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CHARIS M. BURAK
DIRECT DIAL: (717) 237-5437
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June 11, 2001

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
The Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

DOCUMENT
FOLDER

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;
Docket No. R-00016378**

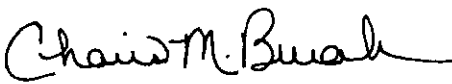
Dear Secretary McNulty:

Please find enclosed the original and three (3) copies of the Prehearing Memorandum of the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") in the above-referenced matter.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document. Please date stamp the extra copy of this transmittal letter and kindly return it to our messenger for our filing purposes. Thank you.

Very truly yours,

MCNEES WALLACE & NURICK LLC

By 
Charis M. Burak

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

CMB/lhe

c: Administrative Law Judge Marlane Chestnut (via facsimile and federal express)
Certificate of Service

106

CERTIFICATE OF SERVICE

ORIGINAL

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 Section 1.54 (relating to service by a participant).

VIA FACSIMILE AND FIRST CLASS MAIL

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Tanya McCloskey, Esq.
Stephen Keene, Esq.
Office of Consumer Advocate
555 Walnut Street, Forum Place - 5th Fl.
Harrisburg, PA 17120

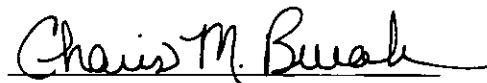
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Obermayer, Rebmann, Maxwell &
Hippel, LLP
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1617 John F. Kennedy Boulevard
Philadelphia, PA 19103-1895


Charis M. Burak

Dated this 11th day of June, 2001, in Harrisburg, Pennsylvania.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC
UTILITY COMMISSION

v.

PHILADELPHIA GAS WORKS

Docket No. R-00016378

DOCKETED
JUN 27 2001

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SECRETARY'S BUREAU

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

As requested by Administrative Law Judge Marlane Chestnut in her Prehearing Conference Order of June 6, 2001, the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby submits this Prehearing Memorandum.

**DOCUMENT
FOLDER**

I. HISTORY OF THE PROCEEDING

On May 1, 2001, the Philadelphia Gas Works ("PGW") made its preliminary Gas Cost Rate ("GCR") filing with the Pennsylvania Public Utility Commission ("PUC"). On June 1, 2001, PGW filed supporting testimony and Supplement No. 11 to Tariff Gas – Pa. PUC No. 1, setting forth PGW's proposed GCR, effective for service rendered on and after September 1, 2001. On June 7, 2001, PICGUG filed a Petition to Intervene in this proceeding. PICGUG is also a party to PGW's base rate proceeding currently ongoing before the PUC. A description of PICGUG is set forth in Paragraph 4 of PICGUG's Petition to Intervene. PICGUG's Petition to Intervene is outstanding and awaits ALJ disposition.

II. ANTICIPATED ISSUES AND SUB-ISSUES

PICGUG is concerned with the following issues: (1) whether the Company has used a least cost purchase methodology for obtaining gas supplies; (2) the resulting methodology that will be used to determine the appropriateness of PGW's proposed GCR decrease; (3) whether PGW's proposed GCR is just and reasonable; and (4) the way in which PGW plans to implement the decrease to the GCR. PICGUG anticipates pursuing these issues during this proceeding, and PICGUG also reserves the right to raise further issues and to respond to issues 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 inform the parties and the ALJ as soon as possible of the intended witness and topics of testimony. PICGUG also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witness, and the submission of briefs, exceptions and reply exceptions, if necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

PICGUG will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and 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 Charis M. Burak

David M. Kleppinger, Esq.
Charis M. Burak, Esq.
100 Pine Street
P.O. Box 1166
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Fax: (717)237-5300

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Dated: June 11, 2001

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SECRETARY'S BUREAU

DATE: June 11, 2001

SUBJECT: R-00016378

TO: Office of Administrative Law Judge

FROM: James J. McNulty, Secretary

LAF

Pennsylvania Public Utility Commission v. Philadelphia Gas Works

Attached is copy of a Petition to Intervene filed by Philadelphia Industrial and Commercial Gas Users Group, in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: OTS

laf

DOCKETED
JUN 12 2001

DOCUMENT
FOLDER

LAW OFFICES

OBERMAYER REBMANN MAXWELL & HIPPEL LLP

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JUN 12 2001

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

WENDELL F. HOLLAND
DIRECT DIAL (215) 665-3282
E-MAIL WFH@OBERMAYER.COM

June 12, 2001

VIA E-MAIL AND FACSIMILE (6/12) AND HAND DELIVERY (6/13)

The Honorable Marlane R. Chestnut
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130

DOCUMENT
FOLDER

**In re: Philadelphia Gas Works for
Proposed 2001-2002 Gas Cost Rate
Docket No. R-00016378**

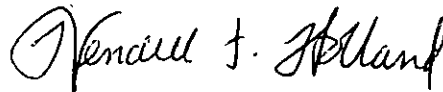
Dear Judge Chestnut:

In accordance with Your Honor's Prehearing Conference Order dated June 6, 2001, I respectfully enclose PGW's Prehearing Memorandum in this matter.

A copy of PGW's Prehearing Memorandum is being served today on the parties to this proceeding via e-mail, facsimile, and first-class mail.

Please contact me if you have any questions. Thank you for your kind assistance in this matter.

Respectfully,



WENDELL F. HOLLAND

WFH/swwc
Enclosure

cc: Parties on attached Service List (w/ enclosure)
James McNulty, PUC Secretary (certificate of service only)

