

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, Pennsylvania 17101-1923  
(717) 783-5048  
800-684-6560 (in PA only)

FAX (717) 783-7152  
consumer@paoca.org

January 2, 2013

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

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 please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Aron J. Beatty".

Aron J. Beatty  
Assistant Consumer Advocate  
PA Attorney I.D. # 86625

Enclosures

cc: Hon. Christopher Pell, ALJ  
Certificate of Service

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Office of Consumer Advocate	:	
	:	
v.	:	
	:	
Philadelphia Gas Works	:	Docket No. R-2012-2333993
	:	

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code and the Prehearing Conference Order issued by Administrative Law Judge (ALJ) Christopher P. Pell on December 21, 2012, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

On November 13, 2012, Philadelphia Gas Works (PGW or Company) filed Supplement No. 55 to PGW's Gas Service Tariff Pa. P.U.C. No. 2 (Supplement No. 55). PGW has filed Supplement No. 55 for the purpose of unbundling natural gas procurement costs and gas supply related uncollectible expense from distribution rates. The Company's filing was made pursuant to 66 Pa.C.S. Section 1308(a) and the Commission's Revised Final Rulemaking Order and accompanying Regulations at Docket No. L-2008-2069114. In that Order, the Commission noted that its primary goal with respect to gas supply cost unbundling is to create a level playing field for all market competitors. PGW states that Supplement No. 55 meets the Commission's objective to increase levels of customer shopping by establishing a more level playing field in terms of cost allocation. Statement of Reasons at 4.

## II. ISSUES AND SUB-ISSUES

The OCA filed its Complaint in this proceeding to ensure that each element of the Company's 1308(a) filing is scrutinized. To date the OCA has filed and received answers to one set of Interrogatories. The OCA is undertaking a thorough analysis and review to ensure the following:

- a. that the gas supply procurement costs that were removed from base rates are proper;
- b. that those items left in base rates are appropriate; and
- c. that the rates proposed by the Company are otherwise just and reasonable and not unduly discriminatory or excessive.

After its analysis is completed and pursuant to the procedural schedule established in this proceeding, the OCA will file direct testimony. That testimony will set forth the specific issues to be addressed in this proceeding and will also make specific recommendations. The OCA reserves the right to raise additional issues as discovery continues.

## III. SETTLEMENT

The OCA is willing to engage in settlement discussions with the Parties.

## IV. WITNESSES

The OCA will present the direct, rebuttal and surrebuttal testimony of Mr. Jerome D. Mierzwa in this proceeding. Mr. Mierzwa will present testimony in written form and also will attach various exhibits and explanatory documents which will assist in the presentation of the OCA's case. In order to expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be mailed directly to Mr. Mierzwa at the following address, as well as mailing copies to counsel for the OCA.

Jerome D. Mierzwa  
Exeter Associates, Inc.  
10480 Little Patuxent Parkway  
Suite 300  
Columbia, MD 20144  
Phone: (410) 992-7500  
Fax: (410) 992-3445  
E-mail: [jmierzwa@exeterassociates.com](mailto:jmierzwa@exeterassociates.com)

The OCA specifically reserves the right to call additional witnesses, as necessary. If the OCA determines that an additional witness or witnesses will be necessary for any portion of its case, all parties of record will be notified immediately.

#### V. PUBLIC INPUT HEARINGS

At present, it does not appear that a public input hearing in this proceeding is necessary. However, if consumer interest arises, the OCA will make prompt notification to the ALJ and the parties to request public input hearings.

#### VI. SERVICE ON THE OFFICE OF CONSUMER ADVOCATE

The OCA will be represented in this case by Aron Beatty. Two copies of all documents should be served on the OCA as follows:

Aron Beatty  
Assistant Consumer Advocate  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
Telephone: 717-783-5048  
Fax: 717-783-7152  
Email: [abeatty@paoca.org](mailto:abeatty@paoca.org)

As a courtesy, the OCA requests that all electronic correspondence be copied to Cammie Shoen ([cshoen@paoca.org](mailto:cshoen@paoca.org)).

VII. PROPOSED SCHEDULE

The Company has proposed, and the OCA supports, a schedule that works within the scheduling parameters detailed in the ALJ's Prehearing Order. In addition to those dates identified in that Order, the Company has proposed the following schedule:

Direct Testimony (non-Company)	February 11, 2013
Rebuttal Testimony	February 22, 2013
Surrebuttal Testimony	February 27, 2013
Oral Rejoinder	March 4, 2013

The OCA will work with the parties to arrive at a mutually agreeable schedule if these dates require additional modifications.

Respectfully Submitted,



Aron Beatty  
Assistant Consumer Advocate  
PA Attorney I.D. # 86625  
E-Mail: [abeatty@paoca.org](mailto:abeatty@paoca.org)

Counsel for:  
Tanya J. McCloskey  
Acting Consumer Advocate

Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152

Dated: January 2, 2013  
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CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the foregoing document, Prehearing Memorandum of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 2<sup>nd</sup> day of January 2013.

SERVICE BY E-MAIL & INTER-OFFICE MAIL

Johnnie Simms, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, P.O. Box 3265  
Harrisburg, PA 17105-3265

SERVICE BY E-MAIL & FIRST CLASS MAIL, POSTAGE PREPAID

Gregory J. Stunder, Esq.  
Philadelphia Gas Works  
800 W. Montgomery Avenue  
Philadelphia, PA 19122

Mr. Robert D. Knecht  
Industrial Economics Inc.  
2067 Massachusetts Avenue  
Cambridge, MA 02140

Sharon Webb, Esq.  
Elizabeth Triscari, Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 N. Second Street  
Harrisburg, PA 17101

  
Aron J. Beatty  
Assistant Consumer Advocate  
PA Attorney I.D. # 86625  
E-Mail: [abeatty@paoca.org](mailto:abeatty@paoca.org)

Charis Mincavage, Esq.  
Adeolu A. Bakare, Esq.  
McNees Wallace & Nurick LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166

Counsel for  
Office of Consumer Advocate  
555 Walnut Street  
5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
Phone: (717) 783-5048  
Fax: (717) 783-7152  
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