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March 1, 2022

# Via Electronic Filing

Rosemary Chiavetta, Secretary PA Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3265

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

Dear Secretary Chiavetta:

Enclosed for electronic filing please find NRG Energy, Inc.'s ("NRG") Petition to Intervene in the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

/s/ Karen O. Moury Karen O. Moury, Esq.

KEM/lww

Enclosure

cc: Cert. of Service w/enc.

#### **CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of RESA and NRG Energy's Petition to

Intervene upon the persons listed below in the manner indicated in accordance with the

requirements of 52 Pa. Code Section 1.54.

#### Via Email Only

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Joseph L. Vullo, Esquire 1460 Wyoming Avenue Forty Fort, PA 18704 jvullo@bvrrlaw.com The Hon. Joel H. Cheskis Deputy Administrative Law Judge The Hon. Gail M. Chiodo Administrative Law Judge Pa. Public Utility Commission 400 North Street Harrisburg, PA 17120 jcheskis@pa.gov gchiodo@pa.gov

March 1, 2022

<u>|s| Karen O. Moury</u>

Karen O. Moury, Esq.

### BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

#### PETITION TO INTERVENE OF NRG ENERGY, INC.

Pursuant to 52 Pa. Code §§ 5.72-5.75, NRG Energy, Inc. ("NRG") petitions to intervene in the above-captioned proceeding filed by UGI Utilities Inc. – Gas Division ("UGI" or "Company") at the Pennsylvania Public Utility Commission ("Commission" or "PUC"). In support of this Petition to Intervene, NRG states as follows:

#### I. <u>BACKGROUND</u>

1. On January 28, 2022, UGI filed Supplement No. 32 to UGI Tariff Gas – Pa. P.U.C. Nos. 7 and 7S to become effective March 29, 2022, which proposed changes in rates, rules and regulations calculated to produce \$82.7 million (7.8% increase) in additional annual revenues.

2. By Order entered on February 24, 2022, the Commission instituted an investigation into the lawfulness, justness and reasonableness of the proposed rate increase and suspended the filing until October 29, 2022, unless permitted by Commission order to become effective at an earlier date.

3. The Office of Administrative Law Judge issued a Prehearing Conference Notice on February 24, 2022, scheduling a call-in telephonic prehearing conference for March 2, 2022. 4. Deputy Administrative Law Judge Joel H. Cheskis and Administrative Law Judge Gail M. Chiodo issued a Prehearing Order dated February 24, 2022, requiring the service of Prehearing Conference Memoranda on or before March 1, 2022.

### II. <u>PROPOSED INTERVENOR</u>

5. NRG is a leading integrated energy and home services company built on dynamic retail brands and diverse generation assets, powered by its customer-focused strategy, strong balance sheet, and comprehensive sustainability framework. A Fortune 500 company, NRG brings the power of energy to millions of North American customers. Its family of brands help people, organizations and businesses achieve their goals by leveraging decades of market expertise to deliver tailored solutions. Working in concert, its dynamic multi-brand retail strategy coupled with supply risk-management forms a uniquely positioned, integrated competitive energy provider. NRG's retail brands serve more than six million customers across North America, including a significant share in Pennsylvania, so significant, in fact, that NRG has two offices – in Philadelphia and in Pittsburgh – that support its retail business. NRG's subsidiaries include several NGSs that are actively providing innovative natural gas products and services to residential, commercial, industrial and institutional customers in the Company's service territory and throughout Pennsylvania.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> NRG subsidiaries holding NGS licenses include the following: Bounce Energy, Inc. – Docket No. A-2020-3023412; Direct Energy Business, LLC – Docket No. A-125072; Direct Energy Business Marketing, LLC – Docket No. A-2013-2365792; Direct Energy Services, LLC – Docket No. A-125135; Gateway Energy Services Corporation – Docket No. A-2009-2138725; Green Mountain Energy Company – Docket No. A-2017-2583732; Independence Energy Group LLC d/b/a Cirro Energy – Docket No. A-2013-2396449; Reliant Energy Northeast LLC d/b/a NRG Home/NRG Business/NRG Retail Solutions – Docket No. A-2015-2478293; Stream Energy Pennsylvania, LLC – Docket No. A-2012-2308991; and XOOM Energy Pennsylvania, LLC – Docket No. A-2012-2283967.

6. The attorneys for NRG in this matter are:

Karen O. Moury, Esquire Kristine E. Marsilio, Esquire Eckert Seamans Cherin & Mellott, LLC 213 Market St., 8th Floor P.O. Box 1248 Harrisburg, PA 17101 Tel 717.237.6000 Fax 717.237.6019 kmoury@eckertseamans.com kmarsilio@eckertseamans.com

## III. NRG MEETS THE STANDARDS FOR INTERVENTION

7. NRG meets the standards for intervention set forth in 52 Pa. Code § 5.72(a). As NRG subsidiaries actively serve retail natural gas consumers in the Company's service territory, NRG possesses an "interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding." 52 Pa. Code § 5.72(a)(1).

