attorney I.D. # 85676
CAndreoli@paoca.org

Counsel for:
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Dated: May 19, 2023
*346360

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

FORMAL COMPLAINT
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

1. COMPLAINANT

Patrick M. Cicero, Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone – (717) 783-5048
Fax – (717) 783-7152

2. UTILITY NAME

UGI Utilities, Inc. – Gas Division

3. TYPE OF UTILITY

Gas

4. COMPLAINT

- A. On May 1, 2023, pursuant to Sections 53.64 and 53.65 of the Commission’s Rules and Regulations, UGI Utilities, Inc. – Gas Division (UGI or the Company) submitted its pre-filing information in support of its annual reconciliation of purchased gas cost (PGC) rates. On or about June 1, 2023, UGI will submit its definitive, annual PGC filing, pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f).
- B. UGI’s pre-filed information does not indicate the anticipated effect of the annual PGC reconciliation on existing rates.
- C. The Public Utility Commission provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility’s obligation to provide safe, adequate and reliable service to customers. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and vigorously represented ratepayer interests before the Federal Energy Regulatory Commission; (2) taken all prudent steps to negotiate favorable gas supply contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas

supplies; and (4) not withheld or caused to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy.

- D. The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission (the “Commission”) pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. Stat. Ann. §§309-1, *et seq.*
- E. The Consumer Advocate will investigate all aspects of UGI’s filing, including UGI’s findings from the volatility study UGI conducted on its Gas Cost Management Plan, pursuant to the Settlement from UGI’s 2022 PGC rate proceeding. See *Pa. PUC v. UGI*, Docket No. R-2022-3032242.
- F. After initial review of UGI’s filing information, the Consumer Advocate files this Formal Complaint in order to ensure that the Company’s proposed PGC rate is consistent with a least cost fuel procurement policy and does not result in rates or charges that are excessive, unjust or unreasonable, discriminatory or otherwise contrary to Commission Regulations or policy.

5. RELIEF

The Consumer Advocate respectfully requests that the Public Utility Commission:

- A. Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code;
- B. Hold public input hearings in UGI’s service territory, if consumer interest arises;
- C. Deny any rate or tariff changes, which are not the result of a least cost fuel procurement policy as defined by the standards set forth in Section 1318 of the Public Utility Code, 66 Pa. C.S. § 1318, and as defined by other applicable ratemaking standards;
- D. Ensure that the Company’s PGC customers are only allocated those costs that should be borne by them;
- E. Deny any rate or tariff that is unjust, unreasonable, unduly discriminatory or contrary to sound ratemaking principles; and
- F. Grant any other relief deemed necessary.

6. VERIFICATION AND SIGNATURE

Verification:

I, Patrick M. Cicero, 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)

May 19, 2023
(Date)

7. LEGAL REPRESENTATION

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

Christopher M. Andreoli
PA Attorney I.D. # 85676
E-Mail: CAndreoli@paoca.org
Assistant Consumer Advocate

Counsel for:

Patrick M. Cicero
Consumer Advocate

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

**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. Section 309-2, as enacted July 9, 1976, authorizes the Office of Consumer Advocate (OCA) 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 OCA determined to file a Formal Complaint and participate in proceedings before the Commission involving UGI Utilities, Inc. – Gas Division (UGI or the Company).

On May 1, 2023, pursuant to Sections 53.64 and 53.65 of the Commission’s Rules and Regulations, UGI submitted its pre-filing information in support of its annual reconciliation of purchased gas cost (PGC) rates. The OCA expects that on or about June 1, 2023, the Company will submit its definitive PGC annual filing which will include any anticipated increases or decreases in the existing PGC rates.

The OCA has filed this Complaint with the Commission to ensure that each element of UGI’s purchased gas cost rate is scrutinized. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy. That section of the Public Utility Code also specifies certain findings which must be made before such costs are determined to be lawful. The OCA, therefore, will seek to ensure that only those purchased gas costs which meet the requirements of Section 1318 will be paid by UGI’s ratepayers.

In addition, the OCA also will seek to ensure that the rates approved by the Commission are otherwise just and reasonable, and not unduly discriminatory or excessive.