



ORIGINAL

OFFICE OF SMALL BUSINESS ADVOCATE

Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

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

March 11, 2004

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission v.
Philadelphia Gas Works (GCR Proceeding)
Docket No. R-00049157

Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the Answer on behalf of the Office of Small Business Advocate to Philadelphia Gas Works' Motion for Consolidation in the above captioned matter.

A copy has been served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

Sincerely,

Steven C. Gray
Steven C. Gray
Assistant Small Business Advocate

Enclosures

cc: Hon. Charles E. Rainey, Jr.
Administrative Law Judge

Parties of Record

Robert D. Knecht

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2004 MAR 11 PM 4:03
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKETED
MAR 17 2004

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

DOCKET NO. R-0004915

SECRETARY'S BUREAU

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OFFICE OF
SMALL BUSINESS ADVOCATE
ANSWER TO PHILADELPHIA GAS WORKS'
MOTION FOR CONSOLIDATION

Pursuant to 52 Pa. Code Sections 5.81 and 5.103, the Office of Small Business Advocate ("OSBA") answers the Philadelphia Gas Works ("PGW") Motion for Consolidation ("Motion"). On March 1, 2004, PGW filed a Motion for Consolidation requesting to consolidate its Petition ("Petition") to Establish a Cash Receipts Reconciliation Clause ("CRRC") with its 2004 Gas Cost Rate filing ("GCR Filing").¹ The OSBA objects to the PGW Motion for Consolidation, finding that there are no common questions of law or fact between the two proceedings.

In response to PGW's Motion, the OSBA answers as follows:

1. Admitted. 52 Pa. Code Section 5.81 does allow the Commission or the presiding officer to consolidate proceedings involving a common question of law or fact.
2. Denied. The proposed CRRC and the GCR Filing do not involve common questions of law and fact. Specifically, the GCR Filing involves the annual reconciliation of PGW's purchased gas costs ("PGC") for its historic 12-month period,

¹PGW erroneously cited as a basis for its Petition 52 Pa. Code Section 5.101. PGW's motion was not a preliminary motion as set forth in that section.

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pursuant to Section 1307(f). In contrast, PGW filed its CRRC Petition under 66 Pa.C.S.A. Section 1307(a) and 2212(c), not Section 1307(f). Furthermore, instead of the reconciliation of annual purchased gas costs, the CRRC addresses the “huge increase in the amount and percentage of non-payment by PGW customers.” Petition at 1. PGW’s Petition raises a classic issue involving uncollectibles costs, not annual purchased gas costs. The Commission denied any inclusion of uncollectibles costs in PGW’s PGC rates in last year’s PGW Restructuring decision. *Pennsylvania Public Utility Commission v. Philadelphia Gas Works*, at Docket No. M-00021612. The Commission implicitly adopted ALJ Turner's conclusion,

These items are not specified in the definition: Uncollectible Costs, A&G Billing Expense, Depreciation Expense, Taxes and Financing Costs Net of Charges, and should be excluded from the GCR. They may be related to providing gas supply, but they are not gas costs. As expenses, they should be included in base rates.

Recommended Decision at 31. See also Order at 25-28.

(a) Denied. The CRRC can hardly be “directly related to and necessitated by the recent large increases in natural gas prices.” Because natural gas prices have exhibited a steep downtrend since early January, the CRRC must be related to something else. In addition, PGW has in effect the only Weather Normalization Clause in the Commonwealth to help it address the effects of natural gas prices and weather variations. This Weather Normalization Clause is in addition to the quarterly filings submitted by PGW that allow changes in its commodity cost of gas under Section 1307(f).

(b) Admitted, but irrelevant. The OSBA has searched the Commission regulations in vain for any weight that simultaneity of filing is to be given in the determination of whether to consolidate proceedings.

(c) Denied. The suggestion that the proposed CRRC would track the GCR in “most material respects” implies that there are some material respects in which the CRRC will not track the GCR. For example, the OSBA observes that the magnitude of under-collections from the residential class is likely to be inversely correlated with economic conditions in the City of Philadelphia, a factor that has little impact on the GCR. Further, the OSBA denies that the issues cited in the Petition, namely timing of reconciliation and gas volume forecasts, are the most material issues relating to the Petition. The most material issue is whether PGW should be allowed to adopt a mechanism that is unique in the Commonwealth, and to once again bypass the normal base rates procedural mechanism for establishing a tariff designed to recover base rates costs, a procedure to which the rest of the Pennsylvania NGDC's seem somehow to be able to adhere. If the CRRC were to be adopted by the Commission, it is possible that there may be some efficiencies associated with combining the future reconciliation of the CRRC with that for the GCR, but these efficiencies are hardly relevant to the extant Petition. Given the unique and complicated nature of the Petition, the 2004 GCR Proceeding does not need to address these additional complications when a separate proceeding would handle them more efficiently and cleanly.