8. With subsidiaries serving retail customers in the Company's service territory, NRG

has a direct and substantial interest in several of UGI's proposals, including:

- UGI proposed changes to Rate NNS (No Notice Service), which is a daily balancing service that allows transportation customers to elect a balancing tolerance greater than the standard basic balancing provided by the Company;<sup>2</sup>
- UGI proposed changes to Rate MBS (Monthly Balancing Service), which allows transportation balances of up to 10% for the month to be carried forward in the customer's MBS account for delivery of excess volumes, or receipt of shortfalls, in subsequent months;<sup>3</sup> and
- UGI's proposal to take intrastate capacity from UGI Energy Services, LLC ("UGIES"), an affiliate of the Company, on the Auburn Gathering system, and

<sup>&</sup>lt;sup>2</sup> UGI St. No. 8 at 21-22; UGI Gas Exhibit SAE-8; Rate NNS, Exhibit F at 96-97.

<sup>&</sup>lt;sup>3</sup> UGI St. No. 8 at 22-23; UGI Gas Exhibit SAE-9; Rate MBS, Exhibit F at 98-98(a).

dedicate the capacity to the Rate XD customer group, which raises questions about interactions between UGI and UGIES.<sup>4</sup>

These proposals must be thoroughly reviewed and analyzed to determine whether they are reasonable and to ensure that they will not negatively impact the delivery of natural gas on the Companies' system and will not have an adverse effect on the ability of UGI distribution customers to access lower priced natural gas and innovative services available in the competitive retail market from NGSs, including NRG's subsidiaries. NRG reserves the right to raise additional issues as they are discovered in the course of the proceeding.

9. Further, any changes to the UGI supplier tariff provisions, or the services provided thereunder, may directly and substantially affect the operations of NRG's subsidiaries and their ability to compete for and service customers in the UGI service territory. Any modifications to UGI rates or the operation or structure of any UGI program may also have a significant effect on the level of retail competition in the Company's service territory and, thus, on the ability of NRG's subsidiaries to continue to operate as NGSs in that territory.

10. In addition, in its Order suspending the proposed rate increase the Commission also ordered that its investigation shall include consideration of the lawfulness, justness and reasonableness of UGI's existing rates, rules, and regulations. NRG is seeking to intervene in this proceeding to assure that all of UGI's existing rates rules and regulations are just, reasonable and non-discriminatory with respect to its interest as having numerous subsidiaries operating as NGSs on UGI's system. Such issues that have been identified by NRG include: (a) UGI's current practices regarding the lack of timely cycle notifications over weekends in the event of utility cuts; and (b) UGI's handling of the assignment of capacity and associated costs, which includes the

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UGI St. No. 1 at 25-26; UGI St. No. 8 at 9; Rate XD, Exhibit F at 103.

recovery of charges for released capacity based on the weighted average cost of delivered gas ("WACOD") through a capacity release mechanism for Large Firm Delivery ("LFD") Service customers, while including this charge on customer bills in the form of a Capacity Charge for Rate Delivery Service ("DS") customers. NRG reserves the right to address other issues that involve UGI's existing rules and practices.

11. NRG also has an interest in ensuring that the proposals of other parties that are advanced through testimony, legal arguments, or settlement discussions do not adversely impact the ability of NRG's subsidiaries to effectively operate as NGSs in the UGI service territory.

12. NRG's interests in this proceeding are unique from and not adequately represented by other parties that may seek to intervene, including individual NGSs or organizations interested in natural gas competition in Pennsylvania in general and in the Company's service territory in particular. As each of NRG's brands has its own value proposition and offers products and services aimed at delivering that value to customers, NRG's interests and perspective are unique.

13. NRG subsidiaries will be bound by the action of the Commission in this proceeding, as well as the terms and conditions related to UGI's tariff. Thus, the Commission's actions regarding the Company's proposals may have a substantial impact on the future involvement of NRG's subsidiaries in the competitive retail market.

14. Intervention by NRG is in the public interest because its participation will enable NRG to contribute the unique perspectives of its subsidiaries operating as licensed NGSs in the Company's service territory and offer a complete presentation of the issues to be addressed in this proceeding. Through exploration of the issues that have been preliminarily identified by NRG, as well as others that it addresses as additional information is reviewed in this proceeding, the Commission can best serve the public interest through the development of a more complete record.

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15. NRG reserves the right to raise and address additional issues identified through its continued review and analysis of the filing (and related information), or other issues raised by the parties in this proceeding.

**WHEREFORE**, NRG Energy, Inc. respectfully request that the Commission grant its Petition to Intervene.

Respectfully submitted,

Is Karen O. Moury

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Date: March 1, 2022

Counsel for NRG Energy, Inc.