

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF SMALL BUSINESS ADVOCATE
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300 North Second Street
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

(717) 783-2525
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June 23, 2010

HAND DELIVERED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265

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JUN 23 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Philadelphia Gas Works' Petition to Modify Its Universal Services and Energy Conservation Plans With Respect to the Customer Responsibility Program Docket No. P-2010-2178610

Dear Secretary Chiavetta:

I am delivering for filing today the original plus three copies of the Notice of Intervention, Answer, Verification, Public Statement, and Notice of Appearance, on behalf of the Office of Small Business Advocate in the above-captioned proceeding.

Two copies have been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon E. Webb".

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Philadelphia Gas Works' Petition to Modify :
Its Universal Services and Energy Conservation :
Plans With Respect to the Customer : Docket No. P-2010-2178610
Responsibility Program :**

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**ANSWER OF THE
OFFICE OF SMALL BUSINESS ADVOCATE**

Pursuant to 52 Pa. Code § 5.61(a), the Office of Small Business Advocate ("OSBA") hereby answers the Petition of Philadelphia Gas Works ("PGW" or the "Company") which was filed in the above-captioned proceeding on June 4, 2010 ("Petition"). In response to PGW's Petition, the OSBA responds as follows:

ANSWERS TO UNNUMBERED PARAGRAPHS

1-4 The first four paragraphs of PGW's Petition are unnumbered introductory paragraphs which include a summary of the relief requested and legal conclusions to which no response is required.

ANSWERS TO NUMBERED PARAGRAPHS

1. The averments of Paragraph No. 1 refer to writings which, as documents, speak for themselves and therefore no response is required. By way of further response, although only PGW's residential customers are eligible for the Customer Responsibility Program ("CRP"), the costs of the program are recovered through the Company's universal service charge which is levied on PGW's business customers.¹

¹ See OSBA Statement No. 1, Direct Testimony of Robert D. Knecht at 30. Docket No. R-2009-2139884.

2. The averments of Paragraph No. 2 refer to PGW's CRP Plan which, as a document, speaks for itself and therefore no response is required.

3. The averments of Paragraph No. 3 refer to PGW's CRP Plan and the testimony of PGW's witness Coltro which, as documents, speak for themselves and therefore no response is required.

4. The averments of Paragraph No. 4 refer to PGW's CRP Plan and testimony of PGW's witness Coltro which, as documents, speak for themselves and therefore no response is required.

5. The averments of Paragraph No. 5 refer to PGW's CRP Plan which, as a document, speaks for itself and therefore no response is required. The averments of Paragraph No. 5 also refer to Commission regulations which are conclusions of law to which no response is required.

6. The averments of Paragraph No. 6 refer to PGW's CRP Plan and testimony of PGW's witness Coltro which, as documents, speak for themselves and therefore no response is required. The averments of Paragraph No. 6 which refer to the policies of the Department of Public Welfare are conclusions of law to which no response is required.

7. The averments of Paragraph No. 7 refer to documents, which speak for themselves and therefore no response is required.

8. The averments of Paragraph No. 8 refer to documents, which speak for themselves and therefore no response is required. The OSBA has no first hand knowledge of the meetings PGW has had with other parties and of PGW's attempts to address the concerns of these parties. Therefore, the averments of Paragraph 8 regarding such meetings and attempts are denied and strict proof thereof is demanded.

9. The averments of Paragraph No. 9 refer to the Joint Petition for Settlement which was filed in the PGW's rate case (at Docket No. R-2009-2139884) to which the OSBA is a signatory. While the OSBA concedes that the settlement included a provision which required PGW to make certain proposals, any characterization regarding the quality or cost-effectiveness of PGW's proposal is denied and strict proof thereof is demanded.

10. The first averments of Paragraph 10 are a summary of the relief requested and conclusions of law to which no response is required. The averments also refer to the testimony of PGW's witness Coltro which, as a writing speaks for itself and therefore no response is required.

11. The averments of Paragraph No. 11 are legal conclusions to which no response is required. The averments also refer to the testimony of PGW's witness Coltro which, as a writing speaks for itself and therefore no response is required.

