



607 14th St. N.W.  
Washington, DC 20005-2006  
202-347-1000 Main  
202-661-6970 Main Fax  
www.postschell.com

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Jessica R. Rogers

jrogers@postschell.com  
202-661-6964 Direct  
202-661-6944 Direct Fax  
File #: 153583

June 15, 2016

***VIA ELECTRONIC FILING***

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Petition of UGI Penn Natural Gas, Inc. for a Waiver of the Distribution System Improvement Charge Cap of 5% of Billed Distribution Revenues and Approval to Increase the Maximum Allowable DSIC to 10% of Billed Distribution Revenues  
Docket No. P-2016-2537594**

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Dear Secretary Chiavetta:

Enclosed for filing is the Prehearing Conference Memorandum of UGI Penn Natural Gas, Inc., for the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Jessica R. Rogers

JRR/jl

Enclosures

cc: Honorable Angela T. Jones  
Certificate of Service

**CERTIFICATE OF SERVICE**

**UGI Penn Natural Gas, Inc.  
(Docket No. P-2016-2537594)**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

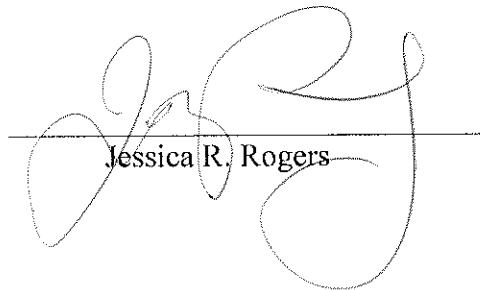
**VIA E-MAIL & FIRST CLASS MAIL**

Erin L. Gannon  
Darryl Lawrence  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923

Steven C. Gray  
Office of Small Business Advocate  
Commerce Building  
300 North Second Street, Suite 202  
Harrisburg, PA 17101

Carrie B. Wright  
Bureau of Investigation & Enforcement  
PO Box 3265  
Harrisburg, PA 17105-3265

Date: June 15, 2016

  
\_\_\_\_\_  
Jessica R. Rogers

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Penn Natural Gas, Inc. for :  
a Waiver of the Distribution System :  
Improvement Charge Cap of 5% of Billed : Docket No. P-2016-2537594  
Distribution Revenues and Approval to :  
Increase the Maximum Allowable DSIC to :  
10% of Billed Distribution Revenues :

**PREHEARING CONFERENCE MEMORANDUM OF  
UGI PENN NATURAL GAS, INC.**

TO ADMINISTRATIVE LAW JUDGE ANGELA T. JONES:

UGI Penn Natural Gas, Inc. (“UGI-PNG”), hereby submits this Prehearing Memorandum in response to the Prehearing Conference Order dated May 31, 2016 and the Prehearing Order dated June 8, 2016.

**I. BACKGROUND**

On March 31, 2016, UGI-PNG filed the above-captioned Petition with the Pennsylvania Public Utility Commission (“Commission”) at Docket No. P-2016-2537594. The Petition seeks waiver of the Distribution System Improvement Charge (“DSIC”) cap of 5% of billed distribution revenues and approval to increase the maximum allowable DSIC from 5% to 10% of billed distribution revenues.

On April 20, 2016, the Office of Consumer Advocate (“OCA”) filed an Answer, and a Notice of Intervention and Public Statement to the Petition. Also on April 20, the Office of Small Business Advocate (“OSBA”) filed an Answer, Notice of Intervention, and Notice of Appearance.

On May 6, 2016, the Commission’s Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance.

**II. DISCOVERY**

UGI-PNG does not propose any modifications regarding discovery in this proceeding, but is willing to work with the other parties to expedite the discovery process.

**III. SETTLEMENT**

At this time, no settlement discussions have been held. UGI-PNG will work with the parties to attempt to resolve all or portions of this case.

**IV. ISSUES**

As addressed fully in UGI-PNG’s Petition, the Company has determined that approval of the requested waiver and proposed increase in the DSIC cap from 5% to 10% of billed revenues is proper and in the public interest. In addition, UGI-PNG will respond to any other issues raised in this proceeding.

