

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

DIRECT TESTIMONY OF

JAY P. LUKENS, PHD

**ON BEHALF OF
PHILADELPHIA GAS WORKS**

DOCKET NO. R-00006042

**RE: PHILADELPHIA GAS WORKS
BASE RATE PROCEEDING**

JANUARY 2001

I. INTRODUCTION OF WITNESS

1 Q: Please state your name, occupation, and business address.

2 A: My name is Jay P. Lukens. I am President of the Lukens Energy Group, Inc.
3 ("LEG"). My business address is 2100 West Loop South, Suite 1300, Houston,
4 Texas 77027. My telephone number is (713) 961-1100 and my E-mail address is
5 jlukens@lukensgroup.com.

6 Q: Please describe the business activities of LEG.

7 A: LEG offers economic analysis, business counsel and litigation support services to
8 buyers and sellers of natural gas, electricity and related products and services.
9 LEG's senior consultants have management experience and market expertise in
10 all phases of the natural gas value chain. LEG also employs technical experts in
11 the fields of finance, economics, econometrics, decision science and applied
12 mathematics.

13 Q: Please describe your background and qualifications.

14 A: I hold B.A. and Ph.D. degrees in economics and have an extensive background
15 in energy economics. My curriculum vitae is attached as an Appendix. I have
16 provided business advice and expert testimony on a wide variety of issues
17 involving natural gas pipelines, local gas distribution companies, energy
18 marketing companies and electric utilities. I have also provided expert opinions
19 in civil litigation and at the Federal Energy Regulatory Commission ("FERC")
20 involving issues of market power and antitrust economics. Prior to becoming a
21 consultant I worked for Transcontinental Gas Pipe Line Corporation ("Transco").
22 At the time of my departure from Transco in 1995 I held the position of Senior

1 Vice President of Planning and Rates. I was responsible for Transco's strategic
2 planning, rates and Federal regulatory affairs from 1987 to 1995.

3 I have provided consulting services to many of the leading natural gas and
4 electric power firms in North America on issues of business strategy, business
5 valuation and regulatory policy. I have published articles on pricing pipeline
6 capacity and I am a regular speaker at industry functions on topics related to the
7 natural gas and electric power industries.

II. PURPOSE OF TESTIMONY

1 Q: What is the primary purpose of your testimony in this proceeding?

2 A: I have been asked by Philadelphia Gas Works (PGW) to review the Cost of
3 Service filed in this case and develop an estimate of cost of service that PGW
4 would require if it were an investor-owned utility (IOU). The hypothetical
5 circumstance that I have in mind in preparing this testimony is that PGW is sold
6 to private investors. The principal differences between PGW's costs as a
7 municipal entity vis-à-vis an IOU structure result from elimination of PGW's tax
8 exempt status and the need to pay investors a competitive return on capital. In
9 the testimony that follows, however, I consider PGW's entire cost of service.

:

III. IDENTIFICATION OF EXHIBITS

1 Q: What materials and exhibits do you sponsor?

2 A: In addition to this testimony, I sponsor the following materials and exhibits:

3	Curriculum Vitae	Appendix
4	Proforma Cost of Service	Exhibit No. JPL-1
5	Proforma Rate Base	Exhibit No. JPL-2
6	Proforma Capital Structure	Exhibit No. JPL-3
7	Proforma Cost of Debt and Equity	Exhibit No. JPL-4
8	Approved Return on Equity, Debt Costs,	
9	and Capital Structures for Selected Distribution	
10	Companies	Exhibit No. JPL-5
11	Philadelphia Gas Works Proxy Group	
12	Approved Return on Equity and Capital	
13	Structure	Exhibit No. JPL-6
14	Proforma Long Term Debt Cost (Aaa)	Exhibit No. JPL-7, Page1
15	Proforma Long Term Debt Cost (Baa)	Exhibit No. JPL-7, Page2
16	Proforma Taxes Other Than Income	Exhibit No. JPL-8
17	Proforma Public Utility Realty Tax Base	Exhibit No. JPL-9
18	Customer Profiles for Selected Distribution	
19	Companies	Exhibit No. JPL-10
20	Proforma Accumulated DIT	Exhibit No. JPL-11

21

22 Q: Were the testimony and exhibits prepared by you or under your supervision and
23 direction?

24 A: Yes, they were.

IV. PGW AS A MUNICIPALLY-OWNED UTILITY

1 Q: Please discuss PGW's operational characteristics.

2 A: PGW is a natural gas distribution operation that is owned by the City of
3 Philadelphia and managed by a contracted management team. PGW serves
4 over 512,000 customers, of which over 480,000, or 93.8%, are Residential.¹
5 Of PGW's gas sales of 68.9 million Mcf, almost 44.0 million Mcf, or 63.9%,
6 were to Residential customers.² This customer mix and load profile is similar to
7 that of several investor-owned public utilities serving metropolitan areas, such as
8 Baltimore Gas and Electric Company, Washington Gas Light Company, Virginia
9 Natural Gas, and Piedmont Natural Gas Company (see Exhibit No. JPL-10).

10 As a result of 1999 unbundling legislation in Pennsylvania, PGW's rates became
11 subject to regulation by the Pennsylvania Public Utility Commission (PUC) in
12 2000.

13 Q: Please describe PGW's tax status.

14 A: As a municipally owned utility, PGW has no common or preferred shareholders.
15 Therefore, PGW's rates are not designed to recover a return on shareholder
16 equity; only recovery of its operating expenses and debt costs. PGW pays no
17 Federal or state income taxes. Additionally, as a city-owned utility, PGW is not
18 subject to various taxes based on factors other than income that I will discuss
19 later in this testimony.

20 Q: Please discuss PGW's capitalization and debt costs.

¹ Refer to Witness Howard Gorman's Exhibit HSG-1, Schedule 4A, December 2000, Page 1, Line 11.

- 1 A: PGW's net rate base of \$1.027 billion is capitalized by approximately \$860
2 million of tax-exempt revenue bonds and two capital leases. PGW's composite
3 cost of debt is approximately 5.7%, which reflects the tax-exempt status of its
4 bonds.
- 5 Q: What is the credit rating of PGW's Revenue Bonds?
- 6 A: PGW's Revenue Bonds have recently been rated Baa2 by Moody's Investors
7 Service and BBB by Standard & Poor's.^{3 4}
- 8 Q: What consideration does the City of Philadelphia receive from PGW?
- 9 A: PGW pays an annual fee to the city and recovers the cost in its rates. Currently
10 the fee is \$18.0 million per year.⁵

² Refer to Witness Howard Gorman's Exhibit HSG-1, Schedule 4A, December 2000, Page 1, Line 18.

³ August 2000 report of Moody's Investor Service.

⁴ July 2000 report of Standard & Poor's, A Division of The McGraw-Hill Companies

⁵ See Exhibit HSG-2, Schedule 1, Page 4, Line 157.

V. PGW AS AN INVESTOR-OWNED UTILITY

V.A Major Increases to Cost of Service

1 Q: What are the major changes that would affect PGW's cost of service if it were to
2 become an investor-owned utility (IOU)?

3 A: PGW's filed cost of service would increase significantly – in the range of \$40-50
4 million per year, or about 10-13% of PGW's filed non-gas cost of service of
5 \$394.5 million (which includes PGW's requested non-gas rate increase of \$65
6 million), if PGW's rates were set on an IOU basis.⁶ In other words, PGW's
7 requested non-gas rate increase of \$65 million would be in the range of \$105-
8 115 million on an IOU basis. There are several reasons for this estimated cost of
9 service increase:

- 10 • PGW's capital structure would reflect approximately 50% common stock
11 equity (at a cost significantly greater than tax-exempt debt)
- 12 • PGW's debt costs would be higher due to the debt's taxability
- 13 • PGW would be liable for state and Federal income taxes
- 14 • PGW would be liable for various taxes other than income that are not levied
15 on municipal utilities.

16 Q: Are there any other costs to be considered if PGW were to be acquired by an
17 IOU?

⁶ Total filed Cost of Service of \$800.3 million less \$395.9 million Production expenses and \$9.9 million Storage expenses.

1 A: Yes. There are additional one-time costs which we have not quantified. For
2 example, a transfer to a taxable entity would likely require defeasance or the
3 calling of the present debt. The call premium or cost of defeasance could be in
4 the \$50 million range.

V.B Potential cost reductions

5 Q: Would PGW incur any cost reductions if it were to become an IOU?

6 A: Yes. PGW, or its successor, would not incur the current \$18.0 million City
7 Payment, and I have reflected elimination of that payment from the cost of
8 service (see Exhibit No. JPL-1).⁷ Additionally, I have eliminated the pro forma
9 Budgeted Surplus of \$33.9 million from the cost of service, reflecting a change
10 from the "Cash Flow" method of ratemaking currently utilized by PGW to a
11 return on rate base methodology, including a return on equity.⁸

12 Q: Would PGW experience any operational synergies resulting in a reduction of
13 costs if it were to become an IOU?

14 I have not attempted to quantify any such synergies. However, as a stand-alone
15 IOU, PGW would still require a management team, the workforce necessary to
16 operate the system and serve customers, and the physical and contractual assets
17 (such as gas supply) necessary to provide gas service. It is my understanding that
18 PGW has already implemented major budget reductions in its FY 2001 budget

⁷ Elimination of the entire \$18.0 million payment to the City is conservative in my opinion. Many utilities are required to pay municipal franchise fees. In Texas, for example, such fees range up to 2 percent of utility revenue. Imposition of a franchise fee could more than offset elimination of the City Payment.

⁸ See Prepared Direct Testimony of Thomas E. Knudsen, January 2001, Before the Pennsylvania Public Utility Commission, Docket No. R-00006042.

1 and is seeking to further reduce its operating costs.⁹ Thus, PGW may have
2 already achieved efficiencies in its cost structure.

3 Q: Would PGW experience any operational synergies resulting in a reduction of
4 costs if it were to be acquired by an IOU?

5 A: Certain synergies might be achieved if PGW's franchise were acquired by an
6 IOU. For example, elimination of duplicative administrative and general,
7 operational, and customer-related costs might be achieved and there might also
8 be some synergies in gas procurement and pipeline transportation costs.
9 However, it is difficult to quantify such synergies until the specific facts and
10 circumstances of such an acquisition, and the cost structure of the acquirer, are
11 known and can be considered in evaluation of PGW's costs.

V.C Capital Structure

12 Q: Would PGW's capital structure change if it were to become, or be acquired by,
13 an IOU?

14 A: Yes. Most investor-owned utilities have a capital structure that contains a more
15 balanced mixture of both debt and equity financing, rather than PGW's current
16 structure that is virtually all debt. The balanced capital structure allows a utility
17 flexibility in its financing plans and the equity mix provides lenders a comfort
18 level with the credit risk associated with the debt. Therefore, in order to
19 hypothesize PGW as an IOU, it is necessary to impute a capital structure.

⁹ See Prepared Direct Testimony of Thomas E. Knudsen, R-00005654 (PGW IR St. 1.0).

1 Q: Please describe the methodology you used to impute a capital structure for
2 PGW.

3 A: I created a proxy group ("PGW Proxy Group") comprised of major natural gas
4 distribution companies that serve metropolitan areas, including; Baltimore Gas
5 and Electric Company (BGE), Washington Gas Light Company (WGL), Piedmont
6 Natural Gas (PNG), and Virginia Natural Gas (VNG). Besides being similar to
7 PGW in size and scope of operations, the other common characteristic of the
8 PGW Proxy Group is that they have all had rate case proceedings in the past 12
9 months. The average capitalization of these companies, as approved by their
10 state commissions, was 50.26% equity, 41.83% long-term debt, 5.18% short-
11 term debt and 2.73% preferred stock and tax credits (see Exhibit JPL-5).

12 Q: Did you review other data on gas utility capitalization?

13 A: Yes. I also reviewed the American Gas Association's 1997 and 1998 Gas Facts
14 Data and determined that the gas distribution industry average equity mix was
15 52.60% in 1997 and 53.90% in 1998 (see Exhibit No. JPL-6). Additionally, I
16 reviewed Quarterly Earnings reports filed in 2000 by Pennsylvania companies
17 PECO and Peoples Natural Gas, which revealed equity mixes of 43.87% for
18 PECO and 50.13% for Peoples.

19 Q: What is your conclusion about an appropriate capitalization ratio for PGW if it
20 were to become an IOU?

21 A: Based on the information that I have reviewed, and my knowledge of the gas
22 industry in general, I believe that it is reasonable to assume the average capital
23 structure of the PGW Proxy Group for my analysis of PGW's cost of service as
24 an IOU. I have used that mix of debt and equity as a hypothetical capital
25 structure in my analysis. (see Exhibit JPL-3).

V.D Cost of Equity

1 Q: Is it also necessary to impute a cost of common stock equity for PGW?

2 A: Yes. If PGW were an IOU, it would have shareholders that demand a return on
3 their investment that is competitive with other gas distribution investment
4 opportunities.

5 Q: How did you impute a cost of common stock equity for PGW?

6 A: Again, I reviewed the equity returns approved by commissions in 2000 for the
7 PGW Proxy Group. The average commission-approved after-tax equity return
8 for the PGW Proxy Group was 11.16% (see Exhibit No. JPL-5).

9 Q: Did you consider any other analysis of equity returns?

10 A: Yes. I also determined that earned and/or approved returns on equity in 2000
11 for selected Pennsylvania companies and for New York's Orange and Rockland
12 Utilities, Inc. ranged from 11.10% to 12.28% (see Exhibit No. JPL-6).

13 Q: What is your conclusion regarding an appropriate equity return for PGW on an
14 IOU basis?

15 A: The 11.16% average after-tax equity return of the PGW Proxy Group appears to
16 be a reasonable surrogate for PGW on an IOU basis and I have utilized that
17 return in my hypothetical capital structure (see Exhibit No. JPL-3). Exhibit No.
18 JPL-4 provides the calculation of the cost of service requirements for debt (\$38.6
19 million) and equity (\$57.3 million) assuming the amount of capitalization,
20 capital structure, and cost rates developed herein for PGW on an IOU basis.

21 Q: Have you examined the sensitivity of your cost of service calculation to a change
22 in the assumed equity return?

1 A: Yes. A 10 basis point change in the assumed rate of return on equity causes a
2 \$983,000 change in the estimated cost of service.

3 Q: Would the cost of equity you are using be appropriate for use with PGW's actual
4 capital structure?

5 A: No. In my opinion the existing capital structure for PGW would not be viable
6 for an IOU in that it would impose extreme financial risk on equity holders. If
7 the PUC were to impose for ratemaking purposes PGW's existing capital
8 structure on a new owner, the allowed return on equity would have to be much
9 higher.

V.E Cost of Debt

10 Q: Would PGW's cost of debt change if it were an IOU?

11 A: Yes. PGW's current tax-exempt debt would most likely be replaced with taxable
12 financing, as IRS regulations would consider the City's sale of PGW's assets to
13 be a "change in use" and the bonds' tax exempt status could be revoked.

14 Q: How did you impute a cost of debt for PGW on an IOU basis?

15 A: I examined three approaches to estimate the cost of debt to a hypothetical IOU
16 owner of PGW. First, I looked at the cost of debt for the PGW Proxy Group. I
17 examined the historic cost of debt for the PGW Proxy Group, as shown on
18 Exhibit No. JPL-5. This exhibit shows an average cost of long-term debt of
19 7.20% for the PGW Proxy Group.

20 Q: What was your second approach to estimating an IOU debt cost for PGW?

1 A: Second, I calculated the cost of taxable long-term bonds issued at the time that
2 PGW's current outstanding notes were issued, utilizing both an Aaa credit rating
3 and a Baa credit rating. This approach assumes that PGW's debt issuances and
4 the taxable cost rates mirror those that might have been made by an acquiring
5 company. I determined that Aaa-rated debt issued at the times of PGW's
6 issuances would have an average cost rate of 7.60% (see Exhibit No. JPL-7, Page
7 1). Debt rated Baa and issued at the times of PGW's issuances were made
8 would have an average cost rate of 8.31% (see Exhibit No. JPL-7, Page 2).

9 Q: Please explain your third approach.

10 A: My third approach was simply to assume that PGW's debt would be entirely
11 defeased and replaced with new debt. Moody's Investors Service reports that
12 Aaa-rated Average Public Utility long-term debt had cost rates of from 7.51% to
13 8.22% over the past twelve months. As of January 5, 2001 the Aaa rate was
14 7.08%. Moody's also reports that Baa issuances had cost rates of from 8.01% to
15 8.86% over the same twelve-month period and, as of January 5, 2001 the Baa
16 rate was 7.91%.¹⁰

17 Q: What is your conclusion regarding an appropriate surrogate debt cost for PGW
18 on an IOU basis?

19 A: The 7.60% cost rate that I developed on Exhibit No. JPL-7, Page 1, is a
20 reasonable surrogate cost rate to use for PGW on an IOU basis. A successor to
21 PGW may not have either an Aaa credit rating or the credit rating of the
22 members PGW Proxy Group which, as shown on Exhibit No. JPL-10, Page 2, is
23 A or better. And, a successor company upon acquisition would probably

1 finance an acquisition with a blend of old and new taxable debt, yielding a
2 slightly higher average cost rate. Thus, a 7.60% cost of debt, which is in the
3 middle of a range of possible debt costs, is a reasonable proxy.

