

March 11, 2019

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

Re: Pa. PUC v. UGI Gas of Pennsylvania, Inc., Docket No. R-2018-3006814

Dear Secretary Chiavetta,

Enclosed, please find the *Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)* in the above referenced matter. Copies are being served as indicated in the attached Certificate of Service.

Respectfully,

Kadeem Morris

Counsel for CAUSE-PA

Cc: Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.

:

v. : Docket No. R-2018-3006814

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UGI Gas of Pennsylvania, Inc.

Certificate of Service

I hereby certify that I have this day served copies of the **Prehearing Memorandum of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

VIA First Class Mail and Email

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Respectfully Submitted,
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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al.

v. : Docket No. R-2018-3006814

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UGI Gas of Pennsylvania, Inc.

Prehearing Memorandum

On February 28, 2019, a Prehearing Conference Order was issued by Deputy Chief Administrative Law Judge Christopher P. Pell setting a telephonic prehearing conference for Wednesday, March 13, 2019 at 1:30pm, and requiring parties to file a Prehearing Memorandum no later than 12:00 pm on Monday, March 11, 2019. In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania ("CAUSE-PA"), through its counsel at the Pennsylvania Utility Law Project, hereby files this Prehearing Conference Memorandum.

I. <u>Background</u>

On January 28, 2019, UGI Gas of Pennsylvania, Inc. (UGI) submitted a rate filing, Tariff Gas PA PUC Nos. 7 and 7S, proposing to increase rates by approximately \$71.1 million per year, or 8.9%, effective March 29, 2019. (UGI St.1 at 5). UGI proposed to create uniformity across its three rate districts, which were previously three different companies and tariffs. The impact of the proposed rate increase varies across UGI's three rate districts. For UGI South, a residential customer with an average usage of 62.3 Ccf of gas per month would increase from \$62.45 to \$72.93 per month, or 16.8 percent. (UGI St. 1 at 18). For UGI North, a residential customer with an average usage of 90.6 Ccf of gas per month would increase from \$89.72 to \$97.37 per month, or 8.5 percent. (Id.) For UGI Central, a residential customer with an average usage of 77.3 Ccf of gas per month would decrease from \$93.68 to \$85.91 per month, or 8.3 percent. (Id.)

On February 14, 2019, CAUSE-PA filed a Petition to Intervene, requesting full intervenor status as an active party to the proceeding.

On February 28, 2019, the Commission entered a Suspension and Investigation Order suspending the UGI tariff by operation of law, and opening an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained therein. (S&I Order).

II. Issues to be Presented

In addition to compliance with sound rate making principles, including the requirement that rates be just and reasonable, UGI must also ensure that its rates and tariff comply with universal service requirements. In turn, the Commission must ensure that universal service programs assist low-income customers to afford natural gas service, and that these programs are "appropriately funded and available in each natural gas distribution service territory." 66 Pa. C.S. § 2203(8).

In the event that the Commission approves any natural gas distribution rate increase, the Commission should condition approval on UGI's agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and settlement agreements.

CAUSE-PA has conducted an initial review of UGI's proposed tariff changes and testimony, and opposes UGI's request on the grounds that the proposed rate increase and tariff changes may result in unjust and unreasonable rates that would impose severe hardship on low and moderate income residential customers. CAUSE-PA identifies the following specific issues

of concern, which must be addressed in this proceeding, though it reserves the right to raise additional issues which may arise through the course of this proceeding:

- i. The conformity to law and the effect of UGI's rate filing and proposed rate increase on low income households.
- ii. The effect of UGI's proposed \$19 fixed residential customer charge on low income households across UGI's three rate districts.
- iii. The effect of UGI's rate filing and proposed rate increase on low income households enrolled in or eligible for UGI's Universal Service Programs, and the continued adequacy of those programs in delivering universally accessible natural gas service.
- iv. The availability of Energy Efficiency and Conservation Programming to low income households through UGI's proposed Energy Efficiency and Conservation Plan.

III. Witnesses and Testimony

CAUSE-PA intends to present the following witness to testify in this matter, and reserves the right to call additional witnesses as may be warranted upon proper notice to Your Honor and the parties:

Mitchell Miller
Mitch Miller Consulting LLC
60 Geisel Road
Harrisburg, PA 17112
717-903-2196
Mitchmiller77@hotmail.com

Mr. Miller will address the issues identified above, as well as other issues that may arise in the course of this proceeding.

IV. <u>Discovery</u>

CAUSE-PA supports the discovery modifications requested by the Office of Consumer

Advocate (OCA) in its Prehearing Memorandum.

V. **Settlement**

CAUSE-PA is willing and ready to engage in settlement discussions in an attempt to

resolve or narrow the issues in this proceeding, with any and all parties, and encourages the

parties to engage in settlement early in the process.

VI. **Service on CAUSE-PA**

CAUSE-PA is represented by the attorneys at the Pennsylvania Utility Law Project. All

documents should be served on CAUSE-PA as follows:

Elizabeth R. Marx, Esq.

Kadeem G. Morris, Esq.

Patrick M. Cicero, Esq.

John W. Sweet, Esq.

PENNSYLVANIA UTILITY LAW PROJECT

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We request that parties serve one hard copy in addition to an electronic copy of all documents served

in this proceeding.

VII. **Representation of CAUSE-PA at Prehearing Conference**

For the purposes of the Prehearing Conference, CAUSE-PA will be represented by

Kadeem G. Morris, Esq.

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VIII. <u>Litigation Schedule</u>

CAUSE-PA is actively involved in discussions with UGI and other parties to reach a mutually agreeable litigation schedule.

WHEREFORE, CAUSE-PA respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA

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