**IF-GU-240a.1. Average retail gas rate for (1) residential, (2) commercial, (3) industrial customers, and (4) transportation services only**

1. The entity shall disclose its average bundled gas rate per million British thermal units (MMBtu) of bundled gas delivered to retail customers.
   - Bundled gas is defined as gas delivered to retail customers where the entity provides all services to the customer from procurement to retail distribution, including transportation, storage, and distribution, and retail services customers that receive such services may be referred to as core customers.
   - The entity shall calculate its average bundled retail gas rate as the total revenue directly resulting from bundled gas delivered to retail customers divided by the amount of corresponding gas delivered (in MMBtu).

2. The entity shall disclose its average retail gas rate separately for each type of customer, where customers are classified as (1) residential, (2) commercial, and (3) industrial.
   - The typical monthly gas bill for commercial customers using 400.7 MMBtu of gas delivered per year is $326.09.
   - The typical monthly gas bill for industrial customers using 1,681.0 MMBtu of gas delivered per year is $1,190.01.

3. The entity shall disclose the typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year. The entity may combine the commercial and industrial customer types.

4. The entity may disclose additional customer types if such customer types exist that do not fall within the scope of the customer types described above.

**IF-GU-240a.2. Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year**

1. The entity shall disclose the typical monthly gas bill for (1) the first 50 million British thermal units (MMBtu), and separately, (2) the first 100 MMBtu, of bundled gas delivered to its residential customers per year.
   - Bundled gas is defined as gas delivered to retail customers where the entity provides all services to the customer from procurement to retail distribution, including but not limited to, transmission, storage, distribution, and retail services customers that receive such services may be referred to as core customers.
   - The entity shall calculate the total monthly gas bill for residential customers as the sum of revenue directly resulting from bundled gas delivered to residential customers over the course of the reporting period, divided by the number of months in the reporting period, divided by the weighted average number of residential customers during the reporting period.

2. The entity shall disclose its methodology for calculating typical monthly gas bill for residential customers.
   - The entity may disclose additional customer types and/or sub-classifications of customer types. For example, the entity may additionally disclose typical monthly gas bill for commercial customers.

<table>
<thead>
<tr>
<th>Fiscal Year 2020</th>
<th>Fiscal 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>The average bundled gas rate for retail customers is $9.52 per MMBtu.</td>
<td>The average bundled gas rate for retail customers is $9.90 per MMBtu.</td>
</tr>
<tr>
<td>SASB Requirements for Utilities</td>
<td>UGI Utilities Response Fiscal Year 2020</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td><strong>IF-GU-240a.3. Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days</strong></td>
<td></td>
</tr>
<tr>
<td><strong>1.</strong> The entity shall disclose the total number of gas disconnections among residential customers during the reporting period that resulted from non-payment, where:</td>
<td></td>
</tr>
<tr>
<td><strong>1.1</strong> A disconnection is defined as the entity, or its service provider, intentionally turning off a customer's access to gas.</td>
<td></td>
</tr>
<tr>
<td><strong>1.2</strong> Disconnections occurring for multiple reasons shall be included if non-payment (or under-payment) is a contributing cause of the disconnection.</td>
<td></td>
</tr>
<tr>
<td><strong>2.</strong> The entity shall disclose the percentage of disconnections that are reconnected within 30 days.</td>
<td></td>
</tr>
<tr>
<td><strong>2.1</strong> The percentage shall be calculated as the number of residential customers previously disconnected that were reconnected within 30 days of the date of the disconnection, divided by the total number of residential customer disconnections during the reporting period that resulted from non-payment.</td>
<td></td>
</tr>
<tr>
<td><strong>2.2</strong> A reconnection is defined as the entity, or its service provider, intentionally turning on a customer's access to gas, which was previously disconnected.</td>
<td></td>
</tr>
<tr>
<td><strong>2.3</strong> Disconnections may occur for reasons including, but not limited to, non-payment, the establishment of a bill payment plan, and/or the use of a bill assistance program.</td>
<td></td>
</tr>
<tr>
<td><strong>3.</strong> The scope of disclosure may include reconnections that occur after the end of the reporting period, but the entity shall not double-count reconnections across multiple discrete reporting periods.</td>
<td></td>
</tr>
</tbody>
</table>

Note to IF-GU-240a.3

1. The entity shall discuss how policies, programs, and regulations impact the number and duration of residential customer disconnections.

<table>
<thead>
<tr>
<th>Fiscal Year 2020</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1,689</td>
<td>1,522</td>
</tr>
<tr>
<td>89.95%</td>
<td>86.99%</td>
</tr>
</tbody>
</table>

The Company follows the Utility regulations detailed in both the PA CH 56 and COMAR regulations. Both sets of regulations require UGI Utilities to have a winter moratorium on low income terminations. The moratorium in PA begins December 1st and ends March 31st each year. COMAR requires utilities to cease terminations one month earlier effective November 1st. While the Company does have a manual process to continue to work in arrears, non-low-income, residential and commercial accounts during the moratorium, other temperature driven policies limit the amount of work that gets completed during those periods.