(d) Denied. It is part of the Petition that a reconciliation process would be provided. The fact that some future reconciliation of the CRRC may look like a Section 1307(f) reconciliation is of no moment to whether the Petition to *adopt* a

CRRC should be consolidated with a Section 1307(f) reconciliation. The standard for consolidation is whether there are issues of common law and fact. Neither condition is met. PGW did not file its Petition under Section 1307(f). PGW's Petition to reconcile its CRRC charges in the future does not create any common facts between the Petition and the GCR proceeding.

Therefore, the Office of Small Business Advocate requests that the Motion to Consolidate Philadelphia Gas Works' Petition to Establish a Cash Receipts Reconciliation Clause and the 2004 Gas Cost Rate proceeding be denied.

Respectfully submitted,



Steven C. Gray
Assistant Small Business Advocate

For:

William R. Lloyd, Jr.
Small Business Advocate

Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831

Dated: March 11, 2004

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SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

:
:
:
:
:

DOCKET NO. R-00049157

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2004 MAR 11 PM 4:03
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I certify that I am serving a copy of the Answer on behalf of the Office of Small Business Advocate to Philadelphia Gas Works' Motion to Consolidate by FAX and first class mail upon the persons addressed below:

Hon. Charles E. Rainey, Jr.
Administrative Law Judge
Pa. Public Utility Commission
1302 Philadelphia State Office Bldg.
Broad and Spring Garden Streets
Philadelphia, PA 19130
(215) 560-2105
(215) 560-3133 - Fax

Daniel Clearfield, Esquire
Alan C. Kohler, Esquire
Wolf, Block, Schorr & Solis-Cohen
Locust Court Building, Suite 300
212 Locust Street
Harrisburg, PA 17101
(717) 237-7160
(717) 237-7161 (fax)

Gregory J. Stunder, Esquire
Philadelphia Gas Works
900 West Montgomery Avenue
Philadelphia, PA 19122
(215) 684-6878
(215) 684-6798 (fax)

Philip A. Bertocci, Esquire
Community Legal Services, Inc.
1424 Chestnut Street 4th Floor
Philadelphia, PA 19102-2505
(215) 981-3702
(215) 981-0435 (fax)

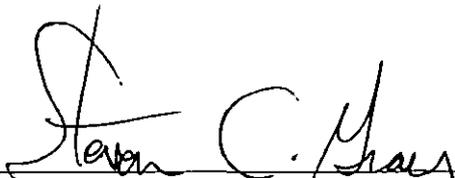
Stephen J. Keene, Esquire
Aron J. Beatty, Esquire
Office of Consumer Advocate
555 Walnut Street 5th FL Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
(717) 783-7152

Johnnie E. Simms, Esquire
Office of Trial Staff
Pa. Public Utility Commission
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Harrisburg, PA 17105
(717) 787-1976
(717) 772-2677 (fax)

David Kleppinger, Esquire
Charis Mincavage, Esquire
McNees, Wallace & Nurick
100 Pine Street
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Harrisburg, PA 17108-1166
(717) 232-8000
(717) 237-5300 (fax)

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

Janet Parrish, Esquire
Philadelphia Gas Commission
1515 Arch Street, 9th Floor
Philadelphia, PA 19102



Steven C. Gray
Assistant Small Business Advocate

Date: March 11, 2004



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March 11, 2004

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT

SECRETARY'S BUREAU

2004 MAR 11 PM 4:02

RECEIVED

Re: Pennsylvania Public Utility Commission v.
Philadelphia Gas Works (GCR Proceeding)
Docket No. R-00049157

Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the:

1. Notice of Intervention of the Small Business Advocate in the above captioned matter; and
2. Public Statement of the Small Business Advocate relating to the filing of that Notice of Intervention.

Copies of each of the documents listed above are being served today on all known parties in this proceeding. A Certificate of Service to that effect is enclosed.

Sincerely,

Steven C. Gray
Steven C. Gray
Assistant Small Business Advocate

Enclosures

cc: Hon. Charles E. Rainey, Jr.
Administrative Law Judge

Parties of Record

Robert D. Knecht

68

COMMONWEALTH OF PENNSYLVANIA



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

William R. Lloyd, Jr.
Small Business Advocate

March 11, 2004

SECRETARY'S BUREAU

2004 MAR 11 PM 4: 02
(717) 783-2525
(717) 783-2831 (FAX)

RECEIVED

ALL PARTIES OF RECORD AT DOCKET NO. R-00049157:

Re: Pennsylvania Public Utility Commission v.
Philadelphia Gas Works (GCR Proceeding)
Docket No. R-00049157

The Office of Small Business Advocate has retained the services of Robert D. Knecht as its expert witness in this case. In order to provide our consultant all materials, including discovery, testimony, briefs, etc., in a timely fashion, we request that you add the name of Mr. Knecht to your service lists so that he receives copies of documents when they are served in this case. Those items should be addressed to:

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

DOCUMENT

If you have any questions or concerns, please do not hesitate to contact me. Thank you in advance for your cooperation.

