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March 16, 2010

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

**VIA HAND DELIVERY**

**RE: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;  
Docket No. R-2010-2157062**

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of the Prehearing Conference Memorandum on behalf of the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp the extra copy of this transmittal letter and Prehearing Conference Memorandum and kindly return them to our messenger for our filing purposes.

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
Barry A. Naum

Counsel to the Philadelphia Industrial and  
Commercial Gas Users Group

BAN/km  
Enclosures

c: Administrative Law Judge Cynthia Williams Fordham (via E-mail and First-Class Mail)  
Administrative Law Judge Christopher Pell (via E-mail and First-Class Mail)  
Certificate of Service

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC  
UTILITY COMMISSION

v.

PHILADELPHIA GAS WORKS

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Docket No. R-2010-2157062

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**PREHEARING CONFERENCE MEMORANDUM OF  
THE PHILADELPHIA INDUSTRIAL AND COMMERCIAL GAS USERS GROUP**

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Pursuant to the March 11, 2010, Prehearing Order by Administrative Law Judges ("ALJs") Cynthia Williams Fordham and Christopher Bell, the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby submits this Prehearing Conference Memorandum in the above-captioned proceeding.

**I. HISTORY OF THE PROCEEDING**

On January 28, 2010, Philadelphia Gas Works ("PGW" or "Company") submitted its Gas Cost Rate ("GCR") pre-filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") pursuant to the requirements of Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f). On February 26, 2010, PGW filed supporting testimony and exhibits setting forth the proposed gas recovery rates effective for service rendered on and after September 1, 2010.

On March 15, 2010, PICGUG filed a Petition to Intervene in this proceeding. A description of PICGUG is set forth in Paragraph 5 of PICGUG's Petition to Intervene. PICGUG's Petition to Intervene is pending and awaits disposition by the ALJs.

## **II. ANTICIPATED ISSUES AND SUB-ISSUES**

Because any changes to the Company's gas costs may affect its members, PICGUG is concerned with all modifications to the GCR proposed in this proceeding. Similarly, PICGUG is concerned with any issues that may arise regarding interruptible transportation service, pipeline capacity cost assignment, penalty charges, and daily and monthly imbalance penalties. PICGUG anticipates pursuing these issues during this proceeding as necessary and reserves the right to raise further issues and to respond to all matters raised by other parties.

## **III. PROPOSED WITNESSES**

PICGUG is in the process of evaluating whether it will sponsor testimony in this proceeding. In the event that PICGUG decides to sponsor testimony, it will immediately inform the parties and the ALJs of any intended witnesses and topics of testimony. PICGUG also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

## **IV. PROPOSED SCHEDULE AND DISCOVERY RULES**

PICGUG will cooperate with the ALJs and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any ALJ directives.

**V. POSSIBILITY OF SETTLEMENT**

PICGUG is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

Charis Mincavage (Pa. I.D. 82039)

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Counsel to the Philadelphia Industrial and  
Commercial Gas Users Group

Dated: March 16, 2010

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

### VIA E-MAIL AND FIRST-CLASS MAIL

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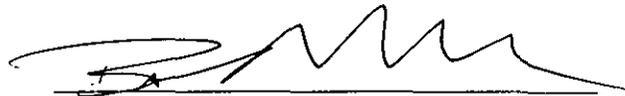
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**VIA FIRST-CLASS MAIL**

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A handwritten signature in black ink, appearing to read 'Barry A. Naum', written over a horizontal line.

Barry A. Naum

Dated this 16<sup>th</sup> day of March, 2010, in Harrisburg, Pennsylvania.