12. The averments of Paragraph No. 12 are legal conclusions to which no response is required. The averments also refer to PGW's CRP Plan and to the testimony of PGW's witness Coltro which, as writings speak for themselves and therefore no response is required.

13. The averments of Paragraph No. 13 are legal conclusions to which no response is required. The averments also refer to the testimony of PGW's witness Coltro which, as a writing speaks for itself and therefore no response is required.

14. The averments of Paragraph No. 14 refer to the Apprise Report and to the testimony of PGW's witness Coltro which, as documents, speak for themselves and therefore no response is required.

15. The averments of Paragraph No. 15 refer to the Apprise Report and the testimony of PGW's witness Coltro which, as documents, speak for themselves and therefore no response

is required. The OSBA lacks first-hand knowledge of the basis for PGW's conclusion regarding which, if any, of the Apprise recommendations it should adopt. Therefore, the averments of Paragraph 15 regarding PGW's conclusion are denied and strict proof thereof is demanded.

16. The averments of Paragraph No. 16 refer to policy statements and the testimony of PGW's witness Coltro which, as documents, speak for themselves and therefore no response is required.

17. The averments of Paragraph No. 17 refer to the Apprise Report and to the testimony of PGW's witness Coltro which, as documents, speak for themselves and therefore no response is required. The averments of Paragraph 17 also state conclusions of law to which no response is required.

18. The averments of Paragraph No. 18 refer to the testimony of PGW's witness Coltro which, as a document, speaks for itself and therefore no response is required.

19. The averments of Paragraph No. 19 state legal conclusions to which no response is required. The averments also refer to the testimony of PGW's witness Coltro which, as a document, speaks for itself and therefore no response is required. By way of further response, the OSBA, through the testimony of Mr. Robert D. Knecht, presented evidence (in PGW's rate case at Docket No. R-2009-2139884) that the "average gas consumption of CRP customers far exceeds that of non-CRP customers."² Therefore, any characterization of the effectiveness of PGW's CRP and/or incentives (both current and proposed) is specifically denied and strict proof thereof is demanded.

² OSBA Statement No. 1 at 37. *Public Utility Commission v Philadelphia Gas Works*, Docket No. R-2009-2139884.

20. The averments of Paragraph No. 20 refer to the CRP and to the testimony of PGW's witness Coltro which, as documents, speak for themselves and therefore no response is required. Any characterization of the effectiveness of PGW's CRP and/or incentives (both current and proposed) is specifically denied and strict proof thereof is demanded.

21. The OSBA is without sufficient first hand knowledge or information to form a belief concerning the truth of the averment in the first sentence of Paragraph No. 21. Therefore, that averment is denied and strict proof thereof is demanded. The remaining averments in Paragraph No. 21 refer to the testimony of PGW's witness Coltro which, as a document, speaks for itself and therefore no response is required. Any characterization of the effectiveness of PGW's CRP and/or incentives (both current and proposed) is specifically denied and strict proof thereof is demanded.

22. The averments of Paragraph No. 22 are a summary of the request for relief to which no response is required. The averments of Paragraph No. 22 also refer to the testimony of PGW's witness Coltro which, as a document, speaks for itself and therefore no response is required. Any characterization of the effectiveness of PGW's CRP and/or incentives (both current and proposed) is specifically denied and strict proof thereof is demanded.

23. The averments of Paragraph No. 23 are a summary of the relief requested to which no response is required. The averments also refer to testimony of PGW's witness Coltro which, as a document, speaks for itself and therefore no response is required. Any characterization of the effectiveness of PGW's CRP and/or incentives (both current and proposed) is specifically denied and strict proof thereof is demanded.

24. The averment of Paragraph No. 24 is a summary of the relief requested and a statement of legal conclusions to which no response is required. The averments also refer to

testimony of PGW's witness Coltro which, as a document, speaks for itself and therefore no response is required. Any characterization of the effectiveness of PGW's CRP and/or incentives (both current and proposed) is specifically denied and strict proof thereof is demanded.

