

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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January 12, 2015

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

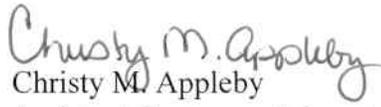
RE: Petition of Philadelphia Gas Works for
Approval of Demand-Side Management
Plan for FY 2016-2020
and
Philadelphia Gas Works Universal Service
and Energy Conservation Plan for 2014-
2016 52 Pa. Code § 62.4 – Request for
Waivers
Docket No. P-2014-2459362

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Notice of Intervention and Public Statement, in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully Submitted,


Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824

Enclosures

cc: Office of Administrative Law Judge
Office of Special Assistants
Joseph Magee, Bureau of Consumer Services
Grace McGovern, Bureau of Consumer Services

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Philadelphia Gas Works :
For Approval of Demand-Side Management :
Plan For FY 2016-2020 :
: 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 :

NOTICE OF INTERVENTION

Pursuant to 52 Pa. Code Sections 5.71-74, the Office of Consumer Advocate hereby gives Notice of Intervention in the above-captioned proceeding. A copy of all correspondence and notices, documents, orders or other communications with respect to the above-captioned proceeding should be addressed to the following:

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Respectfully Submitted,

Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CAAppleby@paoca.org

DATE: January 12, 2015

PUBLIC STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC or Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to Intervene in this proceeding and to file an Answer to Philadelphia Gas Works' Petition for Approval of Energy Conservation and Demand Side Management Plan for FY 2016-2010 and Request for Waivers in its Universal Service and Energy Conservation Plan for 2014-2016 at Docket Nos. P-2014-2459362.

On December 23, 2014, Philadelphia Gas Works (PGW or the Company) filed its Petition for Approval of Energy Conservation and Demand-Side Management Plan (DSM) for FY 2016-2020 (Phase II Plan) and Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016, 52 Pa. Code § 62.4 – Request for Waivers. In its Phase II Plan, PGW proposes to continue five of the existing seven DSM programs: (1) Customer Responsibility Program (CRP) Home Comfort Program (formerly ELIRP); (2) Residential Equipment Rebates Program; (3) Commercial Equipment Rates program; (4) Efficient Building Grants program; and (5) Efficient Construction Grants program. Petition at 3-4. PGW also proposes to add two new programs: (1) a Low-Income Multifamily Program and (2) a fuel switching program, the DSM Efficient Fuel-Switching Program. Petition at 4. PGW estimates the programs will cost \$25 million, including \$22.7 million for the conservation programs and \$2.3 million for the load management program. *Id.* at 5. PGW projects that the program will save 227 BBTUs of natural gas during the first five years of Phase II and 4,390 BBTUs over the lifetime of the measures installed. *Id.* Phase II of the program would increase the rates for non-

CRP residential customers by 0.6% to 0.7% (or increase the average annual bill by \$5.80) for each year of the program through 2020. Petition at ¶ 48. In addition to the costs of the program itself, PGW also proposes to recover costs for a Conservation Adjustment Mechanism (CAM) and a Performance Incentive Mechanism through the Efficiency Cost Recovery Surcharge (ECRS) applicable to all volumes of gas delivered. *Id.* at 5-6. PGW has also requested waivers of 52 Pa. Code §§ 58.5 and 58.11(a) regarding its inclusion of the Low Income Usage Reduction Program (LIURP) weatherization component of its Universal Service Plan in its DSM Plan. *Id.* at ¶ 54(a).

The Consumer Advocate determined to intervene in this proceeding to protect the interests of PGW's customers; to ensure that any increase in rates resulting from the adoption of the proposed programs and any related expenses are just and reasonable; and to ensure that any resulting benefits of the program are captured and properly matched to the costs.

The OCA intends to review several areas of PGW's proposed plan including whether Phase II of the program should be continued beyond the sunset date of August 2015, the cost-effectiveness of the proposed programs and plan, the design of the proposed programs, and the Company's proposed cost recovery mechanism, including the proposed lost revenue mechanism and Performance Incentive Mechanism. The OCA will seek to ensure that any costs that are sought to be recovered are consistent with Commission regulations, statutes and applicable case law and result in rates which are just and reasonable.

CERTIFICATE OF SERVICE

Petition of Philadelphia Gas Works :
For Approval of Demand-Side Management :
Plan For FY 2016-2020 :
 : 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 foregoing document, the Office of Consumer Advocate's Notice of Intervention and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 12th day of January 2015.

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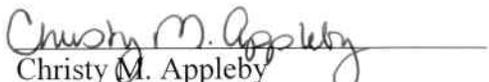
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