4 Q: Have you examined the sensitivity of your cost of service calculation to a change
5 in the assumed cost of debt?

6 A: Yes. Based on the capital structure assumed here, a 10 basis point change in the
7 assumed cost of debt causes a \$523,000 change in the estimated cost of service.

V.F Income Taxes

8 Q: As an IOU would PGW be liable for Federal and state income taxes?

9 A: Yes.

10 Q: What provisions did you make for income taxes in your cost of service
11 adjustments?

12 A: I have included in the cost of service adjustments for Pennsylvania Corporate
13 Net Income Tax at 9.99% of state taxable income and provision for Federal
14 income taxes at 35% of Federal taxable income (see Exhibit No. JPL-1),
15 consistent with current state and Federal tax rates. I have also provided for
16 deferred income taxes as a credit to rate base as calculated in Exhibit No. JPL-11.

¹⁰ Moody's Investors Service, Long-Term Corporate Bond Yield Averages, Average Public Utility, 1/08/01 at www.moodys.com.

VI. TAXES OTHER THAN INCOME

1 Q: Would PGW be liable for other taxes if it were an IOU?

2 A: Yes. PGW would be liable for a City of Philadelphia Business Privilege tax that
3 is based in part on gross receipts and in part on net income. Additionally, PGW
4 would be subject to a Pennsylvania Capital Stock Tax and a Pennsylvania Public
5 Utility Realty Tax (PURTA). The calculation of these taxes is set forth on Exhibit
6 No. JPL-9 and Exhibit No. JPL-10.

7 Q: Please describe the basis for the Business Privilege Tax.

8 A: The 2001 Business Privilege Tax is calculated in part at 2.525 mills (.002525) on
9 gross receipts, adjusted for Business Privilege Tax. Additionally, the second
10 portion of the Business Privilege Tax is calculated at 6.50% on the sum of net
11 income and taxes based on net income. Together, the tax amounts to \$8.95
12 million, as reflected on Exhibit No. JPL-8.

13 Q: Please describe the Capital Stock Tax.

14 A: The Capital Stock tax of 7.49 mills (.00749) is based on a composite base of net
15 income and net worth, less a valuation deduction of \$125,000. This tax
16 amounts to \$5.1 million, as shown on Exhibit No. JPL-8.

17 Q: Please describe the Public Utility Realty Tax.

18 A: The PURTA tax is based on the fair market value of utility realty, including
19 structures thereon. Exhibit No. JPL-9 presents the calculation of the PURTA tax
20 base. The PURTA tax is 6.303% and amounts to \$4.07 million, as shown on
21 Exhibit No. JPL-8.

VII. CONCLUSION

1 Q: In summary, what would be the estimated cost of service impact of PGW
2 converting from a municipal utility to an IOU?

3 A: As reflected in my study, the annual cost of service impact would be between
4 \$40-50 million, primarily due to (1) replacement of lower-cost, tax-exempt, debt
5 with higher-cost taxable debt, (2) provision for capitalization with approximately
6 50% equity at approximately an 11% cost rate, and (3) incurrence of Federal and
7 state income taxes and certain other taxes not currently paid by PGW.

8 Q: Are there other considerations that should be addressed in an analysis of
9 whether or not PGW's operations should become investor-owned?

10 A: Yes. In addition to studying the cost of service, capitalization, and income tax
11 issues associated with moving from a municipally-owned utility to an investor-
12 owned utility, some consideration must also be given to the market ramifications
13 of such a change. An additional increase to PGW's filed cost of service in this
14 case of between \$40-50 million, as illustrated by my analysis, cannot be
15 considered in a vacuum. A study of the rate impact of such an additional cost of
16 service increase must also consider the potential for load loss due to
17 conservation and conversion to alternate fuels, as well as load loss to alternate
18 fuel suppliers under PGW's unbundling program.

19 Q: Does this conclude your prepared direct testimony?

20 A: Yes, it does.

JAY P. LUKENS

Lukens Energy Group, Inc.
2100 West Loop South #1300
Houston, Texas 77027

PROFESSIONAL EXPERIENCE

Lukens Energy Group, Inc., Houston, TX
President, January 1999 – present

Founder of economics/management consulting firm offering economic analysis, business counsel, and litigation support services to buyers and sellers of natural gas, electricity and related products and services. Areas of expertise include economics of deregulation, market power analysis, and energy project evaluation. Provides expert testimony in conjunction with civil litigation and regulatory proceedings.

The Economics Resource Group, Inc., Houston, TX
Managing Director, August 1996 – December 1998

Principal of the firm and head of the Houston office. Lead consultant on variety of assignments regarding business and regulatory strategy for electric utilities, natural gas pipelines and distributors, and energy marketing firms.

Energy Market Economics, Inc., Houston, TX
President, November 1995 - August 1996

Founder of consulting firm offering services to energy firms in the areas of business strategy, project evaluation and development, expert witness, and regulatory support.

Transcontinental Gas Pipe Line Corporation, Houston, TX
Senior Vice President, 1989 - 1995

Principal commercial officer with accountability for operating income performance and direct responsibility for business strategy, rates, and federal regulatory affairs. Served as company's principal negotiator in rate cases, transition cost recovery proceedings, and settlements of major civil lawsuits. Directed Transco's implementation of FERC Order No. 636. Represented Transco as a policy witness in FERC proceedings. Had P&L responsibility for Transco's gas marketing business during 1991-92. Initiated and directed two major projects to align internal business processes with new competitive environment.

Vice President, Market Development and Planning, 1986 - 1989

Directed Transco's rates, planning, and business development activities. Served as Transco's principal negotiator in FERC's Northeast Open Season proceeding. Developed, marketed, and obtained regulatory approval for projects to expand Transco's capacity by over 10 percent (over 500 MMCFD) with associated capital investment of almost \$300 million. Negotiated contracts with other pipelines to market gas storage and Canadian gas supply projects on Transco's system. Managed Transco's interests in several joint ventures with other interstate pipelines. Evaluated proposals for Transco to acquire or divest pipeline properties and gas production assets.

Director, Strategic Planning, 1985 - 1986

Developed annual budgets, long-range plans, and special studies to support business development activities. Developed market analysis of Transco system that guided market development efforts over the next five years.

*AT&T Communications, Basking Ridge, NJ
Staff Manager, 1981 - 1985*

Worked in an internal consulting group known as the Analytical Support Center. Led interdisciplinary teams in analyses of a wide range of strategic and operational issues. Principal work related to the impacts of deregulation and divestiture on AT&T's service structure and pricing strategy. Developed competitor analysis methods and systems. Managed market research and economic modeling to evaluate new network services.

*Resources Research Corporation, Bryan, TX
Economist, 1978 - 1981*

Analyzed data and provided general research support for consulting projects. Principally responsible for econometric studies of markets for medical and dental services.

EDUCATION

Texas A&M University, College Station, TX
Ph.D., Economics, 1981

Eckerd College, St. Petersburg, FL
B.A., Economics, 1977

REPRESENTATIVE BUSINESS STRATEGY CONSULTING EXPERIENCE

Integrated Gas/Electric Company

Assisted in the evaluation and eventual acquisition of a major integrated natural gas company. Developed financial evaluation models for natural gas pipeline and local distribution companies. Developed probabilistic methods to value future growth opportunities. (Ongoing)

Integrated Gas/Electric Company

Assisted a large integrated natural gas and electric power company develop a comprehensive strategy for its regulated businesses. Developed viewpoint of future market structure to align management team around strategic alternatives. Analyzed earnings potential of regulated businesses relative to long term growth plans of corporation. Recommended strategies that consisted of business unit divestiture, asset acquisition, pipeline project development and wholesale trading and marketing. (Ongoing)

Major Gas Utility

Retained to assess the risk of a proposal to eliminate cost-based rates for utility gas sales service. Project involves assessment of the cost and risk inherent in overall gas supply and pipeline capacity contract portfolio. Developing forecast of pipeline capacity prices in Northeast region through 2005. (1999)

Major Electric Utility

Assisting a major electric utility in developing a natural gas strategy. Project to date has focused on evaluation of potential acquisition of natural gas assets. Assessed regional growth in gas consumption and pipeline capacity driven by growth in gas-fired electric generation. Developed screens for potential acquisition candidates based on financial, operational, and regulatory criteria. Developed financial valuation models for a number of gas assets. Developed preliminary market power analysis to identify potential antitrust issues associated with certain acquisitions. (ongoing)

Atmos Energy Corporation

Assisting in the development of a comprehensive, long-term regulatory strategy for the five operating companies and twelve states in which Atmos operates. Strategic issues being considered include rate case timing, the timing and extent of sales service unbundling, and approaches to incentive regulation. Engagement also encompasses re-engineering of the long-range planning process. (ongoing)

Major Energy Marketing Company

Provide analytical support for development of retail energy marketing strategy in state of Georgia. (1998)

Major Oil Company

Provided analysis of potential market for LNG imports. (1998)

Interstate Natural Gas Association of America

Provided analysis to INGAA staff on the potential for regulation by FERC pursuant to the Outer Continental Shelf Land's Act to supplant cost of service regulation pursuant to the Natural Gas Act for offshore pipelines in the Gulf of Mexico. (1997)

North Atlantic Pipeline Partners, L.P.

Provided analytical support to the sponsors of this offshore Canada pipeline project on a broad range of subjects. Prepared a market analysis report estimating potential demand for pipeline capacity in the Northeast that was filed with FERC and NEB certificate applications. Developed cost allocation and rate design methods, and provided necessary exhibits in FERC and NEB certificate applications. Developed economic models used in project evaluation and risk analysis. (1997-1998)

CNG Transmission Corporation

Prepared analysis of pipeline transportation markets in support of proposal to FERC for market-based rates for interruptible and short-term firm transportation services. (1998)

Major Interstate Pipeline

Conducted a strategic evaluation of production area gas transportation and liquids assets designed to position pipeline to respond to increased gas supplies coming from deep water development in the Gulf of Mexico off the continental shelf. (1997)

Interstate Natural Gas Association of America

Worked with INGAA staff to develop comments on FERC's Proposed Rulemaking on removing price caps for secondary market transactions (*Docket No. RM96-14*). (1996)

Major Gas Gathering Company

Provided advice on regulatory strategy for gathering company seeking refunctionalization of transmission assets owned by major interstate pipeline. (1996)

Interstate Natural Gas Association of America

Wrote a paper comparing electronic transportation information systems in the natural gas and electricity industries. INGAA filed the paper with its comments in *Docket No. RM95-9*. (1995)

TESTIMONY

Texas Gas Transmission Corporation

United States of America before the Federal Energy Regulatory Commission, Texas Gas Transmission Corporation, Docket No. RP00-260-000. Testimony supporting proposal for seasonal and term differentiated rates for short term transportation services. Also addressed analysis of the supply and demand balance and the business risk in the market for pipeline capacity in which Texas Gas participates, April 21st, 2000.

ATCO Gas Company

Before the Alberta Energy and Utilities Board, Nova Gas Transmission Ltd., on behalf of ATCO Gas Company. Testimony for alternative rate design for Nova Gas Transmission Ltd. Written evidence submitted on August 10, 1999.

El Paso Natural Gas Company

United States of America before the Federal Energy Regulatory Commission, El Paso Natural Gas Company, Docket No. RP97-287-010. Expert Report filed to rebut claims by CPUC regarding effect on California gas market of contract between Dynegy Corp. and El Paso Natural Gas, May 6, 1999.

El Paso Natural Gas Company

United States of America before the Federal Energy Regulatory Commission, Docket No. RM98-10, Regulation of Short-Term Natural Gas Transportation Services, Docket No. RM98-12, Regulation of Interstate Natural Gas Transportation Services. Expert Report (with Adam Jaffe) regarding economic impact of FERC's proposed rule, April 12th, 1999.

Transcontinental Gas Pipeline Company

United States of America before the Federal Energy Regulatory Commission, Transcontinental Gas Pipeline Company, Docket No. CP98-74-001. Prepared Answering Testimony on behalf of Transco analyzing competitive effects of refusal to construct interconnect, January 5, 1999.

Northern Natural Gas Company and Dynegy Energy Resources, Limited Partnership,

Bearpaw Gathering Systems, Inc., et al., vs. Northern Natural Gas Company and Dynegy Energy Resources, Limited Partnership, f/k/a NGC Energy Resources, Limited Partnership, vs. Ocean Energy, Inc., in the United States District Court for the District of Harris County, Texas, Cause No. 97-47540. Expert testimony in natural gas contract dispute, December 22, 1998.

Shell Oil Company, Shell Western E&P, Inc., and Mobil Producing Texas and New Mexico, Inc. *CO2 Claims Coalition, et al., vs. Shell Oil Company, et al., in the United States District Court for the District of Colorado, CIV. No. 96-Z-2451.* Expert Report analyzing the economic implications of the Plaintiffs' and their Experts' claims concerning price fixing and anti-competitive behavior in establishing the tariffs charged by Cortez Pipeline Company to move CO₂ from the McElmo Dome Unit in southwestern Colorado to Denver City in the Permian Basin, November 2, 1998. Supplemental Expert Report filed April 30, 1999.

El Paso Natural Gas Company

United States of America before the Federal Energy Regulatory Commission, El Paso Natural Gas Company, Docket No. RP97-287-010. Expert Report (with Adam Jaffe) filed with the Initial Comments of El Paso in the technical conference in this docket analyzing the policy issues raised by the contracts between El Paso and Natural Gas Clearinghouse, February 26, 1998. Expert Report filed with the Reply Comments of El Paso in the technical conference in this docket analyzing the competitive impacts of the contracts between El Paso and Natural Gas Clearinghouse, April 14, 1998.

Texas New Mexico Power Company

State of Texas, State Office of Administrative Hearings, Application for Approval of the TNMP Transition Plan and Statement of Intent to Decrease Rates, and Municipal Rate Appeals, SOAH Docket No. 473-97-1561. Prepared Rebuttal Testimony in Support of Restated Stipulation. Policy testimony on terms of competition and conditions of entry in electric restructuring case, March 2, 1998.

AEC Oil & Gas, a Division of Alberta Energy Company, Ltd., Canadian Forest Oil Ltd., and ProGas Limited

In Arbitration, Alberta Northeast Gas Limited vs. AEC Oil & Gas, a Division of Alberta Energy Company, Ltd., Canadian Forest Oil Ltd., and ProGas Limited. Testimony regarding proper interpretation of long-term gas sales contract. Prepared Direct Testimony, January 26, 1998. Reply Testimony, February 11, 1998.

CNG Transmission Corporation

United States of America before the Federal Energy Regulatory Commission, CNG Transmission Corporation, Docket No. RP97-406-000. Prepared Direct Testimony. Expert testimony on market power in secondary market for pipeline capacity, July 1, 1997.

Leidy Line Roll-in Group

United States of America before the Federal Energy Regulatory Commission, Transcontinental Gas Pipe Line, Docket No. RP95-197 & RP 97-71 (Consolidated). Prepared Answering Testimony, March 25, 1997. Cross-Answering Testimony filed May 12, 1997.

Amoco Production Company

In the Matter of Doris Feerer, et al. vs. Amoco Production Company, et al., Civ. No. 95-0012-JC/WWD in United States District Court for the District of New Mexico. Expert report regarding vertical integration and transfer pricing in a royalty dispute, May 5, 1997.

Oklahoma Gas and Electric Co.

Prepared Rebuttal Testimony before the Corporation Commission of the State of Oklahoma, Cause No. PUD 960000116, on behalf of Oklahoma Gas and Electric Company. Recommended the proper allocation of costs for the Enogex pipeline system between Oklahoma Gas and Electric and third party transportation services, November 6, 1996.

Nashville Gas Company

Prepared Direct Testimony before the Tennessee Public Service Commission, Docket No. 96-00805, on behalf of Nashville Gas Company, A Division of Piedmont Natural Gas Company. Proposed a performance incentive program for Nashville's gas procurement and capacity costs, April 22, 1996.

Leidy Line Roll-in Group

United States of America before the Federal Energy Regulatory Commission, Docket No. RP95-197-000 (Phase II). Expert testimony supporting rolled-in rate treatment for Transco's existing incrementally priced expansion projects. Other Answering and Rebuttal Testimony filed as case progressed, January 24, 1996.

Transcontinental Gas Pipe Line Corporation (Transco)

United States of America before the Federal Energy Regulatory Commission, Docket No. RP95-197-000, Prepared Direct Testimony on behalf of Transco. General policy issues in rate case, March 15, 1995.

United States of America before the Federal Energy Regulatory Commission, Docket No. RP93-100, Prepared Direct Testimony on behalf of Transco, supporting the terms and conditions of Transco's contract settlement with Dakota Gasification. Other Supplemental, Answering, and Rebuttal Testimony filed as case progressed, December 19, 1994.

United States of America before the Federal Energy Regulatory Commission, Docket No. RM94-4, Public Conference on Natural Gas Gathering Issues, testimony and response to questions before the Commission members and their staff, February 24, 1994.

United States of America before the Federal Energy Regulatory Commission, Docket No. RP92-137, Prepared Direct Testimony on Behalf of Transco, addressing general policy issues in rate case; primary issue in litigated phase of the case was the design of rates for production area services. Supplemental, Answering, and Rebuttal testimony filed as case progressed, March 17, 1992.

