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April 13, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

RE: Petition of UGI Utilities, Inc. – Gas Division for Approval of a Distribution System Improvement Charge; Docket No. P-2013-2398833


**Office of Consumer Advocate v. UGI Utilities, Inc. – Gas Division
Docket No. C-2016-2540745**

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum of UGI Industrial Intervenors ("UGIII"). As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Alessandra L. Hylander

Counsel to the UGI Industrial Intervenors

Enclosure

c: Administrative Law Judge Conrad A. Johnson (via email)
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL AND E-MAIL

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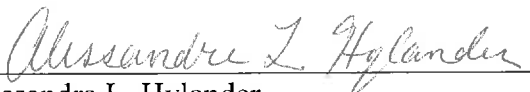
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Dated this 13th day of April, 2017, at Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PETITION OF UGI UTILITIES, INC. – GAS	:	Docket No. P-2013-2398833
DIVISION FOR APPROVAL OF A	:	
DISTRIBUTION SYSTEM IMPROVEMENT	:	
CHARGE	:	
	:	
OFFICE OF CONSUMER ADVOCATE	:	
	:	
v.	:	Docket No. C-2016-2540745
	:	
UGI UTILITIES, INC. – GAS DIVISION	:	

**PREHEARING MEMORANDUM OF
THE UGI INDUSTRIAL INTERVENORS**

Pursuant to Administrative Law Judge ("ALJ") Conrad A. Johnson's March 31, 2017, Prehearing Conference Order, the UGI Industrial Intervenors ("UGIII") hereby submit this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On March 31, 2016, UGI Utilities, Inc. – Gas Division ("UGI" or "Company"), filed a Petition with the Pennsylvania Public Utility Commission ("PUC" or "Commission") requesting authority to implement a Distribution System Improvement Charge ("DSIC") pursuant to 66 Pa. C.S. §§ 1352-1353 and *Implementation of Act 11 of 2012*, Docket No. M-2012-2293611 (Aug. 2, 2012). On May 9, 2016, UGIII filed a Petition to Intervene and Answer in the above-captioned proceeding addressing the Company's Petition. On November 9, 2016, the PUC approved UGI's Petition for approval of a DSIC. *Opinion and Order*, Docket Nos. P-2013-2398833 and C-2016-2540745 (Nov. 9, 2016) ("November 9 Order"). The November 9 Order also provided that the Office of Administrative Law Judge ("OALJ") should review the issue of whether or not customers receiving service under specific Rate Schedules should be exempt from the DSIC.

A description of UGIII is set forth in Paragraph 1 of UGIII's Petition to Intervene. The Commission granted UGIII's Petition to Intervene in the November 9 Order. *Id.* at n. 1.

II. SERVICE LIST

For purposes of this proceeding, UGIII will be represented by the following counsel:

Pamela C. Polacek (I.D. No. 78276)
Vasiliki Karandrikas (I.D. No. 89711)
Alessandra L. Hylander (Pa. I.D. No. 320967)
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Please direct all correspondence to the attention of Vasiliki Karandrikas; however, for purposes of electronic service lists, UGIII requests that Ms. Polacek, Ms. Karandrikas, and Ms. Hylander all be included on any correspondence.

III. ANTICIPATED ISSUES AND SUB-ISSUES

UGI's DSIC has the potential to significantly increase costs for UGIII members, who receive service under UGI's Rate Schedules XD, IS, and LFD. UGIII expressed concern over UGI having sole discretion in determining whether a customer may be exempt from the DSIC. UGIII maintains that the DSIC's language should explicitly state the rate schedules that are exempt from application of the DSIC. UGIII anticipates pursuing these issues during this proceeding and reserves the right to raise further issues and to respond to all matters raised by other parties.

IV. PROPOSED WITNESSES

UGIII is in the process of evaluating whether it will sponsor testimony in this proceeding. In the event that UGIII decides to sponsor testimony, it will immediately inform the parties and

the ALJ of any intended witnesses and topics of testimony. UGIII also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions and reply exceptions, if necessary.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

UGIII will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any ALJ directives.

VI. POSSIBILITY OF SETTLEMENT

UGIII is engaging in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By *Alessandra L. Hylander*
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Dated: April 13, 2017