However the 2020 moratorium was adjusted. On March 13th, 2020, the Pennsylvania Public Utility Commission issued an Public Utility Service Termination Moratorium Proclamation of Disaster Emergency — COVID-19 EMERGENCY ORDER, DOCKET No: M-2020-1012044 whereas it was ordered; That all electric, natural gas, water, wastewater, telecommunications, and steam utilities subject to the Commission's jurisdiction are prohibited from terminating service during the pendency of the Proclamation of Disaster Emergency consistent with this Emergency Order. That order was modified by The Public Utility Service Termination Moratorium — Modification of March 13th Emergency Order; M-2020-1012044. The Order allowed for an end to the termination moratorium effective November 9th, 2020. However, the order called for other provisions such as not being able to double-count customers who reached the collection path. Medical certificates, Protection from Abuse Orders, and a customer's eligibility to enter into a regulated or company arrangement all impact the number of customers terminated each month. Additionally, low-income customers are able to enroll into a number of programs that can assist with lowering or helping pay their monthly bills. Enrollment into these programs removes a customer from the collection path. These programs are; CAP (Customer Assistance Program), LIHEAP (Low income usage reduction program), Operation Share (time one year hardship grant), and UHEAP, the state managed Low Income Home Energy Assistance Program. The Company follows every termination with a regulated Cold Weather Interim Survey (CWIP). This process begins approximately October 1st by notifying anyone terminated during that season who still has not reconnected, and then follows a series of additional contacts to determine if the household is still without heat by Dec 1st of that season. These contacts are all available options to reconnect are provided to the customer if needed.

2. The entity shall disclose the total number of gas disconnections among residential customers during the reporting period.

<table>
<thead>
<tr>
<th>Fiscal Year 2020</th>
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<tbody>
<tr>
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<td>4,202</td>
</tr>
<tr>
<td>26.99%</td>
<td>23.50%</td>
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All termination notice requirements are followed and there are numerous customer protections one can invoke when disputing a noticed termination. Medical certificates, Protection from Abuse Orders, and a customer's eligibility to enter into a regulated or company arrangement all impact the number of customers terminated each month. Additionally, low-income customers are able to enroll into a number of programs that can assist with lowering or helping pay their monthly bills. Enrollment into these programs removes a customer from the collection path. These programs are; CAP (Customer Assistance Program), LIHEAP (Low income usage reduction program), Operation Share (time one year hardship grant), and UHEAP, the state managed Low Income Home Energy Assistance Program. The Company follows every termination with a regulated Cold Weather Interim Survey (CWIP). This process begins approximately October 1st by notifying anyone terminated during that season who still has not reconnected, and then follows a series of additional contacts to determine if the household is still without heat by Dec 1st of that season. These contacts are all available options to reconnect are provided to the customer if needed.

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2.3 The scope of disclosure may include reconnections that occur after the end of the reporting period, but the entity shall not double-count reconnections across multiple discrete reporting periods.

The Company follows the Utility regulations detailed in both the PA CH 56 and COMAR regulations. Both sets of regulations require UGI Utilities to have a winter moratorium on low income terminations. The moratorium in PA begins December 1st and ends March 31st each year. COMAR requires utilities to cease terminations one month earlier effective November 1st. While the Company does have a manual process to continue to work in arrears, non-low-income, residential and commercial accounts during the moratorium, other temperature driven policies limit the amount of work that gets completed during those periods.

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1.1 Policies include company-level policies that govern the conditions under which the entity may disconnect (or may not disconnect) residential customers.

1.2 Programs include those administered at the national, state, local, utility commission, or company-level that are designed to improve the affordability of gas among residential customers, and/or reduce the number and/or duration of residential customer disconnections (e.g., Low Income Home Energy Assistance Program).

1.3 Regulations include those occurring at the national, state, local, utility commission, or company-level that are designed to improve the affordability of gas among residential customers, and/or reduce the number and/or duration of residential customer disconnections.
IF-GU-240a.4. Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory

1. The entity shall describe the external factors that cause, or are reasonably likely to cause, a significant impact on the affordability of gas among the entity's retail customers.

Demand for natural gas remains high in UGI's service territory. One of the primary factors influencing natural gas affordability and adoption is the wholesale price spread between natural gas and oil, in particular. With the abundance of Marcellus Shale gas in PA, UGI residential customers paid 23% less in 2020 as compared to 2008. According to a report from Global Energy Institute, a ban on fracking is estimated to result in a 295% increase in natural gas prices nationally, representing a $5,661 increase in the cost of living for an average American, and would eliminate about 10 million jobs. The median household income for Pennsylvania is approximately $65,000 annually, while the median age is 42 years old. Approximately 29% of households are renter-occupied. Recently, the price of oil has dropped, representing approximately $350 of annual savings for a residential customer converting from oil to natural gas. However, longer-term data is indicative of residential conversion energy cost savings of approximately $600 per year.