United States of America before the Federal Energy Regulatory Commission, Docket No. RP92-108, Prepared Direct Testimony on Behalf of Transco, supporting general policy issues in rate case, March 10, 1992.

United States of America before the Federal Energy Regulatory Commission, Docket No. CP92-378, Prepared Direct Testimony on Behalf of Transco, addressing the design of an incentive rate mechanism for gas pipelines, February 28, 1992.

United States of America before the Federal Energy Regulatory Commission, Docket No. RM90-1, Public Conference on Pipeline Construction Rulemaking, testimony and response to questions before the Commission members and their staff, January 28, 1992.

United States of America before the Federal Energy Regulatory Commission, Docket No. RP90-8, Prepared Direct Testimony on Behalf of Transco, supporting proposal for new transportation rate design consistent with unbundled service structure, October 24, 1989.

United States of America before the Federal Energy Regulatory Commission, Docket No. RP87-7, Prepared Direct Testimony on Behalf of Transco, addressing the reserved issues of rate design and the terms and conditions of transportation service; supported proposal for a price deregulated secondary market in pipeline capacity rights, June 21, 1989.

United States of America before the Federal Energy Regulatory Commission, Docket No. TA-3-89, Prepared Answering Testimony on Behalf of Transco in remedies phase of FERC enforcement action, February 13, 1989.

PUBLICATIONS AND RESEARCH

“Pricing and Integrated Energy Transmission Grid: Are FERC’s Natural Gas and Electric Power Transmission Pricing Policies on a collision course?” *The Electricity Journal*, March 2000.

“The Pipeline’s View: FERC’s Proposed Rule Misses the Mark,” with Adam Jaffe, *Public Utilities Fortnightly*, July 1, 1999.

“Benefits of Retail Electricity Competition in Low Cost States,” with Greg Hopper and Frank Felder, *Electricity Journal*, August/September 1998.

“Should a Marketer Manage Your Supply Assets?” with Greg Hopper, *Hart’s Energy Markets*, February 1998.

“Wither the Contract for Pipeline Capacity,” *Natural Gas Focus*, January 1996.

“Comparison of Transportation Information Systems in the Gas and Electric Industries,” EME Working Paper, December 1995.

SELECTED PRESENTATIONS

"Future Pipeline Contract Trends and Emerging Market Centers," presented at the Southern Gas Association—Gas Supply Marketing Forum VII, October 1998.

"Pricing Pipeline Capacity," presented to the Public Service Electric and Gas Company Annual Supplier Meeting, September 1998.

"LDC Unbundling: Theory and Practice," presented at annual meeting of the Municipal Gas Association of Georgia, April 1997.

"LDC Unbundling: Where's the Beef?" presented at Southern Gas Association Marketing Executive Forum, October 1996.

"Five Lessons Learned in Unbundling Natural Gas Pipelines," presented at Center for Business Intelligence Conference, November 1995.

"Evolving Energy Markets: Open Access, Wheeling, and Restructuring," presented at annual meeting of the American Bar Association, August 1994.

"Transco's Operations Under *Order No. 636*," presented to the Terzic Task Force on Competition, January 1993.

"Straight Fixed Variable Rate Design, Market Centers, and Mitigation," presented at annual meeting of the Institute of Public Utilities, December 1992.

"Service Unbundling: A Primer," presented at the Institute of Gas Technology's conference on Gas Supply for Electric Power, March 1992.

OTHER PROFESSIONAL ACTIVITIES

International Association for Energy Economics (IAEE), 1996 – 1998

Board of Directors, INGAA Foundation, 1989 - 1995, 1997 - 1998

Member, Rate Committee, INGAA, 1986 - 1995

Member, Policy Analysis Committee, INGAA, 1986 - 1995

HONORS AND AWARDS

Recipient of the Alfred Chalk Award to the Outstanding Graduate Student, Department of Economics, Texas A&M University, 1981

Thomas Presidential Scholar, Eckerd College, 1973 – 1977

Philadelphia Gas Works Proforma Cost of Service

Line No.	Description	PGW Actual	Adjustments	Adjusted	
1	Operation and Maintenance Expenses				
2	Production & Storage	\$ 405,836,797	\$ -	\$ 405,836,797	
3	Distribution Expenses	\$ 40,870,899	\$ -	\$ 40,870,899	
4	Customer Accounts, Services, & Sales Expenses	\$ 104,550,403	\$ -	\$ 104,550,403	
5	Administrative & General Expenses	\$ 52,838,000	\$ -	\$ 52,838,000	
6	CRP/Senior Discounts	\$ 58,737,165	\$ -	\$ 58,737,165	
7	Less: Other Miscellaneous Revenue	\$ (11,910,597)	\$ -	\$ (11,910,597)	
8		<u>\$ 650,922,667</u>	<u>\$ -</u>	<u>\$ 650,922,667</u>	
9	Depreciation & Amortization	\$ 33,126,088	\$ -	\$ 33,126,088	
10	Taxes Other than Income	\$ 6,548,000	\$ 18,166,120	\$ 24,714,120	a/
11	City Fee	\$ 18,000,000	\$ (18,000,000)	\$ -	b/
12	Interest Expense	\$ 57,789,000	\$ (19,179,296)	\$ 38,609,704	c/
13	Budgeted Surplus	\$ 33,964,912	\$ (33,964,912)	\$ -	d/
14	Return on Equity	\$ -	\$ 57,328,097	\$ 57,328,097	e/
15	Income Taxes				
16	State	\$ -	\$ 9,788,787	\$ 9,788,787	f/
17	Federal	\$ -	\$ 30,868,975	\$ 30,868,975	g/
18	Total Cost of Service	<u>\$ 800,350,667</u>	<u>\$ 45,007,771</u>	<u>\$ 845,358,438</u>	h/

a/ See Exhibit No. JPL-8.

b/ To eliminate payment of City of Philadelphia fee.

c/ Based on 7.6% Cost of Debt (Aaa Bond Rating) (See Exhibit No. JPL-7).

d/ To eliminate Budgeted Surplus due to change of ratemaking methodology.

e/ Based on 11.16% Cost of Equity (See Exhibit No. JPL-4).

f/ Based on 9.99% State of Pennsylvania Corporate Net Income Tax.

g/ Based on 35% Federal Income Tax Rate.

h/ PGW actual total cost of service is per Exhibit HSG-2, Schedule 1, December 2000, Page 4 of 4, Line 181.

Philadelphia Gas Works Proforma Rate Base

Line No.	Description	PGW Actual	Adjustments	Adjusted
1	Gross Rate Base			
2	Construction Work in Progress	\$ 102,266,453	\$ -	\$ 102,266,453
3	Gas Plant in Service	\$ 1,245,223,658	\$ -	\$ 1,245,223,658
4	Unclassified Rate Base	\$ 86,703,525	\$ -	\$ 86,703,525
5	Materials and Supplies	\$ -	\$ -	\$ -
6	Working Capital	\$ 98,045,000	\$ -	\$ 98,045,000
7	Lease Equipment	\$ 14,000,340	\$ -	\$ 14,000,340
8	Total	<u>\$ 1,546,238,976</u>	<u>\$ -</u>	<u>\$ 1,546,238,976</u>
9	Deductions to Gross Rate Base			
10	Accumulated Depreciation	\$ 519,702,275	\$ -	\$ 519,702,275
11	Accumulated Deferred Income Tax	\$ -	\$ 4,745,953	\$ 4,745,953 a/
12	Net Rate Base	<u>\$ 1,026,536,701</u>	<u>\$ (4,745,953)</u>	<u>\$ 1,021,790,748 b/</u>

a/ See Exhibit No. JPL-11.

b/ PGW actual data is per Exhibit HSG-2, Schedule 3, December 2000, Page 5 of 14, Line 147.

Philadelphia Gas Works Proforma Capital Structure

Line No.	Capitalization	\$ Amount		% of Total	Cost Rate	Weighted Cost
1	Long-Term Debt	\$ 508,213,173	a/	49.74%	7.60%	3.78%
2	Common Equity	\$ 513,577,575	a/	50.26%	11.16%	5.61%
3		<u>\$ 1,021,790,748</u>	e/	<u>100.00%</u>		<u>9.39%</u>

a/ Imputed.

b/ Imputed (=100% - 50.26%).

c/ See Exhibit No. JPL-7.

d/ See Exhibit No. JPL-5.

e/ See Exhibit No. JPL-2.

Philadelphia Gas Works Proforma Cost of Debt and Equity

Line No.		Rate Base a/	Weighted Cost b/	Return
1	Debt	\$1,021,790,748	3.78%	\$38,609,704
2	Equity	\$1,021,790,748	5.61%	\$57,328,097
3	Total Return	\$1,021,790,748	9.39%	\$95,937,800

a/ See Exhibit No. JPL-2.

b/ See Exhibit No. JPL-3.

Philadelphia Gas Works Proxy Group Approved Return on Equity and Cost of Debt

Return on Equity

Line No.	Company	ROE Granted	Date of Order	Source / Reference
1	Baltimore Gas & Electric	11.05%	06/19/2000	Public Service of Commission of Maryland; Case No. 8829, Order No. 76260
2	Piedmont Natural Gas	11.30%	10/05/2000	State of North Carolina Utilities Commission Raleigh, Docket No. G-9, SUB 428
3	Virginia Natural Gas	10.90%	06/30/2000	Consolidated Natural Gas Company Capital Structure and Cost of Capital Statement, Schedule 3; As filed with the Virginia State Corporation Commission, Test Year Ended June 30, 2000
4	Washington Gas Light	11.40%	01/06/2000	Public Service Commission of Maryland Case No. 8819 Stipulation & Agreement; Appendix C, Page 3. (Initial Decision of Hearing Examiner)
5	Average	11.16%		

Cost of Debt

Line No.	Company	Cost of Short-Term Debt	Cost of Long-Term Debt	Source / Reference
6	Baltimore Gas & Electric		6.90%	Constellation Energy Group, Inc. 1999 10-K a/
7	Piedmont Natural Gas	6.91%	7.98%	State of North Carolina Utilities Commission Raleigh, Docket No. G-9, SUB 428 (10/5/00)
8	Virginia Natural Gas	6.48%	7.11%	Consolidated Natural Gas Company Capital Structure and Cost of Capital Statement, Schedule 3; As filed with the Virginia State Corporation Commission, Test Year Ended June 30, 2000
9	Washington Gas Light		6.60%	Washington Gas Light 1999 10-K405
10	Average	6.70%	7.20%	

a/ BG&E's cost of long-term debt equals the weighted average of average interest rates on long-term variable-rate debt and long-term fixed-rate debt.

Philadelphia Gas Works Proxy Group Approved Capital Structure

Capital Structure

Line No.	Company	Short-Term Debt	Long-Term Debt	Preferred Stock & Other	Common Stock Equity	Source / Reference
1	Baltimore Gas & Electric	1.00%	46.24%	8.28%	44.48%	Baltimore Gas & Electric Company Revenue Requirement: Case No. 8829 for the twelve months ending December 31, 1999
2	Piedmont Natural Gas	3.17%	44.12%	0.00%	52.71%	State of North Carolina Utilities Commission Raleigh, Docket No. G-9, SUB 428 (10/5/00)
3	Virginia Natural Gas ^{a/}	12.80%	37.64%	0.40%	49.16%	Consolidated Natural Gas Company Capital Structure and Cost of Capital Statement, Schedule 3; As filed with the Virginia State Corporation Commission, Test Year Ended June 30, 2000
4	Washington Gas Light	3.73%	39.32%	2.25%	54.70%	Public Service Commission of Maryland Case No. 8819 Stipulation & Agreement; Appendix C, Page 1 (1/6/00). (Initial Decision of Hearing Examiner).
5	Average	5.18%	41.83%	2.73%	50.26%	

^{a/} Virginia Natural Gas' .40% "Preferred Stock & Other" is Investment Tax Credits.

Actual Return on Equity and Capital Structure for Selected Distribution Companies

Proforma Capital Structure - Pennsylvania Distribution Companies and Selected Industry Data (For Reference Purposes)

Line No.	Company	Short-Term Debt	Long-Term Debt	Preferred Stock	Common Stock Equity	Source / Reference
1	PECO		51.98%	4.15%	43.87%	Pennsylvania PUC Quarterly Earnings Reports: PECO Energy Company - Gas Operations, 3/31/00 (Pro Forma Results)
2	The Peoples Natural Gas Company		49.87%		50.13%	Pennsylvania PUC Quarterly Earnings Reports: The Peoples Natural Gas Company, 9/30/00 (Pro Forma Results)
3	UGI Utilities		41.43%	4.79%	53.78%	Pennsylvania PUC Quarterly Earnings Report: UGI Utilities, Inc., 9/30/00 (Pro Forma Results)
4	AGA 1997 Gas Industry Summary		45.50%	1.60%	52.60%	American Gas Association (AGA) <i>Gas Facts 1998 Data</i> - "Gas Utility Analytical Ratios" (Published 12/2/99, Accessed 12/20/00)
5	AGA 1998 Gas Industry Summary		44.70%	1.00%	53.90%	American Gas Association (AGA) <i>Gas Facts 1998 Data</i> - "Gas Utility Analytical Ratios" (Published 12/2/99, Accessed 12/20/00)

Proforma ROE - Pennsylvania Distribution Companies Earned Returns and Orange & Rockland (For Reference Purposes)

Line No.	Company	ROE Granted	Date of Filing	Source / Reference
6	Orange & Rockland	11.10%	09/11/2000	State of New York Public Service Commission Agreement and Settlement: Case 99-G-1695 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Orange & Rockland Utilities, for Gas Service
7	PECO	12.28%	03/31/2000	Pennsylvania PUC Quarterly Earnings Reports: PECO Energy Company - Gas Operations, 3/31/00
8	The Peoples Natural Gas Company	11.38%	09/30/2000	Pennsylvania PUC Quarterly Earnings Reports: The Peoples Natural Gas Company, 9/30/00
9	UGI Utilities	11.18%	09/30/2000	Pennsylvania PUC Quarterly Earnings Report: UGI Utilities, Inc., 9/30/00

Philadelphia Gas Works
Proforma Long Term Debt Cost
(Based on Imputed Aaa Interest Rates)

Line No.	Bond/Lease Outstanding a/ (1)	Issue Date (2)	Average Yield to Maturity b/ (3)	Original Amount (4)	Interest Requirement (Column 3 Times Column 4) (5)	Average Cost of Long Term Debt (Column 5 Divided by Column 4) (6)
<i>Revenue Bonds Outstanding</i>						
1	11th Series C	02/14/1989	9.65%	\$ 132,520,000	\$ 12,788,180	
2	12th Series A	03/29/1990	9.37%	\$ 50,420,551	\$ 4,724,406	
3	13th Series	06/28/1991	9.02%	\$ 75,220,000	\$ 6,784,844	
4	14th Series	02/18/1993	7.69%	\$ 376,550,000	\$ 28,956,695	
5	15th Series	01/27/1994	6.91%	\$ 183,880,000	\$ 12,706,108	
6	1st Series A-B-C	06/24/1998	6.54%	\$ 287,185,000	\$ 18,781,899	
7	16th & 2nd Series	06/23/1999	7.31%	\$ 176,280,000	\$ 12,886,068	
<i>Capital Leases Outstanding</i>						
8	1996 Capital Lease	Jan-96	6.72%	\$ 20,100,000	\$ 1,350,720	
9	1997 Capital Lease	Jul-97	7.37%	\$ 23,000,000	\$ 1,695,100	
10	Total			\$ 1,325,155,551	\$ 100,674,020	7.60%

a/ Per PGW Long Term Debt and Capital Leases Outstanding, 12/00.

b/ Imputed interest rates obtained from the Federal Reserve Statistical Release H.15, Historical Selected Interest Rates released on December 11, 2000;

Aaa Moody's Seasoned Corporate Bonds, Average Yield to Maturity on Selected Long-Term Bonds.

Philadelphia Gas Works
Proforma Long Term Debt Cost
(Based on Imputed Baa Interest Rates)

Line No.	Bond/Lease Outstanding a/ (1)	Issue Date (2)	Average Yield to Maturity b/ (3)	Original Amount (4)	Interest Requirement (Column 3 Times Column 4) (5)	Average Cost of Long Term Debt (Column 5 Divided by Column 4) (6)
<i>Revenue Bonds Outstanding</i>						
1	11th Series C	02/14/1989	10.64%	\$ 132,520,000	\$ 14,100,128	
2	12th Series A	03/29/1990	10.21%	\$ 50,420,551	\$ 5,147,938	
3	13th Series	06/28/1991	9.90%	\$ 75,220,000	\$ 7,446,780	
4	14th Series	02/18/1993	8.32%	\$ 376,550,000	\$ 31,340,257	
5	15th Series	01/27/1994	7.61%	\$ 183,880,000	\$ 13,993,268	
6	1st Series A-B-C	06/24/1998	7.14%	\$ 287,185,000	\$ 20,505,009	
7	16th & 2nd Series	06/23/1999	8.10%	\$ 176,280,000	\$ 14,278,680	
<i>Capital Leases Outstanding</i>						
8	1996 Capital Lease	Jan-96	7.38%	\$ 20,100,000	\$ 1,483,380	
9	1997 Capital Lease	Jul-97	7.96%	\$ 23,000,000	\$ 1,830,800	
10	Total			\$1,325,155,551	\$ 110,126,240	8.31%

a/ Per PGW Long Term Debt and Capital Leases Outstanding, 12/00.

b/ Imputed interest rates obtained from the Federal Reserve Statistical Release H.15.

