

# Philadelphia Gas Works

Gregory J. Stunder  
Senior Attorney



800 W. Montgomery Avenue, Philadelphia, PA 19122  
Telephone: (215) 684-6878 – Fax (215) 684-6798  
Email: [greg.stunder@pgworks.com](mailto:greg.stunder@pgworks.com)

—March 7, 2006

## VIA OVERNIGHT MAIL

Aron Beatty, Esquire  
Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place Bldg.  
555 Walnut Street  
Harrisburg, PA 17101-1921

DOCUMENT  
FOLDER

Re: Philadelphia Gas Works Annual GCR Filing 1307(f)  
Docket No. R-00061296

Dear Mr. Beatty:

On behalf of Philadelphia Gas Works, enclosed please find responses to OCA - Set I, Nos. 1, 2, 3, 4, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 29, 30, 31, 32, 35, 36, 38, 39, 41, 42, 43, 44, 45, 49, 51. PGW will respond to the remaining interrogatories as soon as possible. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder".

Gregory J. Stunder

Enclosure

cc: Attached Certificate of Service w/enc.  
James McNulty, w/ Cert. of Service only

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby 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 EXPRESS MAIL

Stephen Keene, Esq.  
Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place Bldg.  
555 Walnut Street  
Harrisburg, PA 17101-1921

Charis Burak, Esquire  
McNEES, WALLACE, NURICK  
100 Pine Street  
P.O. Box 1166  
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Stephen Gray, Esq.  
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Commerce Building, Suite 1102  
300 North 2<sup>nd</sup> Street  
Harrisburg, PA 17101

Richard LeLash  
Financial and Regulatory Consultant  
18 Seventy Acre Road  
Redding, CT 06896

Johnnie Simms, Esq.  
Office of Trial Staff  
PA Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

Daniel Clearfield, Esq.  
Alan Kohler, Esq.  
Wolf, Block, Schorr and Solis-Cohen LLP  
213 Locust Street  
9<sup>th</sup> Floor  
Harrisburg, PA 17101

Phillip Bertocci, Esq.  
Community Legal Services  
1424 Chestnut Street  
Philadelphia, PA 19102

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

  
\_\_\_\_\_  
Gregory J. Stunder, Esq.

Date: March 7, 2006

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ORIGINAL

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :  
v. : Docket No. R-00061296  
Philadelphia Gas Works 1307(f) :

NOTICE OF APPEARANCE

DOCUMENT  
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TO THE SECRETARY:

Please enter the appearance of the Office of Trial Staff of the Pennsylvania  
Public Utility Commission in the above-captioned proceeding.

Prosecutor(s) for the Office of Trial Staff, in addition to the undersigned will  
be:

**RICHARD A. KANASKIE, ESQUIRE**

All service on and communications to the Office of Trial Staff in this  
proceeding should be addressed:

Richard A. Kanaskie, Esquire  
Pa. Public Utility Commission  
Office of Trial Staff  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
rkanaskie@state.pa.us  
(717) 787-1976

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MAR 15 2006

  
Johnnie E. Simms  
Chief Prosecutor

Dated: March 7, 2006

237

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :  
v. : Docket No. R-00061296  
Philadelphia Gas Works 1307(f) :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Notice of Appearance**,  
dated March 1, 2006, either personally, by first class mail, electronic mail, express mail  
and/or by fax upon the persons listed below:

Gregory J. Stunder, Esquire  
Philadelphia Gas Works  
800 West Montgomery Avenue  
Philadelphia, PA 19122

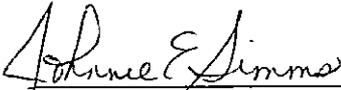
Irwin A. Popowsky, Esquire  
Office of Consumer Advocate  
555 Walnut Street, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

William R. Lloyd, Jr., Esquire  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

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Hon. Veronica A. Smith  
Chief Administrative Law Judge  
Office of Administrative Law Judge  
Pa. Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

  
\_\_\_\_\_  
Johnnie E. Simms  
Chief Prosecutor  
Office of Trial Staff

Dated: March 7, 2006  
Docket No. R-00061296

# Philadelphia Gas Works

Gregory J. Stunder  
Senior Attorney



800 W. Montgomery Avenue, Philadelphia, PA 19122  
Telephone: (215) 684-6878 – Fax (215) 684-6798  
Email: greg.stunder@pgworks.com

—March-8, 2006

## VIA OVERNIGHT MAIL

Aron Beatty, Esquire  
Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place Bldg.  
555 Walnut Street  
Harrisburg, PA 17101-1921

# DOCUMENT FOLDER

Re: Philadelphia Gas Works Annual GCR Filing 1307(f)  
Docket No. R-00061296

Dear Mr. Beatty:

On behalf of Philadelphia Gas Works, enclosed please find responses to **OCA - Set I, No. 5, 6, 7, 8, 9, 10, 11, 14, 24, 25, 27, 28, 33, 34, 37, 40, 46, 47, 48, 50**. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder", is written over a circular stamp or mark.

