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March 29, 2010

Via Hand Delivery

James McNulty, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: PA Public Utility Commission v. Philadelphia Gas Works
Docket Nos. R-2009-2139884 and P-2009-2097639

Dear Secretary McNulty:

On behalf of Philadelphia Gas Works ("PGW") enclosed please find the original of its Answer to Motion to Dismiss Objections and Compel Discovery Responses by Philadelphia Housing Authority along with the electronic filing confirmation with regard to the above-referenced matter. Copies have been served in accordance with the attached Certificate of Service.

Very truly yours,



Carl Shultz

CS/lww

Enclosure

cc: Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of PGW's Answer to Motion to Dismiss Objections and Compel Discovery Responses by Philadelphia Housing Authority upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant):

VIA E-MAIL &/OR FIRST CLASS MAIL

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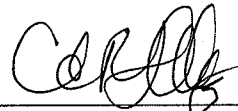
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Carl R. Shultz, Esq.

Dated: March 29, 2010

**BEFORE THE
PENNSYLVANIA UTILITY COMMISSION**

| | | |
|---|---|----------------------------------|
| PENNSYLVANIA PUBLIC UTILITY COMMISSION | : | |
| | : | |
| v. | : | Docket No. P-2009-2097639 |
| | : | |
| PHILADELPHIA GAS WORKS | : | |
| | | |
| PENNSYLVANIA PUBLIC UTILITY COMMISSION | : | |
| | : | |
| v. | : | Docket No. R-2009-2139884 |
| | : | |
| PHILADELPHIA GAS WORKS | : | |

**PHILADELPHIA GAS WORKS'
ANSWER TO MOTION TO DISMISS OBJECTIONS
AND COMPEL DISCOVERY RESPONSES
BY PHILADELPHIA HOUSING AUTHORITY**

Pursuant to 52 Pa. Code § 5.342(g)(1), Philadelphia Gas Works (“PGW”) submits this answer in opposition to the Motion to Compel (“Motion”) filed by the Philadelphia Housing Authority (“PHA”) requesting (a) the dismissal of PGW’s objection to Interrogatory I-1 and compelling that PGW provide a further response to said Interrogatory; and, (b) that PGW be compelled to provide additional responses to Interrogatories I-8, I-11 and I-12.

Preliminarily, it should be noted that PGW either objected to or answered each of the subject Interrogatories. PHA has filed this Motion one day before PHA’s direct testimony is due because PHA believes that PGW’s responses were insufficient. However, PHA is wrong for the following reasons:

Interrogatory I-1

1. Parts (a) through (c) of Interrogatory I-1 seek customer information from PGW.
2. Prior to the issuance of the Pre-Hearing Order (dated March 11, 2010), PGW made a timely written objection to parts (a) through (c) of Interrogatory I-1.

3. In its written objections, PGW indicated that individual customer information is prohibited from release to a third party without the prior consent of the customer. 52 Pa. Code § 62.78. This is consistent with the protections afforded to customers under Pennsylvania's Right to Know Law (or Open Records Law), 65 P.S. §§ 67.101 et seq. Additionally, it is PGW's internal policy to prohibit disclosure of customer account records in order to protect the Company's customers.

4. PGW also objected to parts (a) through (c) of Interrogatory I-1 on the grounds that they are seeking information which is neither relevant to any issue in this proceeding (or is likely to arise in the proceeding) and is not reasonably calculated to lead to the discovery of admissible information.

5. PHA did not request the dismissal of the above-described objections within 10 days of service of said objections. Because PHA's motion to dismiss the objections to Interrogatory I-1(a)-(c) was not filed within 10 days of service of those objections, Interrogatory I-1(a)-(c) were deemed withdrawn. *See* 52 Pa. Code § 5.342(g).

6. Even if Interrogatory I-1(a)-(c) are not deemed withdrawn, there is no basis for dismissal of PGW's objections. The above-described protections apply to all customers of PGW. The Commission has never held that public utilities (such as PGW) may freely disclose account/customer information of governmental or municipal customers to third parties. There is no basis for PHA's contention that the account/customer information of governmental or municipal entities can be afforded less protections than the protections afforded to all other utility customers.

7. Moreover, PHA has not established that information being sought by Interrogatory I-1(a)-(c) is relevant. The eligibility criteria for the rate classifications used by

PGW are set forth in PGW's Tariff. Contrary to PHA's claims, PHA does not require information related to other customers to determine the PHA's own eligibility for rate classifications under PGW's Tariff.

8. Nevertheless, it should be noted that, without waiver of its objections, PGW provided an alternative responses to Parts (a) through (c) of Interrogatory I-1. These answers are reasonable and sufficient. Therefore, there is no basis to compel a further response from PGW concerning Interrogatory I-1.