Historical Selected Interest Rates released on December 11, 2000;

Baa Moody's Seasoned Corporate Bonds, Average Yield to Maturity on Selected Long-Term Bonds.

Philadelphia Gas Works Proforma Taxes Other than Income

Line No.	Tax	Tax Base Description	Tax Base Amount	Tax Rate	Tax Amount	
1	Business Privilege (city)					
2	Gross Receipts portion	Gross receipts plus taxes	\$848,141,557	0.2525%	\$2,141,557	a/
3	Net Income portion	Method I (Includes net income and taxes based on net income)	\$104,797,710	6.500%	\$6,811,851	b/
4	Capital Stock (state)	Capital stock valuation	\$686,785,006	0.749%	\$5,144,020	c/
5	Public Utility Realty (state)	Fair market value of utility realty	\$84,551,870	6.303%	\$4,068,692	d/
6	Total				\$18,168,120	

a/ Gross Receipts tax based on PGW Adjusted Cost of Service (tax rate is for 2001).

b/ Based on City of Philadelphia Business Privilege Tax Return Instruction Sheet E.

c/ Formula = (.5*(average net income/.095)*(.75)(net worth))- \$125,000.

d/ PURTA varies by year. Rate for both 1999 and 2000 is 6.303% (based on conversation with Pennsylvania Dept. of Revenue).

Philadelphia Gas Works
Proforma Public Utility Realty Tax Base (PURTA)

Line No.	Account Description	PURTA Depreciable Plant Balance a/	PURTA Depreciable Plant b/	Total Depreciable Plant	Accumulated Depreciation	Depreciation Factor	PURTA Tax Base
1	Production Plant	\$26,649,274	\$25,196,389	\$121,345,759	\$88,565,040	73.0%	\$8,259,516 c/
2	Land and Land Rights	\$1,452,885					
3	Structures and Improvements	\$25,198,389					
4	Storage Plant	\$56,964,459	\$56,964,459	\$105,639,572	\$60,831,612	57.6%	\$24,161,980
5	Land and Land Rights	\$0					
6	Structures and Improvements	\$22,872,482					
7	Gas Holders	\$34,091,977					
8	Distribution Plant	\$2,913,202	\$2,812,225	\$905,860,320	\$323,511,973	35.7%	\$1,908,866
9	Land and Land Rights	\$100,977					
10	Structures and Improvements	\$2,812,225					
11	General Plant	\$50,767,484	\$47,011,557	\$107,088,218	\$46,793,650	43.7%	\$30,221,309
12	Land and Land Rights	\$3,755,927					
13	Structures and Improvements	\$47,011,557					
14	Total						\$64,551,670

a/ Per Exhibit HSG-2, Schedule 3, December 2000, Page 1 & 3 of 14.

b/ Excludes Land and Land Rights.

c/ Formula = $PURTA \text{ Depreciable Plant} - (PURTA \text{ Depreciable Plant} * \text{Depreciation Factor}) + (\text{Land and Land Rights})$.

Profiles for Selected Distribution Companies

Line No.	Company	Residential Gas Sales (thousands of Dth)	Total Gas Sales (thousands of Dth)	% of Sales to Residential Customers		# of Residential Gas Customers	Total # of Gas Customers	Residential % of Total Customers	
1	Baltimore Gas & Electric	38,740	120,789	32.07%	a/	543,500	584,700	92.95%	a/
2	Orange & Rockland	13,703	21,567	63.54%	b/	(Data Requested)			c/
3	Piedmont Natural Gas	38,111	135,970	28.03%	d/	549,294	618,783	88.77%	d/
4	Virginia Natural Gas	15,471	34,986	44.22%	e/	213,273	231,798	92.01%	f/
5	Washington Gas Light	655,000	1,074,000	60.99%	g/	790,000	851,000	92.83%	g/
6	Philadelphia Gas Works	43,988	68,857	63.88%	h/	480,890	512,891	93.76%	h/

a/ Baltimore Gas & Electric 1999 10-K.

b/ Consolidated Edison 1999 10-K405 (data specific to Orange & Rockland).

c/ Have not received requested information from Orange & Rockland (as of 1/16/01).

d/ Piedmont 1999 Annual Report.

e/ Per VNG Budget Planning Dept., 1/10/01.

f/ Dominion/CNG 1999 10-K405 (data specific to Virginia Natural Gas).

g/ Per Washington Gas Light Energy Acquisition Group, 1/18/01.

h/ Per Exhibit HSG-1, Schedule 4A, December 2000, Page 1 of 3, Lines 11 & 18.

Profiles for Selected Distribution Companies

Line No.	Company	Moody's Bond Rating		Total Revenue (millions of \$)	Total Assets (millions of \$)	
1	Baltimore Gas & Electric	Secured Debt: A1 Unsecured Debt: A2	a/	\$3,028.3	\$7,272.6	b/
2	Orange & Rockland	Senior Debt: A1	c/	\$617.5	\$1,088.8	d/
3	Piedmont Natural Gas	Medium Term Notes: A2	e/	\$686.5	\$1,288.7	f/
4	Virginia Natural Gas	Senior Unsecured Debt: A3	g/	\$202.8	\$456.1	h/
5	Washington Gas Light	Medium Term Notes: Aa2	i/	\$1,112.2	\$1,766.7	j/
6	Philadelphia Gas Works	Revenue Bonds: Baa	k/	\$800.4	\$1,240.0	l/

a/ AGA's 2000 Handbook of Publicly Traded AGA Member Companies. Constellation Energy Group, May 2000.

b/ Constellation Energy Group, Inc. 1999 10-K (data specific to BG&E).

c/ AGA's 2000 Handbook of Publicly Traded AGA Member Companies, Consolidated Edison, Inc., May 2000.

d/ Consolidated Edison Inc. 1999 10-K405 (data specific to O&R).

e/ AGA's 2000 Handbook of Publicly Traded AGA Member Companies, Piedmont Natural Gas, May 2000.

f/ Piedmont 1999 Annual Report.

g/ Data is Atlanta Gas Light rating because of recent acquisition of VNG by AGL;

Per AGL Resources Investor Relations, 1/11/01.

h/ AGL Resources 12/20/00 8-K/A Amended Current Report (Virginia Natural Gas, Inc. Statement of Income and Balance Sheet).

i/ AGA's 2000 Handbook of Publicly Traded AGA Member Companies, Washington Gas Light, May 2000.

j/ Washington Gas Light 1999 Annual Report (Consolidated value, from WGL 1999 10-K405).

k/ August 2000 report of Moody's Investor Service.

l/ Revenue: See Exhibit No. JPL-1; Assets: 8/31/00 Actual Total Assets

Philadelphia Gas Works Proforma Accumulated Deferred Income Tax

Depreciable Assets	Gross Plant	Less: Land	Depreciable Plant	Add: CWIP	Total Depreciable Plant
Production	\$ 122,798,644	\$ 1,452,885	\$ 121,345,759		a/
Storage	\$ 105,639,572	\$ -	\$ 105,639,572		a/
Transmission	\$ -	\$ -	\$ -		a/
Distribution	\$ 905,961,297	\$ 100,977	\$ 905,860,320		b/
General	\$ 110,824,145	\$ 3,755,927	\$ 107,068,218		c/
	<u>\$ 1,245,223,658</u>	<u>\$ 5,309,789</u>	<u>\$ 1,239,913,869</u>	\$ 102,266,453 d/	<u>\$ 1,342,180,322</u>
Depreciation Expense			\$ 33,970,088 e/	\$ 2,801,808	\$ 36,771,896
Composite Rate			2.74% f/	\$ 0	
MACRS Rate - Half Year Convention - Year 1			3.75% g/		
MACRS Depreciation					\$ 50,331,762
Tax Depreciation in Excess of Book Depreciation					\$ 13,559,866
Statutory Tax Rate			35%		
Accumulated Deferred Income Taxes Generated					<u>\$ 4,745,953</u>

a/ Per Exhibit HSG-2, Schedule 3, December 2000, Page 1.

b/ Per Exhibit HSG-2, Schedule 3, December 2000, Page 2-3.

c/ Per Exhibit HSG-2, Schedule 3, December 2000, Page 3.

d/ Per Exhibit HSG-6, Schedule 1, December 2000, Page 16.

e/ Per Exhibit HSG-2, Schedule 1, December 2000, Page 3, Line 134.

f/ Imputed.

g/ Table A-1, Half-Year Convention, 20-Year Life, IRS Publication 946, Page 64.

Wolf, Block, Schorr and Solis-Cohen LLP

212 Locust Street
Suite 300
Harrisburg, PA 17101
T: 717 237 7160
F: 717 237 7161
www.wolfblock.com

Direct Dial: (717) 237-7191

February 12, 2001

VIA HAND DELIVERY

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

DOCUMENT
FOLDER

ORIGINAL
RECEIVED
01 FEB 12 PM 4:23
PA.P.U.C.
SECRETARY'S BUREAU

RE: Philadelphia Gas Works' Permanent Base Rate Filing,
Docket No. R-00006042

Dear Mr. McNulty:

On behalf of Philadelphia Gas Works, enclosed for filing please find an original and three copies of its Objections to the Office of Consumer Advocate's Set II Interrogatories with regard to the above-referenced matter. As indicated by the attached certificate of service, all parties of record have been served with a copy of this filing.

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

Respectfully submitted,



Mark S. Stewart

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

cc: Parties of record (w/encl.)

129

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

In Re: Petition of Philadelphia Gas Works for :
Waiver of Certain Notification and Filing :
Requirements and Establishment of : Docket No. R-00006042
Expedited Hearing Schedule for Base :
Rate Proceeding :

OBJECTIONS OF PHILADELPHIA GAS WORKS
TO OFFICE OF CONSUMER ADVOCATE
INTERROGATORIES, SET II

Philadelphia Gas Works ("PGW"), pursuant to 52 Pa. Code §§ 5.342 and 5.349, objects to Office of Consumer Advocate ("OCA") Interrogatories, Set II, No. 31, as follows:

DOCUMENT
FOLDER

DOCKETED
FEB 14 2001

RECEIVED
01 FEB 12 PM 4:23
PA.P.U.C.
SECRETARY'S BUREAU

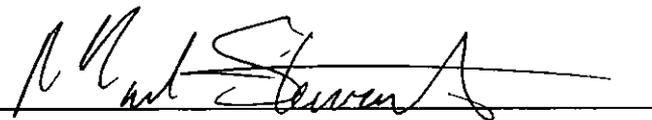
Interrogatory 31. Please provide schedules similar to Volume II, Schedules 4 and 5 with the following assumptions:

- a) \$18 million grant-back in 6/01
- b) \$18 million grant-back in 6/01; pre-payment of City, PHA and Board of Education gas bills; advance from pension fund; pipeline and supplier deferral of demand and commodity charge obligations

OBJECTION:

PGW objects to this question because it requests a calculation that would violate the Public Utility Code, i.e., the mandatory grant-back of the required \$18 million City payment, and therefore the request is legally irrelevant and cannot lead to the production of relevant information. Pursuant to 66 Pa. C.S. § 2212(f), the Commission shall permit PGW to charge and collect rates that ensure that it can make the \$18 million payment to the City.

Respectfully submitted,



Daniel Clearfield
Mark S. Stewart
WOLF, BLOCK, SCHORR & SOLIS-COHEN LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(717) 237-7160

Dated: February 12, 2001

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 HAND DELIVERY

Tanya McCloskey, Esq.
Steve Keene, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

VIA FIRST CLASS MAIL

Angela Jones, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

Jackie Sparkman, Esquire
School District of Philadelphia
Office of General Counsel
2130 Arch Street, 5th Floor
Philadelphia, PA 19103

Charis M. Burak, Esquire
McNEES, WALLACE, NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Lance Haver
6048 Ogontz Avenue
Philadelphia, PA 19141
(CEPA)

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

Richard Lelash
Financial and Regulatory Consultant
18 Seventy Acre Road
Redding, CT 06896
(OCA)

Craig A. Doll, Esq.
25 North Front St., 2nd Floor
Harrisburg, PA 17101-1606

Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
(OSBA)

Richard A. Baudino
J. Kennedy and Associates
570 Colonial Park Dr., Suite 305
Roswell, GA 30075

RECEIVED
01 FEB 12 PM 4:23
PA.P.U.C.
SECRETARY'S BUREAU

Larry Speilvogel
203 Hughes Road
King of Prussia, PA 19406
(PICGUG)

A handwritten signature in cursive script, appearing to read "Mark Stewart", written over a horizontal line.

Mark Stewart, Esquire

Dated: February 12, 2001

Wolf, Block, Schorr and Solis-Cohen LLP

212 Locust Street
Suite 300
Harrisburg, PA 17101

T: 717 237 7160
F: 717 237 7161
www.wolfblock.com

DANIEL CLEARFIELD
DIRECT DIAL: (717) 237-7173
E-MAIL: DCLEARFIELD@WOLFBLOCK.COM

February 12, 2001

VIA HAND DELIVERY

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

DOCUMENT
FOLDER

RE: Philadelphia Gas Works' Permanent Base Rate Filing,
Docket No. R-00006042

Dear Mr. Simms:

Enclosed please find the following PGW responses to OTS Interrogatories:

OTS-RS - 13(f), 24, 26 - 28, 31, 35 and 38 (SET I)

OTS-RE - 2 - 4, 6 - 9, 41 and 42 (SET I)

OTS-RR - 19, 20, and 22-31 (SET II)

The attachments to responses RR-22-31 are being provided to OTS and CA only.
Copies will be provided to other parties upon request.

Sincerely,



Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

/smw

cc: Parties of record (w/encl.)

Secretary McNulty (Certificate of Service only)

002859

RECEIVED
SECRETARY'S BUREAU
01 FEB 28 AM 9:04

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 HAND DELIVERY

Tanya McCloskey, Esq.
Steve Keene, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921

Lance Haver
6048 Ogontz Avenue
Philadelphia, PA 19141
(CEPA)

002860

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

MAR 01 2001

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

VIA FIRST CLASS MAIL
Angela Jones, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

DOCUMENT FOLDER

Richard Lelash
Financial and Regulatory Consultant
18 Seventy Acre Road
Redding, CT 06896
(OCA)

RECEIVED
SECRETARY'S BUREAU
01 FEB 28 AM 9:04

Craig A. Doll, Esq.
25 North Front St., 2nd Floor
Harrisburg, PA 17101-1606

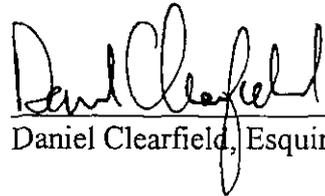
Jackie Sparkman, Esquire
School District of Philadelphia
Office of General Counsel
2130 Arch Street, 5th Floor
Philadelphia, PA 19103

Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
(OSBA)

Charis M. Burak, Esquire
McNEES, WALLACE, NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Richard A. Baudino
J. Kennedy and Associates
570 Colonial Park Dr., Suite 305
Roswell, GA 30075

Larry Speilvogel
203 Hughes Road
King of Prussia, PA 19406
(PICGUG)


Daniel Clearfield, Esquire

Dated: February 12, 2001

MCNEES, WALLACE & NURICK
ATTORNEYS AT LAW

100 PINE STREET
P. O. BOX 1166
HARRISBURG, PA 17108-1166
TELEPHONE (717) 232-8000
FAX (717) 237-5300

<http://www.mwn.com>

CHARIS M. BURAK

DIRECT DIAL: (717) 237-5437

E-MAIL ADDRESS: CBURAK@MWN.COM

February 13, 2001

VIA ELECTRONIC MAIL AND
FIRST CLASS MAIL

RECEIVED
01 FEB 15 10:20
SECRETARIAL BUREAU

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

DOCUMENT
FOLDER

Re: **Pennsylvania Public Utility Commission v. Philadelphia Gas Works;**
Docket No. R-00006042

Dear Mr. Clearfield:

Enclosed are two (2) copies of the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") Interrogatories - Set II to Philadelphia Gas Works in the above-referenced proceeding. In addition, these Interrogatories are being served via electronic mail in WordPerfect 7.0 format.

Please endeavor to forward responses in an organized manner as they are completed; it is not necessary to await completion of all responses prior to forwarding those completed more quickly. In addition, please communicate any objections or questions that you may have regarding these Interrogatories as quickly as possible.

Copies of these Interrogatories are being served on all parties consistent with the attached Certificate of Service. Thank you for your attention to this matter.

Very truly yours,

MCNEES, WALLACE & NURICK

By 
Charis M. Burak

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Enclosure
CMB/lhe

c: James J. McNulty, Secretary (transmittal letter and Certificate of Service)
Certificate of Service

CERTIFICATE OF SERVICE

R-00006042

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 FIRST CLASS MAIL

Johnnie Simms, Esq.
Office of Trial Staff
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Richard Baudino
J. Kennedy and Associates Inc.
570 Colonial Park Drive, Suite 205
Roswell, GA 30075

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

Craig A. Doll, Esq.
25 North Front Street
Second Floor
Harrisburg, PA 17101-1606

Bernard Ryan, Esq.
Angela Jones, Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

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

RECEIVED
PA. P.U.C.
SECRETARY'S BUREAU
01 FEB 13 AM 10:21

DOCKETED
FEB 21 2001

DOCUMENT
FOLDER

Charis M. Burak
Charis M. Burak

Dated this 13th day of February, 2001, in Harrisburg, Pennsylvania.