25. The averments of Paragraph No. 25 are a summary of the relief requested to which no response is required. The averments also refer to testimony of PGW's witness Coltro which, as a document, speaks for itself and therefore no response is required.

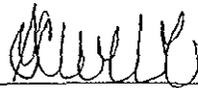
26. The averments of Paragraph No. 26 are a summary of the relief requested to which no response is required. The averments also refer to testimony of PGW's witness Coltro which, as a document, speaks for itself and therefore no response is required.

27. The averments of Paragraph No. 27 are a summary of the relief requested to which no response is required. The averments also refer to attachments to the testimony of PGW's witness Coltro which, as documents, speaks for themselves and therefore no response is required.

Conclusion

WHEREFORE, the OSBA respectfully requests that the Commission refer PGW's Petition to the Office of Administrative Law Judge for hearings and the preparation of a Recommended Decision. Following the issuance of that Recommended Decision, the OSBA respectfully requests that the Commission deny any modifications to PGW's CRP Plan which have not been proven to be cost-effective.

Respectfully submitted,



Sharon E. Webb
Attorney I.D. No. 73995
Assistant Small Business Advocate

For:

William R. Lloyd, Jr.
Attorney I.D. No. 16452
Small Business Advocate

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Dated: June 23, 2010

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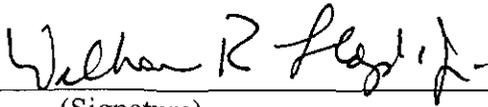
JUN 23 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VERIFICATION

I, William R. Lloyd, Jr., hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Date: June 23, 2010



(Signature)

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Philadelphia Gas Works' Petition to Modify :
Its Universal Services and Energy Conservation :
Plans With Respect to the Customer : **Docket No. P-2010-2178610**
Responsibility Program :

**PUBLIC STATEMENT OF
THE SMALL BUSINESS ADVOCATE**

The Small Business Advocate is authorized and directed to represent the interests of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). The Act further provides that the Small Business Advocate issue publicly a written statement setting forth concisely the specific interest of small business consumers to be protected by the initiation of, or intervention in, any proceeding involving those interests before the Pennsylvania Public Utility Commission (“Commission”) or any other agency or court. This public statement relates to the filing today by the Small Business Advocate of a Notice of Intervention and an Answer in the above-captioned proceeding.

This proceeding involves a request by Philadelphia Gas Works (“PGW” or the “Company”) to modify one of its three universal service programs for low income residential customers, specifically the Customer Responsibility Program (“CRP”). Changes to the CRP are required because of changes to the Low Income Home Energy Assistance Program Cash Grants (“LIHEAP”) and also because of the Joint Petition for Settlement of the Company’s base rates case at Docket No. R-2009-2139884. The Office of Small Business Advocate is a signatory to the Joint Petition for Settlement.

In the Company's base rates case at Docket No. R-2009-2139884, the OSBA, presented evidence that the "average gas consumption of CRP customers far exceeds that of non-CRP customers." (See OSBA Statement No. 1 at 37, Docket No. R-2009-2139884). Although only residential customers can participate in PGW's CRP, business customers pay a portion of the costs of the CRP.

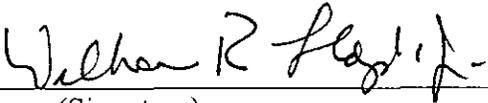
The Commission's decision in the above-captioned proceeding will affect the rates of small business customers. Therefore, the Small Business Advocate will participate in the instant proceeding before the Commission to protect the interests of PGW's small business customers.

Dated: June 23, 2010

VERIFICATION

I, William R. Lloyd, Jr., hereby state that the facts set forth herein above are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).

Date: June 23, 2010



(Signature)

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
v. : **DOCKET NO. P-2010-2178610**
Philadelphia Gas Works :

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Notice of Intervention, Answer, Verification, Public Statement, and Notice of Appearance, on behalf of the Office of Small Business Advocate, by e-mail and first-class mail (unless otherwise noted) upon the persons addressed below:

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Sharon E. Webb
Assistant Small Business Advocate
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Date: June 23, 2010