



March 6, 2020

**VIA E-FILING**

**David P. Zambito**

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Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor -- Filing Room  
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. UGI Utilities, Inc. - Gas Division, Docket Nos. R-2019-3015162 et al.**

**Prehearing Conference Memorandum of Calpine Energy Services, L.P.**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("Commission") is the Prehearing Conference Memorandum of Calpine Energy Services, L.P. A copy is being served in accordance with the attached Certificate of Service.

Thank you for your attention to this filing. Please contact me if you have any question or concern.

Sincerely,

COZEN O'CONNOR

By: David P. Zambito

DPZ

Enclosure

cc: Deputy Chief Administrative Law Judge Christopher P. Pell  
Sarah Novosel, Esq.  
Jay Dibble  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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**DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE  
CHRISTOPHER P. PELL**

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Pennsylvania Public Utility Commission	:	Docket Nos.	R-2019-3015162
Office of Consumer Advocate	:		C-2020-3018289
Office of Small Business Advocate	:		C-2020-3018858
Micah Cameron	:		C-2020-3017207
	:		
v.	:		
	:		
UGI Utilities, Inc. - Gas Division	:		

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**PREHEARING CONFERENCE MEMORANDUM  
OF CALPINE ENERGY SERVICES, L.P.**

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AND NOW COMES Calpine Energy Services, L.P. (“Calpine”), by and through its counsel, Cozen O’Connor, pursuant to 52 Pa. Code § 5.224 and in response to the Prehearing Conference Order of the Honorable Deputy Chief Administrative Law Judge Christopher P. Pell (the “Administrative Law Judge”), dated February 27, 2020, to file this Prehearing Conference Memorandum in the above-captioned matter. In support thereof, Calpine states as follows:

**I. INTRODUCTION AND PROCEDURAL HISTORY**

On January 28, 2020, UGI Utilities, Inc. - Gas Division (“UGI”) filed Supplement No. 6 to UGI Gas Tariff – Pa.P.U.C. Nos 7 and 7S to become effective on or after March 28, 2020. Supplement No. 6 set forth proposed changes in rates, rules and regulations calculated to produce approximately \$74.6 million (8.5%) in additional revenues.

On February 3, 2020, Scott B. Granger, Esq., entered a Notice of Appearance on behalf of the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”). On February 12, 2020, the Office of Consumer Advocate (“OCA”) filed a Public Statement and a formal Complaint, together with a Notice of Appearance on behalf of Phillip D. Demanchick, Esq., Barrett C. Sheridan, Esq., and Darryl A. Lawrence, Esq. On February 21, 2020, the Office of Small Business Advocate (“OSBA”) filed a Verification, Public Statement, and Complaint, together with a Notice of Appearance on behalf of Steven C. Gray, Esq.

On March 6, 2020, Calpine Energy Services, L.P. filed a Formal Complaint. Various other parties have filed, and are anticipated to file, complaints or petitions to intervene in this proceeding.

By Order entered on February 27, 2020, the Commission instituted an investigation into the lawfulness, justness and reasonableness of UGI’s proposed rate increase. Pursuant to Section 1308(d) of the Pennsylvania Public Utility Code (“Code”), Supplement No. 6 was suspended by operation of law until October 28, 2020, unless permitted by Commission Order to become effective at an earlier date. In addition, the Commission ordered that the investigation include consideration of the lawfulness, justness and reasonableness of UGI’s existing rates, rules and regulations.

By letter dated February 27, 2020, Commissioner Ralph V. Yanora requested that parties to this proceeding examine the following issues:

1. Identification of those portions of the UGI distribution system that may be characterized as low pressure; and,
2. Compare the projections from the fully projected future test year in Docket No. R-2018-3006814 to actual capital expenditures, plant additions and retirements.

## **II. COUNSEL**

Counsel for Calpine are:

David P. Zambito, Esq. (I.D. No. 80017)  
Jonathan P. Nase, Esq. (I.D. No. 44003)  
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At the Prehearing Conference, Mr. Zambito will speak as the lead attorney for Calpine.

## **III. SERVICE OF DOCUMENTS**

Calpine's attorneys are authorized to accept service on behalf of Calpine in this proceeding. Calpine requests that hard copies of documents be served on counsel for Calpine at the address listed above. Calpine agrees to receive service of documents electronically in this proceeding.

## **IV. ISSUES AND EVIDENCE**

The primary issue in this proceeding is whether the rates proposed by UGI are just and reasonable, and in conformity with regulations and orders of the Commission, as required by 66 Pa. C.S. § 1301. In addition, the proposed allocation of the revenue increase and the proposed rate design may be unlawfully discriminatory in violation of the Code, 66 Pa. C.S. § 1301 and 1304, and may otherwise be contrary to sound ratemaking principles and public policy. The Commission should also review the reasonableness of any proposed changes to the terms and conditions of UGI's tariff.



The subject matters listed below represent as complete a statement of issues and sub-issues as Calpine can provide at this stage of the proceeding. Further definition of contested issues by the parties will develop within the scope of the subject matters listed below during the course of the proceeding.

- (a) Rate base;
- (b) Existing and future revenue;
- (c) Operating and maintenance expenses;
- (d) Rate of return;
- (e) Rate structure; and,
- (f) Tariff terms and conditions.

#### **V. WITNESSES**

Calpine has not yet had an opportunity to determine whether it will sponsor witnesses for this proceeding. If Calpine decides to sponsor witnesses, it will promptly notify the Administrative Law Judge and the other parties to this proceeding of the identity of those witnesses.

#### **VI. DISCOVERY**

Calpine is willing to agree to reasonable modifications of the Commission's standard discovery rules. As of the date of the filing of this Prehearing Memoranda, Calpine's counsel has not spoken with UGI's counsel regarding discovery rule modifications.

## VII. PROCEDURAL SCHEDULE

Calpine is willing to agree to a reasonable procedural schedule. As of the date of the filing of this Prehearing Memorandum, Calpine's counsel has not spoken with UGI's counsel regarding a procedural schedule.

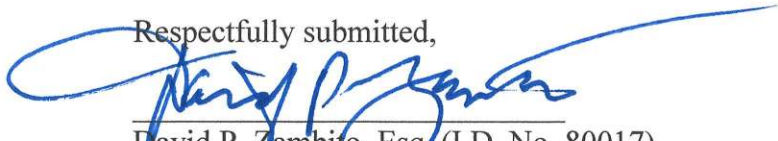
## VIII. PROTECTIVE ORDER

Calpine supports the prompt entry of a standard protective order in this proceeding. Calpine respectfully requests that UGI be required to disclose to the Administrative Law Judge and all parties the existence of any bilateral stipulated protective agreements with certain parties to this proceeding. In order to ensure full, fair, and timely disclosure of relevant information to all parties in this proceeding, UGI should offer to enter into the same stipulated protective agreement with any other interested party until such time that a standard protective order is entered.

## IX. SETTLEMENT

Calpine is willing to enter into a reasonable settlement of this proceeding and requests to be involved in all settlement discussions.

Respectfully submitted,



David P. Zambito, Esq. (I.D. No. 80017)

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Date: March 6, 2020

Counsel for *Calpine Energy Services, L.P.*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Office of Consumer Advocate	:	
Office of Small Business Advocate	:	Docket No. R-2019-3015162
Micah Cameron	:	
	:	
v.	:	
	:	
UGI Utilities, Inc. – Gas Division	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing **Prehearing Conference Memorandum** on behalf of **Calpine Energy Services, L.P.**, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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**Counsel for Calpine Energy Services, L.P.**

Date: March 6, 2020