



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166  
Tel: 717.232.8000 • Fax: 717.237.5300

Alessandra L. Hylander  
Direct Dial: 717.237.5435  
Direct Fax: 717.260.1689  
ahylander@mcneeslaw.com

May 7, 2018

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

**VIA ELECTRONIC FILING**

**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**

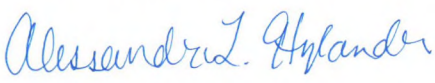
Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of the UGI Industrial Intervenors ("UGIII"), in the above-referenced proceedings.

As shown by the attached Certificate of Service, all parties to these proceedings are being duly served. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By   
Alessandra L. Hylander

Counsel to the UGI Industrial Intervenors

ALH/leh  
Enclosures

c: Administrative Law Judge Joel H. Cheskis (via E-mail and First-Class Mail)  
Administrative Law Judge Benjamin J. Myers (via E-mail and First-Class Mail)  
Certificate of Service

[www.McNeesLaw.com](http://www.McNeesLaw.com)

Harrisburg, PA • Lancaster, PA • Scranton, PA • State College, PA • Columbus, OH • Frederick, MD • Washington, DC

## 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

David B MacGregor, Esq.  
Garrett P. Lent, Esq.  
Post & Schell, P.C.  
17 North Second Street, 12<sup>th</sup> Floor  
Harrisburg, PA 17101  
[dmacgregor@postschell.com](mailto:dmacgregor@postschell.com)  
[glent@postschell.com](mailto:glent@postschell.com)

Kent D. Murphy, Esq.  
Mark C. Morrow, Esq.  
UGI Corporation  
460 North Gulph Road  
King of Prussia, PA 19406  
[murphyke@ugicorp.com](mailto:murphyke@ugicorp.com)  
[morrowm@ugicorp.com](mailto:morrowm@ugicorp.com)

Scott B. Granger, Esq.  
Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
[sgranger@pa.gov](mailto:sgranger@pa.gov)

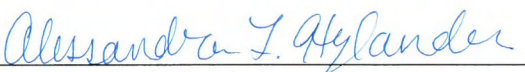
Joseph L. Vullo, Esq.  
Burke Vullo Reilly Roberts  
1460 Wyoming Avenue  
Forty Fort, PA 18704  
[jlvullo@aol.com](mailto:jlvullo@aol.com)

Steven C. Gray, Esq.  
Office of Small Business Advocate  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
[sgray@pa.gov](mailto:sgray@pa.gov)

Todd S. Stewart, Esq.  
Hawke McKeon and Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)

Daniel Clearfield, Esq.  
Kristine Marsilio, Esq.  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8<sup>th</sup> Floor  
Harrisburg, PA 17101  
[dclearfield@eckertseamans.com](mailto:dclearfield@eckertseamans.com)  
[kmarsilio@eckertseamans.com](mailto:kmarsilio@eckertseamans.com)

Darryl A. Lawrence, Esq.  
Lauren M. Burge, Esq.  
Harrison W. Breitman, Esq.  
Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)  
[LBurge@paoca.org](mailto:LBurge@paoca.org)  
[hbreitman@paoca.org](mailto:hbreitman@paoca.org)

  
Alessandra L. Hylander

Counsel to UGI Industrial Intervenors

Dated this 7<sup>th</sup> day of May, 2018, at Harrisburg, Pennsylvania.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of UGI Utilities, Inc., UGI	:	Docket Nos. A-2018-3000381
Penn Natural Gas, Inc. and UGI Central Penn	:	A-2018-3000382
Gas, Inc. for All of the Necessary Authority,	:	A-2018-3000383
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.	:	

---

**PREHEARING MEMORANDUM OF  
THE UGI INDUSTRIAL INTERVENORS**

---

Pursuant to the April 23, 2018, Prehearing Conference Order issued by Administrative Law Judges ("ALJs") Joel H. Cheskis and Benjamin J. Myers, the UGI Industrial Intervenors ("UGIII") hereby submit this Prehearing Memorandum in the above-captioned proceeding.

## I. HISTORY OF THE PROCEEDING

On March 8, 2018, UGI Utilities, Inc. ("UGI Utilities"), UGI Penn Natural Gas, Inc. ("PNG") and UGI Central Penn Gas, Inc. ("CPG") (collectively, "Companies") filed with the Pennsylvania Public Utility Commission ("Commission" or "PUC") a Joint Application requesting all necessary authority, approvals and certificates of public convenience ("CPC") from the Commission, pursuant to 66 Pa. C.S. §§ 1102(a)(1)-(3), 2102(a) and 2210, authorizing: (1) an Agreement and Plan of Merger; (2) the merger of PNG and CPG with and into UGI Utilities; (3) the initiation by UGI Utilities of natural gas service in all territories of the Commonwealth where PNG and CPG do or may provide natural gas service; (4) the abandonment by PNG of all natural gas service in the Commonwealth; (5) the abandonment by CPG of all natural gas service in the Commonwealth; (6) adoption by UGI Utilities of PNG's and CPG's existing tariffs and their application within new service and rate districts of UGI Utilities 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; and (8) to the extent necessary, associated affiliated interest agreements ("Joint Application").<sup>1</sup> The Companies further requested that the Commission grant the authorizations by no later than August 23, 2018, so that the proposed transaction may close and become effective on October 1, 2018.<sup>2</sup>