Sincerely,

Steven C. Gray
Assistant Small Business Advocate

cc: Mr. Robert D. Knecht

DOCKETED

MAR 30 2004

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

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DOCKET NO. R-00049157

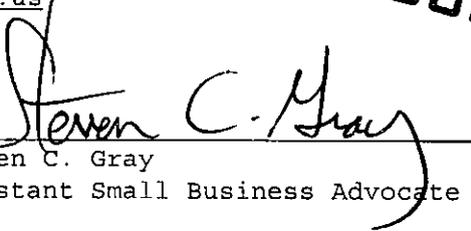
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2004 MAR 11 PM 4:02
SECRETARY'S BUREAU

OFFICE OF
SMALL BUSINESS ADVOCATE
NOTICE OF INTERVENTION

The Office of Small Business Advocate, an agency of the Commonwealth authorized by the Small Business Advocate Act (Act 181 of 1988, 73. P.S. §§399.41 - 399.50) to represent the interest of small business consumers as a party in proceedings before the Pennsylvania Public Utility Commission, files this Notice of Intervention in this proceeding pursuant to the provisions of 52 Pa. Code §5.71(a)(1).

Representing the Office of Small Business Advocate in this proceeding is:

Steven C. Gray
Assistant Small Business Advocate
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831
E-mail: sgray@state.pa.us


Steven C. Gray
Assistant Small Business Advocate

For:

William R. Lloyd, Jr.
Small Business Advocate

Dated: March 11, 2004

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DOCKETED
MAR 30 2004

PUBLIC STATEMENT OF THE
SMALL BUSINESS ADVOCATE
CONCERNING THE INTEREST
OF SMALL BUSINESS CONSUMERS
TO BE PROTECTED BY THE INTERVENTION OF
THE OFFICE OF SMALL BUSINESS ADVOCATE IN THE
PURCHASED GAS COST RATE PROCEEDING OF
PHILADELPHIA GAS WORKS
DOCKET NO. R-00049157

SECRETARY'S BUREAU

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The Small Business Advocate is authorized and directed to represent the interest of small business consumers of utility services in Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§399.41 - 399.50 (the "Act"). The Act further provides that the Small Business Advocate is to issue publicly a written statement stating concisely the specific interest of small business consumers to be protected by his initiation of or intervention in any proceeding involving those interests before the Public Utility Commission or any other agency or court. This Public Statement relates to the filing today by the Office of Small Business Advocate of its Notice of Intervention in the Purchased Gas Cost rate proceeding under Section 1307(f) of the Public Utility Code for Philadelphia Gas Works at Docket No. R-00049157.

The purchased gas cost rate is a significant component of the total bill of a small business consumer of natural gas. The annual review by the Pennsylvania Public Utility Commission of the purchasing practices of a natural gas distribution company pursuant to Section 1307(f) of the Public Utility Code provides an opportunity to evaluate the reasonableness and prudence of the utility's purchases of natural gas. Those practices directly impact on the costs of gas service to small business consumers. Moreover, various related issues that could have a significant impact on the rates paid by small business

consumers may arise in this proceeding, as they have in previous annual gas cost rate cases before the Public Utility Commission.

The Office of Small Business Advocate will represent the interests of PGW's small business customers in this investigation into the utility's proposed increase to its purchased gas costs.

Dated: March 11, 2004

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

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DOCKET NO. R-00049157

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SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I certify that I am serving a copy of the Notice of Intervention and Public Statement on behalf of the Office of Small Business Advocate by FAX and first class mail upon the persons addressed below:

Hon. Charles E. Rainey, Jr.
Administrative Law Judge
Pa. Public Utility Commission
1302 Philadelphia State Office Bldg.
Broad and Spring Garden Streets
Philadelphia, PA 19130
(215) 560-2105
(215) 560-3133 - Fax

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Alan C. Kohler, Esquire
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(215) 981-0435 (fax)

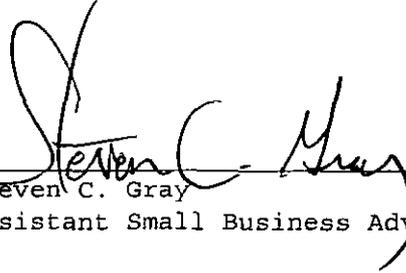
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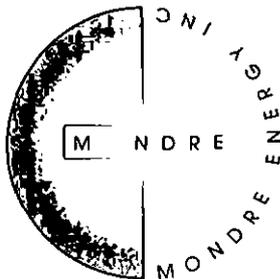
Wendy Beetlestone, Esquire
School District of Philadelphia
Office of General Counsel
2130 Arch Street 5th Floor
Philadelphia, PA 19103

Janet Parrish, Esquire
Philadelphia Gas Commission
1515 Arch Street, 9th Floor
Philadelphia, PA 19102



Steven C. Gray
Assistant Small Business Advocate

Date: March 11, 2004



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March 11, 2004

Mr. James J. McNulty
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105

DOCKETED
MAY 04 2004

Re: PGW Gas Cost Rate Filing

**DOCUMENT
FOLDER**

Dear Mr. McNulty,

Please include Mondre Energy, Inc. on the service list for the PGW Annual Gas Cost Rate case filing P.U.C. Docket No. R-00049157. Please send all available information regarding the filing to:

Judith L. Mondre, President
Mondre Energy, Inc.
1880 John F. Kennedy Blvd.
Suite 1705
Philadelphia, PA 19103

Thank you for your time and consideration.

