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March 15, 2013

Rosemary Chiavetta, 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-2013-2346376**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") is the Prehearing Conference Memorandum 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 an extra copy of this transmittal letter and Prehearing Memorandum, and kindly return them for our filing purposes. Thank you.

Sincerely,

McNEES WALLACE & NURICK LLC

By

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

Adeolu A. Bakare

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

AAB/leh
Enclosures

c: Administrative Law Judge Christopher Pell (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

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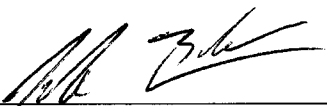
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Adeolu A. Bakare

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Dated this 15th day of March, 2013, at Harrisburg, Pennsylvania

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC
UTILITY COMMISSION

v.

PHILADELPHIA GAS WORKS

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Docket No. R-2013-2346376

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

Pursuant to the March 6, 2013, Prehearing Conference Order issued by Administrative Law Judge ("ALJ") Christopher P. Pell, 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 31, 2013, 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 March 1, 2013, PGW filed supporting testimony and exhibits setting forth the proposed gas recovery rates effective for service rendered on and after September 1, 2013.

On February 21, 2013, PICGUG filed a Petition to Intervene in this proceeding. A description of PICGUG is set forth in Paragraph 4 of PICGUG's Petition to Intervene. PICGUG's Petition to Intervene is pending and awaits disposition by the ALJ.

II. ANTICIPATED ISSUES AND SUB-ISSUES

Because changes to the Company's gas costs may affect its members, PICGUG is concerned with the 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. Additionally, PICGUG intends to review the Unaccounted for Gas Review prepared in compliance with the Joint Petition for Settlement of PGW's 2012 GCR filing and submitted with the proposed GCR filing. 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 ALJ 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 does not oppose the partial schedule set forth in the ALJ's Prehearing Conference Order. Additionally, PICGUG is participating in discussions with PGW and other parties to develop a complete procedural schedule. Finally, PICGUG does not propose any modifications to the Commission's discovery rules at this time, but will cooperate with the ALJ and the parties at the Prehearing Conference to develop 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 

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Dated: March 15, 2013