Through the Joint Application, the Companies propose, through a one-step merger, to merge PNG and CPG with and into UGI Utilities, with UGI Utilities being the surviving entity.<sup>3</sup> Upon closing of the proposed transaction, all of PNG's and CPG's assets will be owned by UGI

---

<sup>1</sup> Joint Application at ¶ 1.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.* at ¶ 32.



Utilities, and the UGI Gas Division of UGI Utilities ("UGI Gas") will have three rate districts, including: (1) UGI South (formerly, UGI Gas); (2) UGI North (formerly, PNG); and (3) UGI Central (formerly, CPG).<sup>4</sup> Therefore, UGI Utilities will acquire all of the service rights and CPCs of PNG and CPG, as well as ownership interests in PNG's and CPG's property.<sup>5</sup>

Following the closing of the proposed transaction, UGI Utilities will provide natural gas distribution service and supplier coordination service to existing and new customers and natural gas suppliers within the former service territories of UGI Gas, PNG, and CPG through the application of the then existing tariffs, which UGI Utilities shall adopt and apply within the corresponding rate districts.<sup>6</sup>

On April 9, 2018, UGIII filed a Petition to Intervene in this proceeding. A description of UGIII is set forth in Paragraphs 1 and 6 of UGIII's Petition to Intervene.

A Prehearing Conference has been scheduled in this proceeding for May 14, 2018.

## II. SERVICE LIST

For purposes of service in the above-captioned proceeding, please direct all communications to:

Pamela C. Polacek (I.D. No. 78276)  
Vasiliki Karandrikas (I.D. No. 89711)  
Alessandra L. Hylander (I.D. No. 320967)  
McNEES WALLACE & NURICK LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
Phone: (717) 232-8000  
Fax: (717) 237-5300  
[ppolacek@mcneeslaw.com](mailto:ppolacek@mcneeslaw.com)  
[vkandrikas@mcneeslaw.com](mailto:vkandrikas@mcneeslaw.com)  
[ahylander@mcneeslaw.com](mailto:ahylander@mcneeslaw.com)

---

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> *Id.* at ¶ 39.

### **III. ANTICIPATED ISSUES AND SUB-ISSUES**

As users of substantial volumes of natural gas in the Companies' service territories, UGIII members are concerned about the potential impact of the Commission's final disposition of this proceeding on the rates, terms and conditions under which UGIII members receive service. Furthermore, the outcome of this proceeding could impact the scope of issues to be addressed in the next phase of the consolidation process, *i.e.*, the filing of standardized rates, terms and conditions of service. UGIII anticipates pursuing these issues during this proceeding and reserves the right to raise further issues and to respond to all issues raised by other parties.

### **IV. PROPOSED WITNESSES**

UGIII is evaluating whether it will sponsor testimony in this proceeding. If UGIII decides to sponsor testimony, it will inform the parties and the ALJs 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 ALJs and the parties at the Prehearing Conference to develop an appropriate procedural schedule, including a schedule for submitting written testimony, conducting an in-person hearing and submitting briefs, and discovery rules in accordance with the Commission's regulations and any directives issued by the ALJs.

### **VI. STATEMENT OF EVIDENCE**

UGIII is in the process of evaluating the issues of impact in this proceeding. UGIII reserves the right to raise further issues in testimony and to respond to all matters raised by other

parties, including through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

## VII. POSSIBILITY OF SETTLEMENT

UGIII is willing to participate in discussions with the other parties in an attempt to amicably resolve the issues in this proceeding, subject to the approval of the Commission.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By   
Pamela C. Polacek (I.D. No. 78276)  
Vasiliki Karandrikas (I.D. No. 89711)  
Alessandra L. Hylander (I.D. No. 320967)  
McNEES WALLACE & NURICK LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
Phone: (717) 232-8000  
Fax: (717) 237-5300  
[ppolacek@mcneeslaw.com](mailto:ppolacek@mcneeslaw.com)  
[vkandrikas@mcneeslaw.com](mailto:vkandrikas@mcneeslaw.com)  
[ahylander@mcneeslaw.com](mailto:ahylander@mcneeslaw.com)

Counsel to the UGI Industrial Intervenors

Dated: May 7, 2018