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File #: 153583

August 31, 2016

VIA HAND DELIVERY

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 Central Penn 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-2016-2537609**

Dear Secretary Chiavetta:

Enclosed for filing please find the Objections of UGI Central Penn Gas, Inc. to the Interrogatories Propounded by Central Penn Gas Large Users Group Set I, in 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

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Petition of UGI Central Penn Gas, Inc. for a :
Waiver of the Distribution System :
Improvement Charge Cap of 5% of Billed : Docket No. P-2016-2537609
Distribution Revenues and Approval to :
Increase the Maximum Allowable DSIC to :
10% of Billed Distribution Revenues :

**OBJECTIONS OF UGI CENTRAL PENN GAS, INC.
TO THE INTERROGATORIES PROPOUNDED BY
CENTRAL PENN GAS LARGE USERS GROUP'S SET I**

TO ADMINISTRATIVE LAW JUDGE ANGELA T. JONES:

UGI Central Penn Gas, Inc. ("UGI-CPG"), pursuant to 52 Pa. Code § 5.342 and the procedural rules established in *Prehearing Conference Order #2*, issued in the above captioned proceeding on June 21, 2016, hereby objects to certain interrogatories set forth in the Interrogatories of the Central Penn Gas Large Users Group ("CPGLUG") Set I. In support thereof, UGI-CPG states as follows:

1. On March 31, 2016, UGI-CPG filed the above-captioned petition requesting that the Public Utility Commission ("Commission") allow the Company to waive the 5% Distribution System Improvement Charge ("DSIC") revenue cap, and allow the Company to implement a cap at 10% of billed distribution revenues.

2. A prehearing conference was held in this matter on June 17, 2016. At the prehearing conference, CPGLUG announced that it would be intervening out of time. Subsequent to the prehearing conference, CPGLUG filed its Petition to Intervene and Answer on June 29, 2016. UGI-CPG did not object to that intervention.

3. Pursuant to the procedural schedule adopted at the prehearing conference, direct, rebuttal, and surrebuttal testimony have been filed in this proceeding. At each due date, CPGLUG filed a letter indicating that it did not intend to file testimony.

4. On August 29, 2016, CPGLUG served on UGI-CPG its Set I Interrogatories.

5. Under 52 Pa. Code § 5.341(c), a party may propound interrogatories that relate to matters that can be inquired into under Section 5.321. Section 5.321(c), in turn, provides that a party is entitled to obtain discovery of any matter not privileged that is relevant to a pending proceeding, or any matter that is reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c).

6. For the reasons explained below, the interrogatories set forth in CPGLUG Set I are not relevant to the above-captioned request to waive the 5% DSIC cap and to increase that cap to 10% of billed distribution revenues, nor are they likely to lead to the discovery of relevant, admissible evidence, particularly because of the late stage in the proceeding at which they were propounded. Therefore, UGI-CPG hereby objects to all of the interrogatories in CPGLUG Set I.

A. Requests in CPGLUG Set I:

7. CPGLUG-CPG-I-1 provides:

Please reference Supplement No. 21 to CPG Gas – Pa. P.U.C. No. 4, Original Page 43(e). Since its implementation, has CPG ever eliminated the Rider DSIC for any customer "with competitive alternatives who [pays] flexed or discounted rates and [has] negotiated contracts with the Company?"

8. CPGLUG-CPG-I-2 provides:

Please reference your response to CPGLUG-CPG-I-1. If you answered in the affirmative, please identify the number of customers each year for whom the Company eliminated the DSIC.

9. CPGLUG-CPG-I-3 provides:

Please reference Supplement No. 21 to CPG Gas – Pa. P.U.C. No. 4, Original Page 43(e). Has CPG ever reduced the Rider DSIC for any customer "with

competitive alternatives who [pays] flexed or discounted rates and [has] negotiated contracts with the Company?"

10. CPGLUG-CPG-I-4 provides:

Please reference your response to CPGLUG-CPG-I-3. If you answered in the affirmative, please identify the number of customers each year that received a DSIC reduction from CPG.

11. CPGLUG-CPG-I-5 provides:

Please describe the criteria CPG considers in determining whether it should eliminate the Rider DSIC for a customer.

12. CPGLUG-CPG-I-6 provides:

Please describe the criteria CPG considers in determining whether it should reduce the Rider DSIC for a customer.

B. Grounds for Objecting

13. CPGLUG Set I includes six questions, all of which are on the same subject matter – the Company's application of its DSIC Rider to customers with competitive alternatives who pay flexed or discounted rates and who have negotiated rates with the Company. As a result, UGI-CPG's objections apply to the entire set, rather than to individual interrogatories. UGI-CPG objects to CPGLUG Set I on the grounds that the information requested is irrelevant to the issues presented in this proceeding and is not reasonably calculated to lead to the discovery of admissible evidence.

14. The issue presented in this proceeding is whether UGI-CPG's request to waive the 5% cap, and to increase the cap to 10% of billed distribution revenues, should be approved. UGI-CPG's request does not change, in any way, the provisions of the tariff applicable to competitive customers. Thus, UGI-CPG's application of the DSIC to competitive customers, and the details of whether and under what circumstances it has eliminated or reduced application of the DSIC, is not within the scope of this proceeding.

15. The Commission's final order in this proceeding will not establish practices relating to UGI-CPG's treatment of competitive customers. Those practices were established in the proceeding at Docket No. P-2013-2398835 ("DSIC Proceeding"), where the Commission approved UGI-CPG's use of the DSIC mechanism. The scope of this proceeding is more narrow than either UGI-CPG's DSIC Proceeding, or a base rate proceeding. As such, the scope of allowable discovery is also more narrow.

16. Further, these data requests are untimely. Even if there were some grounds upon which CPGLUG could argue that its interrogatories were within the scope of this proceeding, or likely to lead to admissible evidence in this proceeding, it is inappropriate to introduce competitive customer issues in this proceeding now that direct, rebuttal, and surrebuttal testimony have been served. No party addressed in their testimony any issues relating to UGI-CPG's practices in applying the DSIC to competitive customers. CPGLUG Set I was served immediately after all surrebuttal testimony had been filed and served on August 29. These interrogatories do not relate to or address the content of any direct, rebuttal, or surrebuttal testimony served in these proceedings. As a result, there are no grounds for CPGLUG to include any information obtained through these data requests in rejoinder testimony. Similarly, there is no use for this information in the cross-examination of witnesses, because the entire topic of competitive customers is outside the scope of the testimony provided in this proceeding.

17. In addition, because of the late stage of this proceeding, there will be no further opportunity for CPGLUG to follow-up on the responses in order to obtain information that could be relevant under the existing scope of this proceeding. Thus, these interrogatories cannot lead to admissible evidence.

18. Based on the foregoing, CPGLUG Set I seeks information that is irrelevant, immaterial, untimely and not likely to lead admissible evidence related to the Company's filing.

WHEREFORE, for the reasons discussed above, UGI Central Penn Gas, Inc. respectfully requests that its objections to the interrogatories contained in CPGLUG Set I be granted, and that it not be required to answer those interrogatories.

Respectfully Submitted,

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Dated: August 31, 2016

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CERTIFICATE OF SERVICE

**UGI Central Penn Gas, Inc.
(Docket No. P-2016-2537609)**

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).

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Date: August 31, 2016



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