



COMMONWEALTH OF PENNSYLVANIA

March 5, 2020

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. – Gas Division / Docket No. R-2019-3015162

Dear Secretary Chiavetta:

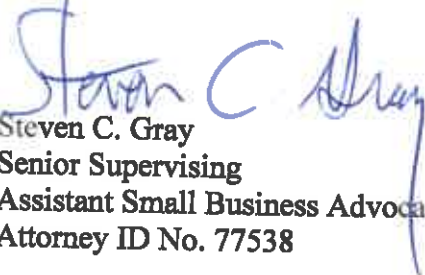
Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding. I respectfully request that a copy of any documents filed in this case also be shared with our witness at the address below:

Robert D. Knecht
Industrial Economics, Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140
rdk@indecon.com

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
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: Brian Kalcic
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2019-3015162
	:	
UGI Utilities, Inc. – Gas 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 these proceedings. 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.
Senior Supervising
Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@pa.gov

II. FILING BACKGROUND

On January 28, 2020, UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) filed Supplement No. 6 to Tariff Gas Pa. P.U.C. Numbers 7 and 7S with the Commission. The rates set forth in Tariffs 7 and 7S, if approved by the Commission, would increase the Company’s annual jurisdictional revenue by \$74.6 million, or 8.5%.

The Office of Small Business Advocate (“OSBA”) filed a Complaint against the proposed Tariffs on February 21, 2020.

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 a review of the materials submitted by UGI Gas, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether the Company’s proposed capital structure and Return on Equity is just and reasonable.
2. Whether the Company’s proposed implementation of a Fully Projected Future Test Year (“FPFTY”) is just and reasonable.
3. Whether the Company’s forecasts for large increases in both net plant and O&M

expenses between the historical test year and FPFTY are reasonable and unbiased.

4. Whether the Company's assertion that residential customer usage is experiencing a trend decline is supported by record evidence.

5. Whether the Company's proposed cost of service study, revenue allocation methodologies and rate designs are just, reasonable, and not unduly discriminatory.

6. Whether the Company's proposal to continue to provide interruptible customers with deeply discounted rates is supported by record evidence.

7. Whether the Company's proposals to harmonize rates across its three natural gas operating districts are just, reasonable, and non-discriminatory.

8. Whether the Company's proposal to modify its line extension program for smaller customers is just and reasonable.

9. Whether the Company's proposal to continue the TED Rider is appropriate, just, and reasonable.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

IV. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement, provided that such documents are followed by hard copy delivery to OSBA. Hard copy delivery may be accomplished by first class mail, by personal hand delivery, or by overnight courier.² Service by electronic mail only is not sufficient. The OSBA requests that such hard copies are also provided to its witnesses identified above.

In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witnesses identified above.

V. DISCOVERY

The OSBA does not propose any discovery modifications.

VI. SETTLEMENT

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

VII. HEARING AND BRIEFING SCHEDULE

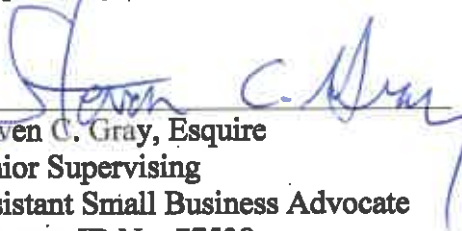
¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

² See 52 Pa. Code §§ 1.54(b)(1), 1.54(b)(2), and 1.56(a)(2). Regarding the *perfection of service*, the OSBA respectfully submits that 52 Pa. Code § 1.56(a)(2), as currently written, does not satisfy the requirements of due process.

At the time of this writing, the OSBA's understanding is that the parties have agreed upon a procedural schedule, and that UGI Gas will propose that schedule in its prehearing memo.

In light of the Governor's restrictions on travel for offices under his jurisdiction, the OSBA respectfully requests that the evidentiary hearings take place in Harrisburg.

Respectfully submitted,



Steven C. Gray, Esquire
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101
(717) 783-2525
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Dated: March 5, 2020

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility
Commission** :
: **Docket No. R-2019-3015162**
:

v.

UGI Utilities, Inc. – Gas 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 otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Barrett C. Sheridan, Esquire
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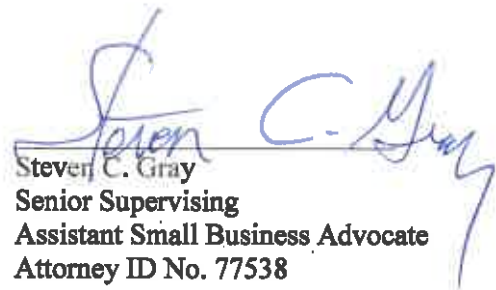
The Honorable Christopher P. Pell
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CPell@pa.gov

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Kent Murphy, Esquire
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Dated: March 5, 2020



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