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May 7, 2018

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, Filing Room  
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; Docket Nos. A-2018-3000381, A-2018-3000382, and A-2018-3000383; **PREHEARING CONFERENCE MEMORANDUM OF DOMINION ENERGY SOLUTIONS, INC., SHIPLEY CHOICE, LLC, INTERSTATE GAS SUPPLY, INC. AND RHOADS ENERGY**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the Prehearing Conference Memorandum of Dominion Energy Solutions, Inc., Shipley Choice, LLC *d/b/a Shipley Energy*, Interstate Gas Supply, Inc. *d/b/a IGS Energy* and Rhoads Energy (the "NGS Parties") in the above-captioned docket. Copies of this Memorandum have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions related to this filing, please do not hesitate to contact my office.

Very truly yours,

Todd S. Stewart  
*Counsel for Dominion Energy Solutions, Inc., Shipley Choice, LLC d/b/a Shipley Energy, Interstate Gas Supply, Inc. d/b/a IGS Energy, and Rhoads Energy ("Rhoads") (the "NGS Parties")*

TSS/jld

Enclosure

cc: Administrative Law Judge Joel H. Cheskis (via email and federal express)  
Administrative Law Judge Benjamin J. Myers (via email and federal express)  
Per Certificate of Service

## CERTIFICATE OF SERVICE

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

### VIA ELECTRONIC AND FIRST-CLASS MAIL

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*Counsel for UGI Industrial Intervenors*



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Todd S. Stewart

DATED: May 7, 2018

**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 : Docket Nos. A-2018-3000381  
Natural Gas, Inc. and UGI Central Penn Gas, : A-2018-3000382  
Inc. into UGI Utilities, Inc.; (3) the initiation : A-2018-3000383  
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 :

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**PREHEARING CONFERENCE MEMORANDUM  
OF  
DOMINION ENERGY SOLUTIONS, INC., SHIPLEY CHOICE LLC,  
INTERSTATE GAS SUPPLY, INC. AND RHOADS ENERGY**

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NOW COME Dominion Energy Solutions, Inc. (“DES”), Shipley Choice, LLC d/b/a Shipley Energy (“Shipley”), Interstate Gas Supply, Inc. d/b/a IGS Energy (“IGS”), and Rhoads Energy (“Rhoads”)(collectively “NGS Parties”), and hereby submit their Prehearing Conference Memorandum in compliance with the Presiding Administrative Law Judges’ Prehearing Order dated April 23, 2018. A Prehearing Conference in this matter is currently scheduled to be held on Monday, May 14, 2018 at 10:00 A.M.

## **I. PROCEDURAL HISTORY**

1. On or about March 8, 2018, UGI Utilities, Inc. (“UGI Utilities”), UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”) (“Applicants”) filed a joint application to merge.

2. On April 3, 2018, the NGS Parties petitioned to intervene in the above-captioned proceeding.

## **II. EXPECTED ISSUES**

3. The NGS Parties continue to review the filing and reserve the right to raise any appropriate issues in direct testimony or at other appropriate stages of the proceeding. At this point, the NGS Parties believe the following issues are relevant and require consideration and disposition in this matter to ensure that the merger is in the public interest:

1) Lack of unified tariffs (both customer tariffs and supplier tariffs), including but not limited to: Supplier Financial Security; Operations, including nomination processes, etc.; Penalties; Capacity assignment; and, Code of Conduct

2) Budget billing and Purchase of Receivables (“POR”) -- UGI provides these services to customers of natural gas suppliers and natural gas suppliers, however CPG and PNG do not.

3) Enrollment delay – unlike other utilities in the Commonwealth, customer enrollment as a customer of a natural gas supplier takes 2 billing cycles at UGI, CPG, and PNG.

4) Communication/real-time data on transportation cuts/supply issues

5) Current cash out/cash in policies

The above list is not exhaustive and the NGS Parties reserve the right to raise and address other issues at any appropriate juncture in testimony or otherwise.

### **III. PROPOSED WITNESSES**

4. The NGS Parties witness(es) for this matter is James L. Crist. Mr. Crist will address the issues listed above. If the witness or issues list changes materially, the NGS Parties will notify Your Honors at the earliest practical time.

### **IV. LITIGATION SCHEDULE**

5. UGI has submitted a proposed schedule, some portions of which may prove problematic for the NGS Parties. However, the NGS Parties are committed to working with the other parties and Your Honors to develop a schedule that meets all the parties' needs.

### **V. DISCOVERY**

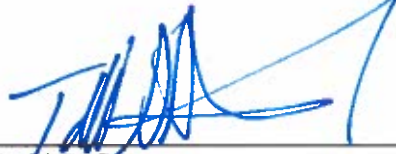
6. The NGS Parties have not submitted discovery as of the date of this prehearing memorandum but will endeavor to do so as soon as possible. The NGS Parties will work cooperatively with the Applicants and all the other parties in order to minimize discovery issues that might require the attention of the Presiding Administrative Law Judges. Moreover, the NGS Parties would not object to the typical discovery modifications proposed by the Office of Consumer Advocate in cases such as this.

## VI. SETTLEMENT

7. The NGS Parties are willing to engage in settlement discussions with any and all parties at any time during this proceeding and welcome the opportunity to do so at the earliest possible date.

**WHEREFORE**, the NGS Parties respectfully submit this Prehearing Conference Memorandum in anticipation of the Prehearing Conference currently scheduled to be held telephonically on Monday, May 14, 2018 at 10:00 A.M.

Respectfully submitted,



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Gas Supply, Inc. d/b/a IGS Energy, and Rhoads  
Energy ("Rhoads") (the "NGS Parties")*

DATED: May 7, 2018