SERVICE LIST

<p>Wendell F. Holland, Esquire Stephen W.W. Ching, Jr., Esquire Obermayer Rebmann Maxwell & Hippel LLP One Penn Center, 19th Floor 1617 John F. Kennedy Boulevard Philadelphia, PA 19103-1895 (215) 665-3282/3288 Fax: (215) 665-3165 wflh@obermayer.com stephen.ching@obermayer.com</p> <p><i>Counsel for Philadelphia Gas Works</i></p>	<p>Daniel Clearfield, Esquire Kevin J. Moody, Esquire Wolf, Block, Schorr & Solis-Cohen LLP 212 Locust Street, Suite 300 Harrisburg, PA 17101 (717) 237-7160 Fax: (717) 237-7161 dclearfield@wolfblock.com kmoody@wolfblock.com</p> <p><i>Counsel for Philadelphia Gas Works</i></p>
<p>Walter W. Cohen, Esquire Obermayer Rebmann Maxwell & Hippel LLP 204 State Street Harrisburg, PA 17101 (717) 221-7920 Fax: (717) 234-9734 walter.cohen@paonline.com</p> <p><i>Counsel for Philadelphia Gas Works</i></p>	<p>Johnnie E. Simms, Esquire Senior Prosecutor Office of Trial Staff Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3256 (717) 787-1976 Fax (717) 772-2677 simmsj@puc.state.pa.us</p>
<p>Steven C. Gray, Esquire Office of Small Business Advocate Commerce Building, Suite 1102 300 North 2nd Street Harrisburg, PA 17101 (717) 783-2525 Fax (717) 783-2831 sgray@state.pa.us</p>	<p>Stephen Keene, Esquire Assistant Consumer Advocate Office of Consumer Advocate 555 Walnut Street, 5th Floor, Forum Place Harrisburg, PA 17101-1923 (717) 782-5048 Fax (717) 783-7152 skeene@paoca.org</p>
<p>David M. Kleppinger, Esquire Charis M. Burak, Esquire McNEES, WALLACE, NURICK 100 Pine Street P.O. Box 1166 Harrisburg, PA 17108-1166 (717) 232-8000 Fax (717) 237-5300 dkleppin@mwn.com cburak@mwn.com</p> <p><i>Counsel for PICGUG</i></p>	<p>Phillip A. Bertocci, Esq. Community Legal Services, Inc. 1424 Chestnut Street, 4th Floor Philadelphia, PA 19102-2505 (215) 981-3702 Fax (215) 981-0435 pbertocci@clsphila.com</p> <p><i>Counsel for CEPA, et al</i></p>

RECEIVED

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JUN 12 2001

In re: Philadelphia Gas Works for :
Proposed 2001-2002 Gas Cost Rate :

PA PUBLIC UTILITY COMMISSION
Docket No. R-00016378 SECRETARY'S BUREAU

PHILADELPHIA GAS WORKS' PREHEARING MEMORANDUM

Philadelphia Gas Works ("PGW") hereby submits this Prehearing Memorandum pursuant to 66 Pa. C.S. § 333 and 52 Pa. Code § 522 and Judge Chestnut's June 6, 2001 Prehearing Conference Order.

I. HISTORY

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FOLDER

DOCKETED
JUN 13 2001

Prior to passage of the Natural Gas Choice and Competition Act ("Gas Choice Act"), 66 Pa. C.S. §§ 2201-2212, PGW -- as a municipally owned natural gas operation providing service only within the corporate limits of the City -- was exempt from Pennsylvania Public Utility Commission ("PUC" or the "Commission") jurisdiction. Pursuant to the Gas Choice Act, 66 Pa. C.S. § 2212(b), PGW became subject to regulation by the Commission on July 1, 2000 under PGW's existing tariff, policies and programs. The Gas Choice Act provides, however, that until such time as a new tariff is filed by PGW and approved by the PUC, PGW continues and "shall continue to provide natural gas supply and natural gas distribution services to its customers under the prior tariff and the policies or programs existing . . ." on July 1, 2000. 66 Pa. C.S. § 2212(d).

On June 19, 2000, PGW filed its Gas Cost Rate ("GCR") filing with the Philadelphia Gas Commission, the entity that then had jurisdiction over PGW with the understanding the PGC had authority to decide the pending case. In a Pre-Hearing Memorandum Order, the PGC, through its Chief Hearing Examiner, issued an order stating it no longer had authority to make final binding determinations in the pending proceeding. On August 2, 2000, in accordance with Section 11 of PGW's Tariff, PGW filed its 2000-2001 GCR filing with the PUC¹, as well as a Petition for an

¹ Pa. P.U.C., et al v. Philadelphia Gas Works, Docket No. R-0005619.
320314

expedited proceeding which the PUC granted on August 17, 2000. On November 23, 2000, the PUC entered an Order granting \$97 million of PGW's requested \$120 million GCR increase,² subject to various adjustments and conditions including: (1) "PGW file its 2001-2002 GCR filing with the Commission and upon the parties to this proceeding on or before June 1, 2001;" and (2) "[i]n its next GCR filing, . . . PGW must provide the information required by Sections 1307(f), 1317(a) and 1318(a) of the Public Utility Code."³ The Commission further granted PGW in connection with its 2000-2001 GCR the same waiver of sections 11.2 and 11.3 of PGW's current tariff that the Company is again requesting with respect to its 2001-2002 GCR filing.⁴

In accordance with its acceptance of the conditions set forth in the November 23rd Order, PGW filed its 2001-2002 GCR filing on June 1, 2001, and filed the information required by Sections 1307(f), 1317(a) and 1318(a) of the Public Utility Code on May 1 and 2, 2001. Significantly, in its 2001-2002 GCR, the Company proposes to **DECREASE** the GCR effective September 1, 2001 from the current \$6.6959 to \$5.5958 per 1,000 cubic feet. This would decrease PGW's annual revenues by \$64 million. If approved, the GCR decrease would lower the bill for a typical PGW residential customer by about \$110 per year, about \$420 per year to the bill for a typical PGW commercial customer, and about \$1,242 per year to the bill for a typical PGW industrial customer.

² Id., November 23, 2000 Order, Ordering Paragraph 11.

³ Id., November 23, 2000 Order, Ordering Paragraph 14.

⁴ Id., November 23, 2000 Order, Ordering Paragraph 8.

III. ISSUES, WITNESSES AND PROPOSED SCHEDULE

A. Issues

1. Gas Cost Recovery Rate

The most significant issue in this proceeding is the appropriate level for PGW's GCR factor, authorized by Section 11 of its present tariff. Pursuant to section 2212(d) of the Public Utility Code, and until the completion of PGW's restructuring case, the GCR elements and calculation formula, as well as the procedure for implementing the factor, are controlled by PGW's tariff. That procedure and calculation formula generally follows the 1307(f) process and formula used by the Commission for Pennsylvania natural gas distribution companies.

The level of the GCR factor will be determined according to the ratemaking methodology and requirements applicable to PGW at the time the PUC assumed jurisdiction over PGW pursuant to 66 Pa.C.S. § 2212(e). That ratemaking methodology is set forth in the Management Agreement between PGW and the City and requires that the regulatory agency establish rates at levels that are "sufficient to pay all of the operation and maintenance costs and expenses of conducting the Gas Works enterprise . . ."

