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July 27, 2009

Via Electronic Filing

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

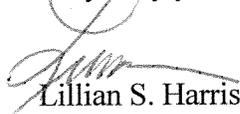
RE: Petition of Metropolitan Edison Company for Approval of its Energy Efficiency and Conservation Plan, Docket No. M-2009-2092222; Petition of Pennsylvania Electric Company for Approval of its Energy Efficiency and Conservation Plan, Docket No. M-2009-2112952; **PREHEARING MEMORANDUM**

Dear Secretary McNulty:

Enclosed for filing with the Commission is an original copy of the Prehearing Memorandum of UGI Utilities, Inc., – Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. in the above-captioned proceeding, along with a receipt of electronic filing.

Please do not hesitate to contact me if you have any questions related to this filing.

Very truly yours,



Lillian S. Harris

LSH/cll

Enclosures

cc: Per Certificate of Service
Honorable David A. Salapa

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Metropolitan Edison Company for Approval of its Energy Efficiency and Conservation Plan	:	Docket No. M-2009-2092222
	:	
	:	
	:	
Petition of Pennsylvania Electric Company for Approval of its Energy Efficiency and Conservation Plan	:	Docket No. M-2009-2112952
	:	

**PREHEARING MEMORANDUM
OF UGI UTILITIES, INC. – GAS DIVISION, UGI PENN NATURAL
GAS, INC. AND UGI CENTRAL PENN GAS, INC.**

TO THE HONORABLE DAVID A. SALAPA:

UGI Utilities, Inc. – Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc.¹ (collectively, the “UGI Distribution Companies”), by and through their counsel, Hawke McKeon & Sniscak LLP, hereby file this Prehearing Memorandum in the above-captioned matter pursuant to Your Honor’s July 8, 2009, Order and 52 Pa. Code § 5.222. In support thereof, the UGI Distribution Companies represent as follows:

I. COUNSEL OF RECORD FOR SERVICE LISTS

1. The UGI Distribution Companies are represented in the above-captioned matter by the following counsel:

¹ UGI Utilities, Inc.- Gas Division, UGI Penn Natural Gas, Inc and UGI Central Penn Gas, Inc. are participating in Docket No. M-2009-2092222. UGI Central Penn Gas, Inc. is participating in Docket No. M-2009-2112952.

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Please include the above-listed counsel on the service lists for all documents in this matter.

II. ISSUES

2. The UGI Distribution Companies will address the following issues:
 - a. Whether, given the broad requirements and clear intent of Act 129 for the EDCs' employment of energy efficiency and conservation measures such as "energy efficient heating and cooling equipment or systems and energy efficient appliances and other technologies," Met-Ed and Penelec's² EE&C Plans should include fuel substitution measures?

Suggested Answer: Yes. It is the UGI Distribution Companies' position that fuel substitution measures should be employed by Met-Ed and Penelec in their EE&C Plans, to not only meet the load reduction mandate of Act 129, but to provide long-term sustainable benefits to consumers such as downward pressure on wholesale electric and natural gas prices resulting from the more efficient use of natural gas on a source-to-end-use basis and a reduction in greenhouse gas emissions.

² Metropolitan Edison Company hereinafter "Met-Ed" and Pennsylvania Electric Company hereinafter "Penelec."

III. BRIEFING SCHEDULE

3. The July 8, 2009, Prehearing Order indicates the dates to file main and reply briefs and the UGI Distribution Companies will comply.

IV. WITNESSES

4. At this time, the UGI Distribution Companies have identified one witness that they will present in the case:

Paul H. Raab
Economic Consulting
5313 Portsmouth Road
Bethesda, MD 20816
Phone: 301-320-7549

Mr. Raab will present testimony examining the nature, extent and sufficiency of Met-Ed and Penelec's proposed fuel substitution measures in their EE&C Plans. Mr. Raab will present and support the fuel substitution programs that the UGI Distribution Companies recommend that Met-Ed and Penelec include as part of their EE&C Plans. The UGI Distribution Companies reserve the right to present additional witnesses if they determine that further witnesses are necessary to fully present their issues in the case or respond to issues raised by other parties or participants.

V. DISCOVERY PROCEDURES

5. The UGI Distribution Companies have reviewed Your Honor's discovery procedures in the July 8, 2009, Prehearing Order and will follow the stated procedures for the conduct of discovery and the resolution of discovery disputes. The UGI Distribution Companies note that they initiated discovery early in the process (on July 10, 2009) and have received Met-

Ed and Penelec's objections to all questions. The UGI Distribution Companies will meet and confer with Met-Ed and Penelec in an attempt to resolve Met-Ed and Penelec's objections and only file a motion to compel if the matters cannot be resolved. The UGI Distribution Companies reserve the right to supplement their August 7, 2009 submissions if they do not receive timely answers to their July 10, 2009 discovery requests in order to develop their positions.

Respectfully submitted,



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Dated: July 27, 2009

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing Prehearing Memorandum upon the parties, listed below, in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a party).

Via First Class Mail & Electronic Mail

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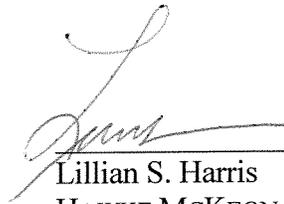
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DATED: July 27, 2009