



COMMONWEALTH OF PENNSYLVANIA

October 4, 2018

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 Phase III of its Energy Efficiency and Conservation Plan / Docket No. M-2018-3004144

Dear Secretary Chiavetta:

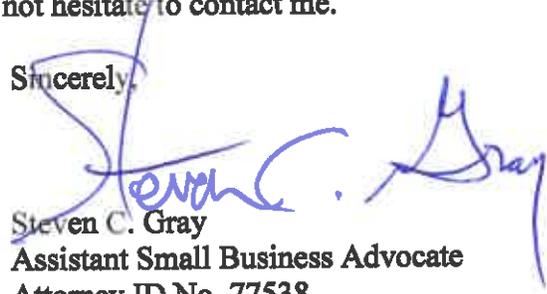
Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding. I respectfully request that a copy of any documents filed in this case be shared as well with our Witness at the address below.

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,


Steven C. Gray
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 Phase III of its : Docket No. M-2018-3004144
Energy Efficiency and Conservation :
Plan :**

**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 these proceedings. 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, Esq.
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)
sgray@pa.gov

II. FILING BACKGROUND

On August 21, 2018, UGI Utilities, Inc. – Electric Division (“UGI Electric” or the “Company”) filed a Petition for Approval of Phase III of its Energy Efficiency and Conversation (“EE&C”) Plan (“Petition”) with the Pennsylvania Public Utility Commission (“Commission”).

The Office of Small Business Advocate (“OSBA”) filed an Answer to the Petition and a Notice of Intervention on September 7, 2018.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
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 Electric, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether the Company has reasonably complied with Paragraph 20 of the *Joint Petition for Approval of Settlement* at Docket No. M-2015-2477174 and adopted procedures to monitor actual commercial and industrial (“C&I”) energy savings related to projects in the C&I Custom Incentive Program;

2. Whether the avoided costs used in the Company's proposed Phase III plan are consistent with Commission requirements for Phase III electric distribution company ("EDC") EE&C plans;
3. Whether the procedures adopted by the Company pursuant to Paragraph 22 of the *Joint Petition for Approval of Settlement* at Docket No. M-2015-2477174 have been effective in correctly assigning program costs to the appropriate rate class groups;
4. Whether the proposed Emerging Technology and Outreach ("ETO") program is reasonable and appropriate for a small EDC such as UGI Electric;
5. Whether it is appropriate for UGI Electric to continue to pursue combined heat and power ("CHP") projects at its customers' expense despite an apparent lack of success, and recognizing that such projects could financially benefit UGI Electric affiliate UGI Penn Natural Gas;
6. Whether it is appropriate for UGI Electric to continue to pursue fuel switching projects at its customers' expense despite an apparent lack of success, and recognizing that such projects could financially benefit UGI Electric affiliate UGI Penn Natural Gas;
7. Whether the tariff design for the recovery of EE&C program costs and subsidies is reasonable;
8. Whether the significant increase in the Company's forecast annual MWh savings in the C&I Custom Incentive Program above historical levels is reasonable and credible; and

9. Whether the proposed sharing of project costs in the C&I Custom Incentive Program represents a reasonable balance between a desire to achieve the benefits of reduced energy consumption and the inequitable cross-subsidization inherent in these programs.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

IV. SERVICE OF DOCUMENTS

The OSBA requests that all parties serve a hard copy of any document filed upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings and briefs, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party.

V. SETTLEMENT

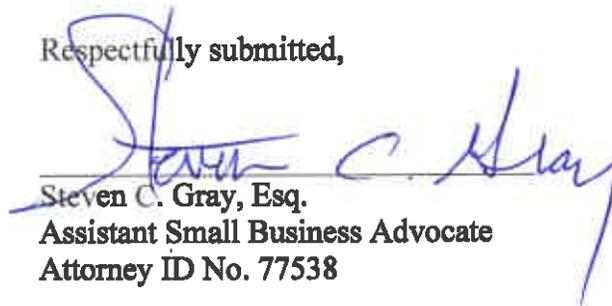
The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VI. HEARING AND BRIEFING SCHEDULE

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

Given the Governor's requirement to limit the travel of State Offices under his jurisdiction, the OSBA respectfully requests that any hearings take place in Harrisburg.

Respectfully submitted,



Steven C. Gray, Esq.
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Attorney ID No. 77538

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(717) 783-2525
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Dated: October 4, 2018

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Petition of UGI Utilities, Inc. – Electric :
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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 other 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 Benjamin J. Myers
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DATE: October 4, 2018

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