



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

IN REPLY PLEASE
REFER TO OUR FILE

March 14, 2014

Via E-Filing

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

Re: Philadelphia Gas Works: 2014-2015 Gas Cost Rate Filing
Docket No. R-2014-2404355

Dear Secretary Chiavetta:

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

Copies are being served on parties as identified in the attached certificate of
service. 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

RLM/snc
Enclosure

cc: Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Philadelphia Gas Works: : Docket No. R-2014-2404355
2014-2015 Gas Cost Rate Filing :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated March 14, 2014, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

Via Electronic Mail

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

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :

v.

Philadelphia Gas Works 1307(f)

:
:
:
:

Docket No. R-2014-2404355

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

**TO ADMINISTRATIVE LAW JUDGE CHRISTOPHER P. PELL AND
DARLENE D. HEEP:**

The Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (PUC or Commission) respectfully submits this 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)
717-772-2577 (fax)

I. INTRODUCTION

On January 31, 2014, Philadelphia Gas Works (PGW or Company) submitted prefiled information regarding its 2014-2015 Purchased Gas Cost Rate filing pursuant to

submitted its definitive filing including its supporting testimony. A prehearing conference is scheduled for March 17, 2014, at 1:30 p.m.

II. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this case. This list is as complete as possible at this time. I&E reserves the right to address other issues it deems appropriate as they may arise.

- Retainage
- Unaccounted for Gas
- Capacity Release
- Capacity Requirements
- Peak Day Forecasts
- Computation of C-factor and E-factor and Migration Riders
- Supplier Refunds
- Interest on Over/Undercollections
- Migration Sales Volumes
- Sales Volumes Projections
- Compliance with Prior Commission Orders

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses:

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

The I&E witnesses may be contacted through the information provided above for Ms. Matz. The witness list is compiled without the benefit of complete discovery or analysis of the positions of other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the names of witnesses as appropriate.

IV. EVIDENCE

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

V. SCHEDULE

The parties have discussed and agreed to the following schedule:

| | |
|---------------------------------|------------------------|
| Prehearing conference | Monday, March 17, 2014 |
| Non-Company Direct Testimony | Monday, April 14, 2014 |
| All Parties' Rebuttal Testimony | Monday, April 28, 2014 |
| Surrebuttal Testimony | Monday, May 5, 2014 |
| Oral Rejoinder | Thursday, May 8, 2014 |
| Hearings | Thursday, May 8, 2014 |
| Close of Record | Thursday, May 8, 2014 |
| Main Briefs | Friday, May 16, 2014 |
| Reply Briefs | Thursday, May 29, 2014 |

All due dates, including those related to discovery, are in-hand, service by 4:00 p.m.

VI. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand service requirements, I&E agrees to accept email delivery of documents with follow-up hard copies provided by regular first class mail on the condition that electronic documents are transmitted so that they are *received* no later than 4:00 p.m. on their scheduled due date.

VII. DISCOVERY

The parties have discussed and agreed that discovery shall be conducted according to the Commission's rules and regulations (52 Pa. Code §5.321 et seq.), subject to the following modifications:

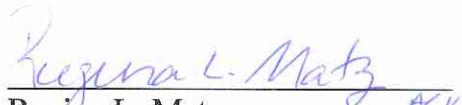
1. Answers to written interrogatories will be served in-hand within ten (10) calendar days of service of the interrogatories except that service of interrogatories on a Friday shall be deemed service on the following business day;
2. Objections to interrogatories will be communicated orally within three (3) business days of service; unresolved objections shall be served to the ALJ in writing within five (5) business days of service of the interrogatories;
3. Motions to dismiss objections and/or direct the answering of interrogatories will be filed within three (3) business days of service of written objections;
4. Answers to motions to dismiss objections and/or direct the answering of interrogatories will be filed within three (3) business days of service of such motions;
5. Responses to requests for document production, entry for inspection, or other purposes will be served in-hand within ten (10) calendar days;
6. Requests for admission will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) business days of service;
7. Answers to on-the-record data requests will be served in-hand within seven (7) calendar days of the request;
8. Rulings over motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion;
9. Any discovery or discovery related pleadings such as objections, motions, answers to motions served on a Friday or on any business day preceding a state holiday shall be deemed to have been served on the following business day for purposes of tracking responsive due dates; and

10. Due dates will be "in-hand" with electronic or fax service on the due date satisfying the "in-hand" requirement and where such service is immediately followed by a hard copy sent by first-class mail.

VIII. SETTLEMENT

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

Respectfully submitted,


Regina L. Matz
Prosecutor
PA Attorney No. 42498

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17105-3265

Dated: March 14, 2014