Gregory J. Stunder

Enclosure

cc: Attached Certificate of Service w/enc.  
James McNulty, w/ Cert. of Service only

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MAR 8 2006  
PA PUBLIC UTILITY COMMISSION  
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Alan Kohler, Esq.  
Wolf, Block, Schorr and Solis-Cohen LLP  
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Harrisburg, PA 17101

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Community Legal Services  
1424 Chestnut Street  
Philadelphia, PA 19102

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

  
\_\_\_\_\_  
Gregory L. Sturder, Esq.

Date: March 8, 2006

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MAR 8 2006  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Office of Administrative Law Judge  
P.O. BOX 3265, HARRISBURG, PA 17105-3265  
March 9, 2006

IN REPLY PLEASE  
REFER TO OUR FILE

In Re: R-00061296

(SEE LETTER DATED 3/3/06)

Pennsylvania Public Utility Commission v. Philadelphia Gas Works

1307(f)

Hearing Cancellation/Reschedule Notice

This is to inform you that the Initial Pre-Hearing Conference on the above-captioned case previously scheduled for Friday, March 24, 2006, has been canceled.

The hearing has been rescheduled as follows:

Type: Initial Pre-Hearing Conference  
Date: Wednesday, March 15, 2006  
Time: 10:00 a.m.  
Location: In an available hearing room  
13th Floor  
Philadelphia State Office Building  
Broad and Spring Garden Streets  
Philadelphia, PA 19130

**DOCKETED**  
- MAR 21 2006

**DOCUMENT  
FOLDER**

Harrisburg Area Parties (Telephonically)  
Hearing Room 4  
Plaza Level  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

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

Please mark your records accordingly.

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 the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

- 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  
Cyndi Page - BPL, Keystone 3NE  
FUS, Keystone 3W  
Cherie Pyle, Scheduling Officer  
Beth Plantz  
Docket Section  
Calendar File



McNees Wallace & Nurick <sup>LLC</sup>  
attorneys at law

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CHARIS MINCAVAGE  
DIRECT DIAL: (717) 237-5437  
E-MAIL ADDRESS: [CMINCAVAGE@MWN.COM](mailto:CMINCAVAGE@MWN.COM)

March 10, 2006

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

**VIA HAND DELIVERY**

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;  
Docket No. R - 00061296**

Dear Secretary McNulty:

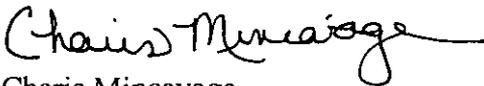
Enclosed for filing with the Commission are the original and three (3) copies of Philadelphia Industrial and Commercial Gas Users Group's ("PICGUG") Petition to Intervene in the above-referenced proceeding.

As shown by the attached Certificate of Service, all parties to this proceeding are being duly served. Please date stamp the extra copy of this transmittal letter and kindly return it for our filing purposes.

**DOCUMENT  
FOLDER**

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
Charis Mincavage

Counsel to Philadelphia Industrial and  
Commercial Gas Users Group

CM/lr

Enclosures

c: Administrative Law Judge Marlane Chestnut (via Federal Express)  
Certificate of Service

74

**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 Section 1.54 (relating to service by a participant).

**VIA E-MAIL AND FIRST CLASS MAIL**

Stephen Keene, Esq.  
Office of Consumer Advocate  
Forum Place Bldg. - 5<sup>th</sup> Fl.  
555 Walnut Street  
Harrisburg, PA 17120

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

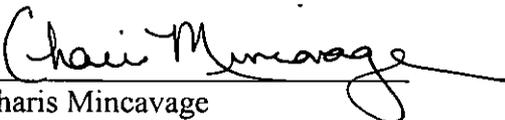
Richard Kanaskie, Esq.  
Office of Trial Staff  
Pennsylvania Public Utility Commission  
The Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

