

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560

FAX (717) 783-7152
consumer@paoca.org

April 9, 2018

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Joint Application of UGI Utilities, Inc., UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. for All of the Necessary Authority, Approvals, and Certificates of Public Convenience for (1) an Agreement and Plan of Merger; (2) the Merger of UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. into UGI Utilities, Inc.; (3) the initiation by UGI Utilities, Inc. of natural gas service in all territory in this Commonwealth where UGI Penn Natural Gas, Inc. and UGI Central Penn Gas do or may provide natural gas service; (4) the abandonment by UGI Penn Natural Gas, Inc. of all natural gas service in this Commonwealth; (5) the abandonment by UGI Central Penn Gas, Inc. of all natural gas service in this Commonwealth; (6) the adoption by UGI Utilities, Inc. of UGI Penn Natural Gas, Inc.'s and UGI Central Penn Gas, Inc.'s Existing Tariffs and their Application within New Service and Rate Districts of UGI Utilities, Inc. Corresponding to their Existing Service Territories as UGI North and UGI Central, respectively; (7) the adoption by UGI Utilities of its Existing Tariff to be applied to a new UGI South Service and Rate District; (8) Where Necessary, Associated Affiliated Interest Agreements; and (9) any Other Approvals Necessary to Complete the Contemplated Transaction.
Docket Nos. A-2018-3000381; A-2018-300382; A-2018-3000383

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Protest and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Lauren M. Burge".

Lauren M. Burge
Assistant Consumer Advocate
PA Attorney I.D. #311570
E-Mail: LBurge@paoca.org

Counsel for:
Office of Consumer Advocate
555 Walnut Street 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048 Fax: (717) 783-7152

Enclosure:

cc: Office of Special Assistants (email only: ra-OSA@pa.gov)
Office of Administrative Law Judge
Bureau of Technical Utility Services (email only)
Certificate of Service

CERTIFICATE OF SERVICE

Joint Application of UGI Utilities, Inc., UGI Penn :
Natural Gas, Inc. and UGI Central Penn Gas, Inc. :
for All of the Necessary Authority, Approvals, and :
Certificates of Public Convenience for (1) an :
Agreement and Plan of Merger; (2) the Merger of :
UGI Penn Natural Gas, Inc. and UGI Central Penn : Docket Nos. A-2018-3000381
Gas, Inc. into UGI Utilities, Inc.; (3) the initiation : A-2018-3000382
by UGI Utilities, Inc. of natural gas service in all : A-2018-3000383
territory in this Commonwealth where UGI Penn :
Natural Gas, Inc. and UGI Central Penn Gas do or :
may provide natural gas service; (4) the :
abandonment by UGI Penn Natural Gas, Inc. of :
all natural gas service in this Commonwealth; :
(5) the abandonment by UGI Central Penn Gas, :
Inc. of all natural gas service in this :
Commonwealth; (6) the adoption by UGI :
Utilities, Inc. of UGI Penn Natural Gas, Inc.'s :
and UGI Central Penn Gas, Inc.'s Existing Tariffs :
and their Application within New Service and :
Rate Districts of UGI Utilities, Inc. Corresponding :
to their Existing Service Territories as UGI North :
and UGI Central, respectively; (7) the adoption :
by UGI Utilities of its Existing Tariff to be :
applied to a new UGI South Service and Rate :
District; (8) Where Necessary, Associated :
Affiliated Interest Agreements; and (9) any :
Other Approvals Necessary to Complete the :
Contemplated Transaction. :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Protest and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 9th day of April 2018.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

Richard Kanaskie
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

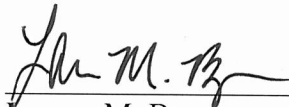
SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

John Evans
Office of Small Business Advocate
Suite 202, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

David B. MacGregor, Esquire
Garrett P. Lent, Esquire
Post & Schell, PC
12th Floor
17 North Second Street
Harrisburg, PA 17101-1601

Kent D. Murphy, Esquire
Mark C. Morrow, Esquire
UGI Corporation
460 North Gulf Road
King of Prussia, PA 19406

Todd Stewart, Esquire
Hawke McKeon & Sniscak LLP
100 N. Tenth Street
Harrisburg, PA 17101



Lauren M. Burge
Assistant Consumer Advocate
PA Attorney I.D. # 311570
E-Mail: LBurge@paoca.org