Sincerely,

Judith L. Mondre

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112 Locust Street, Suite 300, Harrisburg, Pennsylvania 17101
Tel: (717) 237-7160 ■ Fax: (717) 237-7161 ■ www.WolfBlock.com

Daniel Clearfield
Direct Dial: (717) 237-7173
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E-mail: dclearfield@wolfblock.com

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2004 MAR 12 AM 9:16
SECRETARY'S BUREAU

March 11, 2004

VIA E-MAIL AND FIRST CLASS MAIL

Tanya McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place Building
Harrisburg, PA 17101

Re: Philadelphia Gas Works Cash Receipts Reconciliation
Clause, Docket No. R-00049157

Dear Tanya:

On behalf of Philadelphia Gas Works, enclosed please find their responses to OCA Set I.
If you have any questions, please do not hesitate to contact me.

Sincerely,

Daniel Clearfield

Daniel Clearfield
For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DOCUMENT
FOLDER

DC/lww
Enclosure
cc: Attached Certificate of Service w/enc.

DSH:40112.1/PHI211-217982

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document of Philadelphia Gas Works' upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL AND FIRST CLASS MAIL

Johnnie Simms, Esq.
Richard A. Kanaskie, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
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E-mail: josimms@state.pa.us

Stephen Gray, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
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E-mail: sgray@state.pa.us

Tanya McCloskey, Esq.
James Mullins, Esq.
Steve Keene, Esq.
Office of Consumer Advocate
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Harrisburg, PA 17101-1921
E-mail: TmcCloskey@paoca.org
Skeene@paoca.org

Richard Lelash
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E-mail: lelash@sprintmail.com

Greg Stunder, Esquire
Philadelphia Gas Works
800 W. Montgomery Avenue
Philadelphia, PA 19122
E-mail: greg.stunder@pgworks.com

Charis Mincavage, Esquire
McNEES, WALLACE, NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
E-mail: Cmincavage@mwn.com

Philip Bertocci, Esq.
Edward A. McCool, Esq.
Community Legal Services
1424 Chestnut Street
Philadelphia, PA 19102
Fax: (215) 981-0434
E-mail: pbertocci@clsphila.org


Daniel Clearfield, Esq.

Dated: March 11, 2004

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COMMUNITY
LEGAL SERVICES, INC.

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1424 Chestnut Street, Philadelphia, PA 19102-2505
Phone: 215.981.3700, Fax: 215.981.0434
Web Address: www.clsphila.org

MAR 15 2004

March 15, 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor, 7 North
400 North Street
Harrisburg, PA 17120

Filed by Federal Express

DOCUMENT
FOLDER

Re: Philadelphia Gas Works Proposed 2004-2005 Gas Cost Rate; Motion for
Consolidation, Docket No. R-00049157

Dear Secretary McNulty:

I represent Action Alliance of Senior Citizens of Greater Philadelphia, the
Association of Community Organizations for Reform Now (ACORN), and the Tenants'
Action Group (TAG) (collectively "Action Alliance et al.") in the above-captioned
matter.

Enclosed please find for filing an original and three (3) copies of the Formal
Complaint of Action Alliance et al.

In addition, I have enclosed an original and three (3) copies of the Answer of
Action Alliance et al. To PGW's Motion for Consolidation. ✓

As evidenced by the attached Certificate of Service, all parties to the proceeding
are being served with copies of these documents.

Very truly yours,

Philip A. Bertocci

PHILIP A. BERTOCCI

Attorney for Action Alliance et al.

cc: Certificate of Service

Administrative Law Judge Charles E. Rainey, Jr.

Enclosures

112

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

RECEIVED

MAR 15 2004

**Pennsylvania Public Utility
Commission, et al.** :

Complainants :

v. :

**Philadelphia Gas Works
Respondent** :

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

R-00049157
P-00042090

DOCKETED
APR 23 2004

**ANSWER OF ACTION ALLIANCE et al. TO PGW'S MOTION
FOR CONSOLIDATION**

Action Alliance of Senior Citizens of Greater Philadelphia, the Association of Community Organizations for Reform Now and the Tenants' Action Group (hereinafter collectively "Action Alliance et al."), through counsel, hereby submit this Answer to the Motion for Consolidation filed by PGW seeking consolidation of the hearing of its March 1, 2004 Petition to Establish a Cash Receipts Reconciliation Clause ("CRRC") with the review of its Gas Cost Rate. In support of this Answer, they aver as follows:

1. Admitted.
2. Denied. It is denied that the proposed CRRC and PGW's 2004 GCR Gas Cost Rate filing involve common questions of law and fact:

(a) Denied. To the contrary, the proposed CRRC is not necessary, and is not required by the increased natural gas prices. The proposed CRRC is the product of a

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choice made by PGW to shift the costs of its historical collections failures onto customers, so that it may continue to pay its owner the City of Philadelphia \$18 million per year regardless of the performance of the utility.