Philip A. Bertocci, Esq.  
Community Legal Services, Inc.  
1424 Chestnut Street, 3<sup>rd</sup> Floor  
Philadelphia, PA 19102

Daniel Clearfield, Esq.  
Alan Kohler, Esq.  
Wolf, Block, Schorr and Solis-Cohen LLP  
212 Locust Street  
Suite 300  
Harrisburg, PA 17101

Greg Stunder, Esq.  
Philadelphia Gas Works  
800 W. Montgomery Avenue.  
Philadelphia, PA 19122

**ORIGINAL**

  
Charis Mincavage

Dated this 10<sup>th</sup> day of March, 2006, in Harrisburg, Pennsylvania.

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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PENNSYLVANIA PUBLIC UTILITY  
COMMISSION :

v. :

DOCKET NO. R- 00061296

PHILADELPHIA GAS WORKS :

PETITION TO INTERVENE

DOCUMENT  
FOLDER

TO THE HONORABLE, THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Pursuant to the provisions of 52 Pa. Code §§ 5.71-5.74, the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby files this Petition to Intervene in the above-captioned proceeding. In support thereof, PICGUG states as follows.

1. Petitioner is the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG"), which for purposes of this proceeding include:

12<sup>th</sup> Street Gym Inc.  
The Building Owners' and  
Managers' Association of Philadelphia

Temple University  
Thomas Jefferson University/Jefferson  
Health Systems

The composition of PICGUG is also attached hereto as Appendix A. PICGUG reserves the right to modify Appendix A throughout the course of this proceeding, as necessary.

2. The names and address of Petitioners' attorneys are:

David M. Kleppinger  
Charis Mincavage  
McNEES WALLACE & NURICK LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
Phone: (717) 232-8000  
Fax: (717) 237-5300

ORIGINAL

3. On January 31, 2006, Philadelphia Gas Works ("PGW" or "Company") made its preliminary Gas Cost Rate ("GCR") filing with the Pennsylvania Public Utility Commission ("PUC"

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or "Commission") pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f). The Company subsequently submitted supporting testimony, setting forth the proposed gas recovery rates, effective for service rendered on and after September 1, 2006.

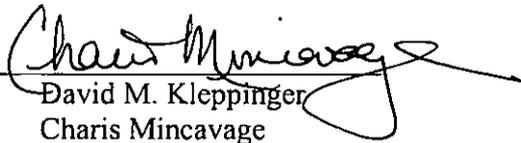
4. PICGUG is an ad hoc group of large volume customers receiving service from PGW under various rate schedules. PICGUG members use substantial volumes of natural gas in their businesses, and natural gas cost comprises a significant element of their respective cost of operation. PGW's GCR proposal may impact several of the Company's rate schedules, including schedules under which PICGUG members receive service. As a result, PICGUG member interests may be impacted by any PUC determination regarding PGW's 2006 GCR.

5. Therefore, consistent with 52 Pa. Code, § 5.72(a), PICGUG has a significant interest in this proceeding that is not represented by any other party of record. See 52 Pa. Code § 5.72. Accordingly, PICGUG should be granted intervenor status in this proceeding.

**WHEREFORE**, the Philadelphia Industrial and Commercial Gas Users Group respectfully requests that the Commission grant this Petition to Intervene and provide PICGUG with full party status.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

David M. Kleppinger  
Charis Mincavage  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
Phone: (717) 232-8000  
Fax: (717) 237-5300

Counsel to the Philadelphia Industrial and  
Commercial Gas Users Group

Dated: March 10, 2006



**APPENDIX "A"**

**MEMBERS OF THE PHILADELPHIA  
INDUSTRIAL AND COMMERCIAL  
GAS USERS GROUP  
("PICGUG")**

Building Owners' and Managers'  
Association of Philadelphia

Temple University

Thomas Jefferson University/Jefferson Health System  
12<sup>th</sup> Street Gym

**ORIGINAL**



McNees Wallace & Nurick LLC  
attorneys at law

ORIGINAL

CHARIS MINCAVAGE  
DIRECT DIAL: (717) 237-5437  
E-MAIL ADDRESS: CMINCAVAGE@MWN.COM

March 10, 2006

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

VIA HAND DELIVERY

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;  
Docket No. R-00061296**

Dear Secretary McNulty:

Enclosed for filing with the Commission are the original and three (3) copies of the Prehearing Memorandum on behalf of Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") in the above-referenced proceeding.

