

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, et al.,	:	
	:	
v.	:	Docket No. R-2015-2518438
	:	
UGI Utilities, Inc. – Gas Division	:	

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**Prehearing Memorandum**

On February 4, 2016, a Prehearing Conference Order was issued by Administrative Law Judge Susan D. Colwell and Steven K. Haas setting a prehearing conference for Wednesday, February 17, 2016 at 10:00am, and requiring parties to file a Prehearing Memorandum no later than Monday, February 15, 2016. In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby files this Prehearing Conference Memorandum.

**I. Background**

On January 19, 2016, UGI Utilities, Inc. – Gas Division (UGI or the Company) submitted a rate filing, Tariff Gas PA PUC Nos. 6 and 6-S, proposing to increase rates by approximately \$58.6 million per year, or 17.5%. (See UGI Statement No. 1 at 5). UGI’s proposal would increase the total bill for a typical residential customer from \$51.77 to \$61.97 - or 19.7% each month. The proposed increase for commercial and industrial customers is much less: The bill for a typical commercial customer will increase by 7.4%, and the bill for a typical industrial customer will increase by 3.2%. On February 11, 2016, the Commission entered an order suspending the UGI tariff by operation of law, and opening an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained therein.

## **II. Issues to be Presented**

In addition to complying with sound rate making principles, including the requirement that rates be just and reasonable, UGI must also ensure that its rates and tariff comply with universal service requirements. In turn, the Commission must ensure that universal service programs assist low-income customers to afford natural gas service, and that these programs are appropriately funded, promoted, and available in each natural gas distribution territory. 66 Pa. C.S. § 2203(8).

In the event that the Commission approves any natural gas distribution rate increase, the Commission should condition approval on UGI's agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and settlement agreements.

CAUSE-PA has conducted an initial review of UGI's proposed tariff changes and testimony, and it opposes UGI's request on the grounds that the proposed rate increase and tariff changes may result in unjust and unreasonable rates that would impose severe hardship on low and moderate income residential customers. The following specific issues of concern must be addressed in this proceeding:

- i. The conformity to law and the effect of UGI's rate filing and proposed rate increase on low income households; and,
- ii. The conformity to law, adequacy and effect of UGI's rate filing and proposed rate increase on low income households enrolled in UGI's current Universal Service Programs.

### **III. Witnesses and Testimony**

CAUSE-PA reserves the right to present the following witness to testify in this matter, as well as the right to call additional witnesses as may be warranted upon proper notice to Your Honors and the parties:

Mitchell Miller  
Mitch Miller Consulting LLC  
60 Geisel Road  
Harrisburg, PA 17112  
717-903-2196  
[Mitchmiller77@hotmail.com](mailto:Mitchmiller77@hotmail.com)

Mr. Miller will address the issues identified above and any other issues that may arise in the course of this proceeding.

### **IV. Proposed Schedule**

CAUSE-PA will work with the other parties to come to a schedule which suits the needs of all parties and the Commission. CAUSE-PA supports the submission of the testimony of witnesses in writing in advance of the hearing.

### **V. Public Input Hearings**

CAUSE-PA does not oppose the scheduling of public input hearings, but is not presently requesting that any be scheduled.

### **VI. Settlement**

CAUSE-PA is willing and ready to engage in settlement discussions in an attempt to resolve or narrow the issues in this proceeding, with any and all parties, and encourages the parties to engage in settlement early in the process.

**VII. Service on CAUSE-PA**

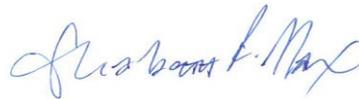
CAUSE-PA is represented by the attorneys at the Pennsylvania Utility Law Project.

Electronic service and one hard copy of all documents should be served on CAUSE-PA as follows:

Elizabeth R. Marx, Esq.  
Patrick M. Cicero, Esq.  
Joline Price, Esq.  
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WHEREFORE, CAUSE-PA respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,  
**PENNSYLVANIA UTILITY LAW PROJECT**  
*Counsel for CAUSE-PA*



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February 12, 2016