



COMMONWEALTH OF PENNSYLVANIA

March 1, 2022

E-FILED

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

**Re: Pennsylvania Public Utility Commission v. UGI Utilities, Inc. – Gas Division /
Docket No. R-2021-3030218**

Dear Secretary Chiavetta:

Enclosed for filing please find 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,

/s/ Steven C. Gray

Steven C. Gray
Senior Supervising
Assistant Small Business Advocate
Attorney I.D. No. 77538

Enclosures

cc: Parties of Record
Robert D. Knecht

II. FILING BACKGROUND

On January 28, 2022, UGI Utilities, Inc. – Gas Division (“UGI Gas” or the “Company”) filed Supplement No. 32 to Tariff Gas Pa. P.U.C. Numbers 7 and 7S with the Commission. The rates set forth in Tariffs 7 and 7S, if approved by the Commission, would increase the Company’s annual jurisdictional revenue by \$82.7 million.

The Office of Small Business Advocate (“OSBA”) filed a Complaint against the proposed Tariffs on February 17, 2022.

III. IDENTIFICATION OF WITNESS 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
5 Plymouth Road
Lexington, MA 02421
(781) 249 9461
rdk@indecon.com

The OSBA will participate in this proceeding to assure that the interests of small business customers are adequately represented and protected.

After a review of the materials submitted by UGI Gas, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether the Company’s proposed capital structure and allowed return on equity are just and reasonable.
2. Whether the Company’s load forecasts and billing determinants for the FPFTY are reasonable and consistent with historical values.
3. Whether the Company’s proposed cost of service allocation study, revenue allocation methodologies and rate designs are just, reasonable, not unduly discriminatory, and

consistent with Commission precedent.

4. Whether the Company's proposal to harmonize DS rates across the Company with a 39.3 percent increase to volumetric charges for Rate DS customers in the North district is reasonable, particularly if the revenue requirement is scaled back.

5. Whether the Company's proposals for cost allocation, revenue allocation and rate design to interruptible customers with is consistent with the historical record for interruptions and reasonably reflects the value associated with these customers' interruptibility.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

IV. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement, provided that such documents are followed by hard copy delivery to OSBA. Hard copy delivery may be accomplished by first class mail, by personal hand delivery, or by overnight courier.² Service by electronic mail only is not sufficient. The OSBA requests that such hard copies are also provided to its witnesses 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. The OSBA also requests that all parties serve an electronic copy of all interrogatory responses upon the OSBA and the OSBA witnesses identified above.

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

² See 52 Pa. Code §§ 1.54(b)(1), 1.54(b)(2), and 1.56(a)(2). Regarding the *perfection of service*, the OSBA respectfully submits that 52 Pa. Code § 1.56(a)(2), as currently written, does not satisfy the requirements of due process.

V. DISCOVERY

The OSBA does not propose any discovery modifications.

VI. SETTLEMENT

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

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are working on a proposed procedural schedule.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray, Esquire
Senior Supervising
Assistant Small Business Advocate
Attorney ID No. 77538

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Dated: March 1, 2022

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2021-3030218
	:	
UGI Utilities, Inc. – Gas Division	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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/s/ Steven C. Gray

DATE: March 1, 2022

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