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

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Very truly yours,

MCNEES WALLACE & NURICK LLC

By   
Charis Mincavage

Counsel to the Philadelphia Industrial and  
Commercial Gas Users Group

Enclosures

CM/lr

c: Administrative Law Judge Marlane R. Chestnut (via Federal Express)  
Certificate of Service

65

CERTIFICATE OF SERVICE

ORIGINAL

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VIA E-MAIL AND FIRST CLASS MAIL

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Office of Consumer Advocate  
Forum Place Bldg. - 5<sup>th</sup> Fl.  
555 Walnut Street  
Harrisburg, PA 17120

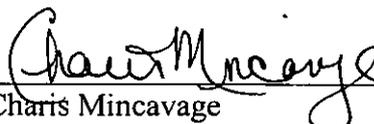
Steven C. Gray, Esq.  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

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Pennsylvania Public Utility Commission  
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Suite 300  
Harrisburg, PA 17101

Greg Stunder, Esq.  
Philadelphia Gas Works  
800 W. Montgomery Avenue.  
Philadelphia, PA 19122

  
Charis Mincavage

SECRETARY'S BUREAU  
PA PUC

2006 MAR 10 PM 4:05

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Dated this 10<sup>th</sup> day of March, 2006, in Harrisburg, Pennsylvania.

**ORIGINAL**

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC  
UTILITY COMMISSION

v.

PHILADELPHIA GAS WORKS

Docket No. R-00061296

**DOCUMENT  
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---

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

---

Pursuant to Administrative Law Judge ("ALJ") Chestnut's Prehearing Conference Order of March 7, 2006, 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 31, 2006, the Philadelphia Gas Works ("PGW" or "Company") made its preliminary Gas Cost Rate ("GCR") filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") pursuant to the requirements of Section 1307 (f) of the Public Utility Code. On February 28, 2006, PGW submitted supporting testimony setting forth the proposed gas recovery rates effective for service rendered on and after September 1, 2006. On March 13, 2006, 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 outstanding and awaits ALJ disposition.

**II. ANTICIPATED ISSUES AND SUB-ISSUES**

**DOCKETED**  
MAR 22 2006

Because PICGUG members may be impacted by any changes to the Company's gas costs, PICGUG is concerned with any modifications proposed to the GCR 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, and PICGUG 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

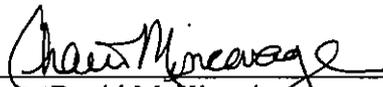
PICGUG will cooperate with the ALJ and the parties at the Prehearing Conference to develop an appropriate procedural schedule and discovery rules in accordance with the Commission's regulations and any ALJ directives.

### 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 

David M. Kleppinger  
Charis Mincavage  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
Phone: (717)232-8000  
Fax: (717)237-5300

ORIGINAL

Counsel to the Philadelphia Industrial and  
Commercial Gas Users Group

Dated: March 10, 2006

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF SMALL BUSINESS ADVOCATE  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.  
Small Business Advocate

(717) 783-2525  
(717) 783-2831 (FAX)

March 13, 2006

**E-mail and First Class Mail**

Hon. Marlane Chestnut  
Administrative Law Judge  
Pa. Public Utility Commission  
Rm. 1302, Philadelphia State Office Building  
1400 West Spring Garden Street  
Philadelphia, PA 19130

DOCUMENT  
FOLDER

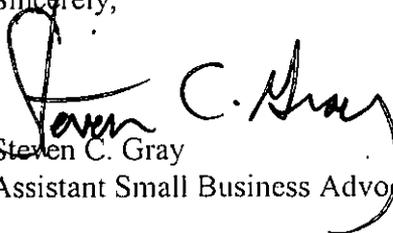
**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works  
Docket No. R-00061296**

Dear Judge Jones:

Enclosed are two copies of the Prehearing Memorandum on behalf of the Office of Small Business Advocate.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

  
Steven C. Gray  
Assistant Small Business Advocate

Enclosures

cc: James J. McNulty, Secretary  
Parties of Record  
Robert D. Knecht

RECEIVED  
2006 MAR 13 PM 4:01  
PA PUC  
SECRETARY'S BUREAU

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION :

v. :

DOCKET NO. R-00061296

PHILADELPHIA GAS WORKS :

CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, by e-mail and first class mail upon the persons addressed below:

