

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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September 26, 2017

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17101

Re: Petition of UGI Utilities, Inc.-Gas Division 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)
Docket No: P-2017-2607269

Dear Secretary Chiavetta:

Attached for electronic filing, please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,

/s/ Aron J. Beatty
Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org

Enclosure

cc: Administrative Law Judge
Certificate of Service

CERTIFICATE OF SERVICE

Petition of UGI Utilities, Inc. – Gas Division :
To Establish a Schedule for the Installation :
Of Daily Metering Facilities on all Rat IS :
(Interruptible Service) and all Rate IS and DS : Docket No. P-2017-2607269
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) :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code §1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 26th day of September 2017.

SERVICE BY E-MAIL & INTEROFFICE MAIL

Scott B. Granger, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

Mark C. Morrow, Esquire
UGI Utilities, Inc. – Gas Division
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Burke, Vullo, Reilly, Roberts
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Forty Fort, PA 18704

Todd S. Stewart, Esquire
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Harrisburg, PA 17101

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100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

/s/ Aron J. Beatty

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PA Attorney I.D. 311570
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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 all Rate IS :
(Interruptible Service) and Rate DS (Delivery : Docket No. P-2017-2607269
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) :

PREHEARING MEMORANDUM OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in response to the Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On June 2, 2017, UGI Utilities, Inc. – Gas Division (UGI or the Company) filed its Amended 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).¹ On June 22, 2017, the OCA filed its Answer to UGI’s Amended Petition, in which it opposed UGI’s proposal insofar as it: (1) seeks recovery of capital cost items and a return through a surcharge

¹ UGI’s original Petition was filed on May 31, 2017. The Amended Petition was subsequently filed on June 2, 2017 in order to clarify certain aspects of the proposal, including specifying the rate schedules to which the proposed cost recovery mechanism would apply.

mechanism; and (2) requires residential customers (Rates R and RT) to pay for the costs associated with this proposal.

The Company's Petition was assigned to the Office of Administrative Law Judge and was further assigned to Administrative Law Judge Elizabeth H. Barnes for investigation and scheduling of hearings. ALJ Barnes scheduled a Prehearing Conference in this matter for September 28, 2017.

II. ISSUES AND SUB-ISSUES

Based on a preliminary analysis of the Company's Petition, the OCA has compiled a list of issues and sub-issues which it anticipates will be addressed in this proceeding. The OCA anticipates that other issues may arise and may be pursued as additional information becomes available.

The following list sets for issues the OCA anticipates that it may raise:

- (1) Whether it is appropriate for UGI to spread costs associated with the installation and operation of daily metering facilities for Rate IS and DS customers to the residential classes;
- (2) Whether UGI has justified its proposal to charge these costs to residential customers through a Retail Markets Rider; and
- (3) Whether UGI can legally recover this category of costs through a surcharge mechanism.

The OCA will examine these issues and will conduct discovery as necessary. Pursuant to the procedural schedule established in this proceeding, the OCA will file direct testimony as necessary which will set forth the specific issued to be addressed in this proceeding. The OCA reserves the right to raise additional issues as more information becomes available.

III. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of Mr. Glenn Watkins in this proceeding. Mr. Watkins will present testimony in written form and will also attach various exhibits, documents and explanatory information, which will assist in the presentation of the OCA's case. In order to expedite resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony and answers to interrogatories be send in electronic and hard copy formats to counsel for the OCA with copies also sent directly to Mr. Watkins at:

Glenn Watkins
Technical Associates, Inc.
1503 Santa Rosa Road
Suite 130
Richmond, VA 23229
Telephone: (804) 272-5363
E-mail: watkinsg@tai-econ.com

The OCA specifically reserves the right to call additional witnesses if necessary. The OCA will notify all parties of record as soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case.

IV. DISCOVERY

In order to effectively investigate and adequately develop a record in this proceeding, the OCA requests certain modifications of the Commission's procedural rules on a going-forward basis, as set forth below:

A. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service of the interrogatories, provided that, if receipt of the interrogatories occurs after 12:00 noon on either a Friday or the day preceding a holiday, service shall be deemed to have occurred on the next business day;

B. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories, provided that, if receipt of the interrogatories occurs after 12:00 noon on a Friday or the day preceding a holiday, service shall be deemed to have occurred on the next business day. Unresolved objections to written interrogatories shall be served in writing on the propounding party within five (5) calendar days of service of the interrogatories, as defined above;

C. Motions to compel answers to written interrogatories that have been objected to in writing and answers to such motions to compel shall be filed and served within three (3) calendar days of service of the written objections or motions to compel, provided that, if receipt of the objections or motion to compel occurs after 12:00 noon on a Friday or the day preceding a holiday, service of these documents shall be deemed to have occurred on the next business day.

D. Rulings over motions shall be issued, if possible, within seven (7) calendar days of filing of the motion, consistent with the above-mentioned rule changes;

E. Responses or objections to requests for production, entry for inspection, or other purposes shall be served in hand within ten (10) calendar days of service of the request, provided that, if receipt of the request occurs after 12:00 noon on a Friday or the day preceding a holiday, service shall be deemed to have occurred on the next business day; and

F. Requests for admission shall be deemed admitted unless answered within ten (10) calendar days or objected to within (5) calendar days of service of the requests, provided that, if receipt of the request occurs after 12:00 noon on a Friday or the day preceding a holiday, service shall be deemed to have occurred on the next business day.

V. SERVICE ON THE OCA

The OCA will be represented in this case by Assistant Consumer Advocate Lauren M. Burge and Senior Assistant Consumer Advocate Aron J. Beatty. Two copies of all documents should be served on the OCA as follows:

Lauren M. Burge
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555 Walnut Street, 5th Floor, Forum Place
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ABeatty@paoca.org

VI. PROPOSED SCHEDULE

The OCA is willing to work with the parties to develop an acceptable procedural schedule.

VII. PUBLIC INPUT HEARINGS

At present, the OCA has not received requests for a public input hearing in this proceeding. If consumer interest arises, the OCA will make prompt notification to the ALJ and other parties to this proceeding.

VIII. SETTLEMENT

The OCA will participate in any settlement discussions.

Respectfully Submitted,

/s/ Aron J. Beatty

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September 26, 2017

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