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March 20, 2015

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-2015-2465656**

Dear Secretary Chiavetta:

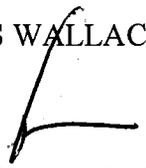
Please find enclosed for filing with the Pennsylvania Public Utility Commission the Prehearing Memorandum of the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG"), in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served.

Sincerely,

McNEES WALLACE & NURICK LLC

By


Elizabeth P. Trinkle

Counsel to the Philadelphia Industrial and Commercial Gas Users Group

Enclosure

c: Administrative Law Judge Christopher P. Pell (via E-mail and First-Class Mail)
Administrative Law Judge Marta Guhl (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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Elizabeth P. Trinkle

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Dated this 20th day of March, 2015, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2015-2465656
	:	
Philadelphia Gas Works	:	

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

Pursuant to the March 12, 2015, Prehearing Conference Order issued by Administrative Law Judges ("ALJs") Christopher P. Pell and Marta Guhl, the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On January 30, 2015, 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 February 26, 2015, PGW filed supporting testimony and exhibits setting forth the proposed gas recovery rates effective for service rendered on and after September 1, 2015.

On February 17, 2015, 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 ALJs.

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. 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 ALJs 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

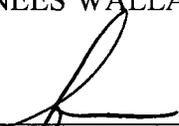
PICGUG has participated in scheduling discussions with the parties to this proceeding and does not oppose the schedule proposed in the Company's Prehearing Memorandum. Similarly, PICGUG does not oppose the discovery modifications agreed to by all parties and also set forth in PGW's Prehearing Memorandum.

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 20, 2015