Hon. Marlane R. Chestnut  
Administrative Law Judge  
Pa. Public Utility Commission  
Rm. 1302, Philadelphia State Office Building  
1400 West Spring Garden Street  
Philadelphia, PA 19130  
(215) 560-2105  
(215) 560-3133 - Fax  
[machestnut@state.pa.us](mailto:machestnut@state.pa.us)

Daniel Clearfield, Esquire  
Alan C. Kohler, Esquire  
Wolf, Block, Schorr & Solis-Cohen  
Locust Court Building, Suite 300  
212 Locust Street  
Harrisburg, PA 17101  
(717) 237-7160  
(717) 237-7161 (fax)  
[dclearfield@wolfblock.com](mailto:dclearfield@wolfblock.com)  
[akohler@wolfblock.com](mailto:akohler@wolfblock.com)

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Redding, CT 06896  
(203) 438-4659  
(203) 431-9625 (fax)  
[lelash@sprintmail.com](mailto:lelash@sprintmail.com)

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Office of Consumer Advocate  
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Harrisburg, PA 17101-1923  
(717) 783-5048  
(717) 783-7152 (fax)  
[skeene@paoca.org](mailto:skeene@paoca.org)

Richard A. Kanaskie, Esquire  
Office of Trial Staff  
Pa. Public Utility Commission  
P.O. Box 3265  
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Phillip Bertocci, Esquire  
Community Legal Services  
1424 Chestnut Street  
Philadelphia, PA 19102

  
Steven C. Gray  
Assistant Small Business Advocate

Date: March 13, 2006

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY  
COMMISSION

v.

PHILADELPHIA GAS WORKS

DOCKET NO. R-00061296

DOCUMENT  
FOLDER

OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM

**DOCKETED**  
MAR 16 2006

I. INTRODUCTION

The Office of Small Business Advocate ("OSBA") is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§399.41 - 399.50 ("the Act"). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Steven C. Gray. Please address all correspondence as follows:

Steven C. Gray, Esquire  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, Pennsylvania 17101  
(717) 783-2525  
(717) 783-2831 (fax)  
[sgray@state.pa.us](mailto:sgray@state.pa.us)

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II. **FILING BACKGROUND**

Pursuant to Section 1307(f) of the Public Utility Code (66 Pa.C.S. Section 1307(f)), Philadelphia Gas Works (“PGW” or the “Company”) filed its 2006 Section 1307(f) Gas Cost Rate (“GCR”) filing on February 28, 2006. The OSBA filed a Complaint on March 13, 2006.

III. **IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES**

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Robert D. Knecht  
Industrial Economics Incorporated  
2067 Massachusetts Avenue  
Cambridge, MA 02140  
(617) 354-0074  
(617) 354-0463 - Fax  
[rdk@indecon.com](mailto:rdk@indecon.com)

After an initial review of the materials submitted by PGW, the OSBA has identified the following issues:

1. Whether PGW’s 2006 GCR filing complies with the terms of the Settlement in last year’s Section 1307(f) filing. Specifically, the Settlement addressed the following issues:
  - a. PGW’s gas purchasing and hedging practices;
  - b. PGW’s capacity marketing;
  - c. An audit of PGW’s restructuring surcharge;
  - d. Line hits on PGW’s system; and
  - e. PGW’s litigation of the November 2004 natural gas price spike.

2. Whether PGW again proposes to include working capital financing costs in its GCR claims.
3. Whether PGW's demand forecast and design day conditions are reasonable.
4. Whether PGW's \$2.2293 / Mcf universal service charge is reasonable and accurately calculated.
5. Whether PGW's interruptible revenue credit is reasonable and accurately calculated.
6. Whether PGW's natural gas commodity forecasts are reasonable and timely;
7. Whether PGW's proposed treatment of unaccounted-for gas is reasonable; and
8. Whether PGW's lack of a fixed-rate option for the Company's retail customers is in violation of 66 Pa. C.S. § 1307(f)(1)(ii).

The OSBA will participate in the case to assure that the interests of small business customers of PGW are adequately represented and protected.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties through the cross-examination of witnesses appearing for those parties and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of PGW's small business consumers would be unjustifiably different than or disproportionate to the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

IV. **SERVICE OF DOCUMENTS**

The OSBA requests that all parties serve a hard copy of any document filed in this case upon the OSBA and the OSBA witness identified above. In addition to hard copies of pleadings, briefs, and exceptions, the OSBA requests hard copies of responses to discovery propounded by the OSBA or any other party. Service by electronic mail **only** is not acceptable.