2. For each external factor, in addition to a description of the factor, the entity shall briefly describe:

2.1 The frequency and magnitude in which the factor impacts the affordability of gas for the entity's customers.

Uplifting risks include customer non-payment, cost recovery uncertainty, as well as public policy. Opportunities include continued customer growth, capital investment opportunities, and public policy changes supporting natural gas midstream expansion. Customer non-payment is tracked vigorously, and offset partially by aggressive marketing of utility programs such as LIHEAP, WARM, CAP, and LIURP. More recently, there are CARES Act funding programs available to assist residential customers in arrears impacted by COVID-19.

2.2 The trend in the impact of the factor on the affordability of gas for the entity's customers.

UGI Utilities has a commendable gross growth rate of 1.5% annually for the last 10 years, when most utilities have flat or negative growth. Digital marketing, interwoven with more traditional means as well as a focus on customer experience provide value to customers as well as increase customer satisfaction. Electrification mandates are closely monitored, particularly in the new construction market, as a potential long-term risk. UGI Utilities is spending an accelerated amount of capital annually to modernize its distribution network, as well as accommodate new customer growth. Recent capital budgets are in the $160-$250MM range. Another opportunity is the salience of new technologies including CHP, NGO’s, RNG, and LNG. The company continues to execute growth strategies related to core market, industrial, and new technologies growth.

3. The entity shall describe the risks and opportunities that arise out of the external factors.

3.1 Risks may include, but are not limited to, customer non-payment, cost recovery uncertainty, reputational value, and regulations, public policy, and/or public purpose programs that may generate adverse financial impacts.

Demand for natural gas remains high in UGI's service territory. One of the primary factors influencing natural gas affordability and adoption is the wholesale price spread between natural gas and oil. With the abundance of Marcellus Shale gas in PA, UGI residential customers paid 23% less in 2020 as compared to 2008. A ban on fracking, for instance, is estimated to result in a 295% increase in natural gas prices nationally, representing a $5,661 increase in the cost of living for an average American, and would eliminate about 10 million jobs. The median household income for UGI Utilities territory is approximately $57,000 annually, while the median age is 45 years old. Approximately 31% of households are renter-occupied. Recently, the price of oil has dropped, representing approximately $350 of annual savings for a residential customer converting from oil to natural gas. However, longer-term data is indicative of residential conversion energy cost savings of over $1,000 per year.

3.2 Opportunities may include, but are not limited to, customer growth, capital investment opportunities, reputational value, and regulations, public policy, and/or public purpose programs that may generate adverse financial impacts.

4. The scope of disclosures includes the affordability of all retail customers within the entity's service territory for gas, which may include, but is not limited to, residential, commercial, industrial, and agricultural customers.

IF-GU-240a.4. Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory

5. The entity may describe how its average rates, average bills, and/or customer disconnections compare to other utilities.

UGI current residential distribution rates are 4% and 6% higher than People’s Gas and Columbia Gas, respectively, and 62% lower than Philadelphia Gas Works.
### IF-GU-420a.1. Percentage of gas utility revenues from rate structures that (1) are decoupled or (2) contain a lost revenue adjustment mechanism (LRAM)

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> The entity shall disclose the percentage of gas utility revenues from (1) revenue decoupled rate structures.</td>
<td></td>
</tr>
<tr>
<td><strong>1.1</strong> Revenue decoupled rate structures are defined, according to the U.S. National Association of Regulatory Utility Commissioners in Decoupling for Electric &amp; Gas Utilities (September 2007), as a rate adjustment mechanism that separates the entity's gas utility's fixed cost recovery from the amount of gas sold—and the utility's revenues are collected based on the regulatory determined revenue requirement.</td>
<td></td>
</tr>
<tr>
<td><strong>1.1.1</strong> Revenue decoupled rate structures may also be referred to as, “revenue regulation” or “revenue cap regulation,” where the regulator establishes an allowed revenue requirement and adjusts collections so as to achieve that allowed, or “target,” revenue irrespective of actual sales (definition adapted from, Decoupling Case Studies: Revenue Regulation Implementation in States, The Regulatory Assistance Project, 2014).</td>
<td></td>
</tr>
<tr>
<td><strong>1.1.2</strong> Additional guidance on the scope of revenue decoupled rate structures is contained in Alternative Regulation for Emerging Utility Challenges: 2015 Update, Edison Electric Institute, November 11, 2015.</td>
<td></td>
</tr>
<tr>
<td><strong>1.2</strong> The scope of decoupled rate structures shall exclude straight fixed-variable rate design and those rate structures that contain a lost revenue adjustment mechanism (LRAM).</td>
<td></td>
</tr>
<tr>
<td><strong>1.3</strong> The percentage shall be calculated as the total regulated gas utility revenue from revenue decoupled rate structures divided by total regulated gas utility revenue.</td>
<td></td>
</tr>
<tr>
<td><strong>2.</strong> The entity shall disclose the percentage of gas utility revenues from (2) rate structures that contain a LRAM.</td>
<td></td>
</tr>
<tr>
<td><strong>2.1</strong> Rate structures that contain a LRAM are defined as volumetric rates that contain a mechanism which allows the entity to recover revenues lost directly resulting from energy conservation, energy efficiency, demand side management, and/or distributed generation programs that are directly managed and/or implemented by the entity.</td>
<td></td>
</tr>
<tr>
<td><strong>2.2</strong> Additional guidance on the scope of LRAMs is contained in Alternative Regulation for Emerging Utility Challenges: 2015 Update, Edison Electric Institute, November 11, 2015.</td>
<td></td>
</tr>
<tr>
<td><strong>2.3</strong> The scope of disclosure is limited to revenues directly resulting from the provision of gas to retail customers by regulated utilities.</td>
<td></td>
</tr>
</tbody>
</table>

