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February 28, 2020

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: PA PUC v. UGI Utilities Inc. – Gas Division
Docket No. R-2019-3015162

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Direct Energy Business, LLC, Direct Energy Services, LLC and Direct Energy Business Marketing, LLC's ("Direct Energy") Petition to Intervene with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Daniel Clearfield

DC/lww
Enclosure

cc: Hon. Christopher P. Pell, w/enc.
Cert. of Service w/enc.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utilities Commission	:	
	:	
v.	:	Docket No. R-2019-3015162
	:	
UGI Utilities, Inc. – Gas Division	:	

**PETITION TO INTERVENE OF DIRECT ENERGY BUSINESS,
LLC, DIRECT ENERGY SERVICES, LLC, AND DIRECT
ENERGY BUSINESS MARKETING, LLC**

Pursuant to 52 Pa. Code §§ 5.72-5.75, Direct Energy Business, LLC, Direct Energy Services, LLC, and Direct Energy Business Marketing, LLC (collectively, “Direct Energy”) petitions to intervene in the above-captioned proceeding filed on behalf of UGI Utilities, Inc. – Gas Division (“UGI” or the “Company”) at the Pennsylvania Public Utility Commission (the “Commission”). In support of its Petition to Intervene, Direct Energy states as follows:

1. On January 28, 2020, UGI filed Supplement No. 6 to its Tariff Gas PA P.U.C. Nos. 7 and 7S (“Supplement No. 6”). In Supplement No. 6, UGI proposes to increase rates by approximately \$74.6 million per year, complete its transition to unified rates, and modify various other rules.

2. By Order entered on February 27, 2020, the Pennsylvania Public Utility Commission (“Commission”) instituted an investigation into the lawfulness, justness, and reasonableness of the proposed rate increase. A prehearing conference is scheduled for March 9, 2020.

3. Direct Energy is a natural gas supplier (“NGS”) licensed by the Commission to

provide natural gas and related services to retail customers in the UGI service territory.¹ Direct Energy is wholly owned by Direct Energy Business, LLC, which is a subsidiary of Direct Energy Services, LLC. Being part of the Direct Energy family, Direct Energy Services, LLC is wholly owned by its ultimate parent company: Centrica pic. Through these corporate structures, Direct Energy and its affiliated companies are one of North America's largest energy and energy-related service providers with over 4 million residential and commercial customer relationships. A subsidiary of Centrica pic, one of the world's leading integrated energy companies, Direct Energy and its affiliates operate in 46 states including the District of Columbia and 10 provinces in Canada. Direct Energy has a unique business model, and extensive experience in providing innovative gas and electricity products and services to residential, small and large commercial and industrial customers, utilities, and government entities.

4. Direct Energy's attorney in this matter is:

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5. The Commission's regulations allow intervention where a person has an interest in the proceeding which may be directly affected and which is not adequately represented by existing parties, and as to which the person may be bound by the action of the Commission in the proceeding. 52 Pa. Code § 5.72(a)(2). Intervention is also permitted where participation of the

¹ See PUC Docket Nos. A-125072 (Direct Energy Business, LLC), A-125135 (Direct Energy Services, LLC) and A-2013-2365792 (Direct Energy Business Marketing, LLC).

person may be in the public interest. 52 Pa. Code § 5.72(a)(3). A “person” includes a corporation and an association. 52 Pa. Code § 1.8.

6. Direct Energy meets the standards for intervention in this proceeding set forth in 52 Pa. Code § 5.72(a). As an NGS serving customers in the Company’s service territory and in the Commonwealth, Direct Energy possesses an “interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding.” 52 Pa. Code § 5.72(a)(1).

7. Specifically, as an NGS in the Company’s service territory, Direct Energy has a direct and substantial interest in several of UGI’s proposals:

- UGI is proposing to modify the rates and terms for Rates DS (Delivery Service), NNS (No Notice Service). Rate MBS (Monthly Balancing Service) and LFD (Large Firm Delivery) used by transportation customers (UGI St. 1 at 45-47; Exh. F pp. 94 – 100). Direct Energy serves customers in UGI’s territory that receive service via one or more of these rates. Direct Energy seeks to insure that the rate and/or term changes are just, reasonable and will not unreasonably affect the competitive natural gas market.
- UGI is proposing to increase the Daily Delivery Requirement for Choice Suppliers by increasing the percentage of gas that UGI will retain to 1.1% (Choice Tariff, Sup. No. 5 Second Revised page 116). Direct Energy seeks to assure that this increase is just, reasonable and does not unreasonably affect competition.
- UGI is proposing a change in the rules associated with the monthly release of interstate pipeline capacity (Choice Tariff 2nd Revise Page No. 118). Direct Energy seeks to insure that this proposed change is just, reasonable and does not adversely affect competition.