PGW has submitted calculations and supporting information for its projections of gas and non-gas cost levels for the fiscal year 2001-2002, and believes that they are a reasonable (and likely, conservative) indication of the levels that PGW will experience in this period. As stated above, the Company proposes to decrease the GCR effective September 1, 2001 from the current \$6.6959 to \$5.5958 per 1,000 cubic feet, and to lower the bill for a typical PGW residential customer by about \$110 per year, about \$420 per year to the bill for a typical PGW commercial customer, and about \$1,242 per year to the bill for a typical PGW industrial customer. Of course, PGW will, on a quarterly basis, adjust its factor to reflect actual results as the year progresses, and any net over or under collection in the factor will be returned to, or collected from, ratepayers in the subsequent GCR period. Indeed, the Company is in the process of updating its GCR factor by

the end of the month (June 2001). PGW's evidence and pleadings will provide further support for these issues as the case progresses.

2. Non-Gas Costs in the GCR

Pursuant to section 11.5 of its current tariff, PGW's GCR may include certain non-gas costs, including those associated with low-income conservation programs, its Customer Responsibility Program (CRP), the Senior Citizen Discount and its Purchased Electricity Expense. As stated above, section 2212(d) of the Gas Choice Act requires PGW to "continue to provide natural gas supply and natural gas distribution services to its customers under the prior tariff" until such time as a new tariff is filed by PGW and approved by the PUC.

All the parties -- and indeed the Commission itself⁵-- acknowledge that the existing tariff provides for the recovery of these costs in the GCR. OCA, OTS, and PICGUG will certainly argue that social, non-gas costs including the social costs associated with the CRP and the Senior Citizen Discount should be removed from the GCR and included instead in PGW's Operations and Maintenance and other claims in its base rate or restructuring filing. In its November 23rd Order in PGW's last GCR proceeding, the Commission directed that these issues be addressed in PGW's current base rate case.⁶ In the base rate case, the Company has asserted that those issues should be addressed in the Restructuring filing.

⁵ Id., November 23, 2000 Order, Ordering Paragraph 10 ("The Commission concludes that while the intervenors object to the inclusion of certain non-gas expenses in the GCR, no party disputes that pursuant to Section 2212(d), for purposes of the GCR filing in this proceeding, these costs must be properly included in the computation of the GCR").

⁶ Id. ("Further, the appropriateness of PGW's practice of including non-gas costs in its GCR shall be addressed as an issue in the base rate filing that is to be made by PGW on or before January 1, 2001, a specific recommendations concerning this practice is to be presented to the Commission by the OALJ as a part of the resolution of that case").

3. Waiver

PGW respectfully requests that it be granted the same waiver of Sections 11.2.b⁷ and 11.3⁸ of PGW's Tariff Number that the Commission granted in connection with the Company's 2000-2001 GCR Filing.⁹ Section 11.2 of PGW's tariff provides that the GCR may be revised on an interim basis if it is determined that the effective rates will result in over-billing or under-billings in excess of 5% of Factor C if not revised. Section 11.3 of PGW's tariff requires that the base cost of gas -- that portion of gas costs collected via base rates -- be at least 90% of the Company's projected overall gas costs. In previously granting the same waiver, the Commission found that "the threshold level contained in Section 11.2 unreasonably restricts the Company from modifying its rates to reflect current gas costs . . . [and in particular] decreased gas costs in consumers' rates."¹⁰ The Commission also found the waiver of Section 11.3 to be similarly reasonable.¹¹ For similar reasons, PGW requests that it be granted the same waiver the Commission previously granted in connection with its 2000-2001 GCR. Indeed, such a waiver may allow PGW to possibly further reduce its current proposed GCR decrease with the updated information it is collecting by the end of this month (June, 2001).

B. Proposed Schedule

PGW will cooperate with the Administrative Law Judge and the other parties at the Prehearing Conference to develop an appropriate procedural schedule.

⁷ Section 11.2 of PGW's tariff provides that the GCR may be revised on an interim basis if it is determined that the effective rates will result in over-billing or under-billings in excess of 5% of Factor C if not revised.

⁸ Section 11.3 of PGW's tariff requires that the base cost of gas -- that portion of gas costs collected via base rates -- be at least 90% of the Company's projected overall gas costs.

⁹ Id., November 23, 2000 Order, Ordering Paragraph 8.

¹⁰ Id., November 23, 2000 Order, p. 16.

¹¹ Id., November 23, 2000 Order, p. 16.

C. Witnesses

PGW anticipates calling the following witness:

- (a) Craig White
- (b) Patrick H. Durkin

PGW reserves the right to submit additional witnesses after the submission of the direct testimony of other parties.

IV. SETTLEMENT

PGW is willing to discuss settlement of its claims and will be initiating such discussions as soon as the parties indicate that they have had sufficient time to review PGW's direct case.

Respectfully submitted,

**OBERMAYER REBMANN MAXWELL
& HIPPEL LLP**

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Harrisburg, PA 17101
(717) 237-7160

Attorneys for Philadelphia Gas Works

Dated: June 12, 2001
320314

CERTIFICATE OF SERVICE

I herby certify that I have this day served a true copy of the foregoing document upon the participants listed below, via E-mail, Facsimile, and First-Class Mail postage prepaid, in accordance with the requirements of § 1.54 (relating to service by a participant).

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Steven C. Gray, Esquire Office of Small Business Advocate Commerce Building, Suite 1102 300 North 2 nd Street Harrisburg, PA 17101 (717) 783-2525 Fax (717) 783-2831 sgray@state.pa.us	David M. Kleppinger, Esquire Charis M. Burak, Esquire McNEES, WALLACE, NURICK 100 Pine Street P.O. Box 1166 Harrisburg, PA 17108-1166 (717) 232-8000 Fax (717) 237-5300 dkleppin@mwn.com cburak@mwn.com
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STEPHEN W. W. CHING, JR., ESQUIRE

Dated: June 12, 2001

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PHILADELPHIA, PA 19103-1895

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June 12, 2001

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JUN 12 2001

VIA FEDERAL EXPRESS MAIL

James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**RE: In re: Philadelphia Gas Works for
Proposed 2001-2002 Gas Cost Rate
Docket No. R-00016378**

DOCUMENT
FOLDER

Dear Mr. McNulty:

On behalf of Philadelphia Gas Works ("PGW"), enclosed for filing please find the original and three (3) copies of *PGW's Prehearing Memorandum* in the above captioned proceeding.

As indicated on the attached certificate of service, copies are being served on all active parties of record.

Please contact me if you have any questions with respect to the filing.

