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January 3, 2011

Via Regular U.S. Mail & Hand Delivered

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED
2011 JAN -3 AM 10:40
PA PUC
SECRETARY'S BUREAU

Re: Application of UGI Penn Natural Gas, Inc. for Expedited Review and Approval of the Transfer By Sale of a 9.0 Mile Natural Gas Pipeline, Appurtenant Facilities and Right of Way located in Mehoopany, Pennsylvania, and a Related Affiliated Interest Agreement, Docket No. A-2010-2213893 and G-2010-2213894

The Procter & Gamble Paper Products Company – Letter of Support

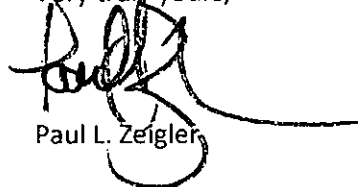
Dear Secretary Chiavetta:

Enclosed please find a Letter of Support, filed on behalf of The Procter & Gamble Paper Products Company, in reference to the above-noted matter.

All participants have been served copies, as evidenced by the attached Certificate of Service.

Please contact the undersigned should you have any questions.

Very truly yours,



Paul L. Zeigler

PLZ/em
Enclosure

cc: All parties per Certificate of Service
Alex P. Fried, Public Relations, Health, Safety, Environmental and Energy Affairs Manager, The Procter & Gamble Paper Products Company

CERTIFICATE OF SERVICE

The undersigned certifies that he served a copy of the foregoing document upon the following participants this 3rd day of January, 2011 via first-class mail, and/or hand delivery:

Kent D. Murphy, Esquire
UGI Penn Natural Gas, Inc.
460 North Gulph Road
King of Prussia, PA 19406-2807

Irwin A. Popowsky, Esquire
Office of Consumer Advocate
555 Walnut Street - 5th Floor
Harrisburg, PA 17101-1923

Johnnie E. Simms, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17015-3265

William R. Lloyd, Jr., Esquire
Office of Small Business Advocate
300 North Second Street, Suite 1102
Harrisburg, PA 17101

DATE: January 3, 2011

Law Office of
PAUL L. ZEIGLER, P.C.



By:

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December 31, 2010

VIA REGULAR U.S. MAIL AND HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Application of UGI Penn Natural Gas, Inc. for Expedited Review and Approval of the Transfer By Sale of a 9.0 Mile Natural Gas Pipeline, Appurtenant Facilities and Right of Way located in Mehoopany, Pennsylvania, and a Related Affiliated Interest Agreement, Docket No. A-2010-2213893 and G-2010-2213894

Dear Secretary Chiavetta:

My name is Alex P. Fried and I am the Mehoopany Public Relations, Health, Safety, Environmental and Energy Affairs Manager for The Procter & Gamble Paper Products Company. I am in receipt of the above application of UGI Penn Natural Gas, Inc. ("PNG") for approval to transfer the 9.0 mile natural gas pipeline known as the Auburn Line to UGI Energy Services, Inc. For the following reasons, Procter & Gamble fully supports this application.

As a matter of background, Procter & Gamble owns and operates a paper products plant that has been located in Mehoopany since 1966 and currently employs 2,300 local residents in the plant's management and operations. Since 1966, the plant in Mehoopany has been served annually with large volumes of natural gas transported from the Tennessee Gas Pipeline Company through the Auburn Line by PNG and PNG's predecessor companies, PG Energy and Pennsylvania Gas and Water. Over time, our relationship to the local gas company has evolved as the natural gas industry has evolved, with the plant being served retail gas originally to recently where the plant uses the Auburn Line simply to transport nearly 100 percent of gas requirements that we purchase from third party suppliers using Tennessee capacity held by us or held by our suppliers.

Now, with the advent of Marcellus Shale exploration nearby to the Mehoopany plant, our relationship to PNG and the Auburn Line continues to evolve. Gas exploration on Procter & Gamble's

*The Procter & Gamble Paper Products Co.
Mehoopany, PA*



property has provided Procter & Gamble with a new source of competitively priced natural gas that currently supplies a significant portion of our needs. This was made possible with PNG's cooperation through a recently installed interconnection with PVR Marcellus Gas Gathering and Citrus Energy.

Ideally, Procter & Gamble will fully replace its gas supply with competitively priced and reliable locally produced natural gas. To enable the producer (Citrus Energy) to commit to producing sufficient volumes to supply Procter & Gamble and to market additional volumes of production, access to additional markets through the most cost efficient means is necessary. Additional markets can be accessed most efficiently and quickly through the use of the existing Auburn Line to gather Citrus' production for delivery to our plant and into Tennessee.

By accessing this larger market, a larger continuous stream of gas can be transported and allow the producer to improve the economics for its well production. The greater the continuous amount of production, the better economics for both the supplier and the market it serves, including Procter & Gamble and the markets served from Tennessee, including additional PNG retail markets. Improved economics of gas production allows for better pricing of that gas, for the benefit of the producer and the downstream Pennsylvania markets. PNG's recent reduction in its purchased gas cost can be linked to the effective development of Marcellus Shale, such as that taking place around our plant. While PNG's purchased gas cost has no direct impact on Procter & Gamble, it certainly impacts our customers, employees and business partners.

Procter & Gamble believes that the Auburn Line is the best option for this venture. For one, the line exists and therefore the environmental impact of building a new line that serves this purpose is avoided. Also avoided would be substantial costs that would require producers to tie into another gathering system.

Accordingly, PNG's proposal in this matter provides PNG, local producers and Procter & Gamble enhanced access to competitively priced, locally produced natural gas. The enhanced access benefits the Mehoopany plant by making the plant more competitive and sustainable, as plant prosperity benefits



its employees, the employees' families, the local economy, PNG's customers and the Pennsylvania economy as a whole.

For these reasons, Procter & Gamble submits that PNG's application in this matter should be granted by the Commission.

Very truly yours,

Alex P. Fried
Mehoopany Public Relations, HSE & Energy Affairs Manager
The Procter & Gamble Paper Products Company

cc: W. Lloyd, Office of Small Business Advocate
I. Popowsky, Office of Consumer Advocate
J. Simms, Director, Office of Trial Staff
K. Murphy, UGI Corporation
Paul L. Zeigler

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