



March 6, 2014

VIA E-FILE

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Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission v. Veolia Energy Philadelphia, Inc.;**  
**Docket Nos. R-2013-2386293, C-2014-2402292, C-2014-2407095, and C-2014-**  
**2407105; PREHEARING MEMORANDUM OF THE TRUSTEES OF THE UNIVERSITY**  
**OF PENNSYLVANIA AND THE HOSPITAL AT THE UNIVERSITY OF**  
**PENNSYLVANIA**

Dear Secretary Chiavetta:

Enclosed is the original Prehearing Memorandum of The Trustees of the University of Pennsylvania and The Hospital at the University of Pennsylvania in the above-referenced proceeding. Copies have been served per the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions regarding this filing, please direct them to me. Please date-stamp the extra copy and return it with our courier.

Sincerely,

COZEN O'CONNOR

By: David P. Zambito  
Counsel for *The Trustees of the University of Pennsylvania and The Hospital at the University of Pennsylvania*

DPZ/kmg  
Enclosure  
cc: Per Certificate of Service

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**CERTIFICATE OF SERVICE**

**Docket Nos. R-2013-2386293, C-2014-2402292, C-2014-2407095, and C-2014-2407105**

I hereby certify that I have this day served a true copy of the Prehearing Memorandum of The Trustees of the University of Pennsylvania and The Hospital at the University of Pennsylvania, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**VIA ELECTRONIC MAIL and FIRST CLASS MAIL:**

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DATED: March 6, 2014



David P. Zambito Esquire  
Counsel for *The Trustees of the University of Pennsylvania and The Hospital at the University of Pennsylvania*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Administrative Law Judge  
Angela T. Jones

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Pennsylvania Public Utility Commission, <i>et al.</i> ,	:	
	:	
Complainants	:	Docket Nos. R-2013-2386293
	:	C-2014-2402292
v.	:	C-2014-2407095
	:	C-2014-2407105
Veolia Energy Philadelphia, Inc.,	:	
	:	
Respondent	:	

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**PREHEARING MEMORANDUM OF  
THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA AND  
THE HOSPITAL AT THE UNIVERSITY OF PENNSYLVANIA**

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The Trustees of the University of Pennsylvania and The Hospital at the University of Pennsylvania (collectively “UPENN”), by its counsel in this matter, Cozen O’Connor, hereby file this Prehearing Memorandum in the above-captioned matter in compliance with Ordering Paragraph No. 3 of the Prehearing Order of the Honorable Administrative Law Judge Angela T. Jones (“Presiding Officer”), dated February 27, 2014, and the regulations of the Pennsylvania Public Utility Commission (“Commission”) at 52 Pa. Code § 5.222(d), and state as follows:

## **I. OVERVIEW OF PROCEDURAL HISTORY**

1. On December 18, 2013, Veolia Energy Philadelphia, Inc. (“VEPI”) filed Supplement No. 14 to Tariff Heating and Cooling Pa. P.U.C. No. 4 (“Supplement No. 14”). Supplement No. 14 proposes *inter alia* an increase of 24.55% to VEPI’s non-fuel base distribution rates.

2. The Commission’s Bureau of Investigation & Enforcement (“I&E”) filed Notices of Appearance on January 10 and 23, 2014.

3. On January 16, 2014, Murano Condominium Association filed an informal comment opposing VEPI’s rate increase.

4. The Office of Small Business Advocate (“OSBA”) filed a Notice of Intervention, Public Statement, and Notice of Appearance on January 17, 2014.

5. Thomas Jefferson University and Thomas Jefferson University Hospital Inc. filed a petition to intervene on January 23, 2014.

6. On January 24, 2014, The Wellington filed a formal complaint against Supplement No. 14 which was subsequently assigned Docket No. C-2014-2402292. VEPI filed an answer on January 31, 2014.

7. By Order entered February 6, 2014, the Commission suspended Supplement No. 14 for investigation until October 1, 2014. Veolia filed Supplement No. 15 to Tariff Heating and Cooling Pa. P.U.C. No. 4 on February 11, 2014 to implement the suspension.