Respectfully,


WENDELL F. HOLLAND

WFH/swwc

Enclosure

cc: Parties of Record
Honorable Marlane R. Chestnut

ORIGINAL

RECEIVED

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

JUN 12 2001

**In re: Philadelphia Gas Works for
Proposed 2001-2002 Gas Cost Rate**

:
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Docket No. R-00016378

PA PUBLIC UTILITY CC
SECRETARY'S BL

PHILADELPHIA GAS WORKS' PREHEARING MEMORANDUM

Philadelphia Gas Works ("PGW") hereby submits this Prehearing Memorandum pursuant to 66 Pa. C.S. § 333 and 52 Pa. Code § 522 and Judge Chestnut's June 6, 2001 Prehearing Conference Order.

DOCKETED

JUN 20 2001

I. HISTORY

Prior to passage of the Natural Gas Choice and Competition Act ("Gas Choice Act"), 66 Pa. C.S. §§ 2201-2212, PGW -- as a municipally owned natural gas operation providing service only within the corporate limits of the City -- was exempt from Pennsylvania Public Utility Commission ("PUC" or the "Commission") jurisdiction. Pursuant to the Gas Choice Act, 66 Pa. C.S. § 2212(b), PGW became subject to regulation by the Commission on July 1, 2000 under PGW's existing tariff, policies and programs. The Gas Choice Act provides, however, that until such time as a new tariff is filed by PGW and approved by the PUC, PGW continues and "shall continue to provide natural gas supply and natural gas distribution services to its customers under the prior tariff and the policies or programs existing . . ." on July 1, 2000. 66 Pa. C.S. § 2212(d).

On June 19, 2000, PGW filed its Gas Cost Rate ("GCR") filing with the Philadelphia Gas Commission, the entity that then had jurisdiction over PGW with the understanding the PGC had authority to decide the pending case. In a Pre-Hearing Memorandum Order, the PGC, through its Chief Hearing Examiner, issued an order stating it no longer had authority to make final binding determinations in the pending proceeding. On August 2, 2000, in accordance with Section 11 of PGW's Tariff, PGW filed its 2000-2001 GCR filing with the PUC¹, as well as a Petition for an

¹ Pa. P.U.C., et al v. Philadelphia Gas Works, Docket No. R-0005619.
320314

**DOCUMENT
FOLDER**

expedited proceeding which the PUC granted on August 17, 2000. On November 23, 2000, the PUC entered an Order granting \$97 million of PGW's requested \$120 million GCR increase,² subject to various adjustments and conditions including: (1) "PGW file its 2001-2002 GCR filing with the Commission and upon the parties to this proceeding on or before June 1, 2001;" and (2) "[i]n its next GCR filing, . . . PGW must provide the information required by Sections 1307(f), 1317(a) and 1318(a) of the Public Utility Code."³ The Commission further granted PGW in connection with its 2000-2001 GCR the same waiver of sections 11.2 and 11.3 of PGW's current tariff that the Company is again requesting with respect to its 2001-2002 GCR filing.⁴

In accordance with its acceptance of the conditions set forth in the November 23rd Order, PGW filed its 2001-2002 GCR filing on June 1, 2001, and filed the information required by Sections 1307(f), 1317(a) and 1318(a) of the Public Utility Code on May 1 and 2, 2001. Significantly, in its 2001-2002 GCR, the Company proposes to **DECREASE** the GCR effective September 1, 2001 from the current \$6.6959 to \$5.5958 per 1,000 cubic feet. This would decrease PGW's annual revenues by \$64 million. If approved, the GCR decrease would lower the bill for a typical PGW residential customer by about \$110 per year, about \$420 per year to the bill for a typical PGW commercial customer, and about \$1,242 per year to the bill for a typical PGW industrial customer.

² Id., November 23, 2000 Order, Ordering Paragraph 11.

³ Id., November 23, 2000 Order, Ordering Paragraph 14.

⁴ Id., November 23, 2000 Order, Ordering Paragraph 8.

III. ISSUES, WITNESSES AND PROPOSED SCHEDULE

A. Issues

1. Gas Cost Recovery Rate

The most significant issue in this proceeding is the appropriate level for PGW's GCR factor, authorized by Section 11 of its present tariff. Pursuant to section 2212(d) of the Public Utility Code, and until the completion of PGW's restructuring case, the GCR elements and calculation formula, as well as the procedure for implementing the factor, are controlled by PGW's tariff. That procedure and calculation formula generally follows the 1307(f) process and formula used by the Commission for Pennsylvania natural gas distribution companies.

The level of the GCR factor will be determined according to the ratemaking methodology and requirements applicable to PGW at the time the PUC assumed jurisdiction over PGW pursuant to 66 Pa.C.S. § 2212(e). That ratemaking methodology is set forth in the Management Agreement between PGW and the City and requires that the regulatory agency establish rates at levels that are "sufficient to pay all of the operation and maintenance costs and expenses of conducting the Gas Works enterprise . . ."

PGW has submitted calculations and supporting information for its projections of gas and non-gas cost levels for the fiscal year 2001-2002, and believes that they are a reasonable (and likely, conservative) indication of the levels that PGW will experience in this period. As stated above, the Company proposes to decrease the GCR effective September 1, 2001 from the current \$6.6959 to \$5.5958 per 1,000 cubic feet, and to lower the bill for a typical PGW residential customer by about \$110 per year, about \$420 per year to the bill for a typical PGW commercial customer, and about \$1,242 per year to the bill for a typical PGW industrial customer. Of course, PGW will, on a quarterly basis, adjust its factor to reflect actual results as the year progresses, and any net over or under collection in the factor will be returned to, or collected from, ratepayers in the subsequent GCR period. Indeed, the Company is in the process of updating its GCR factor by

the end of the month (June 2001). PGW's evidence and pleadings will provide further support for these issues as the case progresses.

2. Non-Gas Costs in the GCR

Pursuant to section 11.5 of its current tariff, PGW's GCR may include certain non-gas costs, including those associated with low-income conservation programs, its Customer Responsibility Program (CRP), the Senior Citizen Discount and its Purchased Electricity Expense. As stated above, section 2212(d) of the Gas Choice Act requires PGW to "continue to provide natural gas supply and natural gas distribution services to its customers under the prior tariff" until such time as a new tariff is filed by PGW and approved by the PUC.

All the parties -- and indeed the Commission itself⁵-- acknowledge that the existing tariff provides for the recovery of these costs in the GCR. OCA, OTS, and PICGUG will certainly argue that social, non-gas costs including the social costs associated with the CRP and the Senior Citizen Discount should be removed from the GCR and included instead in PGW's Operations and Maintenance and other claims in its base rate or restructuring filing. In its November 23rd Order in PGW's last GCR proceeding, the Commission directed that these issues be addressed in PGW's current base rate case.⁶ In the base rate case, the Company has asserted that those issues should be addressed in the Restructuring filing.