(b) Denied. The CRRC is not the logical companion to PGW's existing GCR. To the contrary, in contrast with the GCR, it proposes a surcharge which is unprecedented in Pennsylvania and which is based on estimates of bad debt expense which may never be reconciled with the same certainty as gas costs. In addition, the determination of PGW's GCR is not dependent on any characteristic of the proposed CRRC.

(c) Denied as irrelevant. To the contrary, the fact that PGW's proposed CRRC would only "track" the GCR demonstrates that whether there should even be a CRRC should be considered independently of the amount of the Gas Cost Rate.

(d) Denied as irrelevant. To the contrary, the fact that there would be a reconciliation process for projected and actual cash receipts does not alter the fact that projected bad debt expense and actual bad debt expense are not known and measurable to the same extent as projected and actual cash receipts, and therefore are unsuitable for recovery through a clause similar to a Gas Cost Rate clause.

3. By way of further answer, Action Alliance et al. hereby incorporate by reference the Answers opposing consolidation filed by the Office of Trial Staff, the Office of Consumer Advocate, and the Office of Small Business Advocate.

WHEREFORE, Action Alliance et al. request that the Commission deny PGW's Motion for Consolidation of the Petition to Petition to Establish a Cash Receipts Reconciliation Clause ("CRRC") with the current Gas Cost Rate filing.

Respectfully submitted,



PHILIP A. BERTOCCHI, ESQUIRE
LAURA MOSKOWITZ, ESQUIRE

Attorneys for Action Alliance et al.

COMMUNITY LEGAL SERVICES, INC.
1424 Chestnut Street, 4th Floor
Philadelphia, PA 19102-2505
Tel.: 215-981-3702
FAX: 215-981-0435

March 15, 2004

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Complaint document in the matters docketed at R-00049157 and P-00042090 upon the following parties by First Class U.S. Mail, postage prepaid as follows:

Dated: March 15, 2004

Daniel Clearfield, Esquire
Mark Stewart, Esquire
Wolf, Block, Schorr & Solis-Cohen, LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101

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

Johnnie E. Simms, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
Commonwealth Keystone Bldg., 2 West
P.O. Box 3265
Harrisburg, PA 17120

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

Stephen Keene, Esquire
Office of Consumer Advocate
Forum Place Building, 5th Floor
555 Walnut Street
Harrisburg, PA 17101-1921

David M. Kleppinger, Esquire
Charis Mincavage, Esquire
McNees, Wallace & Nurick
100 Pine Street
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Janet Parrish, Esquire
Executive Director
Philadelphia Gas Commission
1515 Arch Street, 9th Floor
Philadelphia, PA 19102

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MAR 15 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Philip A. Bertocci

PHILIP A. BERTOCCI

RECEIVED

1424 Chestnut Street, Philadelphia, PA 19102-2505
Phone: 215.981.3700, Fax: 215.981.0434
Web Address: www.clsphila.org

MAR 15 2004

March 15, 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor, 7 North
400 North Street
Harrisburg, PA 17120

Filed by Federal Express

Re: Philadelphia Gas Works Proposed 2004-2005 Gas Cost Rate; Motion for
Consolidation, Docket No. R-00049157

DOCUMENT
FOLDER

Dear Secretary McNulty:

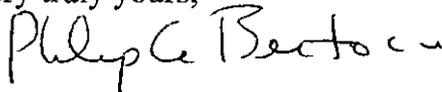
I represent Action Alliance of Senior Citizens of Greater Philadelphia, the Association of Community Organizations for Reform Now (ACORN), and the Tenants' Action Group (TAG) (collectively "Action Alliance et al.") in the above-captioned matter.

Enclosed please find for filing an original and three (3) copies of the Formal Complaint of Action Alliance et al.

In addition, I have enclosed an original and three (3) copies of the Answer of Action Alliance et al. To PGW's Motion for Consolidation.

As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with copies of these documents.

Very truly yours,



PHILIP A. BERTOCCHI

Attorney for Action Alliance et al.

cc: Certificate of Service
Administrative Law Judge Charles E. Rainey, Jr.