**V. SCHEDULE**

UGI-PNG proposes the following procedural schedule:

Prehearing Conference	June 17
Other Parties’ Direct	July 22
Rebuttal	August 19
Surrebuttal	August 29
Rejoinder	September 7
Hearings	September 8 in Harrisburg
Main Brief	September 22
Reply Brief	September 30

Counsel for OCA and OSBA have agreed to the proposed schedule.<sup>1</sup> All dates are for in-hand delivery. Electronic mail for receipt and distribution of testimony and exhibits will satisfy

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<sup>1</sup> I&E was not available prior to the filing of this prehearing memorandum to provide feedback on the proposed schedule.

in-hand service dates, with follow-up hard copies provided by first class mail.

**VI. WITNESSES**

As part of its direct case, UGI-PNG will present the following witness, who will testify as to the matters explained in his prefiled statement:

<b>Witness &amp; General Subject Matter</b>	<b>Statement</b>
William J. McAllister 2525 N. 12 <sup>th</sup> Street, Suite 360 Reading, PA 19612 (610) 796-3471 <b>Overview of Petition and Support for Increasing the DSIC Cap from 5% to 10% of Billed Distribution Revenues</b>	UGI-PNG Statement No. 1

UGI-PNG reserves the right to present additional witnesses, testimony and exhibits on all matters arising during the course of the proceeding, including all matters raised by other parties.

**VII. OTHER MATTERS**

**A. Service**

UGI-PNG is represented in this proceeding by the following counsel of record:

Mark C. Morrow (ID # 33590) Danielle Jouenne (ID # 306839) UGI Corporation 460 North Gulph Road King of Prussia, PA 19406 Phone: 610-768-3628 Fax: 610-992-3258 E-mail: <a href="mailto:morrowm@ugicorp.com">morrowm@ugicorp.com</a> E-mail: <a href="mailto:jouenned@ugicorp.com">jouenned@ugicorp.com</a>	David B. MacGregor (ID # 28804) Jessica R. Rogers (ID # 309842) Post & Schell, P.C. 17 North Second Street 12 <sup>th</sup> Floor Harrisburg, PA 17101-1601 Phone: 717-731-1970 Fax: 717-731-1985 E-mail: <a href="mailto:dmacgregor@postschell.com">dmacgregor@postschell.com</a> E-mail: <a href="mailto:jrogers@postschell.com">jrogers@postschell.com</a>
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UGI-PNG requests that all documents in this case be served on Jessica R. Rogers. In addition, UGI-PNG agrees to receive service of documents electronically in this proceeding, and requests that David B. MacGregor, Mark C. Morrow, and Danielle Jouenne also be included on all electronic mail sent in this proceeding. Mr. MacGregor's e-mail address is

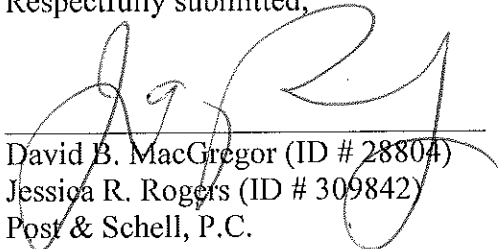
dmacgregor@postschell.com. Mr. Morrow's e-mail address is morrowm@ugicorp.com. Ms. Jouenne's e-mail address is jouenned@ugicorp.com.

**B. Consolidation**

UGI-PNG does not oppose the consolidation of this case with the case filed at Docket No. P-2016-2537609 for the purposes of hearing. However, UGI-PNG does respectfully request separate document submission as to each of the dockets, *i.e.*, one final order for each Company.

Respectfully submitted,

Mark C. Morrow (ID # 33590)  
Danielle Jouenne (ID # 306839)  
UGI Corporation  
460 North Gulph Road  
King of Prussia, PA 19406  
Phone: 610-768-3628  
Fax: 610-992-3258  
E-mail: morrowm@ugicorp.com  
E-mail: jouenned@ugicorp.com

  
David B. MacGregor (ID # 28804)  
Jessica R. Rogers (ID # 309842)  
Post & Schell, P.C.  
17 North Second Street  
12<sup>th</sup> Floor  
Harrisburg, PA 17101-1601  
Phone: 717-731-1970  
Fax: 717-731-1985  
E-mail: dmacgregor@postschell.com  
E-mail: jrogers@postschell.com

Post & Schell, P.C.

*Attorneys for UGI Penn Natural Gas, Inc.*

Date: June 15, 2016