⁵ Id., November 23, 2000 Order, Ordering Paragraph 10 ("The Commission concludes that while the intervenors object to the inclusion of certain non-gas expenses in the GCR, no party disputes that pursuant to Section 2212(d), for purposes of the GCR filing in this proceeding, these costs must be properly included in the computation of the GCR").

⁶ Id. ("Further, the appropriateness of PGW's practice of including non-gas costs in its GCR shall be addressed as an issue in the base rate filing that is to be made by PGW on or before January 1, 2001, a specific recommendations concerning this practice is to be presented to the Commission by the OALJ as a part of the resolution of that case").

3. Waiver

PGW respectfully requests that it be granted the same waiver of Sections 11.2.b⁷ and 11.3⁸ of PGW's Tariff Number that the Commission granted in connection with the Company's 2000-2001 GCR Filing.⁹ Section 11.2 of PGW's tariff provides that the GCR may be revised on an interim basis if it is determined that the effective rates will result in over-billing or under-billings in excess of 5% of Factor C if not revised. Section 11.3 of PGW's tariff requires that the base cost of gas -- that portion of gas costs collected via base rates -- be at least 90% of the Company's projected overall gas costs. In previously granting the same waiver, the Commission found that "the threshold level contained in Section 11.2 unreasonably restricts the Company from modifying its rates to reflect current gas costs . . . [and in particular] decreased gas costs in consumers' rates."¹⁰ The Commission also found the waiver of Section 11.3 to be similarly reasonable.¹¹ For similar reasons, PGW requests that it be granted the same waiver the Commission previously granted in connection with its 2000-2001 GCR. Indeed, such a waiver may allow PGW to possibly further reduce its current proposed GCR decrease with the updated information it is collecting by the end of this month (June, 2001).

B. Proposed Schedule

PGW will cooperate with the Administrative Law Judge and the other parties at the Prehearing Conference to develop an appropriate procedural schedule.

⁷ Section 11.2 of PGW's tariff provides that the GCR may be revised on an interim basis if it is determined that the effective rates will result in over-billing or under-billings in excess of 5% of Factor C if not revised.

⁸ Section 11.3 of PGW's tariff requires that the base cost of gas -- that portion of gas costs collected via base rates -- be at least 90% of the Company's projected overall gas costs.

⁹ Id., November 23, 2000 Order, Ordering Paragraph 8.

¹⁰ Id., November 23, 2000 Order, p. 16.

¹¹ Id., November 23, 2000 Order, p. 16.

C. Witnesses

PGW anticipates calling the following witness:

- (a) Craig White
- (b) Patrick H. Durkin

PGW reserves the right to submit additional witnesses after the submission of the direct testimony of other parties.

IV. SETTLEMENT

PGW is willing to discuss settlement of its claims and will be initiating such discussions as soon as the parties indicate that they have had sufficient time to review PGW's direct case.

Respectfully submitted,

**OBERMAYER REBMANN MAXWELL
& HIPPEL LLP**

BY: _____

Wendell F. Holland
WENDELL F. HOLLAND, ESQUIRE
WALTER W. COHEN, ESQUIRE
STEPHEN W.W. CHING, JR., ESQUIRE
One Penn Center, 19th Floor
1617 John F. Kennedy Boulevard
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(215) 665-3000

DANIEL CLEARFIELD, ESQUIRE
KEVIN J. MOODY, ESQUIRE
WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(717) 237-7160

Attorneys for Philadelphia Gas Works

Dated: June 12, 2001
320314

CERTIFICATE OF SERVICE

I herby certify that I have this day served a true copy of the foregoing document upon the participants listed below, via E-mail, Facsimile, and First-Class Mail postage prepaid, in accordance with the requirements of § 1.54 (relating to service by a participant).

Johnnie E. Simms, Esquire Senior Prosecutor Office of Trial Staff Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3256 (717) 787-1976 Fax (717) 772-2677 simmsj@puc.state.pa.us	Stephen Keene, Esquire Assistant Consumer Advocate Office of Consumer Advocate 555 Walnut Street, 5 th Floor, Forum Place Harrisburg, PA 17101-1923 (717) 782-5048 Fax (717) 783-7152 skeene@paoca.org
Steven C. Gray, Esquire Office of Small Business Advocate Commerce Building, Suite 1102 300 North 2 nd Street Harrisburg, PA 17101 (717) 783-2525 Fax (717) 783-2831 sgray@state.pa.us	David M. Kleppinger, Esquire Charis M. Burak, Esquire McNEES, WALLACE, NURICK 100 Pine Street P.O. Box 1166 Harrisburg, PA 17108-1166 (717) 232-8000 Fax (717) 237-5300 dkleppin@mwn.com cburak@mwn.com
Daniel Clearfield, Esquire Kevin J. Moody, Esquire Wolf, Block, Schorr & Solis-Cohen 212 Locust Street, Suite 300 Harrisburg, PA 17101 (717) 237-7160 Fax: (717) 237-7161 dclearfield@wolfblock.com kmoody@wolfblock.com	Phillip A. Bertocci, Esq. Community Legal Services, Inc. 1424 Chestnut Street, 4 th Floor Philadelphia, PA 19102-2505 (215) 981-3702 Fax (215) 981-0435 pbertocci@clsphila.com


STEPHEN W. CHING, JR., ESQUIRE

Dated: June 12, 2001



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

ORIGINAL

IN REPLY PLEASE
REFER TO OUR FILE

June 12, 2001

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pa. 17105-3265

DOCUMENT
FOLDER

PA.P.U.C.
SECRETARY'S BUREAU

01 JUN 12 PM 2:45

RECEIVED

Re: Pennsylvania Public Utility Commission
v.
Philadelphia Gas Works
Docket No. R-00016378

Dear Secretary McNulty:

Enclosed for filing please find an original and three (3) copies of the **Prehearing Memorandum** of the Office of Trial Staff (OTS) in the above captioned proceeding.

Copies are being served on all active parties of record.

Sincerely,

Johnnie E. Simms
Senior Prosecutor
Office of Trial Staff

JES:alb

Enclosures:

cc: Parties of Record
Honorable Marlane R. Chestnut

37

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Pennsylvania Public Utility Commission

Docket No. R-009-6378

v.