Darryl A. Lawrence
Senior Assistant Consumer Advocate
PA Attorney I.D. # 93682
E-Mail: DLawrence@paoca.org

Harrison W Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Counsel for Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
*246054

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of UGI Utilities, Inc., UGI Penn	:	
Natural Gas, Inc. and UGI Central Penn Gas, Inc.	:	
for All of the Necessary Authority, Approvals, and	:	
Certificates of Public Convenience for (1) an	:	
Agreement and Plan of Merger; (2) the Merger of	:	
UGI Penn Natural Gas, Inc. and UGI Central Penn	:	Docket Nos. A-2018-3000381
Gas, Inc. into UGI Utilities, Inc.; (3) the initiation	:	A-2018-3000382
by UGI Utilities, Inc. of natural gas service in all	:	A-2018-3000383
territory in this Commonwealth where UGI Penn	:	
Natural Gas, Inc. and UGI Central Penn Gas do or	:	
may provide natural gas service; (4) the	:	
abandonment by UGI Penn Natural Gas, Inc. of	:	
all natural gas service in this Commonwealth;	:	
(5) the abandonment by UGI Central Penn Gas,	:	
Inc. of all natural gas service in this	:	
Commonwealth; (6) the adoption by UGI	:	
Utilities, Inc. of UGI Penn Natural Gas, Inc.'s	:	
and UGI Central Penn Gas, Inc.'s Existing Tariffs	:	
and their Application within New Service and	:	
Rate Districts of UGI Utilities, Inc. Corresponding	:	
to their Existing Service Territories as UGI North	:	
and UGI Central, respectively; (7) the adoption	:	
by UGI Utilities of its Existing Tariff to be	:	
applied to a new UGI South Service and Rate	:	
District; (8) Where Necessary, Associated	:	
Affiliated Interest Agreements; and (9) any	:	
Other Approvals Necessary to Complete the	:	
Contemplated Transaction.	:	

PROTEST OF THE
OFFICE OF CONSUMER ADVOCATE

The Office of Consumer Advocate (OCA) files this Protest in the above-captioned Joint Application of UGI Utilities, Inc. (UGI Utilities), UGI Penn Natural Gas, Inc. (PNG), and UGI Central Penn Gas, Inc. (CPG) (hereinafter, collectively, the Companies or the Applicants) pursuant to the provisions of the Rules of Practice and Procedure of the Pennsylvania Public Utility

Commission (Commission), 52 Pa. Code §§ 5.51-5.53. The OCA files this Protest in order to ensure that the Joint Application is approved only if it meets all legal requirements of the Public Utility Code, applicable Commission rules and regulations, and Pennsylvania law and to ensure that the interests of Pennsylvania ratepayers are protected in this proceeding.

In support of this Protest, the OCA avers as follows:

1. The name and contact information of the Protestant are as follows:

Tanya J. McCloskey
Acting Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048

2. The names and contact information of the Protestant's attorneys for the purpose of receiving service of all documents in this proceeding are:

Darryl Lawrence, Senior Assistant Consumer Advocate
Lauren M. Burge, Assistant Consumer Advocate
Harrison W. Breitman, Assistant Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Telephone: (717) 783-5048
Email: DLawrence@paoca.org
LBurge@paoca.org
HBreitman@paoca.org

3. The OCA is authorized by law to represent the interests of Pennsylvania's utility consumers in all matters before the Commission. 71 P.S. §§ 309-1 *et seq.*

4. The Companies filed the Joint Application on March 8, 2018. In the Joint Application, the Companies seek all necessary approvals and authority to accomplish the merger of PNG and CPG with and into UGI Utilities, including the abandonment of natural gas service by PNG and CPG, and UGI Utilities' adoption of the existing PNG and CPG tariffs, certificates of public convenience, and other items necessary to complete the merger. Joint Application at ¶ 1. This

will result in UGI Utilities having three rate districts: UGI South (formerly UGI Gas), UGI North (formerly PNG), and UGI Central (formerly CPG). Joint Application at ¶ 32. The Applicants propose to separately maintain and file a number of items, including purchased gas cost portfolios and rate, Energy Efficiency and Conservation programs, Universal Service programs and budgets, Long-Term Infrastructure Improvement Programs (LTIIPs), and Distribution System Improvement Charges (DSICs). Joint Application at ¶ 40. However, the Applicants propose to submit financial reports required under Chapter 71 of the Commission's regulations, annual reports required under 52 Pa. Code § 59.48, and other required reports on a consolidated basis. Joint Application at ¶ 41.

