

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105**

**UGI Utilities, Inc. – Gas Division and  
UGI Central Penn Gas, Inc. 2016 Annual  
Purchased Gas Cost Tariff Filing**

**Public Meeting: October 27, 2016  
2543309-ALJ, 2543311-ALJ  
Docket Nos. R-2016-2543309, R-2016-  
2543311, *et al.***

**STATEMENT OF VICE CHAIRMAN ANDREW G. PLACE**

Before us for consideration is the UGI Utilities, Inc. – Gas Division (UGI), and UGI Central Penn Gas, Inc. (CPG) (collectively UGI Companies) annual purchased gas cost tariffs (PGC) pursuant to 52 Pa. Code §§53.64 and 53.65. For both of these cases, Joint Petitions for Full Settlement (Settlements) were submitted by the Parties and supported by the Recommended Decisions of the Administrative Law Judge in the consolidated litigation.

A provision of the Settlements involves the long term release of upstream capacity on the ANR Pipeline. Under the terms of the Settlements, the Parties agree to apply the 25/75% revenue sharing mechanism in its tariff to the release of firm transportation capacity on the ANR Pipeline. While I am disinclined to upset the overall benefits and balance of the Settlement, noting that the Companies may have provided other values to offset this concession on the part of the Bureau of Investigation and Enforcement (I&E) of the Commission, I wish to express my concern regarding revenue sharing of long term capacity releases. Such upstream capacity assets often have no current, substantial used and useful purpose, and customers, who bear the full costs of this capacity, should not be required to share revenues with the Companies for assets that have de minimis long term or seasonal value to PGC customers and Natural Gas Suppliers.

While I am voting in support of the overall Settlement, I respectfully express my concern regarding revenue sharing for such long term releases of capacity that are not substantially used and useful. Such releases should provide a full credit to customers who bear the costs of this capacity.

**DATE: October 27, 2016**

  
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**Andrew G. Place, Vice Chairman**