Philadelphia Gas Works

DOCKETED

JUL 09 2001

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SECRETARY'S BUREAU

THE OFFICE OF TRIAL STAFF'S
PREHEARING MEMORANDUM

I. INTRODUCTION

1. On May 1, 2001, the Philadelphia Gas Works ("PGW" or "Company") filed its preliminary supporting information for its proposed 2001-2002 Gas Cost Rate ("GCR"). On June 1, 2001, PGW filed its Definitive Filing, which was identified as Supplement No. 11 to Tariff Gas – Pa. P.U.C. No. 1 setting forth PGW's proposed GCR, effective for service rendered on or after September 1, 2001. The Company proposes to decrease its GCR effective September 1, 2001 from the current \$6.6959 to \$5.5958 per 1000 cubic feet.

II. WITNESSES:

It is anticipated that the Office of Trial Staff will present as witnesses, Messrs. Paul J. Metro and Charles T. Weakley. The Office of Trial Staff reserves the right to present additional witnesses, if it is deemed necessary. In the event that the Office of Trial Staff decides to present additional witnesses, it will inform the parties and the Administrative Law Judge as soon as possible of the intended witness and the topics of testimony. The Office of Trial Staff also, intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witness, and the submission of briefs, exceptions and reply exceptions, if necessary.

III. ANTICIPATED ISSUES AND SUB-ISSUES

The Office of Trial Staff is presently participating in discovery of the Company's Filing and pre-filed testimony and when the interrogatories have been answered the Office of Trial Staff will be in a position to make a definitive statement regarding potential issues. Nevertheless, the Office of Trial Staff anticipates that the traditional 1307 (f) issues will be raise, namely, the least cost procurement practices of PGW and the projected gas costs identified in the Filing. The Office of Trial Staff reserves the right to address other issues that may come into existence after the completion of the discovery process.

IV. EVIDENTIARY SCHEDULE

The Office of Trial Staff will cooperate with the Administrative Law Judge and the other parties at the Prehearing Conference to develop an appropriate procedural schedule.

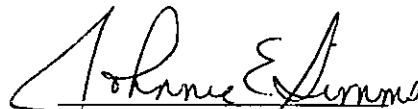
V. SETTLEMENT DISCUSSIONS

The Office of Trial Staff is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

VI. DISCOVERY

Due to the expedited nature of 1307(f) proceedings, the Office of Trial Staff is requesting a modification to the Discovery Regulations. In that regard, the Office of Trial Staff is requesting that interrogatories be answered in ten (10) days and that any objections to interrogatories be filed in three (3) days.

Respectfully submitted,


Johnnie E. Simms
Senior Prosecutor

Dated: June 13, 2001

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :

v.

Docket No. R-00016378

Philadelphia Gas Works :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** of the Office of Trial Staff, dated June 12, 2001, either personally, by first class mail, electronic mail, or by fax upon the persons listed below:

Wendell F. Holland, Esquire
Obermayer Rebman Maxwell & Hippel LLP
1 Penn Center 19th Floor
1617 J. Kennedy Boulevard
Philadelphia, PA 19103-1895

David M. Kleppinger, Esquire
Charis M. Burak, Esquire
Karen S. Miller Orner, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

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

Steven C. Gray, Esquire
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

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01 JUN 12 PM 2:45
PA.P.U.C.
SECRETARY'S BUREAU

Stephen J. Keene, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

Honorable Marlane R. Chestnut
Office of Administrative Law Judge
1302 Philadelphia State Office Building
Broad and Spring Garden Streets
Philadelphia, PA 19130

A handwritten signature in cursive script that reads "Johnnie E. Simms". The signature is written in black ink and is positioned above a horizontal line.

Johnnie E. Simms
Senior Prosecutor
Office of Trial Staff

Dated: June 12, 2001
Docket No. R-00016378

OALJ Hearing Report

Please Those Blocks Which Apply

Docket No.:	R-00016378		YES	NO
Case Name:	Pennsylvania Public Utility Commission v. Philadelphia Gas Works	Prehearing Held:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Location:	Philadelphia	Hearing Held:	<input type="checkbox"/>	<input type="checkbox"/>
Date:	June 13, 2001	Testimony Taken:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ALJ:	Marlane R. Chestnut	Transcript Due:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Reporting Firm:	Commonwealth Reporting	Hearing Concluded:	<input type="checkbox"/>	<input type="checkbox"/>
		Further Hearing Needed:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		Estimated Add'l Days:		
		RECORD CLOSED:	<input type="checkbox"/>	<input type="checkbox"/>
		DATE:		
		Briefs to be Filed:	<input type="checkbox"/>	<input type="checkbox"/>
		DATE:		
		Bench Decision:	<input type="checkbox"/>	<input type="checkbox"/>

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RECEIVED
JUN 25 2001

REMARKS:
Please schedule hearings
Aug 8-9 in Phila
10:00 1st day, 9:00 second day

JUL 10 AM 9:03
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3288

PLEASE PRINT CLEARLY - Incomplete information may result in delay of processing.

Name and Telephone Number	Address	Who are you representing?
Wendell F. Holland, <i>ESQ.</i> <i>STEPHEN W. W. KING, ESQ.</i> <i>Stephen Ching & Obermayer, P.A.</i> Telephone: 215-665-3000 <i>3288</i>	One Penn Center, 19 th Floor 1617 John F. Kennedy Boulevard City: Philadelphia State: PA Zip: 19103 E-mail Address: wfh@obermayer.com	PGW Fax Number: 215-663-3165 <i>665-</i>
Johnnie Simms, <i>ESQ.</i> Telephone: 717-787-1976	P.O. Box 3265 City: Harrisburg State: PA Zip: 17105 E-mail Address: simmsj@puc.state.pa.us	OTS Fax Number: 717-772-2677
Steven Gray, <i>ESQ.</i> Telephone: 717-783-2525	Suite 1102 Commerce Building 300 North Second Street City: Harrisburg State: PA Zip: 17101 E-mail Address: sgray@state.pa.us	OSBA Fax Number: 727-783-2831

Check this box if additional parties or attendees appear on back of form.

Abraham J. Stonaker
Reporter's Signature

Note: Completion of this form does not constitute an entry of appearance, see 52 Pa. Code §§1.24 and 1.25.

