



COMMONWEALTH OF PENNSYLVANIA

July 7, 2020

E-FILED

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

Re: Petition of UGI Utilities, Inc. – Electric Division for Approval of a Default Service Plan for the Period of June 1, 2021 through May 31, 2025 / Docket No. P-2020-3019907

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. I respectfully request that a copy of any documents filed in this case also be shared with our witness at the address below:

Robert D. Knecht
Industrial Economics Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140
rdk@indecon.com

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 ID No. 77538

Enclosures

cc: Robert D. Knecht
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc.—Electric Division	:	
For Approval of a Default Service Plan for the	:	P-2020-3019907
Period of June 1, 2021 through May 31, 2025	:	G-2020-3019908

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Steven C. Gray. Please address all correspondence in that matter as follows:

Steven C. Gray, Esquire
Senior Supervising
Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
Forum Place, 1st Floor
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@pa.gov

II. FILING BACKGROUND

UGI Utilities, Inc. – Electric Division (“UGI-E” or the “Company”) filed a Petition for Approval of a Default Service Plan for the Period June 1, 2021 through May 31, 2025 (“Petition”) with the Commission on May 26, 2020.

The OSBA filed an Answer and Notice of Intervention on June 11, 2020.

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
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
(617) 354-0463 – Fax
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 an initial review of the materials submitted by UGI-E, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

- Whether the Company’s analysis showing that the standalone cost for procuring electric supplies for small commercial customers is substantially lower than that for residential customers is reasonable and accurate;
- Whether the Company’s proposal to continue combined procurement of residential and small commercial GSR-1 supplies is reasonable in light of the Company’s load research analysis;

- If combined procurement of GSR-1 supplies remains reasonable, the OSBA will evaluate whether an alternative cost allocation methodology should be applied to GSR-1 procurement costs in order to reflect the substantial standalone procurement cost differences estimated by the Company;
- Review shopping trends, for residential, small commercial, and larger customer groups;
- Evaluate whether a four-year plan is reasonable;
- Evaluate whether the 100 kW demarcation between GSR-1 and GSR-2 remains reasonable;
- Evaluate whether the proposed continuation of the 50/50 full requirements/block & spot approach to procurement remains reasonable, including a review of the relative costs of the two approaches in DSP II and DSP III;
- Evaluate whether the timing and duration of the various procurements remains reasonable;
- Seek an understanding as to why no EGSs participate in the standard offer program;
- Review historical and proposed AEPSA procurement practices;
- Evaluate whether the claimed administrative costs associated with the default service program are reasonable;
- Evaluate the impact of net metering policies on default service costs; and
- Consider whether the proposed waivers for affiliate participation are legally reasonable

The OSBA reserves the right to pursue additional issues as they arise throughout the 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. At the time of this writing, hard copy delivery of documents to the OSBA is not possible. The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

V. DISCOVERY

The OSBA does not propose any discovery modifications.

VI. SETTLEMENT

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

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

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are discussing a procedural schedule.

In light of the Governor's restriction on travel for those offices under his jurisdiction, the OSBA respectfully requests that the evidentiary hearings take place in Harrisburg.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray, Esquire
Senior Supervising
Assistant Small Business Advocate
Attorney ID # 77538

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555 Walnut Street
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Dated: July 7, 2020

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Petition of UGI Utilities, Inc. – Electric :
Division for Approval of a Default Service:
Plan for the Period of June 1, 2021 : **Docket No. P-2020-3019907**
through May 31, 2025 :

CERTIFICATE OF SERVICE

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

The Honorable Dennis J. Buckley
Administrative Law Judge
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DATE: July 7, 2020

/s/ Steven C. Gray

Steven C. Gray
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Attorney ID No. 77538