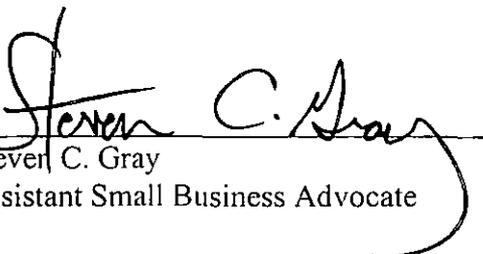
V. **SETTLEMENT**

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VI. **HEARING AND BRIEFING SCHEDULE**

The OSBA will cooperate with the other parties to develop a procedural schedule.

Respectfully submitted,

  
Steven C. Gray  
Assistant Small Business Advocate

For:

William R. Lloyd, Jr.  
Small Business Advocate

Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Dated: March 13, 2006

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION :  
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v. : DOCKET NO. R-00061296  
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PHILADELPHIA GAS WORKS :

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OFFICE OF SMALL BUSINESS ADVOCATE  
PREHEARING MEMORANDUM

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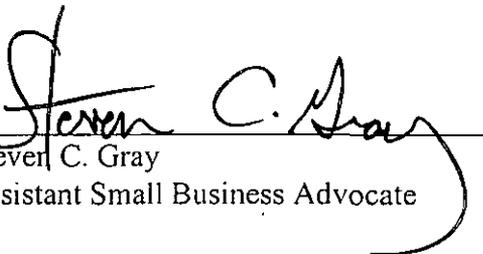
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Respectfully submitted,

  
Steven C. Gray  
Assistant Small Business Advocate

For:

William R. Lloyd, Jr.  
Small Business Advocate

Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Dated: March 13, 2006

**Philadelphia Gas Works**

Gregory J. Stunder  
Senior Attorney



800 W. Montgomery Avenue, Philadelphia, PA 19122  
Telephone: (215) 684-6878 – Fax (215) 684-6798  
Email: greg.stunder@pgworks.com

March 14, 2006

**VIA EXPRESS MAIL**

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

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MAR 14 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

RE: Philadelphia Gas Works 2006 – 2007 Gas Cost Rate Filing  
Docket No. R-00061296

Dear Secretary McNulty,

On behalf of Philadelphia Gas Works, enclosed for filing is an original and three copies of its Prehearing Memorandum with regard to the above referenced matter. A copy has been served on the parties listed on the attached Certificate of Service.

Please contact me if you have any questions regarding this filing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder".

Gregory J. Stunder

DOCUMENT  
FOLDER

Enclosures

cc: All Parties of Record  
Hon. Marlane R. Chestnut

98

**CERTIFICATE OF SERVICE**

I hereby 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 and FIRST CLASS MAIL MAIL**

Stephen Keene, Esq.  
Office of Consumer Advocate  
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Harrisburg, PA 17101-1921

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Harrisburg, PA 17108-1166

Stephen Gray, Esq.  
Office of Small Business Advocate  
Commerce Building, Suite 1102  
300 North 2<sup>nd</sup> Street  
Harrisburg, PA 17101

Phillip Bertocci, Esq.  
Community Legal Services  
1424 Chestnut Street  
Philadelphia, PA 19102

Richard Kanaskie, Esq.  
Office of Trial Staff  
PA Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

Daniel Clearfield, Esq.  
Wolf, Block, Schorr and Solis-Cohen LLP  
213 Market Street  
9<sup>th</sup> Floor  
Harrisburg, PA 17101

  
\_\_\_\_\_  
Gregory J. Stunder, Esq.

Date: March 14, 2006

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MAR 14 2006

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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MAR 14 2006

Pennsylvania Public Utility Commission,

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

v.

Docket No. R-00061296

Philadelphia Gas Works

PHILADELPHIA GAS WORK'S  
PREHEARING MEMORANDUM

**DOCKETED**  
MAR 21 2006

**I. INTRODUCTION**

Philadelphia Gas Works ("PGW") submits this Prehearing Memorandum in anticipation of the Prehearing Conference scheduled before Administrative Law Judge Marlane R. Chestnut on March 15, 2006. This Prehearing Conference is to cover PGW's 2006-07 Gas Cost Rate ("GCR") proceeding, which includes the establishment of its 2006-07 proposed Restructuring and Universal Service Surcharge, for which pre-filing information was filed on February 1, 2006 and its annual filing was made on March 1, 2006. Additionally, PGW submitted a Petition requesting waiver of certain Commission regulations pertaining to its supporting data and customer notice for the GCR. That Petition remains pending before the Commission except as indicated in Secretary McNulty's letter dated February 10, 2006.