Name and Telephone Number	Address	Who are you representing?			
<p>ph Steven Keene, Esq.</p>	<p>Forum Place, 5th Floor 555 Walnut Street</p> <table border="1" data-bbox="548 254 1123 323"> <tr> <td>City Harrisburg</td> <td>State PA</td> <td>Zip 17101</td> </tr> </table>	City Harrisburg	State PA	Zip 17101	<p>OCA 923</p>
City Harrisburg	State PA	Zip 17101			
<p>Telephone: 717-783-5048</p>	<p>E-mail Address: skeene@paoca.org</p>	<p>Fax Number: 717-783-7152</p>			
<p>Charis Burak, Esq. Adam Long</p>	<p>100 Pine Street P.O. Box 1166</p> <table border="1" data-bbox="548 470 1123 541"> <tr> <td>City Harrisburg</td> <td>State PA</td> <td>Zip 17108</td> </tr> </table>	City Harrisburg	State PA	Zip 17108	<p>PICGUG</p>
City Harrisburg	State PA	Zip 17108			
<p>Telephone: 717-232-8000</p>	<p>E-mail Address: cburak@mwn.com</p>	<p>Fax Number: 717-237-5300</p>			
<p>HARRY J. KANE, JR. Esq.</p>	<p>800 W. Montgomery Ave</p> <table border="1" data-bbox="548 695 1123 772"> <tr> <td>City Phila.</td> <td>State PA</td> <td>Zip 19122</td> </tr> </table>	City Phila.	State PA	Zip 19122	<p>PGW</p>
City Phila.	State PA	Zip 19122			
<p>Telephone: (215) 684-6145</p>	<p>E-mail Address: Harry.Kane@pcworks.com</p>	<p>Fax Number: (215) 684-6798</p>			
<p>Daniel Clearfield, Esq. Wolf, Block</p>	<p>212 Locust Suite 300</p> <table border="1" data-bbox="548 911 1123 982"> <tr> <td>City HLS</td> <td>State</td> <td>Zip 7171701</td> </tr> </table>	City HLS	State	Zip 7171701	<p>PGW</p>
City HLS	State	Zip 7171701			
<p>Telephone: 717-237-7173</p>	<p>E-mail Address: d.clearfield@wolfblock.com</p>	<p>Fax Number: 717-337-7161</p>			
<p>Telephone:</p>	<p>E-mail Address:</p> <table border="1" data-bbox="548 1142 1123 1213"> <tr> <td>City</td> <td>State</td> <td>Zip</td> </tr> </table>	City	State	Zip	<p>Fax Number:</p>
City	State	Zip			
<p>Telephone:</p>	<p>E-mail Address:</p> <table border="1" data-bbox="548 1352 1123 1423"> <tr> <td>City</td> <td>State</td> <td>Zip</td> </tr> </table>	City	State	Zip	<p>Fax Number:</p>
City	State	Zip			
<p>Telephone:</p>	<p>E-mail Address:</p> <table border="1" data-bbox="548 1583 1123 1654"> <tr> <td>City</td> <td>State</td> <td>Zip</td> </tr> </table>	City	State	Zip	<p>Fax Number:</p>
City	State	Zip			
<p>Telephone:</p>	<p>E-mail Address:</p> <table border="1" data-bbox="548 1793 1123 1873"> <tr> <td>City</td> <td>State</td> <td>Zip</td> </tr> </table>	City	State	Zip	<p>Fax Number:</p>
City	State	Zip			
<p>Telephone:</p>	<p>E-mail Address:</p>	<p>Fax Number:</p>			

LAW OFFICES

BERMAYER REBMANN MAXWELL & HIPPEL LLP

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(215) 665-3000
FAX (215) 665-3165

WENDELL F. HOLLAND
DIRECT DIAL (215) 665-3282
E-MAIL WFH@OBERMAYER.COM

June 14, 2001

VIA FEDERAL EXPRESS MAIL

James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

RECEIVED

JUN 14 2001

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**RE: In re: Philadelphia Gas Works for
Proposed 2001-2002 Gas Cost Rate
Docket No. R-00016378**

Dear Mr. McNulty:

On behalf of Philadelphia Gas Works ("PGW"), enclosed is the certificate of service pursuant to 52 Pa. Code §5.412(f) with regard to PGW's Responses to Interrogatories OTS 1-1 to 1-14 served upon the active parties today in the above-referenced docket.

Please contact me if you have any questions.

Respectfully,

Wendell F. Holland
WENDELL F. HOLLAND

WFH/swjwc
Enclosure

DOCUMENT
FOLDER

cc: All parties (w/o enc.)

CERTIFICATE OF SERVICE

I herby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA E-MAIL (all but OTS 1-1 and 1-7) AND FEDERAL EXPRESS

<p>Johnnie E. Simms, Esquire Senior Prosecutor Office of Trial Staff Pennsylvania Public Utility Commission Commonwealth Keystone Building 2nd Floor, F West 400 North Street Harrisburg, PA 17120 (717) 787-1976 Fax (717) 772-2677 simmsj@puc.state.pa.us</p>	<p>Phillip A. Bertocci, Esq. Community Legal Services, Inc. 1424 Chestnut Street, 4th Floor Philadelphia, PA 19102-2505 (215) 981-3702 Fax (215) 981-0435 pbertocci@clsphila.com</p>
<p>Steven C. Gray, Esquire Office of Small Business Advocate Commerce Building, Suite 1102 300 North 2nd Street Harrisburg, PA 17101 (717) 783-2525 Fax (717) 783-2831 sgray@state.pa.us</p>	<p>Stephen Keene, Esquire Assistant Consumer Advocate Office of Consumer Advocate 555 Walnut Street, 5th Floor, Forum Place Harrisburg, PA 17101-1923 (717) 782-5048 Fax (717) 783-7152 jmullins@paoca.org</p>
<p>David M. Kleppinger, Esquire Charis M. Burak, Esquire McNEES, WALLACE, NURICK 100 Pine Street P.O. Box 1166 Harrisburg, PA 17108-1166 (717) 232-8000 Fax (717) 237-5300 dkleppin@mwn.com cburak@mwn.com</p>	<p>Richard Lelash Financial and Regulatory Consultant 18 Seventy Acre Road Redding, CT 06896 (203) 438-4659 (203) 431-9625 (fax) LELASH@SPRINT.COM</p> <p style="text-align: right;">RECEIVED</p>

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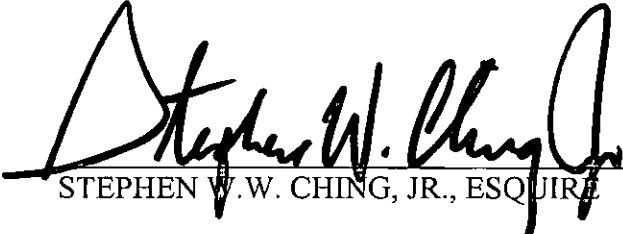
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JUN 18 2001