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

DOCUMENT
FOLDER

February 13, 2001

In Re: R-00006042, R-00006042C0001-C0078

(See attached list)

Pennsylvania Public Utility Commission v. Philadelphia Gas Works

Requesting a general rate increase of \$65,000,000.

NOTICE

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

Type: Initial Prehearing Conference

Date: Friday, February 23, 2001

Time: 10:00 a.m.

DOCKETED
FEB 20 2001

Philadelphia Parties will participate at the following location:

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

Harrisburg Parties will participate by Telephonic Conference call at the following location:

Hearing Room 3
Plaza Level
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania

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

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 Fordham
June Perry - BPL 111
Eric Levis - BPL 101
Office of Trial Staff (2)
Consumer Advocate
Small Business Advocate
Bill Barrett - FUS
Judy Weaver, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

R-00006042 Pennsylvania Public Utility Commission v. Philadelphia Gas Works

DANIEL CLEARFIELD ESQUIRE
WOLF BLOCK SCHORR AND SOLIS-
COHEN LLP
212 LOCUST STREET SUITE 300
HARRISBURG PA 17101

JONATHAN TWERSKY
1701 SOUTH 11TH STREET
PHILADELPHIA PA 19148

ADAM B KRUGER
8812 MANCHESTER STREET
PHILADELPHIA PA 19152

ANTHONY JANKENSKY
3916 STEVENSON STREET
PHILADELPHIA PA 19114

FRANCES WILLIAMS
5216 NORTH 11TH STREET
PHILADELPHIA PA 19141-2809

JUDITH A FLANAGAN
6561 EDMUND STREET
PHILADELPHIA PA 19135

DEBORAH KANE
7134 KEYSTONE STREET
PHILADELPHIA PA 19135

HASHA SALAMAN
9204 BURBANK ROAD
PHILADELPHIA PA 19115-4003

DAVID A POSTERNOCK
215 BECK STREET
PHILADELPHIA PA 19147

ANNE GOLDEN
6649 HEGERMAN STREET REAR-SIDE
1ST FL
PHILADELPHIA PA 19135

RICHARD STERLING
2524 MEMPHIS STREET
PHILADELPHIA PA 19125

LORETTA HUTCHINGS
6421 GLENMORE AVENUE
PHILADELPHIA PA 19142

ROBERT B MULLINEAUX
239 SOUTH 13TH STREET
PHILADELPHIA PA 19107

KIMBERLY A LISACEK
2343 SOUTH BANCROFT STREET
PHILADELPHIA PA 19145

DEBORAH SALVATO
2225 SOUTH GARNET STREET
PHILADELPHIA PA 19145

JOHNNIE E SIMMS ESQUIRE
PENNSYLVANIA PUBLIC UTILITY
COMMISSION
OFFICE OF TRIAL STAFF
PO BOX 3265
HARRISBURG PA 17105-3265

ANGELA JONES ESQUIRE
OFFICE OF SMALL BUSINESS ADVOCATE
COMMERCE BUILDING SUITE 1102
300 NORTH 2ND STREET
HARRISBURG PA 17101

JACKIE SPARKMAN ESQUIRE
SCHOOL DISTRICT OF PHILADELPHIA
OFFICE OF GENERAL COUNSEL
2130 ARCH STREET 5TH FLOOR
PHILADELPHIA PA 19103

DAVID M KLEPPINGER ESQUIRE
CHARIS M BURAK ESQUIRE
KAREN S MILLER ORNER
MCNEES WALLACE & NURICK
100 PINE STREET PO BOX 1166
HARRISBURG PA 17108-1166

LANCE HAVER
6048 OGONTZ AVENUE
PHILADELPHIA PA 19141

PHILIP A BERTOCCI ESQUIRE
EDWARD A MCCOOL ESQUIRE
COMMUNITY LEGAL SERVICES INC
1424 CHESTNUT STREET 4TH FLOOR
PHILADELPHIA PA 19102-2505

RICHARD LELASH
FINANCIAL AND REGULATORY
CONSULTANT
18 SEVENTY ACRE ROAD
REDDING CT 06896

CENIG A DOLL ESQUIRE
2ND FLOOR
25 NORTH FRONT STREET
HARRISBURG PA 17010-1606

BRIAN KALCIC
CONSULTING
SUITE 720-T
225 MERAMEC AVENUE
ST LOUIS MO 63105

TANYA J MCCLOSKEY ESQUIRE
JAMES A MULLINS ESQUIRE
STEPHEN J KEENE
OFFICE OF CONSUMER ADVOCATE
5TH FL FORUM PL 555 WALNUT ST
HARRISBURG PA 17101-1923

WARREN L COLSTON
1639 MERIBROOK ROAD
PHILADELPHIA PA 19151-2717

DAVID G RICKARD
3311 G STREET
PHILADELPHIA PA 19134

ALIZA HILDEBRAND
2114 FITZWATER STREET APT 2
PHILADELPHIA PA 19146

HARRY ROBINSON
C/O RUCH SHIPON SKARBK
5200 ROOSEVELT BOULEVARD
PHILADELPHIA PA 19124

GERRIE A STEIN
12733 VERDA DRIVE
PHILADELPHIA PA 19154

RENEE JEANINE RAGNO
6104 BUSTLETON AVENUE
PHILADELPHIA PA 19149

LAURA KUNECK
5461 VICARIS STREET
PHILADELPHIA PA 19128

WILLIAM BRIGGS
3655 OLD YORK ROAD
PHILADELPHIA PA 19140

CHARLES HUANG
10825 EAST KESWICK ROAD APT 5
PHILADELPHIA PA 19154

DIANE KINGSLEY
5411 HOUGHTON PLACE
PHILADELPHIA PA 19128

ROBERT AND KIMBERLY DEGREGORIO
6529 WALKER STREET
PHILADELPHIA PA 19135

WILLIAM G COLEMAN
4710 EDMUND STREET
PHILADELPHIA PA 19124

MARY SCORZA
10921 WALDEMIRE DRIVE
PHILADELPHIA PA 19154

LINDA FERNANDEZ
4340 PALMETTO STREET
PHILADELPHIA PA 19124-4309

LEONA R HOLLAND
5000 WALNUT STREET REAR
PHILADELPHIA PA 19139

JESSICA M WOODS
4628 SPRUCE STREET 2ND FLOOR
PHILADELPHIA PA 19139-4581

THOMAS AND CAROL LISACEK
1036 TREE STREET
PHILADELPHIA PA 19148

DIANE V. CHUDZINSKA
2555 EAST CLEARFIELD STREET
PHILADELPHIA PA 19134

TOM SALMONS
3000 STREET
PHILADELPHIA PA 19124

MICHAEL RUSSO
1100 HIGBEE STREET
PHILADELPHIA PA 19135

HARRIETTE TAYLOR
5717 SPRUCE STREET
PHILADELPHIA PA 19139-3808

DANIELLE AND WILLIAM VETTER
3599 K NOTTINGHAM LANE
PHILADELPHIA PA 19114

MARIA PRENDERGAST
1157 SOUTH 12TH STREET 1ST FLOOR
PHILADELPHIA PA 19147

RICHARD HOTCHKISS
525 SOUTH MELVILLE STREET
PHILADELPHIA PA 19143

ROSEANN BILARDO
5960 JANNETTE STREET
PHILADELPHIA PA 19128-1615

BRENDA M KINGWOOD
3546 CAMAC STREET
PHILADELPHIA PA 19140

SAMUEL J MUNAFO
3345 HOLME AVENUE
PHILADELPHIA PA 19114-3807

MAUREEN NOONE-MCGOVERN
2350 EAST ALBERT STREET
PHILADELPHIA PA 19125

ILENE APPLEBAUM-SCHULTZ
8301 DORCAS STREET
PHILADELPHIA PA 19152

JOANNE L FRITZ
1359 EAST CAREY STREET
PHILADELPHIA PA 19124

CARRIE HARTSFIELD
3118 NORTH PERCY STREET
PHILADELPHIA PA 19133

RICHARD T FOX
6274 LARGE STREET
PHILADELPHIA PA 19149

JOANNE AND GREGORY IRLICH
7811 LISTER STREET
PHILADELPHIA PA 19152

LOUIS IZZI
1920 EAST ONTARIO STREET
PHILADELPHIA PA 19134

RICHARD A BAUDINO
J KENNEDY AND ASSOCIATES INC
570 COLONIAL PARK DRIVE SUITE 305
ROSWELL GA 30075

JANE WARREN
455 MARKLE STREET
PHILADELPHIA PA 19128

FRANCIS X TENAGLIO
2335 SOUTH 18TH STREET
PHILADELPHIA PA 19145

RACHELE LEMON
2038 SPRING GARDEN STREET APT 3R
PHILADELPHIA PA 19130

ROBERT C KRALLIE
12508 NANTON DRIVE
PHILADELPHIA PA 19154

TIM WRIGHT
308 ROSALIE STREET
PHILADELPHIA PA 19120

VINCE MULLINS
111 WELINGTON STREET
PHILADELPHIA PA 19149

WILLIAM J MASCIOTRO JR
1704 SHELMIRE AVENUE
PHILADELPHIA PA 19111-3427

JOSEPH E KETTINGER
3116 ENGLEWOOD STREET
PHILADELPHIA PA 19149

ANGELA BOGUCKI SIMONE
3255 KNORR STREET
PHILADELPHIA PA 19149

DAVID KLEPPINGER ESQUIRE
CHARIS BURAK ESQUIRE
K ORNER ESQUIRE
MCNEES WALLACE & NURICK
100 PINE ST PO BOX 1166
HARRISBURG PA 17108-1166

GLORIA DENT
6947 STENTON AVENUE
PHILADELPHIA PA 19138-1927

WALTER A PATZ
3207 ANCONA ROAD
PHILADELPHIA PA 19154-1903

JOSEPHINE RENDECH
3016 BELGRADE STREET
PHILADELPHIA PA 19134

DEANNA M CORBIN
1131 E CHELTEN AVENUE
PHILADELPHIA PA 19138-1821

NANCY S HOUSTON
731 CORINTHIAN AVENUE
PHILADELPHIA PA 19130

BRIAN BIGGS
5448 RIDGE AVENUE
PHILADELPHIA PA 19128

GERTRUDE BORASKI
3426 TILTON STREET
PHILADELPHIA PA 19134

RICHARD F KOSICH
1830 GREEN STREET APT 2R
PHILADELPHIA PA 19130

JOHN DITTUS
1339 GILHAM STREET
PHILADELPHIA PA 19111

STEVEN C GRAY
OFFICE OF SMALL BUSINESS ADVOCATE
SUITE 1102 COMMERCE BUILDING
300 NORTH SECOND STREET
HARRISBURG PA 17101

BRIAN KALCIC
EXCEL CONSULTING
SUITE 720-T
225 S MERAMEC AVENUE
ST LOUIS MO 63105

JEANNE S WIETICHA
3616 BELGRADE STREET
PHILADELPHIA PA 19134-5519

CYNTHIA ROBINSON
5983 N OPAL STREET
PHILADELPHIA PA 19141

MATTHEW C MORGAN
115 KALOS STREET
PHILADELPHIA PA 19182

VU TIEN NGUYEN
1745 W PASSYUNK AVENUE
PHILADELPHIA PA 19145-3836

MARK S STEWART ESQUIRE
W BLOCK SCHORR & SOLIS-COHEN LLP
212 LOCUST STREET SUITE 300
HARRISBURG PA 17101

SCOTT A HUFF
1111 BOMBARD STREET APT 19
PHILADELPHIA PA 19147

CYNTHIA RASCOE
7416 RUGBY
PHILADELPHIA PA 19138

TAMEIKA L STERLING
2520 S EDGEWOOD STREET
PHILADELPHIA PA 19142

LIL HENDERSON
6334/6336 NORTH 10TH STREET
PHILADELPHIA PA 19141



**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

February 13, 2001

In Re: R-00006042, R-00006042C0001-C00123

(See letter dated 02/13/2001)

Pennsylvania Public Utility Commission v. Philadelphia Gas Works

Requesting a general rate increase of \$65,000,000.

Hearing Notice

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

Type: Initial and Further

Date: Tuesday-Friday, May 22-25, 20001
Wednesday-Thursday, May 30-31, 2001

Time: 10:00 a.m.

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

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

DOCKETED
FEB 27 2001

**DOCUMENT
FOLDER**

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 Fordham
June Perry - BPL 111
Eric Levis - BPL 101
Office of Trial Staff (2)
Consumer Advocate
Small Business Advocate
Bill Barrett - FUS
Steve Springer, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

DANIEL CLEARFIELD ESQUIRE
WOLF BLOCK SCHORR AND SOLIS-
COHEN LLP
212 LOCUST STREET SUITE 300
HARRISBURG PA 17101
Philadelphia Gas Works

JONATHAN TWERSKY
C0001
1701 SOUTH 11TH STREET
PHILADELPHIA PA 19148

ADAM B KRUGER
C0002
8812 MANCHESTER STREET
PHILADELPHIA PA 19152

ANTHONY JANKENSKY
C0003
3916 STEVENSON STREET
PHILADELPHIA PA 19114

FRANCES WILLIAMS
C0004
5216 NORTH 11TH STREET
PHILADELPHIA PA 19141-2809

JUDITH A FLANAGAN
C0005
6561 EDMUND STREET
PHILADELPHIA PA 19135

DEBORAH KANE
C0006
7134 KEYSTONE STREET
PHILADELPHIA PA 19135

HASHA SALAMAN
C0007
9204 BURBANK ROAD
PHILADELPHIA PA 19115-4003

DAVID A POSTERNOCK
C0008
215 BECK STREET
PHILADELPHIA PA 19147

ANNE GOLDEN
C0009
6649 HEGERMAN STREET REAR-SIDE
1ST FL
PHILADELPHIA PA 19135

RICHARD STERLING
C0010
2524 MEMPHIS STREET
PHILADELPHIA PA 19125

LORETTA HUTCHINGS
C0011
6421 GLENMORE AVENUE
PHILADELPHIA PA 19142

ROBERT B MULLINEAUX
C0012
239 SOUTH 13TH STREET
PHILADELPHIA PA 19107

KIMBERLY A LISACEK
C0013
2343 SOUTH BANCROFT STREET
PHILADELPHIA PA 19145

DEBORAH SALVATO
C0014
2225 SOUTH GARNET STREET
PHILADELPHIA PA 19145

JOHNNIE E SIMMS ESQUIRE
PENNSYLVANIA PUBLIC UTILITY
COMMISSION
OFFICE OF TRIAL STAFF
PO BOX 3265
HARRISBURG PA 17105-3265

ANGELA JONES ESQUIRE
OFFICE OF SMALL BUSINESS ADVOCATE
COMMERCE BUILDING SUITE 1102
300 NORTH 2ND STREET
HARRISBURG PA 17101

JACKIE SPARKMAN ESQUIRE
SCHOOL DISTRICT OF PHILADELPHIA
OFFICE OF GENERAL COUNSEL
2130 ARCH STREET 5TH FLOOR
PHILADELPHIA PA 19103

DAVID M KLEPPINGER ESQUIRE
CHARIS M BURAK ESQUIRE
KAREN S MILLER ORNER
MCNEES WALLACE & NURICK
100 PINE STREET PO BOX 1166
HARRISBURG PA 17108-1166
Phila. Indust/Commrc'l Gas Users GP

LANCE HAVER
6048 OGONTZ AVENUE
PHILADELPHIA PA 19141

PHILIP A BERTOCCI ESQUIRE
EDWARD A MCCOOL ESQUIRE
COMMUNITY LEGAL SERVICES INC
1424 CHESTNUT STREET 4TH FLOOR
PHILADELPHIA PA 19102-2505
C0027

RICHARD LELASH
FINANCIAL AND REGULATORY
CONSULTANT
18 SEVENTY ACRE ROAD
REDDING CT 06896

CRAIG A DOLL ESQUIRE
2ND FLOOR
NORTH FRONT STREET
HARRISBURG PA 17010-1606

BRIAN KALCIC
EXCEL CONSULTING
SUITE 720
225 MERAMEC AVENUE
ST LOUIS MO 63105

TANYA J MCCLOSKEY ESQUIRE
JAMES A MULLINS ESQUIRE
STEPHEN J KEENE
OFFICE OF CONSUMER ADVOCATE
5TH FL FORUM PL 555 WALNUT ST
HARRISBURG PA 17101-1923
C0023