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**UGI Utilities Response Fiscal Year 2020**

- 18.8% of gas utility revenues are from rate structures that are decoupled or contain a LRAM.

**UGI Utilities Response Fiscal 2019**

- 0% of gas utility revenues are from rate structures that are decoupled or contain a LRAM.
### I-FGU-420b. Customer savings from efficiency measures by market

<table>
<thead>
<tr>
<th>Note to I-FGU-420b.2</th>
<th>Residential</th>
<th>Commercial &amp; Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note to I-FGU-420b.2</td>
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<td>Note to I-FGU-420b.2</td>
</tr>
</tbody>
</table>

#### 1. The entity shall disclose the total amount of gas savings delivered to customers, in million British thermal units (MMBtu), from energy efficiency measures during the reporting period for each of its markets.

#### 1.1 The amount or percentage of gas savings from efficiency measures required by regulations for each market.

- **Residential**: 166,241 MMBtu
- **Commercial & Industrial**: 23,666 MMBtu

#### 1.2 Gas savings are calculated according to the savings achieved by UGI Utilities are beyond those required by regulation as the Company's EE&C programs are voluntary.

#### 1.3 Gas savings are calculated according to the savings achieved by UGI Utilities are beyond those required by regulation as the Company's EE&C programs are voluntary.

#### 1.4 For efficiency savings credits that are purchased, the agreement must explicitly include and convey that credits be used consistent with measurement and verification methods outlined by the U.S. Department of Energy's (DOE) Federal Energy Management Program (FEMP) M&V Guidelines: Measurement and Verification for Federal Energy Projects, Version 4.0.

#### 1.5 The entity shall consider guidance on regulations as a normative reference, thus any updates made year-on-year shall be considered updates to this guidance.

#### 2. Relevant regulations include, but are not limited to:

- **Connecticut House Bill 7432**
- **Minnesota Statutes 216B.241**
- **Energy Efficiency Program Evaluation, Measurement, and Verification (EM&V) regulations where such savings occur, where examples of U.S. state regulations include, but are not limited to:**
  - **California Public Utilities Commission Resolution A-09-0630**
  - **New York Case 07-M-0458**
  - **Florida Public Service Commission Decision FL-13-0651, Para 4.10**
  - **Massachusetts Department of Public Utilities Three Year Energy Efficiency Plan 15-160 to 15-169**
  - **Nevada Regulation of Public Utilities Chapter 704**

#### 3. The entity shall discuss the policy mechanisms in place for each market that allows for or incentivizes energy efficiency, including a discussion of the benefits, challenges, and financial impacts associated with such mechanisms.

#### 3.1 Deferral decoupling

- **Residential**: Not applicable
- **Commercial & Industrial**: Not applicable

#### 3.2 Current period decoupling

- **Residential**: Not applicable
- **Commercial & Industrial**: Not applicable

#### 3.3 Single fixed variable rates

- **Residential**: Not applicable
- **Commercial & Industrial**: Not applicable

#### 3.4 For efficiency savings credits that are purchased, the agreement must explicitly include and convey that credits be used consistent with measurement and verification methods outlined by the U.S. Department of Energy's (DOE) Federal Energy Management Program (FEMP) M&V Guidelines: Measurement and Verification for Federal Energy Projects, Version 4.0.

#### 3.5 The entity shall disclose the total amount of gas savings delivered to customers, in million British thermal units (MMBtu), from energy efficiency measures during the reporting period for each of its markets.

#### 3.6 The scope of gas savings from efficiency measures includes savings delivered directly by the entity and, where regulations provide, savings substantiated by purchase of efficiency savings credits.