JUN 14 2001

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

<p>Paul Metro Office of Trial Staff--Technical Pennsylvania Public Utility Commission Commonwealth Keystone Building 2nd Floor, F West 400 North Street Harrisburg, PA 17120 Fax (717) 772-2677 metrop@puc.state.pa.us</p>	<p>Charles Weakley Office of Trial Staff--Technical Pennsylvania Public Utility Commission Commonwealth Keystone Building 2nd Floor, F West 400 North Street Harrisburg, PA 17120 Fax (717) 772-2677 weakleyc@puc.state.pa.us</p>
<p>Mr. Robert D. Knecht Industrial Economics Incorporated 2067 Massachusetts Avenue Cambridge, MA 02140 (617) 354-0074 Fax: (617) 354-0463</p>	<p>Timothy E. Wallick, Deputy Director Office of Trial Staff--Technical Pennsylvania Public Utility Commission Commonwealth Keystone Building 2nd Floor, F West 400 North Street Harrisburg, PA 17120 (717) 787-6368 Fax (717) 772-2677 wallickt@puc.state.pa.us</p>



STEPHEN W. W. CHING, JR., ESQUIRE

Dated: June 14, 2001



**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Office Of Administrative Law Judge
P.O. Box 3265, Harrisburg, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

June 20, 2001

In Re: **R-00016378**

(See letter dated 06/05/01)

**Pennsylvania Public Utility Commission
v.
Philadelphia Gas Works**

Filing of purchased gas costs pursuant to 1307-(f)

**DOCUMENT
FOLDER**

Hearing Notice

This is to inform you that a hearing on the above-captioned case will be held as follows:

Type: **Initial and Further Hearings**

Date: **Wednesday, August 8, 2001 - Initial
Thursday, August 9, 2001 - Further**

Time: **10:00 a.m. on Wednesday, August 8, 2001
9:00 a.m. on Thursday, August 9, 2001**

Location: **In an available hearing room
Philadelphia State Office Building
Broad and Spring Garden Streets
Philadelphia, Pennsylvania**

Presiding: **Administrative Law Judge Marlane R. Chestnut
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130
Telephone: (215) 560-2105
Fax: (215) 560-3133**

DOCKETED
JUN 21 2001

Attention: You may lose the case if you do not come to this hearing and present facts on the issues raised.

If you intend to file exhibits, 2 copies of all hearing exhibits to be presented into evidence must be submitted to the reporter. An additional copy must be furnished to the Presiding Officer. A copy must also be provided to each party of record.

Except for those individuals representing themselves, the Commission's rules require that all parties have an attorney; therefore, you should have an attorney of your choice file an entry of appearance before the scheduled hearing.

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call Norma Lewis at the Public Utility Commission:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988.

pc: Judge Chestnut
June Perry - LA, Keystone 3NW
Eric Levis - BPL, Keystone 3NE
Office of Trial Staff (2)
Consumer Advocate
Small Business Advocate
Bill Barrett - FUS
Judy Weaver, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

LAW OFFICES

OBERMAYER REBMANN MAXWELL & HIPPEL LLP

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FAX (215) 665-3165

WENDELL F. HOLLAND

DIRECT DIAL (215) 665-3282

E-MAIL WFH@OBERMAYER.COM

June 26, 2001

KJR

VIA FEDERAL EXPRESS MAIL

James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

**RE: In re: Philadelphia Gas Works for
Proposed 2001-2002 Gas Cost Rate
Docket No. R-00016378**

DOCUMENT
FOLDER

Dear Mr. McNulty:

On behalf of Philadelphia Gas Works ("PGW"), enclosed is a certificate of service pursuant to 52 Pa. Code §5.412(f) in connection with PGW's responses to OCA Interrogatories Set Nos. 1-1, 1-3, 1-10, 1-15, 1-19, 1-25, and 1-28, which were served today on the parties and their experts.

Please contact me if you have any questions with respect to the Company's filing.

Respectfully,


WENDELL F. HOLLAND

WFH/swwc

Enclosure

cc: All parties (w/o enc.)

RECEIVED

JUN 26 2001

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I herby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

R-00016378

VIA E-MAIL & FEDERAL EXPRESS

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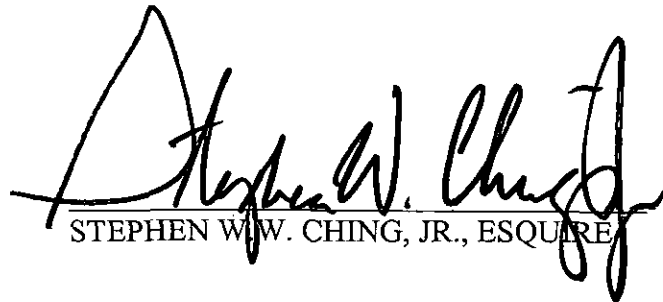
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JUN 26 2001

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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STEPHEN W.W. CHING, JR., ESQUIRE

Dated: June 26, 2001

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June 26, 2001

KJR

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James McNulty, Secretary
Pennsylvania Public Utility Commission
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2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**RE: In re: Philadelphia Gas Works for
Proposed 2001-2002 Gas Cost Rate
Docket No. R-00016378**

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Dear Mr. McNulty:

On behalf of Philadelphia Gas Works ("PGW"), enclosed is a certificate of service pursuant to 52 Pa. Code §5.412(f) in connection with PGW's responses to OCA Interrogatories Set Nos. 1-2, 1-11, 1-14, 1-29, 1-31, 1-33, 1-35, 1-38, and 1-41, which were served today on the parties and their experts.

Please contact me if you have any questions with respect to the Company's filing.

Respectfully,


WENDELL F. HOLLAND

WFH/swwc

Enclosure

cc: All parties (w/o enc.)

CERTIFICATE OF SERVICE

I herby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

R-00016378

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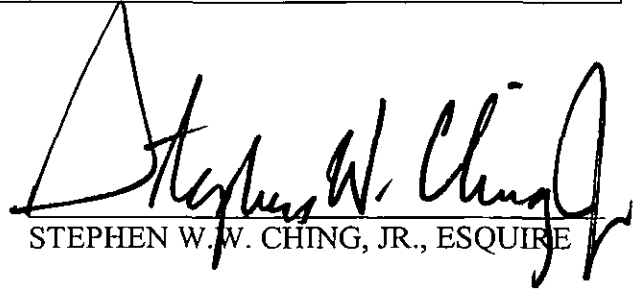
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