8. On February 11, 2014, the Philadelphia Large Steam Users Group (“PLSUG”), an unincorporated *ad hoc* group of VEPI customers consisting of Academic Properties, Inc., Building Owners & Managers Association of Philadelphia, Drexel University, City of

Philadelphia, and The Barnes Foundation, filed a Petition to Intervene. On February 19, 2014, VEPI filed a letter indicating that it does not oppose PLSUG's intervention.

9. UPENN filed a formal complaint on February 14, 2014 which was subsequently assigned Docket No. C-2014-2407105. VEPI filed an answer on February 26, 2014.

10. The Presbyterian Medical Center of the University of Pennsylvania, Pennsylvania Hospital of the University of Pennsylvania, and Penn Medicine at Rittenhouse filed a formal complaint on February 14, 2014 which was subsequently assigned Docket No. C-2014-2407095. VEPI filed an answer on February 26, 2014.

11. The parties agreed to attempt mediation with the assistance of the Commission's Mediation Division. On February 26, 2014, VEPI filed Supplement No. 16 to Tariff Heating and Cooling Pa. P.U.C. No. 4 -- which extended the effective date of Supplement No. 14 until December 1, 2014 in order to accommodate mediation.

12. By Prehearing Conference Order dated February 27, 2014, the Presiding Officer set an Initial Prehearing Conference for March 10, 2014 in Philadelphia, Pennsylvania. The Prehearing Conference is to be followed by an initial mediation session conducted by the Commission's Mediation Division.

## **II. UPENN COUNSEL**

13. UPENN is represented in this matter by the following counsel:

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### **III. SERVICE OF DOCUMENTS**

14. UPENN's attorneys are authorized to accept service on behalf of UPENN in this proceeding. UPENN agrees to receive service of documents electronically. Electronic service of documents should be made upon Messrs. Petyk, Zambito, and Belcher. UPENN requests that, to the extent that hard copies of documents are served, they be served upon Mr. Zambito in Harrisburg, Pennsylvania.

### **IV. ISSUES**

15. UPENN has identified the following issue in this proceeding:

Are the rates proposed by VEPI in Supplement No. 14 just, reasonable, and otherwise in compliance with the Pennsylvania Public Utility Code?

*Suggested Answer: The Commission should ensure that any new rates resulting from this proceeding are just, reasonable, and otherwise in compliance with the Pennsylvania Public Utility Code.*

**V. WITNESSES**

16. UPENN presently does not intend to offer any witnesses to testify in this proceeding. UPENN however reserves the right to call witnesses and present testimony depending on the course of the proceeding. Should UPENN elect to call witnesses and present testimony, it will provide timely notice to the Presiding Officer and the other parties.

**VI. DISCOVERY**

17. UPENN proposes that the parties adhere to the Commission's standard rules of discovery as contained in 52 Pa. Code § 5.321 *et seq.*, with one exception: Discovery requests served after noon on a Friday or the day before a state-recognized holiday shall be deemed served on the next following business day. UPENN is amenable to other reasonable modifications of the Commission's discovery rules as proposed by other parties.

**VII. PROCEDURAL SCHEDULE**

18. The procedural schedule presented by VEPI in its Prehearing Conference Memorandum is acceptable to UPENN. UPENN does not believe that a public input hearing is necessary in this proceeding because VEPI has a very limited number of residential customers.

**VIII. PROTECTION OF CONFIDENTIAL INFORMATION**

19. The parties are in the process of negotiating the terms and conditions of an acceptable protective order. UPENN anticipates that VEPI will submit a motion for protective order for consideration by the Presiding Officer.

**IX. SETTLEMENT DISCUSSIONS**

20. UPENN has agreed to participate in mediation of this matter with the assistance of the Commission's Mediation Division and is open to the resolution of the matter through settlement.

Respectfully submitted,



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Dated: March 6, 2014

Counsel for *The Trustees of the University of Pennsylvania and The Hospital at the University of Pennsylvania*