WARREN L COLSTON
C0015
1639 MERIBROOK ROAD
PHILADELPHIA PA 19151-2717

DAVID G RICKARD
C0016
3311 G STREET
PHILADELPHIA PA 19134

ALIZA HILDEBRAND
C0017
2114 FITZWATER STREET APT 2
PHILADELPHIA PA 19146

HARRY ROBINSON
C0018
C/O RUCH SHIPON SKARBK
5200 ROOSEVELT BOULEVARD
PHILADELPHIA PA 19124

GERRIE A STEIN
C0019
12733 VERDA DRIVE
PHILADELPHIA PA 19154

RENEE JEANINE RAGNO
C0020
6104 BUSTLETON AVENUE
PHILADELPHIA PA 19149

LAURA KUNECK
C0021
5461 VICARIS STREET
PHILADELPHIA PA 19128

WILLIAM BRIGGS
C0022
3655 OLD YORK ROAD
PHILADELPHIA PA 19140

CHARLES HUANG
C0024
10825 EAST KESWICK ROAD APT 5
PHILADELPHIA PA 19154

DIANE KINGSLEY
C0025
5411 HOUGHTON PLACE
PHILADELPHIA PA 19128

ROBERT AND KIMBERLY DEGREGORIO
C0026
6529 WALKER STREET
PHILADELPHIA PA 19135

WILLIAM G COLEMAN
C0028
4710 EDMUND STREET
PHILADELPHIA PA 19124

MARY SCORZA
C0029
10921 WALDEMIRE DRIVE
PHILADELPHIA PA 19154

LINDA FERNANDEZ
C0030
4340 PALMETTO STREET
PHILADELPHIA PA 19124-4309

LEONA R HOLLAND
C0031
5000 WALNUT STREET REAR
PHILADELPHIA PA 19139

JESSICA M WOODS
C0032
4628 SPRUCE STREET 2ND FLOOR
PHILADELPHIA PA 19139-4581

THOMAS AND CAROL LISACEK
C0033
1036 TREE STREET
PHILADELPHIA PA 19148

DIANE V CHUDZINSKA /
C0034
2555 EAST CLEARFIELD STREET
PHILADELPHIA PA 19134

TOM SALMONS /
C0035
M STREET
PHILADELPHIA PA 19124

MICHAEL RUSSO /
C0036
6 HIGBEE STREET
PHILADELPHIA PA 19135

HARRIETTE TAYLOR /
C0037
5717 SPRUCE STREET
PHILADELPHIA PA 19139-3808

DANIELLE AND WILLIAM VETTER /
C0038
3599 K NOTTINGHAM LANE
PHILADELPHIA PA 19114

MARIA PRENDERGAST /
C0039
1157 SOUTH 12TH STREET 1ST FLOOR
PHILADELPHIA PA 19147

RICHARD HOTCHKISS /
C0040
525 SOUTH MELVILLE STREET
PHILADELPHIA PA 19143

ROSEANN BILARDO /
C0041
5960 JANNETTE STREET
PHILADELPHIA PA 19128-1615

BRENDA M KINGWOOD /
C0042
3546 CAMAC STREET
PHILADELPHIA PA 19140

SAMUEL J MUNAFO /
C0043
3345 HOLME AVENUE
PHILADELPHIA PA 19114-3807

MAUREEN NOONE-MCGOVERN /
C0044
2350 EAST ALBERT STREET
PHILADELPHIA PA 19125

ILENE APPLEBAUM-SCHULTZ /
C0045
8301 DORCAS STREET
PHILADELPHIA PA 19152

JOANNE L FRITZ /
C0046
1359 EAST CAREY STREET
PHILADELPHIA PA 19124

CARRIE HARTSFIELD /
C0047
3118 NORTH PERCY STREET
PHILADELPHIA PA 19133

RICHARD T FOX /
C0048
6274 LARGE STREET
PHILADELPHIA PA 19149

JOANNE AND GREGORY IRLICH /
C0049
7811 LISTER STREET
PHILADELPHIA PA 19152

LOUIS IZZI /
C0050
1920 EAST ONTARIO STREET
PHILADELPHIA PA 19134

JANE WARREN /
C0051
455 MARKLE STREET
PHILADELPHIA PA 19128

FRANCIS X TENAGLIO /
C0052
2335 SOUTH 18TH STREET
PHILADELPHIA PA 19145

RACHELE LEMON /
C0053
2038 SPRING GARDEN STREET APT 3R
PHILADELPHIA PA 19130

ROBERT C KRALLE /
C0054
12508 NANTON DRIVE
PHILADELPHIA PA 19154

TIKI WRIGHT
C0055
581 ROSALIE STREET
PHILADELPHIA PA 19120

VINCE MULLINS
C0056
2 WELLINGTON STREET
PHILADELPHIA PA 19149

WILLIAM J MASCIOTRO JR
C0057
4 SHELMIER AVENUE
PHILADELPHIA PA 19111-3427

JOSEPH E KETTINGER
C0058
3116 ENGLEWOOD STREET
PHILADELPHIA PA 19149

ANGELA BOGUCKI SIMONE
C0059
3255 KNORR STREET
PHILADELPHIA PA 19149

DAVID KLEPPINGER ESQUIRE
CHARIS BURAK ESQUIRE
K ORNER ESQUIRE
MCNEES WALLACE & NURICK
100 PINE ST PO BOX 1166
HARRISBURG PA 17108-1166
C0060

GLORIA DENT
C0061
6947 STENTON AVENUE
PHILADELPHIA PA 19138-1927

WALTER A PATZ
C0062
3207 ANCONA ROAD
PHILADELPHIA PA 19154-1903

JOSEPHINE RENDECH
C0063
3016 BELGRADE STREET
PHILADELPHIA PA 19134

DEANNA M CORBIN
C0064
1131 E CHELTEN AVENUE
PHILADELPHIA PA 19138-1821

NANCY S HOUSTON
C0065
731 CORINTHIAN AVENUE
PHILADELPHIA PA 19130

BRIAN BIGGS
C0066
5448 RIDGE AVENUE
PHILADELPHIA PA 19128

GERTRUDE BORASKI
C0067
3426 TILTON STREET
PHILADELPHIA PA 19134

RICHARD F KOSICH
C0068
1830 GREEN STREET APT 2R
PHILADELPHIA PA 19130

JOHN DITTUS
C0069
1339 GILHAM STREET
PHILADELPHIA PA 19111

STEVEN C GRAY ESQUIRE
OFFICE OF SMALL BUSINESS
ADVOCATE
SUITE 1102 COMMERCE BUILDING
300 NORTH SECOND STREET
HARRISBURG PA 17101
C0070

BRIAN KALCIC
EXCEL CONSULTING
SUITE 720-T
225 MERAMEC AVENUE
ST LOUIS MO 63105

JEANNE S WIETICHA
C0071
3616 BELGRADE STREET
PHILADELPHIA PA 19134-5519

CYNTHIA ROBINSON
C0072
5983 N OPAL STREET
PHILADELPHIA PA 19141

MATTHEW C MORGAN
C0073
115 KALOS STREET
PHILADELPHIA PA 19182

VU TIEN NGUYEN
C0074
1745 W PASSYUNK AVENUE
PHILADELPHIA PA 18145-3836

MARK S STEWART ESQUIRE
WOLF BLOCK SCHORR AND SOLIS-
COHEN LLP
212 LOCUST STREET SUITE 300
HARRISBURG PA 17101

SCOTT A HUFF
C0075
LOMBARD STREET APT 19
PHILADELPHIA PA 19147

CYNTHIA RASCOE
C0076
6 RUGBY
PHILADELPHIA PA 19138

TAMEIKA L STERLING
C0077
2520 S EDGEWOOD STREET
PHILADELPHIA PA 19142

LIL HENDERSON
C0078
6334/6336 NORTH 10TH STREET
PHILADELPHIA PA 19141

JOE FEDELI
C0079
3116 WELSH ROAD
PHILADELPHIA PA 19136-1810

LAWRENCE W MEEHAN
C0080
3015 FANSHAWE STREET
PHILADELPHIA PA 19149

WENDY S LAVERTY
C0081
464 VANKIRK STREET
PHILADELPHIA PA 19120

KIA WILLIAMS
C0082
5037 SPRINGFIELD AVENUE APT 3
3RD FLOOR
PHILADELPHIA PA 19143

VANESSA PAYNE
C0083
907 ATWOOD ROAD
PHILADELPHIA PA 19151

MARK CAMPBELL
C0084
5438 WOODCREST AVENUE
PHILADELPHIA PA 19131

LEEANNA COX PURNELL
C0085
2029 NORTH 62ND STREET
PHILADELPHIA PA 19151

LEOTA BAUER
C0086
3110 FAIRFIELD STREET
PHILADELPHIA PA 19136-1108

LEROY HARRIS III
C0087
5741 WEST DUNLAP STREET
PHILADELPHIA PA 19131-3411

HELEN T KLOCEK
C0088
3151 CEDAR STREET
PHILADELPHIA PA 19134

AUDREY F RICHARDSON-JORDAN
C0089
6438 NORTH NORWOOD STREET
PHILADELPHIA PA 19138-2508

ROXANNE T GREGORIO
C0090
718 SOUTH PERCY STREET
PHILADELPHIA PA 19147

ATTILIO W FEDELI
C0091
3291 HOLME AVENUE
PHILADELPHIA PA 19114

DENISE RIEHL
C0092
676 RENZ STREET
PHILADELPHIA PA 19128

LINDA G REDDING
C0093
605 KINGSLEY STREET
PHILADELPHIA PA 19128

KEVIN CAMPBELL
C0094
2242 FRIENDSHIP STREET
PHILADELPHIA PA 19149

CHRISTINA GAINES
C0095
260 EAST SLORUM STREET
PHILADELPHIA PA 19119

SUSAN CAVANAUGH
C0096
7 FULLER STREET
PHILADELPHIA PA 19152

SALA N BAILEY
C0097
5 ALMA STREET
PHILADELPHIA PA 19149

JEANNETTE KING-COLEMAN
C0098
5701 FLORENCE AVENUE
PHILADELPHIA PA 19143-4527

VIRGINIA T LOCK
C0099
6700 ROWLAND AVENUE
PHILADELPHIA PA 19149

L EVELYN MACMATH
C0100
5844 PENN STREET
PHILADELPHIA PA 19149

WENDELL F HOLLAND ESQUIRE
OBERMAYER REBMANN MAXWELL &
HIPPEL LLP
ONE PENN CENTER 19TH FLOOR
1617 JOHN F KENNEDY BOULEVARD
PHILADELPHIA PA 19103-1895
Philadelphia Gas Works

MARIE A ZOOK
C0101
8320 JEANES STREET
PHILADELPHIA PA 19111

ANTHONY M GUIDOTTI
C0102
9733 REDD RAMBLER DRIVE
PHILADELPHIA PA 19115-2926

MARGARET C BRENNAN
C0103
2354 EAST TUCKER STREET
PHILADELPHIA PA 19125

KAREN S CLAPP
C0104
1237 RODMANN REAR COURT
PHILADELPHIA PA 19147

MARGARET GROSS
C0105
3938 NORTH SMELLEY
PO BOX 38015
PHILADELPHIA PA 19140

BARBARA J LIPSCOMB-OLIVER
C0106
6615 GONTZ AVENUE
PHILADELPHIA PA 19126

MARIO FAVACCHIA
C0107
1711 WEST MOYAMENSING AVENUE
PHILADELPHIA PA 19145

DOMINIC L FOLINO
C0108
7404 DUNGAN ROAD
PHILADELPHIA PA 19111

MARY COOPER
C0109
175 WEST ALBANUS STREET
PHILADELPHIA PA 19120

FEDELE P FOLINO
C0110
7157 TORRESDALE AVENUE
PHILADELPHIA PA 19135

ROBERT NUCCIO
C0111
349 MERCY STREET
PHILADELPHIA PA 19148

CAREN PY
C0112
705 GARLAND STREET
PHILADELPHIA PA 19124

HERBERT S HEINEMAN
C0113
723 WESTVIEW STREET
PHILADELPHIA PA 19119

JANE MCKAIN
C0114
1511 SHUNK STREET
PHILADELPHIA PA 19145

CHUONG VAN TRAN
C0115
10855 ACADEMY ROAD
PHILADELPHIA PA 19154

ALBERT MCNULTY
C0116
9 GAUL STREET
PHILADELPHIA PA 19134

ELIZABETH WILLIAMS
C0117
4 ARCH STREET
PHILADELPHIA PA 19139

MARY JANE SMITH
C0118
8112 DORCAS STREET
PHILADELPHIA PA 19152

VINCENZINA FLACCO
C0119
704 REED STREET
PHILADELPHIA PA 19147-5729

ANGELO ROTCHFORD
CRRESCENTINA MIELE
C0120
2624 EAST SOMERSET STREET
PHILADELPHIA PA 19134

LAWRENCE E MOTYKA
C0121
4611 SPRINGFIELD AVENUE
PHILADELPHIA PA 19143-3610

ELIZABETH BANTUM
C0122
6551 NORTH WOODSTOCK STREET
PHILADELPHIA PA 19138

JUNE AND JAMES GREGORIO
C0123
710 REED STREET
PHILADELPHIA PA 19147

LAW OFFICES

OBERMAYER REBMANN MAXWELL & HIPPEL LLP

ONE PENN CENTER-19TH FLOOR
1617 JOHN F. KENNEDY BOULEVARD
PHILADELPHIA, PA 19103-1895

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

ORIGINAL

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

February 14, 2001

RECEIVED

FEB 14 2001

PUBLIC UTILITY COMMISSIC
SECRETARY'S BUREAU

VIA FEDERAL EXPRESS

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

DOCUMENT
FOLDER

RE: Philadelphia Gas Works' Permanent Base Rate Filing
Docket No. R-00006042

Dear Mr. McNulty:

I enclose the original and one copy of my *Entry of Appearance on behalf of Philadelphia Gas Works* in the above-referenced matter.

Please file the original and return a time-stamped copy in the self-addressed stamped envelope enclosed. A copy of this filing is being served in accordance with §1.54 on the participants and in the manner set forth in the attached Certificate of Service.

Thank you for your kind assistance.

Respectfully,



WENDELL F. HOLLAND

WFH/swwc
Enclosure

cc: Parties on attached Service List (w/ encls.)
Robert Rosenthal (w/ encls.)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. R-00006042
Philadelphia Gas Works :

ENTRY OF APPEARANCE

TO: James McNulty, Secretary
PA Public Utility Commission

Kindly enter my appearance on behalf of *Philadelphia Gas Works* in the above-captioned matter.

OBERMAYER REBMANN MAXWELL &
HIPPEL LLP

BY: Wendell F. Holland
WENDELL F. HOLLAND, ESQUIRE
One Penn Center, 19th Floor
1617 John F. Kennedy Boulevard
Philadelphia, PA 19103-1895
(215) 665-3282

Dated: February 14, 2001

RECEIVED

FEB 14 2001

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKETED
FEB 21 2001

DOCUMENT
FOLDER

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 FIRST CLASS MAIL, POSTAGE PREPAID

Tanya McCloskey, Esquire
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921

RECEIVED

FEB 14 2001

**PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Johnnie Simms, Esquire Office of Trial Staff Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3256	Lance Haver 6048 Ogontz Avenue Philadelphia, PA 19141 (CEPA)
Angela Jones, Esquire Office of Small Business Advocate Commerce Building, Suite 1102 300 North 2 nd Street Harrisburg, PA 17101	Phillip Bertocci, Esq. Community Legal Services 1424 Chestnut Street Philadelphia, PA 19102
Jackie Sparkman, Esquire School District of Philadelphia Office of General Counsel 2130 Arch Street, 5 th Floor Philadelphia, PA 19103	Richard Lelash Financial and Regulatory Consultant 18 Seventy Acre Road Redding, CT 06896
Craig A. Doll, Esq. 25 North Front Street, 2 nd Floor Harrisburg, PA 17101-1606	Brian Kalcic Excel Consulting Suite 720-T 225 S. Meramec Avenue St. Louis, MO 63105
Charis M. Burak, Esquire McNEES, WALLACE, NURICK 100 Pine Street P.O. Box 1166 Harrisburg, PA 17108-1166	Richard A. Baudino J. Kennedy and Associates 570 Colonial Park Drive, Suite 305 Roswell, GA 30075

Larry Speilvogel
203 Hughes Road
King of Prussia, PA 19406
(PICGUG)



STEPHEN W. CHING, JR., ESQUIRE

Dated: February 14, 2001

Wolf, Block, Schorr and Solis-Cohen LLP

ORIGINAL

212 Locust Street
Suite 300
Harrisburg, PA 17101
T: 717 237 7160
F: 717 237 7161
www.wolfblock.com

Direct Dial: (717) 237-7191

February 14, 2001

VIA HAND DELIVERY

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

DOCUMENT
FOLDER 1

RECEIVED
01 FEB 14 PM 3:55
P.A.P.U.C.
SECRETARY'S BUREAU

RE: Philadelphia Gas Works' Permanent Base Rate Filing,
Docket No. R-00006042

Dear Mr. McNulty:

On behalf of Philadelphia Gas Works, enclosed for filing please find an original and three copies of its Objections to the Office of Trial Staff's Set III Interrogatories, Nos. TRF-1 - TRF-35 with regard to the above-referenced matter. As indicated by the attached certificate of service, all parties of record have been served with a copy of this filing.

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

Respectfully submitted,



Mark S. Stewart

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

cc: Parties of record (w/encl.)