**DOCUMENT  
FOLDER**

**II. DISCOVERY**

The following rules were adopted in PGW's prior GCR proceeding and are acceptable to

PGW:

1. Answers to written interrogatories shall 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 Monday.

2. Objections to interrogatories shall be communicated orally within three (3) days of service; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories shall 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 shall be filed within three (3) days of service of such motions and shall have attached a copy of the interrogatory or interrogatories and any responses.
5. Rulings over such motions shall be issued, if possible, within seven (7) days of filing the answers to the motions.
6. Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days.
7. The notice period for requests to take the deposition of a person upon oral examination is reduced to ten (10) days.
8. Requests for admission shall be deemed admitted unless answered within ten (10) days or objected to within five (5) days of service.
9. Answers to on-the-record data requests shall be served in-hand within seven (7) calendar days of the requests.

### **III. FACTUAL AND LEGAL ISSUES**

The following is a summary of the factual and legal issues that PGW anticipates will be raised in this case:

1. Whether PGW proposed 2006-07 projected cost of natural gas expense and total applicable GCR Expense are just, reasonable and consistent with the least cost fuel procurement and other standards set forth in 66 Pa.C.S. §§ 1307(f), 1317 and 1318?
2. Whether PGW's claimed realized 2006-07 natural gas expense, GCR Expense and prior year undercollection is just, reasonable and consistent with the least cost procurement and other standards set forth in 66 Pa. C.S. §§ 1307(f), 1317 and 1318?

3. Are the revisions to PGW's authorized Restructuring Surcharge, designed to recover PGW's realized and projected restructuring costs, authorized by the Pa PUC in PGW's Restructuring Proceeding (M-00021612), just, reasonable and in accordance with applicable PUC orders and the Public Utility Code?

4. Are the revisions to PGW's authorized Universal Service Charge (USC) designed to recover PGW's realized and projected costs and discounts associated with its CRP, CAP, Conservation Works Program (CWP) and Senior Citizen Discount (SCD) programs just, reasonable and in accordance with applicable PUC orders and the Public Utility Code?

5. Whether PGW's proposed Supplement No. 12 to PGW's Pa PUC Tariff No. 2 setting forth the revisions in rates required by the changes in the GCR, Restructuring, and USC surcharges is just, reasonable and otherwise consistent with law?

#### IV. SERVICE OF DOCUMENTS

Service of documents in this matter should be on the following counsel of record:

Daniel Clearfield, Esq.  
Wolf, Block, Schorr and Solis-Cohen LLP  
213 Market Street - 9<sup>th</sup> Floor  
Harrisburg, PA 17101  
(717) 237-7173 (phone)  
(717) 237-7161 (fax)  
dclearfield@wolfblock.com

Gregory J. Stunder, Esq.\*  
Senior Attorney  
Philadelphia Gas Works  
800 West Montgomery Ave.  
Philadelphia, PA 19122  
(215) 684-6878 (phone)  
(215) 684-6798 (fax)  
greg.stunder@pgworks.com

\* Lead Counsel

V. **SCHEDULE**

PGW will cooperate with the other parties during the pre-hearing conference in order to develop a proposed schedule for discovery, evidentiary hearings and submission of briefs.

VI. **WITNESSES**

PGW expects to submit the testimony of the following witnesses:

- A. Douglas Moser
- B. Kenneth Dybalski

PGW has filed the prepared direct testimony of these witnesses with its March 1 filing.

PGW reserves its right to modify this witness list prior to the submission of testimony.

VII. **SETTLEMENT**

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

Respectfully submitted,



\_\_\_\_\_  
Gregory J. Stunder, Esq.  
Senior Attorney  
Philadelphia Gas Works  
800 West Montgomery Ave.  
Philadelphia, PA 19122  
(215) 684-6878

Of Counsel:  
Dan Clearfield  
Wolf, Block, Schorr and Solis-Cohen LLP  
212 Locust Street, Suite 300  
Harrisburg, PA 17101  
(215) 237-7160

**Dated: March 14, 2006**