These proposals must be thoroughly reviewed and analyzed to determine whether they are reasonable and to ensure that they will not negatively impact the delivery of natural gas on the Company’s system or suppliers operating in the Company’s service territory and will not have an

adverse effect on the ability of UGI distribution customers to access lower priced gas and more innovative services available in the competitive market generally and from Direct Energy in particular. Direct Energy reserves the right to raise additional issues as they are discovered in the course of the proceeding.

8. As an NGS licensed to serve customers in the UGI service territory, Direct Energy has a substantial and direct interest in the outcome of this proceeding. Any changes to the UGI supplier tariffs, or the services provided thereunder, may affect Direct Energy's operations and impact its ability to compete for and service customers in the UGI service territories. Further, any changes to UGI rates, or the operation or structure of any UGI programs, will have a significant effect on the level of retail competition in the Company's service territory and, thus, on the ability of Direct Energy to continue to operate as an NGS in that territory.

9. In addition, in its Order suspending the proposed rate increase the Commission also ordered that its investigation shall include consideration of the lawfulness, justness and reasonableness of UGI's existing rates, rules, and regulations. Direct Energy is seeking to intervene in this proceeding in order to assure that all of UGI's existing rates rules and regulations are just, reasonable and non-discriminatory with respect to Direct Energy's interest as a substantial natural gas supplier on UGI's system.

10. Direct Energy also has an interest in ensuring that the proposals of other parties that are advanced through testimony, legal arguments, or settlement discussions do not adversely impact Direct Energy's ability to effectively operate as an NGS in the UGI service territory.

11. Direct Energy's interests in this proceeding are unique from and not adequately represented by other parties that may seek to intervene, including individual NGSs, or other organizations interested in natural gas competition in Pennsylvania in general and in these service

territories in particular. Direct Energy has a unique business model and its interests and perspective are unique. In view of Direct Energy's unique business model, Direct Energy's interests in this proceeding cannot be adequately represented by other NGSs with different business models and different customer target markets.

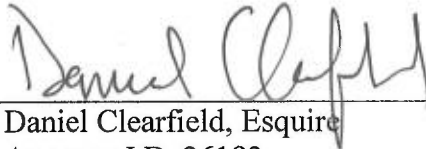
12. Direct Energy will be bound by the action of the Commission in this proceeding, as well as the terms and conditions related to UGI's tariff. Thus, the Commission's actions regarding the Companies' proposals may have a substantial impact on Direct Energy's future involvement in the market.

13. Direct Energy's intervention is in the public interest. As a member of the Centrica group of companies providing energy and energy related services through over 28 million customer relationships worldwide, Direct Energy has the experience and resources to aid the Commission in establishing reasonable modifications to the proposed or existing UGI tariff. Accordingly, Direct Energy's participation in this proceeding is clearly in the public interest. See 52 Pa. Code § 5.72(a)(3).

14. Direct Energy reserves the right to raise and address additional issues identified through its review and analysis of the filing (and related information), or other issues raised by other parties.

WHEREFORE, Direct Energy respectfully requests that the Commission grant Direct Energy's Petition to Intervene and that Direct Energy be granted full party status in this matter.

Respectfully submitted,



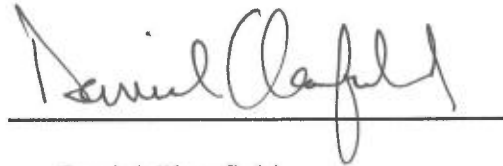
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Date: February 28, 2020

Attorneys for
Direct Energy Business, LLC, Direct Energy
Services, LLC, and Direct Energy Business
Marketing, LLC

Verification

I, Daniel Clearfield, state that I am an Attorney of Record for Direct Energy Business, LLC, Direct Energy Services, LLC, and Direct Energy Business Marketing, LLC (“Direct Energy”) and that I am authorized to make this verification on its behalf. I hereby state that the facts set forth in the foregoing Petition to Intervene are true and correct to the best of my knowledge, information and belief and that I expect Direct Energy 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. § 4904 (relating to sworn falsification to authorities).

A handwritten signature in cursive script, reading "Daniel Clearfield", is written over a solid horizontal line.

Daniel Clearfield

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Direct Energy's Petition to Intervene upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Dated: February 28, 2020


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