Enclosures

113

ORIGINAL

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKETED APR 23 2004

Pennsylvania Public Utility Commission, et al. :
Complainants :
v. : R-00049157
: P-00042090
Philadelphia Gas Works :
Respondent :

DOCUMENT FOLDER

ANSWER FORMAL COMPLAINT

1. The Complainants are four membership consumer organizations, Action Alliance of Senior Citizens of Greater Philadelphia ("Action Alliance"), the Association of Community Organizations for Reform Now ("ACORN"), the Tenants' Action Group ("TAG") and the Consumers Education and Protective Association ("CEPA") (hereinafter collectively "Action Alliance et al.") who advocate on behalf of low and moderate income residential customers and consumers of the utility services of the Philadelphia Gas Works.

2. The names and address of the Complainants' attorneys are:

Philip A. Bertocci, Esquire
Laura Moskowitz, Esquire
COMMUNITY LEGAL SERVICES, INC.
1424 Chestnut Street, 4th Floor
Philadelphia, PA 19102-2505
Telephone: (215) 981-3702
Fax: (215) 981-0435

RECEIVED MAR 15 2004

PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

3. The Respondent utility is:

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

4. On March 1, 2004, the Philadelphia Gas Works ("PGW") made its Gas Cost Rate ("GCR") filing with the Pennsylvania Public Utility Commission ("PUC"). The filing also includes a request for costs associated with PGW's Universal Service Fund and Energy Conservation Surcharge. Additionally, in conjunction with its Gas Cost Rate Filing, PGW filed a Petition of Philadelphia Gas Works to Establish a Cash Receipts Reconciliation Clause (Docket No. P-00042090) and a Motion to Consolidate consideration of that Petition with the Gas Cost Rate Filing (Docket No. R-00049157).

5. Action Alliance of Senior Citizens of Greater Philadelphia (Action Alliance) is a registered non-profit corporation and membership organization with offices at 1201 Chestnut Street, Philadelphia, PA 19107. The mission of Action Alliance is to advocate on behalf of senior citizens, many of whom are low and moderate income, in a wide range of matters including PGW management, rates, consumer protections and quality of customer service.

6. The Association of Community Organizations for Reform Now (ACORN) is a registered non-profit corporation and membership organization with offices at 846 N. Broad Street, Philadelphia, PA 19130. ACORN's mission is to advocate on behalf of the economic well being of low income people, particularly with respect to such fundamental

necessities of life as utility service, housing, healthcare and jobs.

7. The Tenants' Action Group (TAG) is a registered non-profit organization with offices at 21 S. 12th Street, 12th Floor, Philadelphia, PA 19107. The mission of TAG is advocate on behalf of low and moderate income tenants.

8. Complainant Consumers Education and Protective Association (CEPA) is a nonprofit corporation with an office at 6048 Ogontz Avenue, Philadelphia, PA. CEPA is composed of mostly low and moderate income members, who have come together to address a variety of community and consumer issues, including PGW's management, rates, consumer protections and quality of customer service.

9. In addition to their organizational missions to advocate on behalf of low and moderate income consumers, Action Alliance et al. count among their members many low and moderate income PGW customers. For these two reasons, they therefore have an interest in this proceeding not adequately represented by any other party of record.

10. Action Alliance et al. have conducted an initial review of PGW's GCR filing. Action Alliance et al. intend to oppose this request to the extent that the rate to be proposed is not just and reasonable, including whether PGW has followed a least cost procurement policy.

11. Action Alliance opposes PGW's Petition to Establish a Cash Receipt Reconciliation Clause on the grounds, inter alia, that such a clause is not authorized by the Public Utility Code, that PGW and its owner the City of Philadelphia have alternative

means of addressing PGW's alleged cash receipts problems and that the rate resulting from such a surcharge would not be just and reasonable.

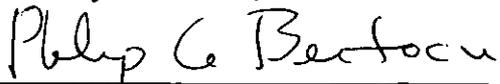
Wherefore, Action Alliance et al. respectfully request that the Pennsylvania Public Utility Commission:

(1) accept this Complaint and allow Complainants to intervene in this proceeding as an active party;

(2) require PGW at hearing to adduce evidence in justification of its proposed Gas Cost Rate, in support of its proposed Cash Receipts Reconciliation Clause and in support of other claims contained in its filings and that Complainants be accorded full opportunity to cross-examine PGW's witnesses, present evidence and offer argument.

(3) grant such other relief as is just and appropriate.

Respectfully submitted,



PHILIP A. BERTOCCI, ESQUIRE
LAURA MOSKOWITZ, ESQUIRE

Attorneys for Action Alliance et al.