DSH:26115.1

76

BEFORE THE ORIGINAL
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In Re: Petition of Philadelphia Gas Works for :
Waiver of Certain Notification and Filing :
Requirements and Establishment of : Docket No. R-00006042
Expedited Hearing Schedule for Base :
Rate Proceeding :

OBJECTIONS OF PHILADELPHIA GAS WORKS
TO OFFICE OF TRIAL STAFF
INTERROGATORIES, SET III

Philadelphia Gas Works ("PGW"), pursuant to 52 Pa. Code §§ 5.342 and 5.349, objects to Office of Trial Staff ("OTS") Interrogatories, Set III, Nos. TRF-1--TRF-35, as follows:

DOCUMENT
FOLDER

RECEIVED
01 FEB 14 PM 3:55
P.A.P.U.C.
SECRETARY'S BUREAU

OTS-TRF-1

Refer to Section 1.4 of the current tariff.

- A) Are all apartments considered residential?
- B) Are there limits to apartment buildings being classified as residential?
- C) If an apartment building had less than three customers on one meter, would that apartment be included within the residential definition?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-2

Refer to Section 3.21(c) of the current tariff.

- A) Is it the Company practice to only read meters every 6 months? If not, what is the Company's policy for meter reading?
- B) Does the Company have remote meters for its residential customers? Is so, what percent of its residential customers have their meters read remotely?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-3

Refer to Section 3.31 of the current tariff

- A) During the historic test year, did PGW send a bill to every customer each month?
- B) If not, provide a schedule showing the estimated month historic revenues that would have been recovered if the Company would have sent out bills.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

**DOCUMENT
FOLDER**

DOCKETED
FEB 21 2001

OTS-TRF-4

Refer to Section 3.35 of the current tariff.

Should the tariff reflect the Company's proposed degree day amount?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the *prior tariff and the policies and programs existing on the date that the*" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-5

Refer to Section 10.2(a & b) of the current tariff.

- A) Provide a detailed discussion and supporting work papers explaining how the five (5) factor was derived in the section that anticipates annual base rate revenues.
- B) Provide the supporting work papers for the \$10,000 amount listed in paragraph (b).

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

**DOCUMENT
FOLDER**

DOCKETED
FEB 21 2001

OTS-TRF-6

Refer to Section 11.2 (b) of the current tariff.

Is it the Company's position that interim 1307(f) filings may be made in lieu of the next quarterly filing or in addition to the quarterly filings? Please explain.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-7

Refer to Section 12.1 of the current tariff.

- A) Provide a schedule for each month of the historic test year, the sales volumes, number of customers, and revenues received. Also provide a schedule showing the same information for the future test year.
- B) Provide a sample bill calculation for the Senior Discount.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-8 Refer to Section 12.4 of the current tariff.

- A) How often does the Company verify the continued existence of the Senior enrolled in the Senior Citizen Discount program?
- B) Provide a list of all documents that would satisfy the legal proof of age.
- C) Provide a copy of internal documents that show that the Company has performed random or other checks to verify the existence of a Senior enrolled in the Senior Citizen Discount program.
- D) Provide the number of employees that are specifically assigned to verify the existence of the Senior.
- E) Provide a schedule showing the number of Seniors added and deleted each year for the last five years.
- F) Provide a schedule showing how many Seniors were voluntarily removed from the program and how many PGW actually found and removed.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-9

Refer to Section 12.6(c) of the current tariff.

Provide a monthly schedule for the historic test year for each customer whose use was estimated by the Company. Show in the schedule the estimated use associated with the discount and the total use billed under the meter reading.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

**DOCUMENT
FOLDER**

DOCKETED
FEB 21 2001

OTS-TRF-10

Refer to Section 13.2 of the current tariff.

- A) Does the tariff specifically list the curtailment priority by customer rate class? If not, why not?
- B) Does the tariff specifically list the priority one customers? If so, where?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-11

Refer to Section 14.2 of the current tariff.

- A) Why are there no amounts listed in this section?
- B) Provide the supporting calculations for each charge (a-h).

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

**DOCUMENT
FOLDER**

DOCKETED
FEB 21 2001

OTS-TRF-12

Refer to Sections 15.1 & 15.2 of the current tariff.

- A) Provide a schedule for each month of the historic test year, for each customer enrolled in the Economic Development Discount program, the sales volumes, rates applied, and revenues received. Show for each customer the discount received. Also provide the same schedule for the Future Test Year. Also show the gas cost rate for each month.
- B) Does the Company ever flex or discount these customers below the monthly cost of gas? If so, provide a schedule showing each time any customer was discounted below the monthly cost of gas.
- C) Does Section 15.2 refer to annual GCR charge or the monthly GCR charge? Explain.
- D) Does Section 15.2 state that the GCR is discounted also?
- E) Provide an actual bill for a customer in the Economic Development Discount program.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-13

Does the Company provide free gas to any entity or individuals? If so, provide a schedule for the historic test year showing the sales volumes for each entity that received free gas.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-14 Refer to Section 16.1 of the current tariff.

- A) Provide a schedule showing the number of customers enrolled in the Residential Usage Reduction program and the total dollars spent on this program.
- B) Provide a schedule estimating the actual natural gas saved under this program. Provide supporting work papers.
- C) Provide documents showing actual energy savings devices placed into residential customers' homes.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

**DOCUMENT
FOLDER**

DOCKETED
FEB 21 2001

OTS-TRF-15

Refer to page 84 of the current tariff.

- A) Explain why the Compressed Natural Gas Service should be regulated?
- B) Why is this not a "below the line" item?
- C) Are there any non-regulated competitors to this service?
- D) Provide a schedule listing all non-regulated competitors?
- E) Provide a schedule showing the monthly usage during the historic test year for each customer for this rate class.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-16

Refer to page 85 of the current tariff.

- A) Provide a schedule showing the derivation of the rate.
- B) Provide a schedule showing the derivation of the air conditioning rate.
- C) What is the rate for the CNG vehicle-fueling rate?
Show the derivation.
- D) Provide a schedule showing the monthly usage during the historic test year for each customer for this rate class.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

**DOCUMENT
FOLDER**

DOCKETED
FEB 21 2001

OTS-TRF-17

Refer to page 87 of the current tariff.

- A) Provide a schedule showing the derivation of the rate.
- B) Provide a schedule showing the derivation of the air conditioning rate.
- C) Provide a schedule showing the monthly usage during the historic test year for each customer for this rate class.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-18

Refer to pages 89 & 90 of the current tariff.

- A) Provide a schedule showing the derivation of the customer charges.
- B) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule during the historic test year.
- C) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule for the future test year. Also provide a detailed discussion explaining how the rates were projected?
- D) Provide a detailed discussion explaining the 20% and 25% threshold levels.
- E) Provide a schedule comparing the monthly cost of gas and the monthly commodity charge during the historic test year.
- F) Provide a schedule showing the derivation of the air conditioning rate.
- G) Provide a schedule showing the monthly usage during the historic test year for each customer in this rate class.
- H) Do all customers in this rate class have alternate fuel capability installed and verified by the Company?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DSH:26083:1

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-19

Refer to page 92 of the current tariff.

- A) Are the BPS-S customers interruptible only when the temperature is below 23 degrees Fahrenheit?
- B) Provide a schedule showing the number of times the Company interrupted this rate class during the last 5 years and the reason why the customers were interrupted.
- C) Can the BPS-S customers be interrupted at any time? Please explain.
- D) Provide a detailed discussion explaining why this customer rate class is excluded from the GCR.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DSH:26083.1

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-20

Refer to pages 93-96 of the current tariff.

- A) Provide a schedule showing the derivation of the customer charges.
- B) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule during the historic test year.
- C) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule for the future test year. Also provide a detailed discussion explaining how the rates were projected?
- D) Provide a detailed discussion explaining the 20% and 20% threshold levels.
- E) Provide a schedule comparing the monthly cost of gas and the monthly commodity charge during the historic test year.
- F) Provide a schedule showing the derivation of the air conditioning rate.
- G) Provide a schedule showing the monthly usage during the historic test year for each customer in this rate class.
- H) Do all customers in this rate class have alternate fuel capability installed and verified by the Company?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DSH:26083.1

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-21

Refer to page 96 of the current tariff.

- A) Are the BPS-L customers interruptible only when the temperature is below 23 degrees Fahrenheit?
- B) Provide a schedule showing the number of times the Company interrupted this rate class during the last 5 years and the reason why the customers were interrupted.
- C) Can the BPS-L customers be interrupted at any time? Please explain.
- D) Provide a detailed discussion explaining why this customer rate class is excluded from the GCR.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DSH:26083.1

**DOCUMENT
FOLDER**

DOCKETED
FEB 21 2001

OTS-TRF-22

Refer to pages 97-100 of the current tariff.

- A) Provide a schedule showing the derivation of the customer charges.
- B) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule during the historic test year.
- C) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule for the future test year. Also provide a detailed discussion explaining how the rates were projected?
- D) Provide a schedule comparing the monthly cost of gas and the monthly commodity charge during the historic test year.
- E) Provide a schedule showing the derivation of the air conditioning rate.
- F) Provide a schedule showing the monthly usage during the historic test year for each customer in this rate class.
- G) Do all customers in this rate class have alternate fuel capability installed and verified by the Company?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-23

Refer to page 99 of the current tariff.

- A) Are the BPS-H customers interruptible only when the temperature is below 18 degrees Fahrenheit?
- B) Provide a schedule showing the number of times the Company interrupted this rate class during the last 5 years and the reason why the customers were interrupted.
- C) Can the BPS-H customers be interrupted at any time? Please explain.
- D) Provide a detailed discussion explaining why this customer rate class is excluded from the GCR.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

**DOCUMENT
FOLDER**

DOCKETED
FEB 21 2001

OTS-TRF-24

Refer to pages 101-103 of the current tariff.

- A) Provide a schedule showing the derivation of the customer charges.
- B) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule during the historic test year.
- C) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule for the future test year. Also provide a detailed discussion explaining how the rates were projected?
- D) Provide a schedule comparing the monthly cost of gas and the monthly commodity charge during the historic test year.
- E) Provide a schedule showing the derivation of the air conditioning rate.
- F) Provide a schedule showing the monthly usage during the historic test year for each customer in this rate class.
- G) Do all customers in this rate class have alternate fuel capability installed and verified by the Company?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-25

Refer to pages 101-103 of the current tariff.

- A) Are the LBS-XL customers interruptible?
- B) Provide a schedule showing the number of times the Company interrupted this rate class during the last 5 years and the reason why the customers were interrupted.
- C) Can the LBS-XL customers be interrupted at any time? Please explain.
- D) Provide a detailed discussion explaining why this customer rate class is excluded from the GCR.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

Refer to pages 105-107 of the current tariff.

- A) Provide a detailed discussion explaining how a multi-family residential building uses gas only seasonally.
- B) Provide a schedule showing the derivation of the customer charges.
- C) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule during the historic test year.
- D) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule for the future test year. Also provide a detailed discussion explaining how the rates were projected?
- E) Provide a schedule comparing the monthly cost of gas and the monthly commodity charge during the historic test year.
- F) Provide a schedule showing the derivation of the air conditioning rate.
- G) Provide a schedule showing the monthly usage during the historic test year for each customer in this rate class.
- H) Do all customers in this rate class have alternate fuel capability installed and verified by the Company?
- I) Explain how a multi-family residential building can be classified as interruptible?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-27

Refer to pages 105-107 of the current tariff.

- A) Are the LBS-L customers interruptible?
- B) Provide a schedule showing the number of times the Company interrupted this rate class during the last 5 years and the reason why the customers were interrupted.
- C) Can the LBS-L customers be interrupted at any time? Please explain.
- D) Provide a detailed discussion explaining why this customer rate class is excluded from the GCR.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCKETED
FEB 21 2001

DOCUMENT
FOLDER

Refer to pages 109-111 of the current tariff.

- A) Provide a detailed discussion explaining how a multi-family residential building uses gas only seasonally.
- B) Provide a schedule showing the derivation of the customer charges.
- C) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule during the historic test year.
- D) Provide a schedule showing the monthly derivation of the commodity charge for each customer taking service under this rate schedule for the future test year. Also provide a detailed discussion explaining how the rates were projected?
- E) Provide a schedule comparing the monthly cost of gas and the monthly commodity charge during the historic test year.
- F) Provide a schedule showing the derivation of the air conditioning rate.
- G) Provide a schedule showing the monthly usage during the historic test year for each customer in this rate class.
- H) Do all customers in this rate class have alternate fuel capability installed and verified by the Company?
- I) Explain how a multi-family residential building can be classified as interruptible?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-29

Refer to pages 109-111 of the current tariff.

- A) Are the LBS-S customers interruptible?
- B) Provide a schedule showing the number of times the Company interrupted this rate class during the last 5 years and the reason why the customers were interrupted.
- C) Can the LBS-S customers be interrupted at any time? Please explain.
- D) Provide a detailed discussion explaining why this customer rate class is excluded from the GCR.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

Refer to pages 113-119 of the current tariff.

- A) Explain how the Rate GTS follows the Commission's transportation regulations in terms of buyer groups, total annual usage, and for availability of customer classes.
- B) Are residential customers eligible for Rate GTS? Does the Company have any residential transportation customers?
- C) Provide a schedule showing the derivation of the customer charge.
- D) Provide a schedule showing how the Standby Service rate is calculated.
- E) Provide a schedule showing the monthly transportation volumes, standby volumes, revenues, and throughput for this rate class.
- F) Does the transportation rate include banking, balancing, and advancing services? If not, are these services separately charged?
- G) Do the transportation customer pay a storage charge?
- H) Does the Company have daily meter reading capabilities for its transportation customers? Is there a separate daily and monthly transportation rate?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-31

Refer to pages 117 & 118 of the current tariff.

- A) Explain why the daily imbalance tolerances are so liberal?
- B) Explain why transportation customers, who are daily metered, should not be imbalance by the end of the month.
- C) What are the allowable monthly imbalances for customers who do not have daily meter reading devices?
- D) Provide a schedule, showing the daily and monthly imbalances for Rate GTS by customer.
- E) Would the Company agree that if transportation customers are permitted to have end of the month imbalances of +/- 5% that the GCR customers pay for the gas between 0 and 5%? If not, why not?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

Refer to pages 121-127 of the current tariff.

- A) Explain how the Rate GTS-Interruptible follows the Commission’s transportation regulations in terms of buyer groups, total annual usage, and for availability of customer classes.
- B) Are residential customers eligible for Rate GTS-I? Does the Company have any residential transportation customers?
- C) Provide a schedule showing the derivation of the customer charge.
- D) Provide a schedule showing how the Standby Service rate is calculated.
- E) Provide a schedule showing the monthly transportation volumes, standby volumes, revenues, and throughput for this rate class.
- F) Does the transportation rate include banking, balancing, and advancing services? If not, are these services separately charged?
- G) Do the transportation customer pay a storage charge?
- H) Does the Company have daily meter reading capabilities for its transportation customers? Is there a separate daily and monthly transportation rate?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW “shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the” Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW’s restructuring plan and new tariff. While OTS’ Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW’s prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

POCKETED
FEB 21 2001

OTS-TRF-33

Refer to pages 121-128 of the current tariff.

- A) Explain why the daily imbalance tolerances are so liberal?
- B) Explain why transportation customers, who are daily metered, should not be imbalance by the end of the month.
- C) What are the allowable monthly imbalances for customers who do not have daily meter reading devices?
- D) Provide a schedule, showing the daily and monthly imbalances for Rate GTS-I by customer.
- E) Would the Company agree that if transportation customers are permitted to have end of the month imbalances of +/- 5% that the GCR customers pay for the gas between 0 and 5%? If not, why not?

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the *prior tariff and the policies and programs existing on the date that the*" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-34

Refer to pages 129-132 of the current tariff.

- A) Provide the derivation of the customer charge.
- B) Provide a schedule comparing the monthly commodity charge with the monthly cost of gas for the historic test year.
- C) Does the term "average commodity cost of gas" refer to the monthly or annual cost of gas? Is this a weighted average cost of gas?
- D) Provide a schedule showing the monthly usage during the historic test year for each customer in this rate class.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

OTS-TRF-35

Refer to pages 133-140 of the current tariff.

- A) Provide a schedule showing the derivation of the customer charge and the commodity charge for both firm and interruptible service.
- B) Provide a schedule showing the monthly usage during the historic test year for each customer in the firm and interruptible rate class.
- C) Explain why this service should be regulated.
- D) Provide a schedule showing the revenues, sales volumes for each customer, firm and interruptible for these rate classes.

OBJECTION:

PGW objects to this question because it seeks information that is legally irrelevant and cannot lead to the production of admissible information. Pursuant to 66 Pa. C.S. § 2212(d), PGW "shall continue to provide natural gas service to its customers under the prior tariff and the policies and programs existing on the date that the" Commission assumed jurisdiction over it until the Commission has entered a final order approving PGW's restructuring plan and new tariff. While OTS' Interrogatory may be relevant and appropriate during that future restructuring proceeding, because Section 2212(d) of the Public Utility Code dictates that PGW's prior tariff remains in effect presently, the Interrogatory is beyond the scope of this proceeding.

Respectfully submitted,



Daniel Clearfield
Mark S. Stewart
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(717) 237-7160

Dated: February 14, 2001

DOCUMENT
FOLDER

DOCKETED
FEB 21 2001

RECEIVED
01 FEB 14 PM 3:55
SECRETARY'S BUREAU
PA P.U.C.

