



May 15, 2020

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VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: UGI Utilities Inc., Docket Nos. ER06-1445-000 and ER06-1445-001
Formula Rate Informational Filing: 2020 Transmission Revenue Requirement

Dear Secretary Bose:

UGI Utilities, Inc. (“UGI Utilities”) recovers its annual transmission revenue requirement through a cost-of-service formula rate under Attachment H-8 of the open access transmission tariff (“Tariff”) of PJM Interconnection, LLC (“PJM”).¹ UGI Utilities’ cost- of-service formula rate is on file with the Federal Energy Regulatory Commission (“FERC”) in Docket Nos. ER06-1445-000 and ER06-1445-001.² Through its cost-of- service formula rate under PJM OATT Attachment H-8C, UGI Utilities determines and recovers its annual transmission revenue requirement.

UGI Utilities’ Formula Rate Implementation Protocols under PJM OATT Attachment H- 8D provide that UGI Utilities will annually recalculate its annual transmission revenue requirement for the rate year commencing June 1st by inputting cost data from the Form 1 annual report filed with FERC to derive its updated “Annual Transmission Revenue Requirement” (“Annual Update”), from which UGI Utilities’ components of the total transmission service charges in the “PPL Group Zone” of PJM are determined.

UGI Utilities’ Formula Rate Implementation Protocols further provide that UGI Utilities will both post its Annual Update on PJM’s Internet website via a link to the Transmission Services page or similar successor page and file such Annual Update with FERC as an informational filing.

In compliance with its Formula Rate Implementation Protocols, UGI Utilities submits the attached Annual Update to FERC as an informational filing. The Annual Update, enclosed as Attachment A, is comprised of detailed calculations conducted through its cost-of- service formula rate as populated with data from UGI Utilities’ 2019 annual report on FERC Form 1,

¹ Concurrently with this filing, UGI Utilities is making a compliance filing under Order No. 864 to update its transmission formula rate template.

² *UGI Utilities, Inc.*, Letter Order, Docket Nos. ER06-1445-000 and ER06-1445-001 (Dec. 13, 2006).

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together with supporting data and workpapers. UGI Utilities' Annual Transmission Revenue Requirement changes from \$7,151,293 for the period ending May 31, 2020, to \$7,759,086 for the period June 1, 2020, through May 31, 2021.³ Incorporating the reconciliation amount (i.e., the true-up), the Net Revenue Requirement is \$7,869,278⁴

The change in UGI Utilities' Net Revenue Requirement causes UGI Utilities' contribution to the Annual Network Service Charge in the PPL Group Zone to change from \$933 per megawatt per year to \$991 per megawatt per year.

UGI Utilities notes that under its reconcilable default service cost rate recovery mechanism approved by the Pennsylvania Public Utility Commission effective January 1, 2010, it recovers certain transmission costs associated with its provision of default generation service directly from retail default generation service customers. Accordingly, it has excluded from its Annual Transmission Revenue Requirement transmission expenses recorded in Account No. 565 and certain other excluded transmission expenses. The detail of UGI Utilities' exclusion of such cost is shown in Attachment 5 ("Cost Support") on the line "Excluded Transmission O&M Expenses.

Respectfully submitted,

/s/ Richard P. Bonnifield

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Enclosures

cc: PJM Interconnection, LLC

³ Section 4 of Attachment H-8D states in relevant part: "Any changes to the data inputs, including but not limited to revisions to UGI Utilities' FERC Form No. 1...shall be incorporated into the Formula Rate and charges produced by the Formula Rate (within interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Period. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any refunds or surcharges...."

⁴ This is shown on Line 174 of the Attachment A formula rate.

CERTIFICATE OF SERVICE

Pursuant to Rule 2010 of the Federal Energy Regulatory Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010, I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 15th day of May 2020.

/s/ Jessica L. Bayles

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