



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

August 6, 2012

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

Re: Application of Leatherstocking Gas Company, LLC for Approval to Supply Natural Gas Service to the Public in Northern Susquehanna County, in the Townships of Bridgewater, Forest Lake, Great Bend, Harmony, New Milford and Oakland, and in the Boroughs of Great Bend, Hallstead, Lanesboro, Montrose, New Milford, Oakland and Susquehanna

Docket No. A-2011-2275595

**LETTER IN LIEU OF REPLIES TO EXCEPTIONS AND REFERENCE
TO UGI PENN'S BREACH OF COMMISSION INSTRUCTIONS**

Dear Secretary Chiavetta:

The Commission's Bureau of Investigation and Enforcement ("I&E") hereby respectfully submits this letter in lieu of Replies to Exceptions to the Exceptions filed by UGI Penn Natural Gas, Inc., ("UGI Penn") on July 30, 2012, to the Initial Decision of the presiding Administrative Law Judge ("ALJ") issued on March 20, 2012. In response to a filing by the Applicant, Leatherstocking Gas Company, LLC ("Leatherstocking"), raising the issue of UGI Penn's standing to participate in the instant proceeding, the ALJ issued his Initial Decision ruling that UGI Penn lacked such standing. As a result, pending resolution of this issue, UGI Penn currently is not a duly recognized party.

The timetable and express instructions for the filing of Exceptions and Replies to Exceptions were subsequently established by the Commission's Secretarial Letter dated July 20, 2012, that specifically and unequivocally states, "[T]he Commission instructs the parties to confine their Exceptions and Replies to Exceptions to the issues raised by ALJ's Initial Decision." This Commission directive is entirely consistent with the I&E position that the issue of UGI Penn's standing must first be resolved prior to addressing any further issues in this proceeding.

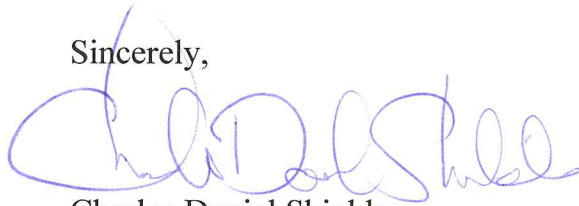
A review of the filed Exceptions discloses that under the guise of providing an "Introduction and Background" section, UGI Penn addresses specific matters outside the scope of the Initial Decision. The language of that section is particularly egregious given that it includes a separate and distinct prayer for relief not addressed anywhere in the Initial Decision. The inclusion of such matters in the Exceptions is **in direct breach of the Commission's instructions** and it is incumbent upon I&E to reference that fact in response.

In previous submissions by I&E to the ALJ during this already convoluted and unduly long proceeding, I&E has enumerated various actions by UGI Penn at this docket that evidence a total disregard for the Commission's Rules of Practice and Procedure. This instant breach by UGI Penn serves only to further evidence and confirm those I&E representations.

I&E advocates that the Commission's Order addressing the Initial Decision and UGI Penn's Exceptions include a reiteration that compliance with Commission rules, directives and instructions is mandatory and that any and all demonstrated noncompliance is subject to remedial Commission action.

If you have any questions, please contact me at (717) 783-6151.

Sincerely,



Charles Daniel Shields
Senior Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. No. 29363

CDS/edc

cc: Parties of Record
Robert F. Powelson, Chairman
John F. Coleman, Jr., Vice Chairman
Wayne E. Gardner, Commissioner
James H. Cawley, Commissioner
Pamela A. Witmer, Commissioner
Chief Counsel Pankiw, Law Bureau
Director Cheryl Walker Davis, OSA
Hon. David A. Salapa

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Leatherstocking Gas :
Company, LLC to Supply Natural Gas :
Service to the Public in Certain : Docket No. A-2011-2275595
Townships and Boroughs in Northern :
Susquehanna County, Pennsylvania :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Letter in Lieu of Replies to Exceptions and Reference to UGI Penn's Breach Of Commission Instructions** dated August 6, 2012, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below, in accordance with the requirements of § 1.54 (relating to service by a party):

Thomas J. Sniscak, Esquire
Todd S. Stewart, Esquire
Janet L. Miller, Esquire
Hawke McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, PA 17101

James A. Mullins, Esquire
Tanya J. McCloskey, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

Alan Michael Seltzer, Esquire
Lauren Lepkoski, Esquire
Buchanan Ingersoll & Rooney PC
17 North Second Street, 15th Floor
Harrisburg, PA 17101

Also provided to Counsel of UGI Penn Natural Gas:

Michael W. Hassell, Esquire
Christopher T. Wright, Esquire
Post & Schell, PC
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601



Charles Daniel Shields
Senior Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. No. 29363