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 HAND DELIVERY

Tanya McCloskey, Esq.
Steve Keene, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

VIA FIRST CLASS MAIL

Angela Jones, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

Jackie Sparkman, Esquire
School District of Philadelphia
Office of General Counsel
2130 Arch Street, 5th Floor
Philadelphia, PA 19103

Charis M. Burak, Esquire
McNEES, WALLACE, NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Lance Haver
6048 Ogontz Avenue
Philadelphia, PA 19141
(CEPA)

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

Richard Lelash
Financial and Regulatory Consultant
18 Seventy Acre Road
Redding, CT 06896
(OCA)

Craig A. Doll, Esq.
25 North Front St., 2nd Floor
Harrisburg, PA 17101-1606

Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
(OSBA)

Richard A. Baudino
J. Kennedy and Associates
570 Colonial Park Dr., Suite 305
Roswell, GA 30075

RECEIVED
01 FEB 14 PM 3:55
PA.P.U.C.
SECRETARY'S BUREAU

Larry Speilvogel
203 Hughes Road
King of Prussia, PA 19406
(PICGUG)



Mark Stewart, Esquire

Dated: February 14, 2001

RECEIVED
01 FEB 14 PM 3:55
P.A.P.U.C.
SECRETARY'S BUREAU

Wolf, Block, Schorr and Solis-Cohen LLP

212 Locust Street
Suite 300
Harrisburg, PA 17101
T: 717 237 7160
F: 717 237 7161
www.wolfblock.com

ORIGINAL

MARK S. STEWART
DIRECT DIAL: (717) 237-7191
E-MAIL: MSTEWART@WOLFBLOCK.COM

February 15, 2001

VIA HAND DELIVERY

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

DOCUMENT
FOLDER

01 FEB 15 PM 4:12
SECRETARY'S BUREAU

RE: Philadelphia Gas Works' Permanent Base Rate Filing,
Docket No. R-00006042

Dear Mr. McNulty:

On behalf of Philadelphia Gas Works, enclosed for filing please find an original and three copies of its Objections to the Consumer Education and Protective Association's Set I Interrogatories, Nos. 1-21, 23-30, 32-42, with regard to the above-referenced matter. As indicated by the attached certificate of service, all parties of record have been served with a copy of this filing.

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

Respectfully submitted,



Mark S. Stewart

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

cc: Parties of record (w/encl.)

50

DSH:26142.1

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**In Re: Petition of Philadelphia Gas Works for :
Waiver of Certain Notification and Filing :
Requirements and Establishment of : Docket No. R-00006042
Expedited Hearing Schedule for Base :
Rate Proceeding :**

**OBJECTIONS OF PHILADELPHIA GAS WORKS
TO CONSUMERS EDUCATION AND PROTECTIVE ASSOCIATION
INTERROGATORIES, SET I**

Philadelphia Gas Works ("PGW"), pursuant to 52 Pa. Code §§ 5.342 and 5.349, objects to Consumers Education and Protective Association ("CEPA") Interrogatories, Set I, Nos. 1-21, 23-30, and 32-42, as follows:

**RECEIVED
01 FEB 15 PM 4:12
P.U.C.
SECRETARY'S BUREAU**

**DOCUMENT
FOLDER**

**DOCKETED
FEB 21 2001**

CEPA-1. What is the current PGW policy regarding company payment for employee parties and celebrations? If PGW has a written policy concerning this subject, provide a copy of the policy. Provide a detailed breakdown of the amount spent in FY2000 on such parties and the amount budgeted for FY2001.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures on employee functions. Instead, this proceeding is to ensure that the identified expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-2. What is the current PGW policy regarding spending for retiree parties? If PGW has a written policy concerning this subject, provide a copy of the policy. Provide a detailed breakdown of the amount spent in FY2000 on such parties and the amount budgeted for FY2001.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the *Management Agreement Ordinance* and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for retirement functions. Instead, this proceeding is to ensure that the identified expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-3. Provide a schedule showing post retirement non-pension benefits including but not limited to health benefits and legal services provided PGW retirees in FY 2000. For each category of benefit, also state how much has been budgeted for FY 2001.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for retiree benefits. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-4. Does PGW have a policy concerning company payment for membership fees for the company and/or for individual employees for country club, gym club, dining club and other non-professional associations? If the answer is affirmative, state the policy. If the policy is in writing, provide a copy of the written policy.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures on various non-professional memberships. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-5. Provide a detailed breakdown of the amount spent, if any, in FY2000:

(a) on membership fees for PGW for country club, gym club, dining club and other non-professional associations.

(b) on membership fees for PGW senior management and/or other PGW employees for country club, gym club, dining club and other non-professional associations.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for various non-professional memberships. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-6. Provide the year, make, model, and company number, if any, for every marked PGW vehicle and indicate the PGW department to which each such vehicle is assigned.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-7. The Company has indicated in the response to KB-50 in the PGW FY 2001 Consolidated Budget Proceedings before the Philadelphia Gas Commission that of 31 marked vehicles assigned to "Credit Collection," all but three are either 3/4 ton vans or 1/2 ton pickup trucks. The three exceptions are Plymouth Acclaim sedans.

(a) Update this information.

(b) Provide information concerning the cost per mile of operating pickups and vans as opposed to a sedan like a Plymouth Acclaim.

(c) Explain why PGW uses vans and pickup trucks for Credit/Collections work.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-8. In PGW's FY 2001 Consolidated Budget Proceedings, PGW produced the document attached as Exhibit A in partial response to KB-50 which, inter alia, requested PGW to provide "for unmarked vehicles, the make and model of each car ... as well as the person and title of the person to whom the car is assigned."

(a) Update the information on Exhibit A as of an administratively convenient date, no earlier than December 1, 2000.

(b) For each vehicle, indicate whether it has been assigned to a particular employee (1) for Commuting and Business Use only; (2) for Commuting, Business Use and Other Personal Use; (3) for Business Use only.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-9. Does PGW have a written policy governing when personal cars for Commuting and Business Use only and/or for Commuting and Business Use and Other Personal Use are assigned to PGW management employees? If the answer is affirmative, please provide a copy of the policy.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-10. Does PGW have a written policy governing the travel, local or non-local, for which a personal company car may be used? If the answer is affirmative, please provide a copy of the policy.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-11. What costs, if any, associated with operating a personal company car for Commuting and Business Use only does the PGW employee assume?

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-12. What costs, if any, associated with operating of a personal company car for Other Personal Use does the PGW employee assume?

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-13. Provide a schedule showing on an annual basis how many PGW employees had personal company cars in FY 1996 through FY 2001 in which employees who had cars for Commuting and Business Use only are separated out from employees who had cars for Commuting, Business and Other Personal Use.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-14. Is it correct that PGW requires employees to whom a personal car has been assigned to pay the Company \$0.13 per mile when the car is being used for Other Personal Use? If the response is yes, explain why PGW receives only \$0.13 per mile from employees who use a company car for personal use when Federal Government employees receive government reimbursement for authorized use of their private cars for business use at the rate of \$0.325 per mile (41 CFR §301-10.303).

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-15. When did PGW last update the amount per mile that it charges employees for usage of company cars for "Other Personal Use"?

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-16. What PGW written Procedure or Regulation states the per mile charge for "Other Personal Use"?

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-17. State the annual cost to PGW of providing personal company cars to PGW management employees in FY 2000 for Commuting and Business Use only. Provide workpapers explaining how this cost was calculated.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-18. State the annual cost to PGW of providing personal company cars to PGW management employees in FY 2000 for Commuting, Business and Other Personal Use. Provide workpapers explaining how this cost was calculated.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-19. What is the total average annual cost to PGW of having a sedan in its fleet? Please break down this annual average cost into relevant categories of costs, including but not limited to fleet management, insurance, maintenance costs, including payroll, gas and oil and depreciation (if owned by PGW) or lease costs.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-20. Does PGW have any written policy other than No. 776.01 defining when an employee qualifies for:

(a) a car for Commuting Use and Business Use (if so, provide a copy);

(b) a car for Commuting Use, Business Use and Other Personal Use (if so, provide a copy).

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for company vehicles and travel. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-21. Provide a copy of all current contracts between PGW and Aramark concerning the PGW cafeteria and/or provision of food services to the company.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for food services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-23. Provide the formula which is used to determine the amount of any subsidy to Aramark or refund from Aramark in connection with operation of the cafeteria and other food services at PGW.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for food services and subsidies. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-24. With regard to the formula set forth in response to CEPA-23 regarding food services, provide a schedule showing Total Sales, Net Costs, Profit/Loss, Management Fee and Subsidy/Refund for each year beginning in FY 1996 through FY 2000.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for food services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-25. Provide a schedule showing the amounts budgeted for the cafeteria Subsidy/Refund in FY 1996 through FY 2001.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, *apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants.* Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for food services and subsidies. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

To the extent that this Interrogatory is redundant of Interrogatory No. 22, please see PGW's response to Interrogatory No. 22.

CEPA-26. With regard to the Aramark contract provided in response to CEPA-21, has there been any change in the provisions concerning the commissions arising from cigarette sales provided to PGW from Aramark's vending machines since 1981?

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's agreements regarding cigarette sale commissions. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-27. In the past ten years, has PGW solicited bids for the food service contract current held by Aramark? If the response is negative, provide details concerning efforts by PGW in the last ten years to assess the economic reasonableness of its food service arrangements for the cafeteria and for PGW based vending machines.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for food services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-28. Provide a list of all purchased services contracts other than contracts for legal services under which services are being provided in FY 2001 pursuant to a contract negotiated and executed prior to September 1, 1990.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for purchased services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-29. With regard to the cafeteria, provide a schedule showing:

(a) for FY1996 through FY 2000, the annual costs to PGW for cleaning, exterminating, garbage and trash removal services and repair and replacement of food service fixtures in fulfillment of the obligations set forth on page 2 of the February 14, 1974 Agreement between PGW and ARA Services, Inc.

(b) the amount budgeted for FY 2001 for the costs set forth in subsection (a) of this Interrogatory.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for cleaning and pest control services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-30. Provide a schedule showing the amounts paid to Deloitte and Touche as outside auditors for each year FY1996 to FY2000 and budgeted for FY2001.

OBJECTION:

PGW objects to this question because it seeks *legally irrelevant information* and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for accounting services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget *and to set rates so as to cover the operating budget as approved.*

CEPA-32. Explain the current PGW policy regarding payment for employee professional membership dues. If there is a written policy, provide a copy of the policy.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for professional memberships. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-33. (a) How much did PGW spend in FY 2000 for professional dues for its employees?

(b) For how many employees did PGW pay for professional dues in FY 2000?

(c) Is there an annual limit for individual employees on the number of professional associations for which PGW will pay a membership fee?

(d) How much has PGW budgeted for FY 2001 for professional dues for its employees? Provide a breakdown of this amount by Department.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for professional memberships. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-34. Provide a detailed itemization of the PGW dues and subscriptions contained in the proposed FY 2001 budget for Legal and Regulatory Affairs, Operations, Marketing and Supply Services, Finance, Customer Service, Information Technology, and Human Resources. In connection with those itemizations, indicate which dues and subscriptions expenses constitute renewals and which ones are proposed expenditures which were not made in FY 2000.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for dues and magazine subscriptions. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-35. For PGW's proposed subscriptions or memberships in the Delaware Valley Regional Planning Commission, Greater Philadelphia First, PENJERDEL, American Gas Cooling Center, Clean Cities, Natural Gas Vehicle Coalition, E-Source and ASHREA (Corporate), provide:

- (a) the annual cost of the membership or subscription;
- (b) whether PGW has previously subscribed or belonged to the association;
- (c) identification of tangible benefits from arising from the previous membership or subscription;
- (d) a cost benefit analysis which would justify such expenditure;

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for industry related memberships and subscriptions. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-36. For each of the following organizations, Delaware River Valley Regional Planning Commission, Greater Philadelphia First, and PENJERDEL, state:

- (a) whether the City of Philadelphia and/or a City Department has a membership;
- (b) whether that member pays the same membership or subscription fee as PGW;
- (c) why the City of Philadelphia and/or a City Department with membership in the organization could not fairly represent/advocate for PGW interests; (d) whether PGW has discussed the possibility of the City or a particular City Department representing/advocating for PGW interests in these membership associations.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for these specific memberships and subscriptions. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-37. Provide a detailed breakdown of the amount spent on public relations consulting contracts and advertising purchased services in FY 2000 and budgeted for FY2001.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for public relations and advertising. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-38. For each advertising and public relations related purchased services contract for which expenditures were made in FY 2000, provide :

- (a) the name of the vendor;
- (b) the service provided;
- (c) a copy of the contract pursuant to which the service was provided;
- (d) the amount paid by PGW pursuant to the contract in FY 2000;
- (e) information concerning whether the contract was competitively bid.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for public relations and advertising. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-39. With regard to Beach Advertising:

- (a) explain what services Beach Advertising performed in FY 2000 in connection with the LIHEAP program for which it received payment of \$110,000;
- (b) provide a copy of the contract with Beach Advertising;
- (c) state the amount included in the FY 2001 budget for the same services.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for advertising. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-40. Describe the types of accounts for which PGW obtains purchased collection services.

OBJECTION:

PGW objects to this question because it seeks *legally irrelevant information* and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, *apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants.* Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for collection services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-41. Are there any circumstances in which PGW seeks purchased collection services for a residential account in which the customer is delinquent, but still receiving service at that account? If the answer is affirmative, explain when PGW uses purchased collection services for such accounts.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. *According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.*

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for collection services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

CEPA-42. Provide a schedule detailing purchased services expenses for collection services provided to PGW in FY 2000. For each contract, provide

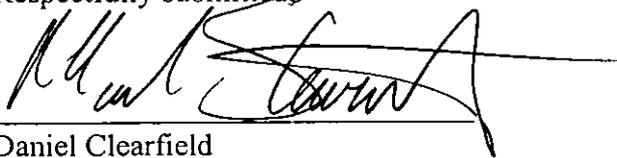
- (a) the name of the vendor;
- (b) state the service provided;
- (c) a copy of the contract pursuant to which the service was provided;
- (d) state the amount paid by PGW pursuant to the contract in FY 2000;
- (e) state whether the contract was competitively bid;
- (f) state whether PGW has contracted for collection services with this vendor to be provided in FY 2001, and provide a copy of the relevant contract.

OBJECTION:

PGW objects to this question because it seeks legally irrelevant information and cannot lead to the production of admissible information. This Interrogatory is clearly directed at the appropriateness of expenditures provided for PGW's operating budget. According to 66 Pa. C.S. § 2212(s), the Commission shall not abrogate or limit the City of Philadelphia's ability to determine PGW's budgets. The Philadelphia Gas Commission ("PGC"), a commission of the City, retains the authority to approve PGW's annual operating budget. While CEPA's Interrogatory may be relevant and appropriate in the budget proceedings before the PGC, it is beyond the scope of this proceeding.

Additionally, the Commission must, according to Section 2212(e) of the Public Utility Code, apply the same ratemaking methodology and requirements as were applicable to PGW prior to its assumption of jurisdiction and set rates so as to allow PGW to satisfy its bond covenants. Under that methodology and those requirements, once the PGC set PGW's budget, the Management Agreement Ordinance and the bond covenants required that rates be set so as to fund the operating budget. Thus, as the PGC continues to set PGW's budget, this proceeding is not to question the wisdom of PGW's allocations and expenditures for collection services. Instead, this proceeding is to ensure that the itemized expense has traditionally been included in PGW's operating budget and to set rates so as to cover the operating budget as approved.

Respectfully submitted,



Daniel Clearfield
Mark S. Stewart
Wolf, Block, Schorr and Solis-Cohen LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(717) 237-7160

Dated: February 15, 2001

RECEIVED
01 FEB 15 PM 4:13
PA.P.U.C.
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 FIRST CLASS MAIL

Tanya McCloskey, Esq.
Steve Keene, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Angela Jones, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

Jackie Sparkman, Esquire
School District of Philadelphia
Office of General Counsel
2130 Arch Street, 5th Floor
Philadelphia, PA 19103

Charis M. Burak, Esquire
McNEES, WALLACE, NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Lance Haver
6048 Ogontz Avenue
Philadelphia, PA 19141
(CEPA)

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

Richard Lelash
Financial and Regulatory Consultant
18 Seventy Acre Road
Redding, CT 06896
(OCA)

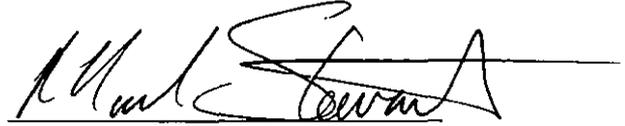
Craig A. Doll, Esq.
25 North Front St., 2nd Floor
Harrisburg, PA 17101-1606

Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
(OSBA)

Richard A. Baudino
J. Kennedy and Associates
570 Colonial Park Dr., Suite 305
Roswell, GA 30075

ORIGINAL RECEIVED
01 FEB 15 PM 4:12
PA.P.U.C.
SECRETARY'S BUREAU

Larry Speilvogel
203 Hughes Road
King of Prussia, PA 19406
(PICGUG)



Mark Stewart, Esquire

Dated: February 15, 2001

RECEIVED
01 FEB 15 PM 4:12
PA.P.U.C.
SECRETARY'S BUREAU