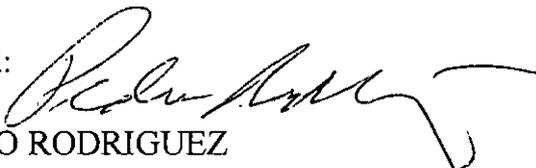
COMMUNITY LEGAL SERVICES, INC.
1424 Chestnut Street, 4th Floor
Philadelphia, PA 19102-2505
Tel.: 215-981-3702
FAX: 215-981-0435

March 15, 2004

VERIFICATION

I, Pedro Rodriguez hereby state that I am authorized to make this verification, that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

Signed:


PEDRO RODRIGUEZ

Executive Director
Action Alliance of Senior Citizens
of Greater Philadelphia

Date:

3/15/04

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Answer document in the matters docketed at R-00049157 and P-00042090 upon the following parties by First Class U.S. Mail, postage prepaid as follows:

Dated: March 15, 2004

Daniel Clearfield, Esquire
Mark Stewart, Esquire
Wolf, Block, Schorr & Solis-Cohen, LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101

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

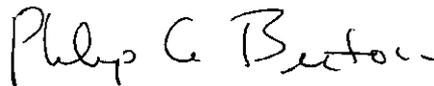
Johnnie E. Simms, Esquire
Pennsylvania Public Utility Commission
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P.O. Box 3265
Harrisburg, PA 17120

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Stephen Keene, Esquire
Office of Consumer Advocate
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555 Walnut Street
Harrisburg, PA 17101-1921

David M. Kleppinger, Esquire
Charis Mincavage, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Janet Parrish, Esquire
Executive Director
Philadelphia Gas Commission
1515 Arch Street, 9th Floor
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PHILIP A. BERTOCCI

RECEIVED

MAR 15 2004

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

212 Locust Street, Suite 300, Harrisburg, Pennsylvania 17101
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Daniel Clearfield
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March 23, 2004

VIA E-MAIL AND FIRST CLASS MAIL

Tanya McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place Building
Harrisburg, PA 17101

DOCUMENT
FOLDER

RECEIVED
2004 MAR 24 AM 9:59
SECRETARY'S BUREAU

Re: Philadelphia Gas Works Cash Receipts Reconciliation
Clause, Docket No. R-00049157

Dear Tanya:

On behalf of Philadelphia Gas Works, enclosed please find their responses to OCA Set II, Nos. 1, 5, 6, 8-15, 19-23 and Partial Responses to Nos 4, 17 & 24 . If you have any questions, please do not hesitate to contact me.

Sincerely,

Daniel Clearfield
For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DC/lww
Enclosure

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

DSH:40112.2/PHI211-217982

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document of Philadelphia Gas Works' upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL AND FIRST CLASS MAIL

Johnnie Simms, Esq.
Richard A. Kanaskie, Esq.
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Harrisburg, PA 17105-3265
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Tanya McCloskey, Esq.
James Mullins, Esq.
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Richard Lelash
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E-mail: lelash@sprintmail.com

Dated: March 23, 2004

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E-mail: greg.stunder@pgworks.com

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Robert D. Kecht
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2067 Massachusetts Avenue
Cambridge, MA 02140
rdk@indecon.com


Daniel Clearfield, Esq.

SECRETARY'S BUREAU

2004 MAR 24 AM 9:59

RECEIVED

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2004 MAR 25 AM 10:59

SECRETARY'S BUREAU

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March 24, 2004

VIA E-MAIL AND FIRST CLASS MAIL

Tanya McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place Building
Harrisburg, PA 17101

DOCUMENT
FOLDER

Re: Philadelphia Gas Works Cash Receipts Reconciliation
Clause, Docket No. R-00049157

Dear Tanya:

On behalf of Philadelphia Gas Works, enclosed please find their responses to OCA Set II, Nos. 2, 3 and a Partial Response to No. 4 which completes that response. If you have any questions, please do not hesitate to contact me.

Sincerely,

Daniel Clearfield
Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DC/lww
Enclosure

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

DSH:40112.3/PHI211-217982

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CERTIFICATE OF SERVICE

MAR 25 AM 10:59
SECRETARY'S BUREAU

I hereby certify that I have this day served a true copy of the foregoing document of Philadelphia Gas Works' upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL AND FIRST CLASS MAIL

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Daniel Clearfield, Esq.

Dated: March 24, 2004

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March 26, 2004

VIA E-MAIL AND FIRST CLASS MAIL

Tanya McCloskey, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place Building
Harrisburg, PA 17101

SECRETARY'S BUREAU
04 MAR 29 AM 9:44

Re: Philadelphia Gas Works Annual GCR Filing 1307(f)
Docket No. R-00049157

Dear Tanya:

On behalf of Philadelphia Gas Works, enclosed please find responses to OCA Set I, No. 1 (Revised), OCA Set II, No. 2 (Revised) and OCA Set III Nos. 9 & 15. PGW will respond to the remaining interrogatories as soon as possible. If you have any questions, please do not hesitate to contact me.

