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File #: 2270/151134

October 3, 2012

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

**RE: Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement
v. UGI Utilities, Inc.
Docket No. C-2012-2308997**

Dear Secretary Chiavetta:

Enclosed please find the Petition to Intervene of UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. for the above-referenced proceeding. Copies will be provided as indicated.

Respectfully Submitted,

David B. MacGregor

DBM/skr

Enclosures

cc: Honorable David A. Salapa
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served upon the following persons, in the manner indicated, in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL AND FIRST CLASS MAIL

Adam D. Young
Stephanie Wimer
PA Public Utility Commission
Law Bureau
Commonwealth Keystone Building
400 North Street, 3rd Floor West
P.O. Box 3265
Harrisburg, PA 17105-3265

Date: October 3, 2012



David B. MacGregor

**THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement,	:	C-2012-2308997
	:	
v.	:	
	:	
UGI Utilities, Inc.	:	

**PETITION TO INTERVENE
OF
UGI PENN NATURAL GAS, INC.
AND
UGI CENTRAL PENN GAS, INC.**

TO ADMINISTRATIVE LAW JUDGE DAVID A. SALAPA:

UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”), by and through their attorneys, Post & Schell, P.C., hereby file this Petition to Intervene in the above-captioned proceeding initiated by a Formal Complaint filed by the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) against UGI Utilities, Inc. - Gas Division (“UGI Gas”). On this same date, I&E and UGI Gas, along with CPG and PNG, have filed a Joint Settlement Petition, portions of which will affect CPG’s and PNG’s facilities, operations, practices and procedures. Therefore, the outcome of the Formal Complaint may directly affect the interests of CPG and PNG, which are not adequately represented by any existing parties. For the reasons that follow, CPG and PNG respectfully request that the Honorable David A. Salapa grant this Petition to Intervene for the sole purpose of binding CPG and PNG to the terms and conditions of the Joint Settlement Petition applicable to them but for no other purpose. In support thereof, CPG and PNG aver as follows:

I. BACKGROUND

1. The name and business address for both CPG and PNG is:

2525 North 12th Street
Suite 360
Reading, PA 19612

2. The names and addresses of PNG's attorney are:

Kent D. Murphy (ID # 44793)
Group Counsel –
Energy and Regulation
UGI Corporation
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CPG's and PNG's attorneys are authorized to accept service on behalf of CPG and PNG in this proceeding.

3. PNG is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania. PNG began its operations following the close, on August 24, 2006, of UGI Corporation's purchase of the natural gas distribution assets from the former PG

Energy Division of Southern Union Company, as authorized by a Commission Order entered on August 18, 2006, at Docket No. A-120011F200.

4. PNG currently is a wholly-owned subsidiary of UGI Utilities, Inc.

5. PNG is a Pennsylvania certificated “public utility” and a “natural gas distribution company” (“NGDC”) as those terms are defined in Sections 102 and 2202 of the Code, 66 Pa.C.S. §§ 102, 2202. PNG provides natural gas transmission, distribution, and supplier of last resort services to approximately 157,000 customers throughout its certificated service territory, which includes all or a portion of the following Pennsylvania counties: Clinton, Columbia, Lackawanna, Luzerne, Lycoming, Montour, Northumberland, Pike, Snyder, Susquehanna, Union, Wayne, and Wyoming Counties.

6. CPG is a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania. CPG, formerly PPL Gas Utilities Corporation, was acquired by UGI Utilities, Inc., effective October 1, 2008, as authorized by a Commission Order entered on August 21, 2008, at Docket Nos. A-2008-2034045 *et al.*

7. CPG currently is a wholly-owned subsidiary of UGI Utilities, Inc. CPG is a “public utility” and a NGDC as those terms are defined in Sections 102 and 2202 of the Code, 66 Pa.C.S. §§ 102, 2202. CPG provides natural gas transmission, distribution, and supplier of last resort services to approximately 75,650 customers throughout its certificated territory subject to the regulatory jurisdiction of the Commission.

8. On this date, I&E and UGI Gas, along with CPG and PNG, filed a Joint Settlement Petition in which material terms and conditions directly affect the interests of CPG’s and PNG’s gas distribution operations, facilities, practices, and procedures.

II. STANDARDS FOR INTERVENTION

9. The Commission's regulations at 52 Pa. Code §§ 5.71-5.76 establish the standards and requirements for a party to intervene in an action before the Commission. Section 5.72 sets forth the eligibility requirements for a party to intervene, and provides, in pertinent part, as follows:

(a) Persons. A petition to intervene may be filed by a person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate to the administration of the statute under which the proceeding is brought. The right or interest may be one of the following:

- (1) A right conferred by statute of the United States or of the Commonwealth.
- (2) An interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding.
- (3) Another interest of such nature that participation of the petitioner may be in the public interest.

