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July 24, 2009

*Via Electronic Filing*

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

RE: Petition of West Penn Power Company d/b/a Allegheny Power for Approval of its Energy Efficiency and Conservation Plan, Approval of Recovery of its Cost through a Reconcilable Adjustment Clause and Approval of Matters Relating to the Energy Efficiency and Conservation Plan; Docket No. M-2009-2093218; **PREHEARING MEMORANDUM**

Dear Secretary McNulty:

Enclosed for filing with the Commission is an original copy of the Prehearing Memorandum of UGI Utilities, Inc., – Gas Division, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. in the above-captioned proceeding, along with a receipt of electronic filing.

Please do not hesitate to contact me if you have any questions related to this filing.

Very truly yours,

Lillian S. Harris

LSH/cll  
Enclosures  
cc: Per Certificate of Service  
Honorable Katrina Dunderdale

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Petition of West Penn Power Company :  
d/b/a Allegheny Power for Approval :  
of its Energy Efficiency and Conservation :                   Docket No. M-2009-2093218  
Plan, Approval of Recovery of its Costs :  
through a Reconcilable Adjustment Clause :  
and Approval of Matters Relating to the :  
Energy Efficiency and Conservation Plan :

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**PREHEARING MEMORANDUM  
OF UGI UTILITIES, INC. – GAS DIVISION, UGI PENN NATURAL  
GAS, INC. AND UGI CENTRAL PENN GAS, INC.**

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TO THE HONORABLE KATRINA DUNDERDALE:

UGI Utilities, Inc. – Gas Division (“UGI”), UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”) (collectively, the “UGI Distribution Companies”), by and through their counsel, Hawke McKeon & Sniscak LLP, hereby file this Prehearing Memorandum in the above-captioned matter pursuant to Your Honor’s July 13, 2009, Order and 52 Pa. Code § 5.222. In support thereof, the UGI Distribution Companies represent as follows:

**I. COUNSEL OF RECORD FOR SERVICE LISTS**

1. The UGI Distribution Companies are represented in the above-captioned matter by the following counsel:

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Please include the above-listed counsel on the service lists for all documents in this matter.

## **II. ISSUES**

2. The UGI Distribution Companies will address the following issues:
  - a. Whether, given the broad requirements and clear intent of Act 129 for the EDCs' employment of energy efficiency and conservation measures such as "energy efficient heating and cooling equipment or systems and energy efficient appliances and other technologies," Allegheny Power's<sup>1</sup> EE&C Plan should include fuel substitution measures?

Suggested Answer: Yes. It is the UGI Distribution Companies' position that fuel substitution measures should be employed by Allegheny Power in its EE&C Plan, not only to meet the load reduction mandate of Act 129, but to provide long-term sustainable benefits to consumers such as downward pressure on wholesale electric and natural gas prices resulting from the more efficient use of natural gas on a source-to-end-use basis and a reduction in greenhouse gas emissions.

## **III. PROCEDURAL SCHEDULE**

3. The UGI Distribution Companies will work with Your Honor and the parties and participants to develop an acceptable procedural schedule.

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<sup>1</sup> West Penn Power Company d/b/a Allegheny Power hereinafter "Allegheny Power."

#### **IV. WITNESSES**

4. At this time, the UGI Distribution Companies have identified one witness that they will present in the case:

Paul H. Raab  
Economic Consulting  
5313 Portsmouth Road  
Bethesda, MD 20816  
Phone: 301-320-7549

Mr. Raab will present testimony examining the nature, extent and sufficiency of Allegheny Power's proposed fuel substitution measures in its EE&C plan. Mr. Raab will present and support the fuel substitution programs that the UGI Distribution Companies recommend that Allegheny Power include as part of its EE&C Plan. The UGI Distribution Companies reserve the right to present additional witnesses if they determine that further witnesses are necessary to fully present their issues in the case or respond to issues raised by other parties or participants.

#### **V. DISCOVERY PROCEDURES**

5. The UGI Distribution Companies have reviewed Your Honor's discovery procedures in the July 13, 2009 Prehearing Order and the UGI Distribution Companies will follow the stated procedures for the conduct of discovery and the resolution of discovery disputes. The UGI Distribution Companies note that they initiated discovery early in the process (on July 10, 2009) and have received Allegheny Power's objections to all questions. The UGI Distribution Companies will meet and confer with Allegheny Power in an attempt to resolve Allegheny Power's objections and only file a motion to compel if the matters cannot be resolved. The UGI Distribution Companies reserve the right to supplement their August 7, 2009

submission if they do not receive timely answers to their July 10, 2009 discovery requests in order to develop their positions.

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Respectfully submitted,



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*Counsel for the UGI Distribution Companies*

Dated: July 24, 2009

## CERTIFICATE OF SERVICE

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

### Via First Class Mail & Electronic Mail

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DATED: July 24, 2009