



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166
Tel: 717.232.8000 • Fax: 717.237.5300

Adeolu A. Bakare
Direct Dial: 717.237.5290
Direct Fax: 717.260.1744
abakare@mwn.com

December 3, 2012

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**RE: Philadelphia Gas Works Supplement No. 55 to Gas Service Tariff Pa. P.U.C. No. 2;
Docket No. R-2012-2333993**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") is the Petition to Intervene 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. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By

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

Adeolu A. Bakare

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Enclosure

c: Chief Administrative Law Judge Charles E. Rainey, Jr. (via e-mail and First Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

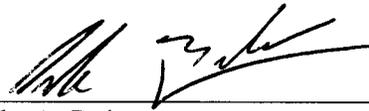
VIA E-MAIL AND FIRST-CLASS MAIL

Gregory J. Stunder, Esq.
Philadelphia Gas Works
800 West Montgomery Avenue
Philadelphia, PA 19122
greg.stunder@pgworks.com

Steven C. Gray, Esq.
Sharon E. Webb, Esq.
Elizabeth Rose Triscari, Esq.
Office of Small Business Advocate
1102 Commerce Building
300 North Second Street
Harrisburg, PA 17101
sgray@pa.gov
swebb@pa.gov
etriscari@pa.gov

Johnnie E. Simms, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265
josimms@pa.gov

Tanya J. McCloskey, Esq.
Aron J. Beatty, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101
tmccloskey@paoca.org
abeatty@paoca.org



Adeolu A. Bakare

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Dated this 3rd day of December, 2012, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PHILADELPHIA GAS WORKS :
SUPPLEMENT NO. 55 TO GAS SERVICE : Docket No. R-2012-2333993
TARIFF PA. P.U.C. NO. 2 :

**PETITION TO INTERVENE OF THE
PHILADELPHIA INDUSTRIAL AND COMMERCIAL GAS USERS GROUP**

TO THE HONORABLE, THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to Sections 5.71 through 5.74 of the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Regulations, 52 Pa. Code §§ 5.71-5.74, the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby files this timely Petition to Intervene in the above-captioned proceeding. In support thereof, PICGUG states as follows:

1. Petitioner is PICGUG. The composition of PICGUG is attached hereto as Appendix A. PICGUG reserves the right to modify Appendix A throughout the course of this proceeding, as necessary.

2. The names and address of Petitioner's attorneys are:

Charis Mincavage (I.D. No. 82039)
Adeolu A. Bakare (I.D. No. 208541)
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: 717.232.8000
Fax: 717.237.5300
cmincavage@mwn.com
abakare@mwn.com

3. On November 13, 2012, Philadelphia Gas Works ("PGW") filed Supplement No. 55 to Gas Service Tariff Pa. P.U.C. No. 2 ("Supplement No. 55") proposing to remove

natural gas procurement costs from PGW's base rates and recover them through separate surcharge mechanisms on a revenue neutral basis.

4. PGW submitted Supplement No. 55 in compliance with a Commission rulemaking addressing the promotion of retail competition for natural gas supply through modifications to certain rights, duties, and obligations of natural gas distribution companies ("NGDCs") and natural gas suppliers ("NGSs"). The rulemaking process concluded with a Revised Final Rulemaking Order ("Final Order") issued on February 23, 2011 at Docket No. L-2008-2069114, which, *inter alia*, adopted new regulations requiring NGDCs to develop revenue-neutral mechanisms for removing natural gas procurement costs from distribution rates and reflecting such costs in the Price-to Compare ("PTC"). *See* 52 Pa. Code §§ 62.221-62.225. On May 25, 2012, the Commission issued a Secretarial Letter establishing dates and service requirements for each jurisdictional NGDC to file tariff revisions under Section 1308(a) of the Public Utility Code, consistent with the newly adopted regulations.

5. As directed by the May 25 Secretarial Letter, PGW served Supplement No. 55 upon the Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OSBA"). Additionally, PGW served Supplement No. 55 upon PICGUG, Community Legal Services ("CLS"), and various Natural Gas Suppliers ("NGSs").

6. On December 3, 2012, the Office of Consumer Advocate ("OCA") filed a Formal Complaint, Public Statement, and Notice of Appearance requesting that the Commission suspend and investigate PGW's proposed rate changes.

7. PICGUG is an ad hoc group of large volume natural gas customers receiving service from PGW under various rate schedules. PICGUG members use substantial volumes of natural gas in their businesses, and natural gas costs comprise a significant element of their

respective costs of operation. The proposed modifications to PGW's firm transportation rates, as well as any indirect impact on PGW's interruptible transportation service rates, may impact PICGUG members' costs of operation. In addition, PICGUG members may occasionally receive gas supply service from PGW for purposes of smaller accounts. As a result, PICGUG has a direct and substantial interest in participating in any investigation or adjudication of PGW's proposals to: (1) remove labor and benefit costs from distribution rates for recovery through a Gas Procurement Charge; and (2) remove natural gas supply-related uncollectibles expense from distribution rates for recovery through a Merchant Function Charge. Specifically, PICGUG intends to ensure that PGW's Tariff Supplement and any proceedings initiated pursuant to OCA's Complaint do not result in unjust, unreasonable, or discriminatory rates for large commercial and industrial customers.

8. Therefore, consistent with 52 Pa. Code § 5.72(a), PICGUG has a significant interest in this proceeding that is not represented by any other party of record. Accordingly, PICGUG should be granted intervenor status in this proceeding.

WHEREFORE, the Philadelphia Industrial and Commercial Gas Users Group respectfully requests that the Pennsylvania Public Utility Commission grant this Petition to Intervene and provide the Philadelphia Industrial and Commercial Gas Users Group with full-party status in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

Charis Mincavage (Pa. I.D. No. 82039)
Adeolu A. Bakare (I.D. No. 208541)
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
cmincavage@mwn.com
abakare@mwn.com

Dated: December 3, 2012

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

APPENDIX A

PHILADELPHIA AREA INDUSTRIAL ENERGY USERS GROUP

Aria Health

Einstein Healthcare Network

Magee Rehabilitation Hospital

Philadelphia College of
Osteopathic Medicine

Thomas Jefferson University/
Thomas Jefferson University Hospitals, Inc.

