



COMMONWEALTH OF PENNSYLVANIA

June 12, 2017

E-FILED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: UGI Penn Natural Gas, Inc. 2017 Purchased Gas Costs Filing
Docket No. R-2017-2602633**

Dear Secretary Chiavetta:

I am delivering for filing today the Prehearing Memorandum, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Steven C. Gray
Steven C. Gray *by 100*
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: The Honorable Steven K. Haas
Mr. Robert D. Knecht
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|----------------------------------|
| PENNSYLVANIA PUBLIC UTILITY COMMISSION | : | |
| | : | |
| v. | : | DOCKET NO. R-2016-2602633 |
| | : | |
| UGI PENN NATURAL GAS, INC. | : | |

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Steven C. Gray.

Please address all correspondence as follows:

Steven C. Gray, Esquire
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@state.pa.us

II. FILING BACKGROUND

Pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f), UGI Penn Natural Gas, Inc. (“UGI Penn Natural” or the “Company”) made its 2017 Section 1307(f) Gas Cost Rate (“GCR”) filing on June 1, 2017.

The OSBA filed a Complaint in this matter on May 12, 2017.

III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
(617) 354-0463 – Fax
rdk@indecon.com

The OSBA will participate in the case to assure that the interests of small business customers of UGI Penn Natural are adequately represented and protected.

At the time of this writing, the OSBA is still reviewing the materials submitted by UGI Penn Natural. Nevertheless, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether the Company’s actual and forecast lost and unaccounted-for gas rates are reasonable.
2. Whether the Company’s capacity release/off-system sales sharing mechanism is

being reasonably employed and is properly incenting the Company to maximize the value of assets paid for by its customers.

3. Whether the Company's design day demand forecasting and peak day capacity requirements are reasonable.

4. Whether the Company's proposal to consolidate its annual GCR filing with its sister companies' GCR filings is just, reasonable, and proper.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

IV. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party.

V. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VI. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the OSBA understands that the Company will be setting forth a proposed procedural schedule in its prehearing memorandum. The OSBA does not object to

that schedule.

In light of the Governor's desire to limit the travel of offices under his jurisdiction, the OSBA respectfully requests that the evidentiary hearings take place in Harrisburg.

VII. CONSOLIDATION

The OSBA does not object to the procedural consolidation of this case with the UGI 2017 Section 1307(f) case and the UGI Central Penn 2017 Section 1307(f) case.

However, the OSBA strongly objects to the three Section 1307(f) cases being substantively consolidated in any manner whatsoever.

Respectfully submitted,


Steven C. Gray
Attorney ID No. 77538 *SY DGA*
Assistant Small Business Advocate

Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Dated: June 12, 2017

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|----------------------------------|
| Pennsylvania Public Utility Commission | : | |
| | : | |
| v. | : | Docket No. R-2017-2602633 |
| | : | C-2017-2604132 |
| UGI Penn Natural Gas, Inc. | : | |
| 2017 Purchased Gas Cost Recovery | : | |

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, via email and US Mail (*unless otherwise indicated*), in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Steven K. Haas
Administrative Law Judge
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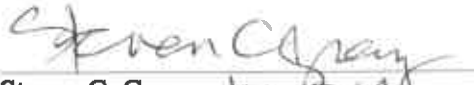
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Date: June 12, 2017


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