5. Pursuant to Sections 1102(a)(1)-(3), 2012(a), and 2210 of the Public Utility Code, 66 Pa. C.S. §§ 1102(a)(1)-(3), 2012(a), and 2210, the Applicants must obtain Commission approval before any merger or consolidation of the Companies may be carried out. See Joint Application at 12-19.

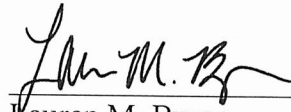
6. Based on a preliminary review of the Joint Application, the OCA has identified areas that require further consideration by the Commission. These issues include:

- Whether the Applicants' proposed method of future operations provides adequate transparency to allow the Commission, the OCA, and other statutory advocates and interested parties to assess the Companies' activities in future proceedings;
- Whether the proposed merger meets all legal requirements of the Public Utility Code, applicable Commission rules and regulations, and Pennsylvania law;
- Whether the proposed merger would benefit the Applicant's customers; and
- Whether the proposed merger is in the public interest.

7. The OCA submits that the Applicants' request should be subject to formal investigation and evidentiary hearings.

WHEREFORE, the Office of Consumer Advocate requests that the Pennsylvania Public Utility Commission investigate and hold hearings regarding the Joint Application and take such actions as are found to be appropriate.

Respectfully Submitted,



Lauren M. Burge
Assistant Consumer Advocate
PA Attorney I.D. # 311570
Email: LBurge@paoca.org

Darryl Lawrence
Senior Assistant Consumer Advocate
PA Attorney I.D. # 93682
Email: DLawrence@paoca.org

Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048

Dated: April 9, 2018
245977

**PUBLIC STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 P.S. Section 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Protest and participate in proceedings before the Commission involving the Joint Application of UGI Utilities, Inc. (UGI Utilities), UGI Penn Natural Gas, Inc. (PNG), and UGI Central Penn Gas, Inc. (CPG) (collectively, the Companies or the Applicants) seeking all necessary approvals and authority to accomplish the merger of PNG and CPG with and into UGI Utilities (Joint Application).

The Companies filed the Joint Application on March 8, 2018. In the Joint Application, the Companies seek all necessary approvals and authority to accomplish the merger of PNG and CPG with and into UGI Utilities, including the abandonment of natural gas service by PNG and CPG, and UGI Utilities' adoption of the existing PNG and CPG tariffs, certificates of public convenience, and other items necessary to complete the merger. Joint Application at ¶ 1. This will result in UGI Utilities having three rate districts: UGI South (formerly UGI Gas), UGI North (formerly PNG), and UGI Central (formerly CPG). Joint Application at ¶ 32. The Applicants propose to separately maintain and file a number of items, including purchased gas cost portfolios and rate, Energy Efficiency and Conservation programs, Universal Service programs and budgets, Long-Term Infrastructure Improvement Programs (LTIIPs), and Distribution System Improvement Charges (DSICs). Joint Application at ¶ 40. However, the Applicants propose to submit financial reports required under Chapter 71 of the Commission's regulations, annual reports

required under 52 Pa. Code § 59.48, and other required reports on a consolidated basis. Joint Application at ¶ 41.

The OCA has determined to participate in this proceeding in order to ensure that the Joint Application is approved only if it meets all legal requirements of the Public Utility Code, applicable Commission rules and regulations, and Pennsylvania law and to ensure that the interests of the UGI Companies' ratepayers are protected in this proceeding.

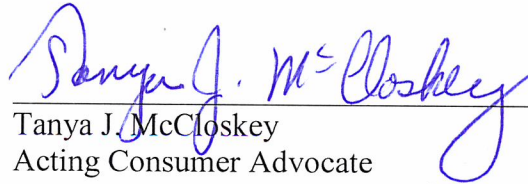
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Commonwealth; (6) the adoption by UGI	:	
Utilities, Inc. of UGI Penn Natural Gas, Inc.'s	:	
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to their Existing Service Territories as UGI North	:	
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Affiliated Interest Agreements; and (9) any	:	
Other Approvals Necessary to Complete the	:	
Contemplated Transaction.	:	

VERIFICATION

I, TANYA J. MCCLOSKEY, hereby state that the facts set forth in the Protest and Public Statement of the Office of Consumer Advocate are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. Section 2904 (relating to unsworn falsification to authorities).

Signature:


Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

DATED: April 9, 2018