



COMMONWEALTH OF PENNSYLVANIA

March 19, 2018

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. UGI Utilities, Inc. – Electric Division /
Docket Nos. R-2017-2640058, C-2018-2647268**

Dear Secretary Chiavetta:

I am delivering for filing today my Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), 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,


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

Enclosures

cc: The Honorable Steven K. Haas
The Honorable Andrew M. Calvelli
Robert D. Knecht
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2017-2640058
	:	Docket No. C-2018-2647268
UGI Utilities, Inc. – Electric Division	:	

**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, Esq.
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

II. FILING BACKGROUND

UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) filed Tariff Electric – Pa. P.U.C. Nos. 6 and 2S on January 26, 2018. The proposed Tariffs, if approved by the Commission, would increase UGI Electric’s annual revenue by \$9.254 million per year.

The OSBA filed a Complaint on February 12, 2018.

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
(617) 354-0463 – Fax
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 Electric, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether the cost allocation methodology advanced by the Company is consistent with sound economic and regulatory principles, and with established Commission precedent for electric distribution companies (“EDCs”);
2. Whether the Company’s proposed revenue allocation is consistent with a reasonable cost allocation study and other established regulatory principles;
3. Whether the Company’s proposal to eliminate a variety of specialized tariff

schedules is reasonable and prudent, and will not result in undue impacts on the affected customers;

4. Whether the Company's proposal to retain the basic tariff structure for the GS-1, GS-4, LP, and street lighting rate classes is reasonable, because the Company has not had a base rates case since before tariff rates were unbundled in the Pennsylvania electric industry restructuring nearly two decades ago;

5. Whether the Company's proposed Rate EV is reasonable and prudent;

6. Whether the Company's proposed overall rate of return, cost of debt, cost of common equity, and capital structure are just and reasonable; and

7. Whether the Company's proposed methodology for adjusting revenues, costs and rate base for a fully projected future test year result in an overstatement of the required rate increase.

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 that electronic copies be filed upon the OSBA witness identified above. In addition to hard copies of pleadings and briefs, the OSBA requests that responses to discovery propounded by the OSBA or any other party be filed in hard copy upon the OSBA and in electronic form upon the OSBA witness identified above.

V. SETTLEMENT

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

VI. DISCOVERY

The OSBA does not propose any discovery modifications in this proceeding.

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are working on a proposed procedural schedule.

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: March 19, 2018

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2017-2640058
	:	Docket No. C-2018-2647268
UGI Utilities, Inc. – Electric Division	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Steven K. Haas
The Honorable Andrew M. Calvelli
Chief Administrative Law Judge
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
skhaas@pa.gov
acalvelli@pa.gov
(Email and Hand Delivery)

Hayley E. Dunn, Esquire
Aron J. Beatty, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Harrisburg, PA 17101
HDunn@paoca.org
ABeatty@paoca.org
(Email and Hand Delivery)

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
sgranger@pa.gov
(Email and Hand Delivery)

Paul Diskin, Director
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
400 North Street
Commonwealth Keystone Building
Harrisburg, PA 17120
pdiskin@pa.gov
(Email and Hand Delivery)


Mark C. Morrow, Esquire
Danielle Jouenne, Esquire
UGI Utilities, Inc.
460 North Gulph Road
King of Prussia, PA 19406
morrowm@ugicorp.com
jouenned@ugicorp.com

David B. MacGregor, Esquire
Post & Schell, P.C.
Four Penn Center
1600 John F. Kennedy Boulevard
Philadelphia, PA 19103
dmacgregor@postschell.com

Garret P. Lent, Esquire
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101
glent@postschell.com

Jessica R. Rogers, Esquire
Post & Schell, P.C.
607 14th Street NW
Suite 600
Washington, DC 20005
jrogers@postschell.com

DATE: March 19, 2018



Steven C. Gray
Assistant Small Business Advocate
Attorney I.D. No. 77538