



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

IN REPLY PLEASE
REFER TO OUR FILE

September 26, 2017

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of UGI Utilities, Inc. – Gas Division to Establish a
Schedule for the Installation of Daily Metering Facilities on All
Rate Interruptible Service and Rate Delivery Service Accounts
Docket No. P-2017-2607269

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 have been served on parties as identified in the attached certificate of service. 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/snc
Enclosures

cc: ALJ Elizabeth H. Barnes
Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of UGI Utilities, Inc. – Gas :
Division to Establish a Schedule for the :
Installation of Daily Metering Facilities on : P-2017-2607269
All Rate Interruptible Service and Rate :
Delivery Service Accounts :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated September 26, 2017, 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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Scott B. Granger
Prosecutor

Bureau of Investigation and Enforcement
PA Attorney I.D. No. 63641

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of UGI Utilities, Inc. – Gas :
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PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT

TO: ADMINISTRATIVE LAW JUDGE ELIZABETH H. BARNES:

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 proceeding.

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

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By telephone: (717) 425-7593
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I. INTRODUCTION

On June 2, 2017, UGI Utilities, Inc. - Gas Division (“UGI” or “Company”) filed an Amended Petition, amending its May 31, 2017 Petition to Establish a Schedule for the Installation of Daily Metering Facilities on all Rate IS (Interruptible Service) and Rate DS (Delivery Service) Accounts; to thereafter Transfer all Rate IS and DS Customer Accounts from Intra-Month to Calendar Month Billing and Balancing Pools; and to Recover Associated Costs pursuant to 66 Pa. C.S. § 2205(c)(7) (“Amended Petition”). UGI subsequently filed its *Pro Forma* Tariff Addendum Gas – Pa. P.U.C. No. 6 on June 15, 2017. UGI proposes to install daily meters for Rate IS and DS customers pursuant to provisions of the Settlement Agreement in UGI's 2016 base rate proceeding. UGI also proposes to spread the costs of the proposed installations across all core market firm rate schedules, including Rates R, RT, N, NT, and DS, through a proposed reconcilable Retail Markets Rider (“RM Rider”).

The Office of Consumer Advocate (“OCA”) filed an Answer to UGI’s Amended Petition on June 22, 2017.

On August 23, 2017, this matter was assigned to the Office of Administrative Law Judge; ALJ Elizabeth H. Barnes presiding.

I&E filed its Notice of Appearance in this proceeding on August 24, 2017.

On August 28, 2017 ALJ Barnes issued a Notice of Initial Prehearing Conference scheduling the Prehearing Conference for September 28, 2017 at 2:00 pm in Harrisburg, PA.

II. ISSUES

The following 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 issues are as follows:

- Daily Metering Facilities for Rates IS and DS
- Retail Markets Rider
- Allocation of Costs
- Cost Recovery – Installation
- Cost Recovery – Associated Expenses
- Cost Recovery from Rate Classes other than IS and DS
- Return On and Of Capital Investment

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

Ethan Cline, Fixed Utility Valuation Engineer

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.

IV. 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.

V. 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. I&E will give due consideration to any discovery modifications proposed by any other party. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

VI. SCHEDULE

I&E is working with the parties to develop a schedule in this proceeding. As of this date, the parties have not yet agreed to a schedule.

VII. PUBLIC INPUT HEARINGS

I&E is not aware of any requests or consumer interest with respect to public input hearings. I&E, therefore, does not propose that any public input hearings be held absent substantial public interest in the Company filing. Should public input hearings be deemed necessary, I&E recommends that the use of “smart hearings” be considered.

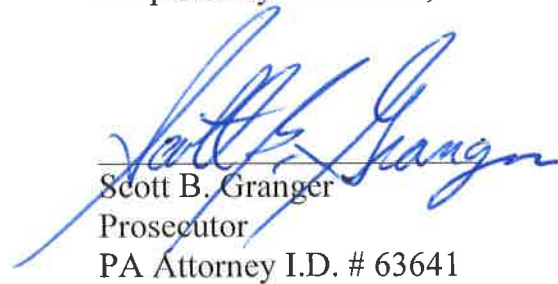
VIII. SERVICE OF DOCUMENTS

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.

IX. 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
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(717) 787-1976

Dated: September 26, 2017