



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

IN REPLY PLEASE
REFER TO OUR FILE

June 11, 2015

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

Re: Pennsylvania Public Utility Commission v.
UGI Penn Natural Gas, Inc. – 1307(f)
Docket No. R-2015-2480934

Pennsylvania Public Utility Commission v.
UGI Central Penn Gas, Inc. – 1307(f)
Docket No. R-2015-2480937

Pennsylvania Public Utility Commission v.
UGI Utilities Inc. – Gas Division. – 1307(f)
Docket No. R-2015-2480950

Dear Secretary Chiavetta:

Enclosed please find an original copy of the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** in the above-captioned proceedings.

Copies are being served on all active parties of record. If you have any questions, please contact me at (717) 425-7593.

Sincerely,

Scott B. Granger

Prosecutor

Bureau of Investigation and Enforcement

PA Attorney I.D. No. 63641

SBG/sea
Enclosure

cc: Certificate of Service
ALJ Susan D. Colwell

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission : R-2015-2480934
Office of Consumer Advocate : C-2015-2483227
Office of Small Business Advocate : C-2015-2484188

v.

UGI Penn Natural Gas, Inc. 1307(f)

Pennsylvania Public Utility Commission : R-2015-2480937
Office of Consumer Advocate : C-2015-2483196
Office of Small Business Advocate : C-2015-2484113

v.

UGI Central Penn Gas, Inc. 1307(f)

Pennsylvania Public Utility Commission : R-2015-2480950
Office of Consumer Advocate : C-2015-2483417
Office of Small Business Advocate : C-2015-2483672

v.

UGI Utilities, Inc. – Gas Division
1307(f)

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated June 11, 2015, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

Served Via Electronic and First Class Mail

Mark C. Morrow, Esquire
UGI Corporation
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Tanya J. McCloskey, Esquire
Acting Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923

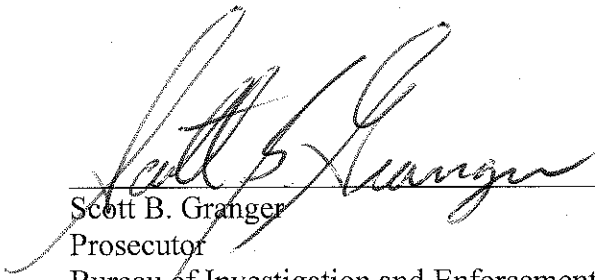
Paul J Szykman, VP
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McNees, Wallace & Nurick
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Harrisburg, PA 17108-1166

Served via Electronic Mail

Danielle Jouenne
jouenmed@ugicorp.com



Scott B. Granger
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. No. 63641

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v.

UGI Utilities, Inc. – Gas Division 1307(f)

PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT

TO ADMINISTRATIVE LAW JUDGE SUSAN D. COLWELL:

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned consolidated proceedings.

The Bureau of Investigation and Enforcement Prosecutor in these proceedings will be Scott B. Granger. Contact information is as follows:

By mail: Scott B. Granger
 Pennsylvania Public Utility Commission
 P.O. Box 3265
 Harrisburg, PA 17105-3265

By e-mail: sgranger@pa.gov
By telephone: (717) 425-7593
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I. INTRODUCTION

On May 1, 2015, UGI Penn Natural Gas, Inc. (“PNG”); UGI Central Penn Gas, Inc. (“CPG”); and UGI Utilities, Inc. – Gas Division (“UGI”), (collectively the “UGI Companies”) submitted their pre-filing preliminary information in support of their annual purchased gas cost tariffs (“PGC”) pursuant to 52 Pa. Code §§53.64 and 53.65.

The UGI Companies followed that with their definitive PGC filings on June 1, 2015. The proposed PGC tariffs have proposed effective dates of December 1, 2015.

On May 19, 2015 the Office of Consumer Advocate (“OCA”) filed Notice of Appearances and Formal Complaints in each of the UGI Companies proceedings as captioned above.

On May 22, 2015 the Office of Small Business Advocate (“OSBA”) filed Notice of Appearances and Formal Complaints in each of the UGI Companies proceedings as captioned above.

I&E filed Notice of Appearances in each of the UGI Companies proceedings on May 27, 2015.

A Prehearing Conference is scheduled for Friday, June 12, 2015, before Administrative Law Judge Susan D. Colwell at 10:00 a.m. in Hearing Room #2, Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120.

II. WITNESSES AND ISSUES

It is currently expected that I&E may call the following expert witnesses, without being limited thereto, who will address the issues listed. The list represents I&E’s preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The witnesses and issues are as follows:

Ethan Cline, Fixed Utility Valuation Engineer

1. Retainage Rate;
2. Unaccounted for Gas;
3. Capacity Release;
4. Capacity Requirements;
5. Peak Day Forecasts;
6. Compliance with prior Commission Orders;
7. Sharing Mechanism;
8. Waived charges;
9. Interconnections;
10. Peaking contracts.

Lisa Boyd, Fixed Utility Valuation Engineer

1. C-factor components and calculation
2. E-factor calculation
3. Supplier refunds
4. Over/under collections

Christopher Keller, Fixed Utility Financial Analyst

1. C-factor components and calculation
2. E-factor calculation
3. Supplier refunds
4. Over/under collections

Justice Dagadu, Fixed Utility Financial Analyst

1. C-factor components and calculation
2. E-factor calculation
3. Supplier refunds
4. Over/under collections

The I&E witnesses may be contacted through the information listed above for Prosecutor Granger. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

III. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

IV. DISCOVERY

Discovery in these proceedings will be conducting according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by the parties. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

V. SCHEDULE

I&E is working with the parties to develop a schedule in this proceeding. As of this date, I&E understands that the parties have tentatively agreed to the following schedule.

Filing	May 1, 2015
Prehearing Conference	June 12, 2015
Other Parties Direct	July 2, 2015
Rebuttal Testimony	July 15, 2015
Surrebuttal Testimony	July 22, 2015
Evidentiary Hearings	July 27-28, 2015
Main Brief	August 18, 2015
Reply Brief	August 26, 2015
Recommended Decision	September 30, 2015
Public Meeting	November 19, 2015

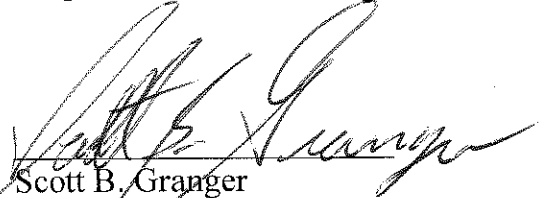
VI. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept electronic delivery of documents with a follow-up hard copy provided by regular first class mail.

VII. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,



Scott B. Granger

Prosecutor

PA Attorney I.D. # 63641

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265
(717) 787-1976

Dated: June 11, 2015