#### 3.7 Gas savings shall be calculated on a gross basis but consistent with the methodology set forth in national, state, or local evaluation, measurement, and verification (EM&V) regulations where such savings occur, where examples of U.S. state regulations include, but are not limited to:

- **California Public Utilities Commission Resolution A-09-0630**
- **New York Case 07-M-0458**
- **Florida Public Service Commission Decision FL-13-0651, Para 4.10**
- **Massachusetts Department of Public Utilities Three Year Energy Efficiency Plan 15-160 to 15-169**
- **Nevada Regulation of Public Utilities Chapter 704**

#### 4. Relevant policy mechanisms to discuss include, but are not limited to:

- **Legal and regulatory requirements, such as those that are subject to distinct public utility regulatory oversight.
- **Requirement that results from program-related actions taken by an entity in an efficiency program, regardless of why they participated.
- **MDP, where net gas savings are defined as changes in consumption that are specifically attributable to an efficiency program, and that would not otherwise have happened in the absence of the program.
- **All savings achieved by UGI Utilities are beyond those required by regulation as the Company's EE&C programs are voluntary.
- **Gas savings shall be calculated on a gross basis but consistent with the methodology set forth in national, state, or local evaluation, measurement, and verification (EM&V) regulations where such savings occur, where examples of U.S. state regulations include, but are not limited to:**
  - **California Public Utilities Commission Resolution A-09-0630**
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  - **Nevada Regulation of Public Utilities Chapter 704**

#### 5. Relevant regulations governing efficiency savings credits include the following regulations in the U.S.:

- **Connecticut House Bill 7432**
- **Florida Public Service Commission Decision FL-13-0651, Para 4.10**
- **Massachusetts Department of Public Utilities Three Year Energy Efficiency Plan 15-160 to 15-169**
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#### 6. The entity shall consider guidance on regulations as a normative reference, thus any updates made year-on-year shall be considered updates to this guidance.

**Note to I-FGU-420b.2**

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</tr>
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</table>

#### 1. The entity shall disclose customer efficiency measures that are required by regulations for each of its relevant markets, including a discussion of:

- **The amount or percentage of gas savings from efficiency measures required by regulations for each market.
- **Installs of non-weatherization gas savings obligations.
- **Gas savings delivered that exceed those required by regulations and that resulted in the entity receiving energy efficiency performance incentives, including the value of any such incentives.

#### 2. Relevant regulations include, but are not limited to:

- **Connecticut Public Utilities Commission Decision 18-10-064**
- **Florida Public Service Commission Decision FL-13-0651, Para 4.10**
- **Massachusetts Department of Public Utilities Three Year Energy Efficiency Plan 15-160 to 15-169**
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#### 3. The entity shall discuss the policy mechanisms in place for each market that allows for or incentivizes energy efficiency, including a discussion of the benefits, challenges, and financial impacts associated with such mechanisms.

#### 3.1 Deferral decoupling

- **Residential**: Note applicable
- **Commercial & Industrial**: Note applicable

#### 3.2 Current period decoupling

- **Residential**: Not applicable
- **Commercial & Industrial**: Not applicable

#### 3.3 Single fixed variable rates

- **Residential**: Not applicable
- **Commercial & Industrial**: Not applicable

#### 3.4 For efficiency savings credits that are purchased, the agreement must explicitly include and convey that credits be used consistent with measurement and verification methods outlined by the U.S. Department of Energy's (DOE) Federal Energy Management Program (FEMP) M&V Guidelines: Measurement and Verification for Federal Energy Projects, Version 4.0.

#### 3.5 The entity shall disclose the total amount of gas savings delivered to customers, in million British thermal units (MMBtu), from energy efficiency measures during the reporting period for each of its markets.

#### 3.6 The scope of gas savings from efficiency measures includes savings delivered directly by the entity and, where regulations provide, savings substantiated by purchase of efficiency savings credits.

#### 3.7 Gas savings shall be calculated on a gross basis but consistent with the methodology set forth in national, state, or local evaluation, measurement, and verification (EM&V) regulations where such savings occur, where examples of U.S. state regulations include, but are not limited to:

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- **Connecticut Public Utilities Commission Decision 18-10-064**
- **Florida Public Service Commission Decision FL-13-0651, Para 4.10**
- **Massachusetts Department of Public Utilities Three Year Energy Efficiency Plan 15-160 to 15-169**
- **Nevada Regulation of Public Utilities Chapter 704**

#### 6. The entity shall consider guidance on regulations as a normative reference, thus any updates made year-on-year shall be considered updates to this guidance.