Sincerely,



Daniel Clearfield
For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DOCUMENT
FOLDER

DC/lww
Enclosure

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

DSH:40112.5/PHI211-217982

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document of Philadelphia Gas Works' upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL AND FIRST CLASS MAIL

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E-mail: lelash@sprintmail.com

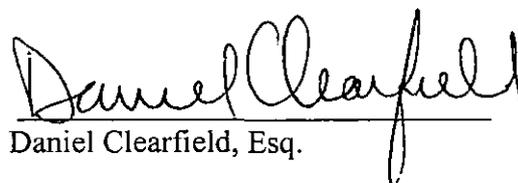
Dated: March 26, 2004

Greg Stunder, Esquire
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E-mail: greg.stunder@pgworks.com

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Daniel Clearfield, Esq.

SECRETARY'S BUREAU

04 MAR 29 AM 9:44

DOCUMENT
FOLDER

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

April 30, 2004

Honorable Charles E Rainey Jr.
Administrative Law Judge
Office Of Administrative Law Judge
Pa. Public Utility Commission
1302 Philadelphia State Office Bldg.
1400 West Spring Garden Street
Philadelphia, Pa 19130

DOCKETED
JUN 14 2004

Re: **Pennsylvania Public Utility Commission v. Philadelphia Gas Works,**
Docket No. R-00049157

**DOCUMENT
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Dear Judge Rainey:

Please be advised that the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") will not be submitting Rebuttal Testimony in the above-referenced proceeding. PICGUG reserves the right, however, to file surrebuttal testimony in response to issues raised in other parties' direct testimony.

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

Very truly yours,

MCNEES WALLACE & NURICK LLC

By *Charis Mincavage*
Charis Mincavage

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Enclosures

CM/lhe

c: James J. McNulty, Secretary (via hand delivery)
Certificate of Service

RECEIVED
2004 APR 30 PM 1:57
SECRETARY'S BUREAU
PA PUC

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST CLASS MAIL

Johnnie Simms, Esq.
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josimms@state.pa.us

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skeene@paoca.org

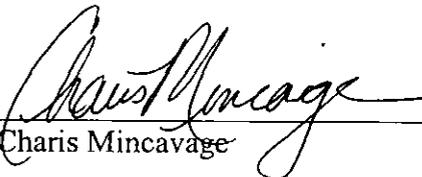
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Mark S. Stewart, Esq.
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Greg Stunder, Esq.
Philadelphia Gas Works
800 W. Montgomery Avenue.
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Greg.Stunder@pgworks.com

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2004 APR 30 PM 1:57
PA PUC
SECRETARY'S BUREAU


Charis Mincavage

Dated this 30th day of April, 2004, in Harrisburg, Pennsylvania.



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

IN REPLY PLEASE
REFER TO OUR FILE

June 9, 2004

DOCKETED
JUL 26 2004

Honorable Charles E. Rainey, Jr.
Administrative Law Judge
Pa. Public Utility Commission
1302 Philadelphia State Office Building
1400 Spring Garden Street
Philadelphia, PA 19130

**DOCUMENT
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SECRETARY'S BUREAU

2004 JUN -9 PM 1:49

RECEIVED

Re: Pennsylvania Public Utility Commission
v.
Philadelphia Gas Works

Docket No. R-00049157

Dear Judge Rainey:

The Office of Trial Staff, through the testimony of Messrs. Yocca and Weakley, made three recommendations in Philadelphia Gas Works' 2004-2005 GCR proceeding, which were as follows:

- (1) that credits for capacity release and gross off-system sales will be calculated using a three year rolling average beginning in the 2005-2006 GCR period;
- (2) that interruptible revenue credits will be calculated using a three year rolling average beginning in the 2006-2007 GCR period; and
- (3) assessment of interest on PGC over-collections and under-collections shall be calculated at the statutory rate provided for in 66 Pa. C.S. §1307(f)(5).

All three recommendations have been accepted by the Company and incorporated in the Joint Petition for Settlement. Accordingly, the Office of Trial Staff respectfully submits that those three recommendations are in the public interest and should be adopted in your **Recommended Decision**.

Very truly yours,



Johnnie E. Simms
Senior Prosecutor
Office of Trial Staff

JES:em

c: Secretary McNulty
Service List

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. R-00049157
Philadelphia Gas Works - 1307(f) :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Letter** of the
Office of Trial Staff, dated June 9, 2004, either personally, by first class mail,
electronic mail, express mail, or by fax upon the persons listed below:

Daniel Clearfield, Esquire
Mark S. Stewart, Esquire
Wolf Block Schorr & Solis-Cohen LLP
212 Locust Street – Suite 300
Harrisburg, PA 17101

Gregory J. Stunder, Esquire
Philadelphia Gas Works
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SECRETARY'S BUREAU

2004 JUN -9 PM 1:49

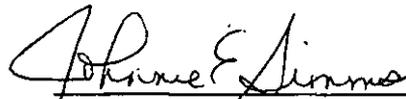
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David M. Kleppinger, Esquire
Charis Mincavage, Esquire
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Philadelphia, PA 19103-3291



Johnnie E. Simms
Senior Prosecutor
Office of Trial Staff

Dated: June 9, 2004
Docket No. R-00049157