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December 27, 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 Answer of UGI Utilities, Inc. – Gas Division in Opposition to the Request for Oral Argument of Manuel E. Cruz, as Administrator of the Estates of Katherine Cruz and Ofelia A. Ben, and Manuel E. Cruz, Individually 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

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Harrisburg, PA 17105-3265

Date: December 27, 2012



David B. MacGregor

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**ANSWER OF
UGI UTILITIES, INC. – GAS DIVISION
IN OPPOSITION TO THE REQUEST FOR ORAL ARGUMENT OF
MANUEL E. CRUZ, AS ADMINISTRATOR OF THE ESTATES OF
KATHERINE CRUZ AND OFELIA A. BEN, AND MANUEL E. CRUZ, INDIVIDUALLY**

TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

UGI Utilities, Inc. – Gas Division (“UGI”) hereby submits this Answer in Opposition to the Request for Oral Argument of Manuel E. Cruz, as Administrator of the Estates of Katherine Cruz and Ofelia A. Ben, and Manuel E. Cruz, Individually (hereinafter, collectively “Intervenor”). UGI continues to extend its heart-felt sympathies to Mr. Cruz and his family for the loss of their family members on February 9, 2011. For the reasons discussed below, in UGI’s Reply Exceptions, and in UGI’s Answer to Intervenor’s Petition for Remand, Intervenor’s Request for Oral Argument should be denied.

1. Admitted. It is admitted that Administrative Law Judge David A. Salapa (“ALJ”) granted Intervenor’s Petition to Intervene in an Initial Decision dated October 22, 2012. By way of further response, despite being aware of the Complaint filed by the Public Utility Commission’s (“Commission”) Bureau of Investigation and Enforcement (“I&E”) on June 11,

2012, counsel for Intervenor waited until September 21, 2012, to file the Petition to Intervene. On October 3, 2012, UGI and I&E filed a Joint Settlement Petition (“Settlement”) that fully resolves all issues related to the I&E complaint. As recognized in the Initial Decision, it is long-standing practice before this Commission that a late intervenor to a Commission proceeding is required to accept the record and proceeding as he finds it. *See* Initial Decision, p. 12. The Settlement was negotiated, finalized, and filed with the Commission on October 3, 2012. The Settlement currently is pending before the Commission for disposition.

2. Admitted. It is admitted that Intervenor has taken advantage of the opportunity to raise all of his objections to the ALJ’s Initial Decision and the Settlement by filing Exceptions on November 20, 2011, which are currently pending before the Commission.

3. Admitted. It is admitted that, contrary to established Commission practice in dealing with contested settlements, Intervenor filed a Petition for Remand on December 7, 2012, which is currently pending before the Commission.

4. Admitted. It is admitted that Intervenor’s Exceptions and Petition for Remand are both pending before the Commission for disposition, along with the Settlement and the ALJ’s Initial Decision. By way of further response, Intervenor’s opposition to and arguments against the 14-year replacement period for cast iron and other terms and conditions of the Settlement have now been repeated twice, once in the Exceptions and once in the Petition for Remand. The Intervenor’s position on the 14-year replacement period for cast iron will be fully considered by the Commission along with the Settlement and the ALJ’s Initial Decision.

5. Denied. Pursuant to Section 5.538(b) of the Commission’s regulations, in a case where exceptions are filed, a request for oral argument must be filed in writing together with exceptions to the initial decision. 52 Pa. Code § 5.538(b). As conceded in the Request for Oral

Argument, Intervenor failed to file his Request for Oral Argument concomitantly with his Exceptions and, therefore, Intervenor's Request for Oral Argument is untimely and procedurally improper. For this reason alone, Intervenor's Request for Oral Argument should be rejected.

By way of further response, a request for oral argument must raise an issue that is unique or contains a general policy question of such importance that oral argument would be appropriate. *See Petition of Metropolitan Edison Company; Barry G. Peck v. Metropolitan Edison Company; Petition of West Penn Power Company*, Docket Nos. P-00900429, *et al.*, 1993 Pa. PUC LEXIS 69 (April 2, 1993). Here, Intervenor has failed to allege any reason why oral argument is appropriate. Indeed, the only allegation in the Request for Oral Argument is that Intervenor's Exceptions and Petition for Remand are currently pending before the Commission. However, a request for oral argument is not a matter of right before the Commission; rather, the decision to grant oral argument on exceptions is a matter of discretion for the Commission. *See Application of Pennsylvania Suburban Water Company and Eagle Rock Utility Corporation*, Docket Nos. A-210104F0023, *et al.*, 2004 Pa. PUC LEXIS 18 (March 8, 2004). Intervenor's untimely Request for Oral Argument has failed to allege any issue that is unique or contains a general policy question of such importance that oral argument would be appropriate. Therefore, Intervenor's Request for Oral Argument should be denied.

In further response, the Settlement provides significant public benefits to all customers and communities within the service territories of UGI, UGI Penn Natural Gas, Inc., and UGI Central Penn Gas, Inc. (collectively the "UGI Companies"), including significant acceleration of the UGI Companies' pipeline replacement programs, enhanced odorant testing programs, and the installation of fixed odorant level monitoring equipment and fixed odorizers, as well as a 24-month stay-out period under the Distribution System Improvement Charge rate

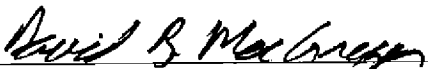
mechanism. The terms and conditions of the Settlement satisfy the ten factors set forth in the Commission's Policy Statement, 52 Pa. Code § 69.1201(c). Intervenor's untimely Request for Oral Argument will delay these important benefits of the Settlement. For these reasons, Intervenor's Request for Oral Argument should be rejected.

Finally, Intervenor concedes that he has, in fact, taken advantage of the opportunity to raise all of his objections and arguments twice now by filing Exceptions and a Petition for Remand, which are both currently pending before the Commission. The Intervenor's position will undoubtedly be fully considered by the Commission along with the Settlement and the ALJ's Initial Decision. For these reasons, Intervenor's untimely Request for Oral Argument should be denied, particularly where Intervenor is pursuing his legal rights and seeking civil remedies in an appropriate forum.

WHEREFORE, UGI Utilities, Inc. – Gas Division respectfully requests that the Pennsylvania Public Utility Commission (1) deny the Request for Oral Argument of Intervenor Manuel E. Cruz, as Administrator of the Estates of Katherine Cruz and Ofelia A. Ben, and Manuel E. Cruz, Individually, (2) deny Intervenor’s Petition for Remand, (3) deny Intervenor’s Exceptions, (4) adopt the Initial Decision of Administrative Law Judge David A. Salapa, and (5) approve the terms of the Settlement without modification.

Respectfully submitted,

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Date: December 27, 2012

Attorneys for UGI Utilities, Inc.