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February 24, 2010

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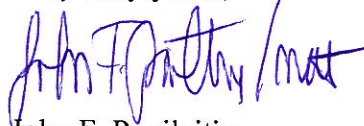
James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17102

Re: Pennsylvania Public Utility Commission  
v.  
Philadelphia Gas Works, Docket No. R-2009-2139884

Dear Secretary McNulty:

Enclosed please find a Prehearing Conference Memorandum of The Retail Energy Supply Association in the above-captioned proceeding. Copies have been served on all parties as indicated in the attached certificate of service.

Very truly yours,



John F. Povilaitis

JFP/ck

Enclosures

Certificate of Service

c. The Honorable Charles E. Rainey, Jr.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	R-2009-2139884
	:	
Philadelphia Gas Works	:	

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the relevant documents in accordance with the requirements of 52 Pa. Code § 1.54 et seq. (relating to service by a participant).

VIA FIRST CLASS AND ELECTRONIC MAIL

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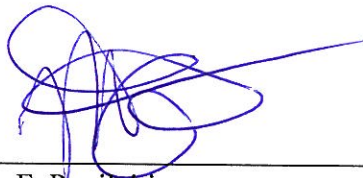
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February 24, 2010



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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2009-2139884
	:	
Philadelphia Gas Works	:	

**PREHEARING MEMO  
OF THE RETAIL ENERGY SUPPLY ASSOCIATION**

**To The Honorable Charles E. Rainey, Jr.:**

The Retail Energy Supply Association ("RESA")<sup>1</sup> submits this Prehearing Conference Memorandum for purposes of the Prehearing Conference scheduled by the Administrative Law Judge ("ALJ") for March 2, 2010.

**I. Procedural Background**

PGW has filed Supplement No. 36 to its Tariff Gas – Pa P.U.C. No. 2 that was to be effective February 16, 2010. At the Public Meeting of February 11, 2010, the Commission voted to suspend and investigate this tariff filing. In Ordering Paragraph No. 4 of the Suspension Order, the Commission specified that this investigation shall include consideration of the lawfulness, justness, and reasonableness of PGW's existing rates, rules, and regulations. The case has been assigned to the Office of Administrative Law Judge for the prompt scheduling of hearings and the issuance of a Recommended Decision. This proceeding was assigned to ALJ Charles E. Rainey, Jr., who issued a

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<sup>1</sup> RESA's members include ConEd Solutions; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Gexa Energy; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; Sempra Energy Solutions LLC. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

Prehearing Conference Order seeking responses on certain issues. RESA has filed a Petition to Intervene.

## **II. ALJ Issues**

### **1. The Status of Any Settlement Discussions**

To date, RESA has not participated in any settlement discussions. However, RESA remains willing to participate in any settlement or stipulation discussions with the other parties in the proceeding to narrow or eliminate issues in this proceeding.

### **2. Any Admissions or Stipulations**

To date, RESA has not made or received any admissions or stipulations.

### **3. The Status of Discovery**

To date, RESA has not issued or received any discovery.

### **4. Proposed Discovery Rules**

To provide for appropriate access to information necessary to fully litigate this rate increase request, RESA encourages the ALJ to identify clear discovery rules, including not only timeframes, but directives for application of reasonable confidentiality designations, as necessary, and timely execution of nondisclosure agreements

### **5. A Proposed Schedule for Discovery**

RESA is willing to confer with other participants in this proceeding to establish a reasonable discovery schedule.

### **6. & 7. The Factual and Legal Issues to be Addressed in this Case**

The issues to be addressed in this proceeding include:

- (i) The lawfulness, justness, and reasonableness of PGW's requested rate increase;

- (ii) The lawfulness, justness, and reasonableness of PGW's existing supplier rules, which, as specified in Ordering Paragraph No. 4 of the Suspension Order, are subject to investigation in this proceeding;
- (iii) Whether there are certain supply-related costs that should be removed from PGW's base rates and included in its Purchased Gas Cost rate;
- (iv) Issues related to the potential transition of some or all of PGW's customers to an alternative default service provider, which is an issue that arose out of PGW's November 2008 Petition for Extraordinary Rate Relief and is an issue that remains pending.

**8. The Names, Titles and Business Addresses of Each Witness**

RESA has not finalized identification of its witness in this proceeding at this time.

When the witness has been identified, the information will be relayed to the ALJ and all parties in this proceeding.

**9. The Issues Each Witness Will Address**

Until RESA identifies who will appear as a witness on its behalf in this docket, RESA is not able to indicate what issues will be addressed by any particular witness. However, RESA generally intends to address the various issues raised above.

**10. A Proposed Date for a Second Prehearing Conference, If Necessary**

At this juncture, RESA does not believe that a second prehearing conference is necessary.

**11.-14. A Proposed Schedule for the Submission of Written Testimonies, for Evidentiary Hearings, for Public Input Hearings and for Briefing**

RESA is willing to work with the presiding ALJ and the other parties in the proceeding to establish a reasonable procedural schedule.

**15. Any Other Pertinent Information**

RESA has no further information to address at this time.



Dated: February 24, 2010

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