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February 16, 2016

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**VIA ELECTRONIC FILING**

**RE: Pennsylvania Public Utility Commission v. UGI Utilities, Inc.-Gas Division  
Docket No. R-2015-2518438**

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") the Prehearing Memorandum on behalf of the UGI Industrial Intervenors in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to these proceedings are being duly served with a copy of this document. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
Alessandra L. Hylander

Counsel to UGI Industrial Intervenors

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Enclosures

c: Administrative Law Judge Susan D. Colwell (via E-mail and First-Class Mail)  
Certificate of Service

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

UGI INDUSTRIAL INTERVENORS	:	
	:	
v.	:	DOCKET NO. R-2015-2518438
	:	
UGI UTILITIES, INC.-GAS DIVISION	:	

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**PREHEARING MEMORANDUM OF  
THE UGI INDUSTRIAL INTERVENORS**

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Pursuant to the February 4, 2016 Prehearing Conference Order issued by Administrative Law Judges ("ALJs") Susan D. Colwell and Steven K. Haas, the UGI Industrial Intervenors ("UGIII") hereby submit this Prehearing Memorandum in the above-captioned proceeding.

**I. HISTORY OF THE PROCEEDING**

On January 19, 2016, UGI Utilities, Inc. – Gas Division ("UGI Gas" or the "Company") filed originals of Tariff Gas – PA. P.U.C. Nos. 6 and 6-S (collectively, the "Tariff"), seeking a general rate increase that would raise UGI Gas's "annual jurisdictional revenues by \$58.6 million, or by 17.5%." In addition to copies of its current and proposed Tariff, the Company enclosed a Statement of Reasons and supporting data. If approved, UGI Gas's proposed rates would take effect on or after March 19, 2016.

UGI Gas provides a number of justifications for its proposed rate increase. The Company alleges that the costs of providing gas service to the public have increased since its last base rate case. The Company also stipulates that infrastructure improvement efforts, system expansion plans, and a reduction in average customer usage drive the need for rate adjustment.

On February 16, 2016, UGIII filed a Complaint in this proceeding. A description of UGIII is set forth in UGIII's Complaint. UGIII's Complaint is pending and awaits disposition by the ALJs. A Prehearing Conference has been scheduled in this proceeding for February 17, 2016.

## **II. ANTICIPATED ISSUES AND SUB-ISSUES**

UGIII is concerned with the following issues:

- a) whether UGI Gas's request, as filed, fully justifies its requested relief; and
- b) whether UGI Gas's requested Tariff adjustments are just, reasonable, and in the public interest.

UGIII anticipates pursuing these issues during this proceeding and reserves the right to raise further issues and to respond to all issues raised by other parties.

## **III. PROPOSED WITNESSES**

UGIII is presently evaluating whether it will sponsor testimony in this proceeding. If UGIII chooses to sponsor testimony, it will promptly inform the parties and the ALJs of any intended witnesses and their testimony topics. UGIII also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

## **IV. PROPOSED SCHEDULE AND DISCOVERY RULES**

UGIII will coordinate with the other parties to design a mutually acceptable schedule for discovery and testimony. To the extent necessary, UGIII will also cooperate with the ALJs and the parties at the Prehearing Conference to address any requested modifications to the Commission's standard discovery rules in accordance with the Commission's Regulations and any directives issued by the ALJs.

**V. POSSIBILITY OF SETTLEMENT**

UGIII is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By Alessandra Hylander

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Counsel to the UGI Industrial Intervenors

Dated: February 16, 2016

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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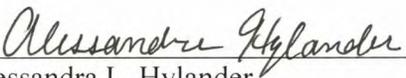
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Alessandra L. Hylander

Counsel to UGI Industrial Intervenors

Dated this 16<sup>th</sup> day of February, 2016, at Harrisburg, Pennsylvania.