**Note to I-FGU-420b.2**

<table>
<thead>
<tr>
<th>Note to I-FGU-420b.2</th>
<th>Residential</th>
<th>Commercial &amp; Industrial</th>
</tr>
</thead>
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<tr>
<td>IF-GU-540a.1</td>
<td>Number of (1) reportable pipeline incidents, (2) Corrective Action Orders (CAO), and (3) Notices of Probable Violation (NOPV)</td>
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<td><strong>1.</strong></td>
<td>The entity shall disclose the number of U.S. Department of Transportation (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) reportable pipeline incidents, where:</td>
<td></td>
</tr>
<tr>
<td><strong>1.1</strong></td>
<td>Reportable incidents are defined as events that involve a release of gas from a pipeline and that result in one or more of the following consequences: a death or personal injury necessitating hospitalization; estimated property damage of $50,000 or more; including losses to the operator, losses to others, or both, but excluding the cost of gas lost; an unintentional estimated gas loss of three million cubic feet or more; or an event that is significant in the judgment of the operator, consistent with the definition provided in U.S. 49 CFR 190.1.</td>
<td></td>
</tr>
<tr>
<td><strong>1.2</strong></td>
<td>UGI Utilities had one reportable incident in calendar year 2020. On December 25, 2020, a 12” PE pipeline ruptured as a result of HDD work. The failure created blowing gas in the roadway which resulted in a vehicle accident with one fatality and 2 injuries.</td>
<td></td>
</tr>
<tr>
<td><strong>2.</strong></td>
<td>The entity shall disclose the number of PHMSA Corrective Action Orders (CAO) received, where:</td>
<td></td>
</tr>
<tr>
<td><strong>2.1</strong></td>
<td>A CAO is issued when a particular pipeline facility is found to be hazardous to life, property, or the environment. A corrective action may include suspended restricted use of the facility, physical inspection, testing, repair, replacement, or other appropriate action, consistent with the definition provided in U.S. 49 CFR 190.23.</td>
<td></td>
</tr>
<tr>
<td><strong>2.2</strong></td>
<td>UGI Utilities had one reportable incident in 2020.</td>
<td></td>
</tr>
<tr>
<td><strong>3.</strong></td>
<td>The entity shall disclose the number of Notices of Probable Violation (NOPV) received, where:</td>
<td></td>
</tr>
<tr>
<td><strong>3.1</strong></td>
<td>A NOPV is defined as the beginning of an enforcement proceeding that contains a statement of the violation, the laws, regulations, or orders that the respondent is alleged to have violated and a statement of the evidence upon which the allegations are based, consistent with the definition provided in U.S. 49 CFR 190.217.</td>
<td></td>
</tr>
<tr>
<td><strong>3.2</strong></td>
<td>Note to IF-GU-540a.1</td>
<td></td>
</tr>
</tbody>
</table>

**Note to IF-GU-540a.1**

1. The entity shall disclose notable incidents such as those that affected a significant number of customers, created extended disruptions to service, or resulted in a PHMSA “serious incident.”

**IF-GU-540a.2**

<table>
<thead>
<tr>
<th><strong>IF-GU-540a.2.</strong> Percentage of distribution pipeline that is (1) cast and/or wrought iron and (2) unprotected steel</th>
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<td><strong>1.</strong></td>
<td>The entity shall disclose the percentage, by length, in kilometers, of its natural gas pipelines that are (1) cast and/or wrought iron, and separately, (2) unprotected steel</td>
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<td><strong>1.1</strong></td>
<td>A distribution pipeline is defined according to U.S. 49 CFR 192.3 as a pipeline other than a gathering or transmission line, where:</td>
</tr>
<tr>
<td><strong>1.1.1</strong></td>
<td>A gathering line is defined as a pipeline that transports gas from a natural production facility to a transmission line or main, and</td>
</tr>
<tr>
<td><strong>1.1.2</strong></td>
<td>A transmission line is defined as a pipeline, other than a gathering line, that (1) transports gas from a gathering line or storage facility to a distribution center, storage facility, or large-volume customer that is not downstream from a distribution center, (2) operates at a hub stress of 20 percent or more of the specified minimum yield strength (SMYS), or (3) transports gas within a storage facility.</td>
</tr>
<tr>
<td><strong>1.2</strong></td>
<td>UGI Utilities had one reportable incident in calendar year 2019. On April 4, 2019 the 3rd party contractor was performing excavation using horizontal directional drilling (HDD) methods along the 200 Block of West Chocolate Avenue. In the process of HDD work, the 3rd party contractor failed to expose a properly marked UGI facility in the public right of way, that happened to be in the bore path. The drill subsequently punched our main which was part of a distribution network in a commercial area. This event is being reported as an incident due to the cost of this repair exceeding the $50,000 reporting threshold.</td>
</tr>
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<td><strong>2.</strong></td>
<td>The entity shall disclose the percentage, by length, in kilometers, of its natural gas pipelines that are (1) cast and/or wrought iron and (2) unprotected steel</td>
</tr>
<tr>
<td><strong>2.1</strong></td>
<td>Cast and/or wrought iron is defined as iron that is heated to its melting point and poured into molds and cannot be melted or remelted.</td>
</tr>
<tr>
<td><strong>2.1.1</strong></td>
<td>UGI has committed to replacing all cast iron mains by 2027 and bare iron and wrought iron mains by 2041. On average, UGI replaces 60-64 miles of cast iron and bare steel/wrought iron main per year. With the extensive replacement efforts under way, UGI utilizes contemporary materials such as plastic or cathodically protected steel to replace non-contemporary materials. Currently, UGI’s distribution system is comprised of approximately 88.3% of contemporary mains. Parallel to these efforts, UGI has witnessed a 40% reduction in hazardous C (Grade 1) leaks and an 88% reduction in B (Grade 2) leak inventory levels in the past 5 years.</td>
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*Data provided on a calendar year basis ending December 31, 2020*
The entity shall describe its efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions

**1.3.1 Natural Gas Industry Safety Programs, as outlined by the American Gas Association**

- **1.3.1 The American Gas Association’s (AGA) Peer Review Program**
  - This section provides transmission pipeline inspections only.
  - **308 miles operated by UGI Utilities.**
  - **2,606 miles operated by UGI Utilities.**

**1.3.2 Relevant information to provide includes, but is not limited to, the use of standards, industry best practices, safety, and asset integrity management.**

**1.3.3 Natural Gas Industry Safety Programs, as outlined by the American Gas Association**

- **1.3.3.1 Natural Gas Industry Safety Programs, as outlined by the American Gas Association**
  - **1.3.3.1 The American Gas Association’s (AGA) Peer Review Program**
  - This section provides transmission pipeline inspections only.
  - **308 miles operated by UGI Utilities.**
  - **2,606 miles operated by UGI Utilities.**

**1.3.4 Other technology that an operator demonstrates can provide an equivalent understanding of the condition of the line.**

- **2.4.1 If other technologies were used by the entity to conduct inspections per 29 CFR 192 or 29 CFR 195, the entity shall disclose which technologies were used.**

**1.3.5 The percentage is calculated as the length of gas pipelines inspected divided by the total length of gas pipelines.**

- **2% of total transmission pipelines inspected.**

\*Data provided on a calendar year basis ending December 31, 2020.

**1.3.5.1 The American Gas Association’s (AGA) Peer Review Program**

- UGI Utilities participates in the AGA Peer Review Program and is a regular participant. UGI was actually the first company to be reviewed in the AGA Peer Review Program as one of the 10 pilot companies.

**1.3.5.2 American Petroleum Institute (API) Recommended Practice 1170 and 1171**

- UGI Utilities neither owns nor operates any natural gas storage facilities.

**1.3.6 Natural Gas Industry Safety Programs, as outlined by the American Gas Association**

- **1.3.6.1 The American Gas Association’s (AGA) Peer Review Program**
  - UGI Utilities has been a member of AGA since 1975.
  - UGI Utilities maintains marked above-ground markers to indicate the location of buried gas lines. At a minimum, line markers are placed at each crossing of a public road, except in very urban areas where utility locator services are more prevalent (see One-Call above).

**1.3.7 Pipeline Markers: UGI Utilities installs and maintains above-ground markers to indicate the location of buried gas lines. At a minimum, line markers are placed at each crossing of a public road, except in very urban areas where utility locator services are more prevalent (see One-Call above).**

**1.3.8 Visual Inspections: Leak survey and patrolling are performed on various pipelines regularly to identify potential problems. The patrols vary according to population density and individual company policy, but all transmission lines are patrolled at least once per year. The inspections look for construction activity, signs of leakage, such as dried-out vegetation, or conditions that could affect the pipeline, such as soil erosion, and use gas detection instruments to inspect for leaks on the pipelines. Inspections are done on foot, in vehicles and via drones for difficult to access facilities.**

- **1.3.8.1 Materials Specifications**
  - Material specifications are provided to manufacturers of the various materials used by UGI Utilities in its gas systems. The manufacturers of gas materials are required to make their respective materials according to stringent industry specifications from testing and standards organizations such as API (American Petroleum Institute), ASME (American Society of Mechanical Engineers International), MSS (Manufacturers Standardization Society), NAIC (National Association of Corrosion Engineers), GTI (Gas Technology Institute), NFP (National Fire Protection Association), and others.

