



May 16, 2022

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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: 2022 Transmission Revenue Requirement

Dear Secretary Bose:

UGI Utilities, Inc. (“UGIU”) 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”). UGIU’s cost-of-service formula rate is on file with the Federal Energy Regulatory Commission (“FERC”) in Docket Nos. ER06-1445-000 and ER06-1445-001.¹ Through its cost-of-service formula rate under PJM OATT Attachment H-8C, UGIU determines and recovers its annual transmission revenue requirement.

UGIU’s Formula Rate Implementation Protocols under PJM OATT Attachment H-8D provide that UGIU 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 UGIU’s components of the total transmission service charges in the “PPL Group Zone” of PJM are determined.

UGIU’s Formula Rate Implementation Protocols further provide that UGIU 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, UGIU submits the attached Annual Update to FERC as an informational filing. The Annual Update, enclosed, is comprised of detailed calculations conducted through UGIU’s cost-of-service formula rate as populated with data from UGIU’s 2021 annual report on FERC Form 1, together with supporting data and workpapers. UGIU’s Annual Transmission Revenue Requirement changes from \$9,637,615 for

¹ *UGI Utilities, Inc.*, Letter Order, Docket Nos. ER06-1445-000 and ER06-1445-001 (Dec. 13, 2006).

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the period ending May 31, 2021, to \$9,110,171 for the period June 1, 2022, through May 31, 2023.² Including the reconciliation amount, the Net Revenue Requirement is \$7,974,096.³

The change in the Net Revenue Requirement causes UGIU's contribution to the Annual Network Service Charge in the PPL Group Zone to change from \$1,422 per megawatt per year to \$1,061 per megawatt per year.

UGIU 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 UGIU's exclusion of such cost is shown in Attachment 5 ("Cost Support") on the line "Excluded Transmission O&M Expenses."

Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Richard P. Bonnifield
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Enclosures

cc: PJM Interconnection, LLC

² Section 4 of Attachment H-8D states in relevant part: "Any changes to the data inputs, including but not limited to revisions to UGIU's 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...."

³ This is shown on Line 174 of Attachment H.

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 16th day of May 2022.

/s/ Melan A. Patel

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