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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") Prehearing Memorandum 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 Prehearing Memorandum 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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The Hon. Joel H. Cheskis
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The Hon. Gail M. Chiodo
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March 1, 2022

/s/ Karen O. Moury

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	:	

PREHEARING MEMORANDUM OF NRG ENERGY, INC.

Pursuant to 52 Pa. Code §§ 5.221-5.224 and Prehearing Conference Order issued by Deputy Administrative Law Judge (“DALJ”) Joel H. Cheskis and Administrative Law Judge (“ALJ”) Gail M. Chiodo on February 24, 2022, NRG Energy, Inc. (“NRG”) submits this Prehearing Memorandum.

I. PROCEDURAL HISTORY

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. 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.

On February 24, 2022, the Office of Administrative Law Judge issued a Call-In Telephone Prehearing Conference Notice, scheduling a prehearing conference for March 2, 2022 at 10:00 a.m. Per the Prehearing Order of DALJ Cheskis and ALJ Chiodo, Prehearing

Conference Memoranda are due on March 1, 2022. NRG filed a Petition to Intervene on March 1, 2022.

II. REPRESENTATION

Attorneys for NRG is this matter are:

Karen O. Moury, Esquire
Kristine E. Marsilio, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Floor
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Counsel for NRG intend to call into the prehearing conference. NRG prefers that documents be served electronically to the above email addresses and agree to receive service of documents electronically in this proceeding. To the extent that materials are not available electronically, NRG requests that only one hard copy of documents, if any, be served upon Kristine E. Marsilio at the above mailing address.

III. PRESENTLY IDENTIFIED ISSUES

NRG subsidiaries provide natural gas supply service in Pennsylvania, including in the Company's distribution service territory. NRG has identified the following issues that should be examined in this proceeding:

- 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;¹
- 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;²

¹ UGI St. No. 8 at 21-22; UGI Gas Exhibit SAE-8; Rate NNS, Exhibit F at 96-97.

² UGI St. No. 8 at 22-23; UGI Gas Exhibit SAE-9; Rate MBS, Exhibit F at 98-98(a).

- UGI’s proposal to take intrastate capacity from UGI Energy Services, LLC (“UGIES”), an affiliate of the Company, on the Auburn Gathering system, and dedicate the capacity to the Rate XD customer group, which raises questions about interactions between UGI and UGIES;³
- UGI’s current practice of regarding the lack of timely cycle notifications in the event of utility cuts; and
- UGI’s handling of the assignment of capacity and associated costs, which includes the 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.

At this time, NRG continues to evaluate its position and will refine its position based upon further study of the proposals, review of discovery and additional input from other parties. NRG reserves their right to address other issues identified through their continued review and analysis of the filing or raised by other parties.

IV. WITNESSES

NRG has identified the following witness:

Christopher Reyes, Sr. Manager, Regional Operations
NY Metro, North East & Mid-Atlantic
NRG Energy, Inc.
194 Wood Avenue S,
Iselin, NJ 08830

In addition, NRG reserves its right to identify additional witnesses or change the identity of its witnesses at any time upon appropriate notice to the Presiding Officers and the parties.

V. DISCOVERY

NRG is amenable to working with the other parties in this matter to adopt a reasonable proposed plan and schedule for discovery, including modifications to the Commission’s regulations.

³ UGI St. No. 1 at 25-26; UGI St. No. 8 at 9; Rate XD, Exhibit F at 103.

VI. PROCEDURAL SCHEDULE

NRG will cooperate with the other parties and the ALJ to facilitate a workable litigation schedule.

VII. SETTLEMENT

NRG is willing to participate in settlement discussions with any party to narrow or fully resolve the issues in this matter.

Respectfully submitted,

/s/ Karen O. Moury

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Date: March 1, 2022

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