52 Pa. Code § 5.72. The eligibility requirements for an interested party to intervene in an action before the Commission is less strict and easier to satisfy than the common law standard for intervention. *See Application of Metropolitan Edison Co. for Approval to Construct an Electric Generating Unit Fueled by Natural Gas*, Docket No. A-110300, 1994 Pa. PUC LEXIS 52 (Order entered Feb. 25, 1994) (citing *William Penn Parking Garage, Inc. v. City of Pittsburgh*, 464 Pa. 168, 346 A.2d 269 (1975)).

III. GROUNDS FOR INTERVENTION

10. CPG and PNG have substantial and direct interests in participating in the above-captioned Formal Complaint.

11. The allegations in the Formal Complaint arise from I&E's investigation of an incident involving the failure of a cast iron main and fire that occurred on February 9, 2011, in Allentown, Pennsylvania. The Complaint alleges that, in connection with the incident, UGI Utilities, Inc. – Gas Division ("UGI Gas") committed several violations of the Public Utility Code, the Federal Pipeline Safety Standards, and UGI's Gas Operations Manual. Based on these allegations, the Complaint requests, *inter alia*, that the Commission order UGI Gas to pay specified civil penalties, modify its odorant testing procedures, and accelerate its pipeline replacement program.

12. UGI Gas is a division of UGI Utilities, Inc. As explained above, CPG and PNG are wholly-owned subsidiaries of UGI Utilities, Inc. that separately provide natural gas services pursuant to their individual Commission-approved tariffs.

13. Although the allegations in the Formal Complaint pertain only to UGI Gas, the Commission's disposition of the Joint Settlement Petition filed to resolve the Formal Complaint could have a substantial and direct impact on both CPG's and PNG's facilities, operations, practices and procedures. .

14. Further, as the Joint Settlement Petition purports to directly affect and otherwise bind PNG and CPG, PNG and CPG should be a party to the settlement. *See 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 (August 30, 2012) (rejecting a joint stipulation between an applicant and a non-party).

15. CPG and PNG submit that no other party can or will adequately protect their respective interests in this proceeding.

16. CPG and PNG further submit that no party will be prejudiced by their participation in this proceeding.

V. CONCLUSION

17. CPG and PNG have a substantial interest in, among other things, their pipeline replacement programs, odorant testing programs, fixed odorant level monitoring stations, and fixed odorizers at gate stations. CPG's and PNG's interests may be directly and immediately affected by the Commission's disposition of the Joint Settlement Petition filed to resolve I&E's Formal Complaint.

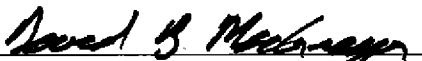
18. CPG and PNG have conferred with I&E regarding their intent to intervene in this matter. CPG and PNG are authorized to represent that I&E does not oppose their intervention in this matter, and that I&E waives the twenty (20) day objection period.

19. Accordingly, pursuant to Section 5.72 of the Commission's regulations, 52 Pa. Code § 5.72, CPG and PNG should be permitted to intervene for the sole purpose of binding CPG and PNG to the terms and conditions of the Joint Settlement Petition applicable to them but for no other purpose.

WHEREFORE, UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. respectfully requests that Administrative Law Judge David A. Salapa grant this Petition to Intervene and allow UGI Penn Natural Gas, Inc. and UGI Central Penn Gas, Inc. to participate in the above-captioned matter for the sole purposes of being parties to the Joint Settlement Petition.

Respectfully submitted,

Kent D. Murphy (ID # 44793)
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460 North Gulph Road
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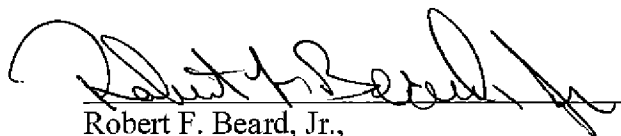
Date: October 3, 2012

UGI Penn Natural Gas, Inc. and
UGI Central Penn Gas, Inc.

VERIFICATION

I, Robert F. Beard, Jr., being the President & Chief Executive Officer of UGI Central Penn Gas, Inc., and UGI Penn Natural Gas Inc., hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect that UGI Central Penn Gas, Inc., and UGI Penn Natural Gas Inc., to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: October __, 2012



Robert F. Beard, Jr.,
President & Chief Executive Officer,
UGI Central Penn Gas, Inc.
UGI Penn Natural Gas, Inc.