



COMMONWEALTH OF PENNSYLVANIA

June 15, 2016

**E-FILED**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**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**

Dear Secretary Chiavetta:

I am delivering for filing today the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Steven C. Gray".

Steven C. Gray  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: The Honorable Angela T. Jones  
Parties of Record  
Mr. Robert D. Knecht

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**PREHEARING MEMORANDUM  
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

**I. INTRODUCTION**

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in that matter as follows:

Steven C. Gray, Esquire  
Assistant Small Business Advocate  
Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
(717) 783-2525  
(717) 783-2831 (fax)  
[sgray@pa.gov](mailto:sgray@pa.gov)

## **II. FILING BACKGROUND**

On March 31, 2016, UGI Penn Natural Gas, Inc. (“UGI PNG” or the “Company”) filed a Petition for a Waiver of the Distribution System Improvement Charge (“DSIC”) Cap of 5% of Billed Distribution Revenues and Approval to Increase the Maximum Allowable DSIC to 10% of Billed Distribution Revenues (“*Petition*”) with the Commission.

The OSBA filed an Answer and Notice of Intervention on April 20, 2016.

## **III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES**

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Robert D. Knecht  
Industrial Economics Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140  
(617) 354-0074  
[rdk@indecon.com](mailto:rdk@indecon.com)

The OSBA will participate in this proceeding to assure that the interests of small business customers are adequately represented and protected.

After an initial review of the materials submitted by UGI PNG, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether the Company’s proposal reasonably recognizes the intent of Act 11 of 2012 in establishing a cap on the DSIC charge as a fundamental consumer protection measure.
2. Whether the Company has accurately interpreted the statutory requirements and associated legislative intent for granting a waiver to the DSIC cap under 66 Pa. C.S. § 1358(a)(1).

3. Whether the Company has demonstrated that its specific circumstances justify a waiver of the DSIC cap based on the statutory requirements for such a waiver.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

#### **IV. SERVICE OF DOCUMENTS**

The OSBA requests that all parties serve a hard copy of any document filed upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings and briefs, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party.

#### **V. SETTLEMENT**

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

#### **VI. DISCOVERY**

The OSBA supports the discovery modifications presented by the Office of Consumer Advocate in this proceeding.

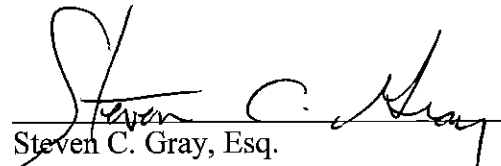
#### **VII. HEARING AND BRIEFING SCHEDULE**

The OSBA supports the procedural schedule presented by the Company in this proceeding.

In light of the Governor's restriction on travel for those offices under his jurisdiction, the

OSBA respectfully requests that the evidentiary hearings take place in Harrisburg.

Respectfully submitted,

  
Steven C. Gray, Esq.  
Assistant Small Business Advocate  
Attorney ID # 77538

Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
(717) 783-2525  
(717) 783-2831 (fax)

Dated: June 15, 2016

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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 Distribution Revenues and** : **Docket No. P-2016-2537594**  
**Approval to Increase the Maximum** :  
**Allowable DSIC to 10% of Billed** :  
**Distribution Revenues** :

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, via email and/or US Mail (*unless otherwise indicated*), in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Angela T. Jones  
Administrative Law Judge  
Pennsylvania Public Utility Commission  
801 Market Street, Suite 4063  
Philadelphia, PA 19107  
[Angeljones@pa.gov](mailto:Angeljones@pa.gov)

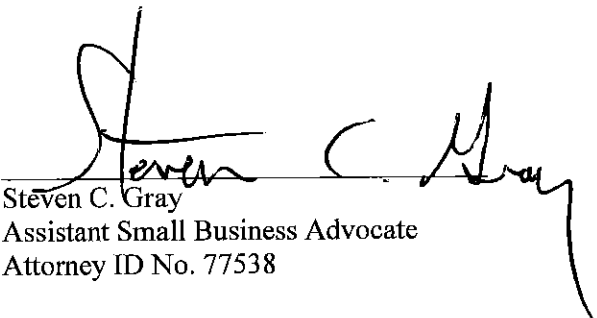
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Date: June 15, 2016

  
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Attorney ID No. 77538