- **1.3.8.2 Construction Techniques:**
  - Line markers are installed either annually (plastic markers) or every 6-months (steel markers), ensuring quality joints when assembling pipelines.
  - Non-Destructive testing (NDT) techniques, such as x-rays and eddy current testing, are used to check welds as an additional safeguard.
  - Pipelines are also subjected to pressure tests using air or nitrogen/water and pressurized to exceed the pressure level that will be created by the amount of gas the pipe will carry to test the integrity of the pipe.
From the genesis of a pipeline project to the end of its useful life, UGI requires that experienced and UGI Utilities maintains a database of covered employees who require their operator qualifications be the plans and/or targets. emissions and process emissions, the entity's ability to measure such emissions, the activities and performed on a pipeline facility, is an operations or maintenance task, is performed as a requirement of maintaining 3.2.1 A covered task is defined, consistent with U.S. 49 CFR 192.801, as an activity, identified by the operator, that is definition provided by U.S. 49 CFR 192.803. 192.3. The entity shall describe its approach to ensuring pipeline operators are qualified or supervised when performing a 2.1 The project lifecycle includes, at a minimum, pipeline design, construction, commissioning, operation, maintenance, technology. 1.3.4 The U.S. Environmental Protection Agency’s (EPA) Natural Gas STAR Program blowdowns to reduce operational fugitive emissions. UGI participates in the EPA Natural Gas STAR Methane Challenge Program. 1.4 The U.S. Environmental Protection Agency’s (EPA) Natural Gas STAR Program 2. The entity shall describe how it integrates a culture of safety and emergency preparedness throughout its project lifecycle, using risk-informed, risk-dependent, and principles-based methods and guidelines for communicating risks, risks, and 3. A covered pipeline operator is a qualified construction or maintenance professional who: (1) has completed all required training; (2) is employed by a qualified company, that has been the entity’s current pipeline construction activity is complete, or the natural gas pipeline has been decommissioned. 3.2 Pipeline operators are defined as those people who engage in the transportation of gas, consistent with U.S. 49 CFR part I. 4. The entity shall describe efforts to mitigate risk and promote emergency preparations, such as coordinating with local entities (e.g., law enforcement and local emergency response teams), developing and maintaining current pipeline operator certification programs. UGI Utilities is a partner in the EPA Natural Gas STAR Methane Challenge Program. 1.6 The entity shall describe its approach to ensuring pipeline operators are qualified or supervised when performing a covered task, including ongoing reviews of operator qualifications, ensuring unqualified workers are properly informed, and efforts to maintain a sufficient number of qualified pipeline operators, where: UGI Utilities trains and qualifies Company employees and contractors through testing and "hands-on" training, which is expected to be open in the spring of 2021. UGI Utilities is an active participant in the Pennsylvania One Call and Maryland Mioss utilities systems. UGI Utilities is a partner and a member of different organizations that help promote the coordination and smoother operations across gas pipeline systems, such as the National Pipeline Management Association (NPMA) and the North American Pipeline Operators Roundtable (NAPOR). UGI Utilities is an active partner in the Pennsylvania One Call and Maryland Mioss utilities systems. UGI Utilities is an active partner in the Pennsylvania One Call and Maryland Mioss utilities systems. UGI Utilities is an active partner in the Pennsylvania One Call and Maryland Mioss utilities systems.
UGI Utilities has a robust emergency training program tailored to a variety of stakeholders. For Internal 1st Responders, UGI Utilities requires field employees and duty supervisors complete annual refresher training related to emergency response. Simulated emergency response events such as live demonstrations and hypothetical emergency drills are completed annually to better prepare our emergency responders in the event an emergency occurs. UGI Utilities provides and requires emergency response personnel complete incident command system (ICS) training to ensure an understanding of the ICS process in the event it’s implemented during an emergency. UGI Utilities also holds liaison meetings with affected stakeholders (public officials, residents, emergency responders, and evacuees) annually at various locations where UGI Utilities serves natural gas. These liaison meetings educates stakeholders on gas leak recognition and response tactics, how to obtain assistance in the event of an emergency and a general understanding of the pipeline industry. UGI contracted with RTUE – “Responding To Utility Emergencies”, to develop an external facing curriculum that provides Emergency Management personnel the ability to train, test and certify in Responding to Natural Gas & Electrical Utility emergencies at no cost to emergency responders. Upon request, UGI Utilities also performs a formal face to face Natural Gas or Electrical safety module conducted by UGI’s Damage Prevention & Public Awareness group or Electric Operations.

UGI Utilities has also been an active participant in the natural gas industry’s journey to developing and implementing pipeline management systems (PSMS). Presently, UGI Utilities is developing an plan for PSMS implementation at UGI.

Fiscal Year 2020

UGI Utilities has an active pipeline replacement program in place aimed at eliminating non-contemporary pipe from its distribution system. Within these efforts, fiscal efficiencies are reviewed on a constant basis in order to identify cost savings measurements. UGI Utilities develops communication channels with local townships and municipalities across its service territory in order to understand short term and long-term road re-construction projects. UGI actively attempts to plan pipeline replacement projects in line with municipal roadway plans and highway construction to reduce pipeline project costs. With the replacement of non-contemporary pipe with new pipelines, UGI is able to reduce the overall risk of its pipeline system.

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Fiscal 2019

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