



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

March 15, 2013

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

Re: Pennsylvania Public Utility Commission v.
Philadelphia Gas Works 1307(f)
Docket No. R-2013-2346376

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement's (I&E)
Prehearing Memorandum in the above-captioned proceeding.

Copies have been served on all active parties of record. If you have any questions,
please contact me at (717) 783-6155.

Sincerely,

Regina L. Matz
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. #42498

Enclosure
RLM/sea

cc: Hon. Christopher P. Pell, ALJ
Parties of Record

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2013-2346376
	:	
Philadelphia Gas Works 1307(f)	:	

**PREHEARING MEMORANDUM
OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE CHRISTOPHER P. PELL:

The Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (Commission) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding. The I&E Prosecutor in this proceeding is Regina L. Matz. Ms. Matz's contact information is as follows:

Regina L. Matz
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
rmatz@pa.gov
(717) 783-6155 (phone)
(717) 772-2677 (fax)

I. INTRODUCTION

On January 31, 2013, Philadelphia Gas Works (PGW or Company) submitted pre-filed information regarding its 2013-2014 Purchased Gas Cost Rate filing pursuant to

Section 1307(f) of the Public Utility Code. By filing dated February 28, 2013, PGW submitted its definitive filing including its supporting testimony.

A Prehearing Conference is scheduled for March 19, 2013 at 10:00 a.m., with Administrative Law Judge Christopher P. Pell presiding.

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this case. The listing is as complete as can be made at this time. I&E reserves the right to address other issues as it deems appropriate if any such relevant issues arise.

The issues are as follows:

- Lost and Unaccounted for Gas
- Retainage
- Off-system sales and capacity release
- Proper computation of C-factor and E-factor and migration riders
- Supplier refunds
- Interest rate factor for over/under collections
- Migration sales volumes
- Sales volumes projections

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

- Ethan Cline, Fixed Utility Valuation Engineer
- Lisa Boyd, Fixed Utility Financial Analyst

The I&E witnesses may be contacted through the information listed above for Ms. Matz. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E

reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present written direct, rebuttal, and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely, without limitation, on the Company's filing, answers to data requests and interrogatories, annual reports, and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources, and other public documents and reports.

V. SCHEDULE

The parties have exchanged communications regarding a proposed schedule. Based upon those discussions, I&E believes that the following schedule is or can be agreed to:

Direct Testimony	Friday, April 19, 2013
Rebuttal Testimony	Thursday, May 2, 2013
Surrebuttal Testimony	Thursday, May 9, 2013
Rejoinder Testimony	Monday, May 13, 2013
Hearings	Tue/Wed, May 14-15, 2013
Close of Record	Wednesday, May 15, 2013
Main Briefs	Wednesday, May 29, 2013
Reply Briefs	Wednesday, June 5, 2013

All dates are in-hand by 4:00 p.m. except for rejoinder, which is due in-hand by noon.

VI. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E agrees to accept e-mailed delivery of documents with a follow-

up hard copy provided by regular first class mail on the condition that electronic documents are received no later than 4:00 p.m. on their scheduled due date.

VII. DISCOVERY

I&E does not propose any modifications to the Commission's regulations regarding discovery. However, in the event another party proposes modifications to discovery rules that have the effect of abbreviating the time-frames established in the Commission's regulations relating to discovery, I&E respectfully requests that the following additional modification be adopted:

Discovery-related pleadings, i.e., objections, motions, answers to motions, served on a Friday or on any business day preceding a state holiday shall be deemed served on the next business day.

VIII. SETTLEMENT

I&E is willing to engage in good faith efforts to resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully submitted,



Regina L. Matz
Prosecutor
PA Attorney I.D. #424998

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265

Dated: March 15, 2013

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. R-2013-2346376
Philadelphia Gas Works 1307(f) :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Conference Memorandum** dated March 15, 2013, in the manner and upon the persons listed below, in accordance with the requirements of § 1.54 (relating to service by a party):

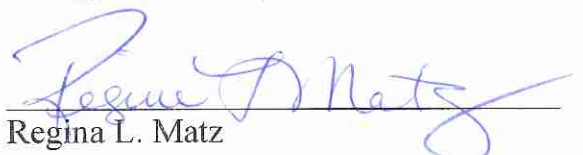
Served via electronic and first class mail

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

Charis Mincavage, Esquire
Adeolu A. Bakare, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
cmincavage@mwn.com
abakare@mwn.com

Aron J. Beatty, Esquire
Brandon J. Pierce, Esquire
Assistant Consumer Advocates
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101-1923
abeatty@paoca.org
bpierce@paoca.org

Sharon E. Webb, Esquire
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street
Suite 1102
Harrisburg, PA 17101
swebb@pa.gov


Regina L. Matz
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. #42498