



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

IN REPLY PLEASE  
REFER TO OUR FILE

June 3, 2016

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

Re: Pennsylvania Public Utility Commission v.  
UGI Utilities Inc. – Gas Division 1307(f); UGI Center Penn Gas, Inc. 1307(f);  
UGI Penn Natural Gas, Inc. 1307(f)  
Docket Nos. R-2016-2543309, R-2016-2543311, R-2016-2543314

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 proceeding.

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* (SEA)

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

Bradley Gorter  
Prosecutor  
Bureau of Investigation and Enforcement  
PA Attorney I.D. No. 312666

SBG/snc  
Enclosure

cc: Certificate of Service  
ALJ Steven K, Haas  
ALJ Susan D. Colwell

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	R-2016-2543309
Office of Consumer Advocate	:	C-2016-2544958
Office of Small Business Advocate	:	
	:	
v.	:	
	:	
UGI Utilities Inc. - Gas Division 1307(f)	:	

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Pennsylvania Public Utility Commission	:	R-2016-2543311
Office of Consumer Advocate	:	C-2016-2544964
Office of Small Business Advocate	:	
	:	
v.	:	
	:	
UGI Central Penn Gas, Inc. 1307(f)	:	

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Pennsylvania Public Utility Commission	:	R-2016-2543314
Office of Consumer Advocate	:	C-2016-2544985
Office of Small Business Advocate	:	
	:	
v.	:	
	:	
UGI Penn Natural Gas, Inc. 1307(f)	:	

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PREHEARING MEMORANDUM  
OF THE  
BUREAU OF INVESTIGATION AND ENFORCEMENT

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**TO ADMINISTRATIVE LAW JUDGES STEVEN K. HAAS  
AND 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 Prosecutors in these proceedings will be Scott B. Granger and Brad Gorter. Contact information is as follows:

By mail: Scott B. Granger  
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And:

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## I. INTRODUCTION

On April 29, 2016, 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 (“Book 1”) 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 (“Book 2”) on June 1, 2016. The proposed PGC tariffs have proposed effective dates of December 1, 2016.

On May 12, 2016 the Office of Consumer Advocate (“OCA”) 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 12, 2016.

On June 2, 2016 the Office of Small Business Advocate (“OSBA”) filed Notice of Appearances and Formal Complaints in each of the UGI Companies proceedings as captioned above.

A Prehearing Conference is scheduled for Monday, June 6, 2016, before Administrative Law Judges Steven K. Hess, and, Susan D. Colwell at 10:00 a.m. in Hearing Room #4, 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

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, quarterly and 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 conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

## V. SCHEDULE

As of this date, I&E understands that the parties have tentatively agreed to the following schedule.

Pre-Filing (Book 1)	April 29, 2016
Definitive Filing (Book 2)	June 1, 2016
Prehearing Conference	June 6, 2016
Other Parties Direct	June 28, 2016
Rebuttal Testimony	July 12, 2016
Surrebuttal Testimony	July 20, 2016
Evidentiary Hearings	July 25-26, 2016
Main Brief	August 9, 2016
Reply Brief	August 16, 2016
Recommended Decision	September 13, 2016
Public Meeting	November 9, 2016

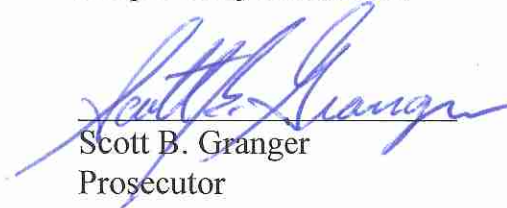
## VI. SERVICE OF DOCUMENTS

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

Bradley Gorter  
Prosecutor  
PA Attorney I.D. # 312666

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

Dated: June 3, 2016

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated June 3, 2016, 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**

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