

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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September 9, 2020

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

Re: Petition of Philadelphia Gas Works  
for Approval of Demand-Side Management  
Plan for FY 2021-2023

Philadelphia Gas Works Universal Service  
And Energy Conservation Plan For 2014-2016,  
52 Pa. Code § 62.4 - Request for Waivers  
Docket No. P-2014-2459362

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Laura J. Antinucci  
Laura J. Antinucci  
Assistant Consumer Advocate  
PA Attorney I.D. # 327217  
E-Mail: [LAntinucci@paoca.org](mailto:LAntinucci@paoca.org)

Enclosures:

cc: The Honorable F. Joseph Brady (**email only**)

Certificate of Service

\*295760

CERTIFICATE OF SERVICE

Re: Petition of Philadelphia Gas Works :  
for Approval of Demand-Side Management :  
Plan For FY 2021-2023 :  
 : Docket No. P-2014-2459362  
Philadelphia Gas Works Universal Service :  
and Energy Conservation Plan For 2014-2016, :  
52 Pa. Code § 62.4- Request for Waivers :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Prehearing Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 9<sup>th</sup> day of September 2020.

**SERVICE BY E-MAIL ONLY**

Carrie B. Wright, Esquire  
Gina L. Miller, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
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Office of Small Business Advocate  
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Harrisburg, PA 17101-1923

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Robert W. Ballenger, Esquire  
Community Legal Services, Inc.  
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135 South 19<sup>th</sup> Street  
Suite 300  
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/s/ Laura J. Antinucci

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Dated: September 9, 2020  
\*295758

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Philadelphia Gas Works	:	
For Approval of Demand-Side Management	:	
Plan for FY 2021-2023	:	
	:	Docket No. P-2014-2459362
Philadelphia Gas Works Universal Service	:	
And Energy Conservation Plan	:	
For 2014-2016, 52 Pa. Code § 62.4-	:	
Request for Waivers	:	

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in response to the Prehearing Conference Order in the above-captioned matter, the Office of Consumer Advocate (OCA) provides the following information:

**I. Introduction**

On May 7, 2020, Philadelphia Gas Works (PGW or Company) filed its Petition of Philadelphia Gas Works for Approval of Demand-Side Management Plan (DSM) for FY 2021-2023 (Implementation Plan). On July 29, 2010 Phase I of the Company’s DSM program was approved for the five-year period ending August 31, 2015 as a part of the settlement of its base rate proceeding at Docket Nos. R-2009-2139884 and P-2009-2097639. On December 23, 2014, PGW filed a Petition for Approval of Demand Side Management Plan 2016-2020, referred to as DSM Phase II, which the Commission entered a final opinion and order on November 1, 2016 at docket P-2014-2459362 that approved the continuation of the DSM programs from FY 2017 – FY 2020.

PGW's Implementation Plan details the program budgets and implementation of PGW's EnergySense Demand-Side Management Portfolio from September 1, 2020 to August 31, 2023. Within the 2021-2023 Implementation Plan, PGW proposes to continue four of the existing five Demand-Side Management (DSM) programs: (1) Residential Equipment Rebates Program; (2) Commercial Equipment Rates Program; (3) Residential Constructions Grant Program; and (4) the online Smart Thermostat Marketplace Program. Petition at 15. PGW also proposes to "wind-down" and end the Efficient Building Grants and Efficient Construction Grants for commercial/multifamily customers, with a brief wind-down period in FY 2021 to pay grants for projects approved in Phase II. Id. PGW estimates that the Implementation Plan programs will cost \$7,105,159 from FY 2021 – FY 2023 and projects 169,517 MMBtu of natural gas savings throughout FY 2021 – FY 2023 and 2,995,516 MMBtu of lifetime natural gas savings. Id. at 7-8.

On June 5, 2020, the OCA filed its Notice of Intervention and Public Statement in the matter. Following the OCA's intervention, the OCA and PGW have engaged in several collaborative discussions and have also engaged in an informal discovery call on July 23, 2020. On September 1, 2020, the Office of Small Business Advocate (OSBA) filed a Notice of Intervention and Public Statement. The Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA) and the Tenant Union Representative Network (TURN) and the Action Alliance of Senior Citizens of Greater Philadelphia (Action Alliance) (collectively TURN, *et al.*) both filed a Petition to Intervene on September 2, 2020 and September 3, 2020, respectively.

The filing was assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judge F. Joseph Brady (ALJ Brady) for investigation. On August 31, 2020,

ALJ Brady issued a Prehearing Conference Order. A Prehearing Conference will be held on September 10, 2020.

## **II. Issues**

Based upon a preliminary analysis of PGW's filing, the OCA has compiled a list of issues and sub-issues, which it anticipates will be included in its investigation of the filing. It is anticipated that other issues may arise and may be pursued during the course of these proceedings.

The following list sets forth the issues at this time that the OCA anticipates it will examine:

(1) Whether PGW should add a low-income component to the Smart Thermostat Marketplace and Residential Equipment Rebates programs within the existing respective program budgets;

(2) Whether a quarterly collaborative working group meeting (virtual) be established to review and monitor PGW's program delivery implementation related specifically to methods, strategies and techniques to shift away from in-person to virtual delivery of energy efficiency programs;

(3) Whether a more detailed derivation of the avoided costs is needed, especially the water heating avoided cost;

(4) Whether a more detailed assessment of how the portfolio was modified to substantially increase the cost efficiency (therms saved per dollar invested); and

(5) Whether a more detailed accounting of how the current DSM proposal became nearly 50% more cost effective than Phase II is needed.

The OCA specifically reserves the right to raise additional issues as may be necessary.

### **III. Witnesses**

The OCA will present the direct, rebuttal and surrebuttal testimony, as may be necessary, of Mr. Geoffrey Crandall in this proceeding. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, answers to interrogatories, and testimony be mailed to Mr. Crandall at the following address, as well as mailing copies to counsel for the OCA.

Geoffrey Crandall  
MSB Energy Associates, Inc.  
6907 University Ave. #162  
Middleton, WI 53562  
Telephone: 608-219-0164  
E-mail: [Crandall@msbnrg.com](mailto:Crandall@msbnrg.com)

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, the Administrative Law Judge and all parties of record will be notified.

### **IV. Service on the OCA**

The OCA will be represented in this case by Assistant Consumer Advocates Christy M. Appleby and Laura J. Antinucci and Senior Assistant Consumer Advocate Darryl A. Lawrence.

Two copies of all documents should be served on the OCA as follows:

Christy M. Appleby  
Laura J. Antinucci  
Assistant Consumer Advocate  
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Senior Assistant Consumer Advocate  
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**V. Discovery**

The OCA does not propose any discovery rule modifications at this time.

**VI. Settlement**

The OCA will participate in settlement discussions with the Company and other parties.



## VII. Schedule

The OCA will work with all parties to develop a mutually agreeable procedural schedule. The OCA proposes a continuation of the collaborative process as proposed in the Company's Petition. In the event that the collaborative process does not successfully resolve all issues, the OCA proposes that a reasonable schedule be adopted to allow the parties a meaningful opportunity to be heard on all issues.

Respectfully Submitted,

/s/Laura J. Antinucci

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DATE: September 9, 2020  
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