Interrogatory I-8

9. Interrogatory I-8 seeks information concerning the rate classification of PHA. As stated in PGW's Tariff, the PHA rate class applies (with certain limitations) to single and multiple dwelling Residential buildings owned and operated by the PHA.

10. In its response to Interrogatory I-8, PGW explained that the PHA rate class (which is being applied to PHA) was created, at least, 25 years ago. Thus, as indicated in PGW's response to Interrogatory I-8, the requested information is not available.

11. PGW's response to Interrogatory I-8 is sufficient. Interrogatory I-8 explains the PHA rate class by making reference to the Exhibits in PGW's Direct Testimony and PGW's Cost of Service Study. The reasons for difference in rate classes between the PHA rate class and the Municipal rate class are set forth in PGW's response to Interrogatory I-8.

12. In addition to the formal responses, PGW has also provided informal responses to PHA. For example, PGW provided informal supplemental information to PHA concerning Interrogatory I-8. See Exhibit A, which is attached hereto and incorporated herein by reference.

13. The above-described formal and informal information shows that the rate classification for PHA is reasonable, and provides sufficient responsive information concerning

the PHA rate class. Therefore, there is no basis to compel a further response from PGW concerning Interrogatory I-8.

Interrogatories I-11 and I-12

14. PHA has had the same rate classification for, at least, 25 years. PHA's request for reclassification was denied in the PGW's last base rate case. *See PUC v. Philadelphia Gas Works*, R-00061931, 2007 Pa. PUC LEXIS 45 (entered September 28, 2007).

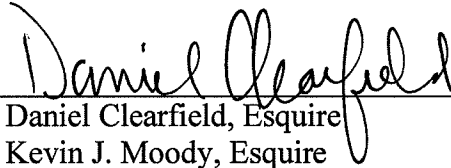
15. Interrogatories I-11 and I-12 seek information concerning the PHA rate class and the Municipal rate class.

16. PHA contends that the responses to Interrogatories I-11 and I-12 are insufficient because they cross-reference PGW's response to Interrogatory I-8.

17. PGW's responses to Interrogatories I-11 and I-12 are sufficient. PGW's response to Interrogatory I-8 (which was incorporated by reference in PGW's response to Interrogatories I-11 and I-12) makes comparisons between the PHA rate class and the Municipal rate class. It also explains that if the PHA rate class is combined with the Municipal rate class, the net result would be an increase in the Municipal rate class. Therefore, there is no basis to compel a further response from PGW concerning Interrogatories I-11 and I-12.

WHEREFORE, PGW respectfully requests that the PHA's Motion to dismiss PGW's objections to Interrogatory I-1 and to compel further responses to Interrogatories I-1, I-8, I-11 and I-12 be denied.

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel Clearfield". The signature is written in a cursive style and is positioned above a horizontal line.

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Attorneys for Philadelphia Gas Works

Date: March 29, 2010

Exhibit A

Informal Supplemental Response By PGW to Interrogatory I-8 (1 Page)



"Stunder, Gregory"
 <Gregory.Stunder@pgworks.com>
 03/29/2010 08:55 AM

To: Carl R Shultz/ESCM@ESCM
 cc
 bcc
 Subject: FW: RE: PGW Base Rate Case - PGW RESPONSES to PHA

From: Stunder, Gregory
Sent: Wednesday, March 24, 2010 12:52 PM
To: 'Hinerman, Philip'
Subject: RE: PGW Base Rate Case - PGW RESPONSES to PHA

Phil, you asked the following in your email yesterday:

We are having trouble understanding what you mean by "different attributes of service" in PHA I-8. This is cross referenced in I-11 and

I-12. You give an example. Can you be a little more descriptive?
 What are the attributes?

The following is PGW's response:

The term "different attributes of service" means that the attributes of service for PHA Rate 8 and PHA GS are different from each other, and both are different from MS (Municipal Service) and also from Commercial Service.

The table shows the things we usually look at to see if classes of service are similar enough to consider combining (there are other factors to consider too, such as relative size, demand elasticity etc.). These are the usage characteristics that drive costs in the allocated COS and also affect whether we would be able to have a single rate design that makes sense for all customers in the class.

| | Annual mcf / customer | Design day mcf / customer | Load factor |
|-----------------|------------------------------|----------------------------------|--------------------|
| Commercial Heat | 396 | 5.696 | 19.0% |
| Municipal Heat | 1,403 | 26.721 | 14.4% |
| PHA Rate 8 | 713 | 5.696 | 34.3% |
| PHA GS | 107 | 2.532 | 11.6% |

As you can see the PHA Rate 8 and PHA GS are different from each other and also from Comm and Muni.