

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission

v.

Philadelphia Gas Works

:
:
:
:
:

R-00072110

**DOCUMENT
FOLDER**

PREHEARING CONFERENCE ORDER

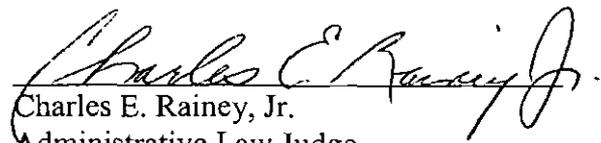
A prehearing conference pursuant to 52 Pa. Code §5.224 will be held on March 15, 2007. In preparation for the prehearing conference, submit to me and serve on all parties a prehearing conference memorandum. Your prehearing conference memorandum must be in my hands and the hands of the other parties by 4:00 p.m. on March 12, 2007. Your prehearing conference memorandum must include:

- (1) the status of any settlement discussions;
- (2) the status of discovery;
- (3) proposed discovery rules;
- (4) a proposed schedule for discovery;
- (5) any admissions or stipulations;
- (6) the factual issues to be addressed in this case;
- (7) the legal issues to be addressed in this case;
- (8) the names, titles and business addresses of each witness;
- (9) the issues each witness will address;
- (10) a proposed date for a second prehearing conference, if necessary;
- (11) a proposed schedule for the submission of written testimonies;
- (12) a proposed schedule for evidentiary hearings;
- (13) a proposed schedule and proposed places for any public input hearings;
- (14) a proposed briefing schedule;
- (15) any other pertinent information.

DOCKETED
MAR 9 - 2007

The procedural schedule that you propose must conclude with any reply briefs no later than June 8, 2007.

The parties are encouraged to communicate with each other and arrive at mutually acceptable proposals. A representative of the parties may telephone me regarding the dates I am available for hearings in this case.


Charles E. Rainey, Jr.
Administrative Law Judge

Date: March 2, 2007

SERVICE LIST

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

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

Stephen Gray, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street

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

Robert Knecht
Industrial Economics, Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140

Daniel Clearfield, Esquire
Wolfe, Block Schorr and Solis-Cohen
213 Market Street, 9th Floor
Harrisburg, PA 17101

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

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

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



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
Office of Administrative Law Judge
P.O. BOX 3265, HARRISBURG, PA 17105-3265
March 6, 2007

IN REPLY PLEASE
REFER TO OUR FILE

In Re: R-00072110

(SEE ATTACHED LIST)

Pennsylvania Public Utility Commission v. Philadelphia Gas Works

Annual 1307(f) Filing

NOTICE

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

Type: Pre-Hearing Conference

Date: Thursday, March 15, 2007

Time: 1:00 p.m.

Location: Hearing Room 4 - Harrisburg Parties
Plaza Level
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

In an available hearing room
Philadelphia State Office Building
Broad and Spring Garden Streets
Philadelphia, PA 19130

Presiding: Administrative Law Judge Charles E. Rainey, Jr.
1302 Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130
Telephone: 215-560-2105
Fax: 215-560-3133

DOCUMENT
FOLDER

DOCKETED
MAR 8 - 2007

If you are a person with a disability, and you wish to attend the hearing, we may be able to make arrangements for your special needs. Please call the scheduling office at the Public Utility Commission at least (2) two business days prior to your hearing:

- Scheduling Office: 717-787-1399
- AT&T Relay Service number for persons who are deaf or hearing-impaired: 1-800-654-5988

pc: Judge Rainey
Stacy Nolan, Scheduling Officer
Beth Plantz
Docket Section
Calendar File

R-00072110 PENNSYLVANIA PUBLIC UTILITY COMMISSION V. PHILADELPHIA GAS WORKS
- ANNUAL 1307(F) FILING

GREGORY J STUNDER ESQUIRE
PHILADELPHIA GAS WORKS
800 WEST MONTGOMERY AVENUE
PHILADELPHIA PA 19122

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

RICHARD A KANASKIE ESQUIRE
OFFICE OF TRIAL STAFF
PO BOX 3265
HARRISBURG PA 17105-3265

PHILIP BERTOCCI ESQUIRE
COMMUNITY LEGAL SERVICES
1424 CHESTNUT STREET
PHILADELPHIA PA 19102

TANYA MCCLOSKEY ESQUIRE
OFFICE OF CONSUMER ADVOCATE
555 WALNUT STREET
5TH FLOOR FORUM PLACE
HARRISBURG PA 17101-1921

STEPHEN GRAY ESQUIRE
OFFICE OF SMALL BUSINESS ADVOCATE
COMMERCE BUILDING SUITE 1102
HARRISBURG PA 17101

ROBERT KNECHT
INDUSTRIAL ECONOMICS INC
2067 MASSACHUSETTS AVENUE
CAMBRIDGE MA 02140

DANIEL CLEARFIELD ESQUIRE
WOLFE BLOCK SCHORR & SOLIS-COHEN
213 MARKET STREET 9TH FLOOR
HARRISBURG PA 17101

CHARIS MINCAVAGE ESQUIRE
MCNEES WALLACE & NURICK
100 PINE STREET
PO BOX 1166
HARRISBURG PA 17108-1166

DATE: March 6, 2007
SUBJECT: R-00072110
TO: Office of Administrative Law Judge
FROM: James J. McNulty, Secretary *ddt*

DOCUMENT
FOLDER

**Philadelphia Gas Works
Annual 1307(f) Filing**

Attached please find a copy of Philadelphia Gas Works' Annual 1307(f) filing, which has been captioned and docketed to the above referenced number.

This matter is assigned to your Office for appropriate action.

Enclosures

cc: Office of Trial Staff
Bureau of Fixed Utility Services

ddt

DOCKETED

MAR 06 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
 : Docket No. R-00072110
 v. :
 :
 Philadelphia Gas Works 1307(f) :

ORIGINAL

NOTICE OF APPEARANCE

Please enter the appearance of the Office of Trial Staff of the Pennsylvania Public Utility Commission in the above-captioned proceeding. Prosecutor(s) for the Office of Trial Staff, in addition to the undersigned will be:

RICHARD A. KANASKIE, ESQUIRE
Pa. Public Utility Commission
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265
rkanaskie@state.pa.us

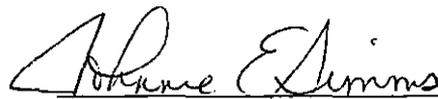
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FOLDER**

DOCKETED
MAR 13 2007

(717) 787-1976

On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter be addressed to Richard A. Kanaskie, Esquire.

RECEIVED
2007 MAR -7 AM 11:35
IA PUC
SECRETARY'S BUREAU



Johnnie E. Simms
Chief Prosecutor
PA Attorney I.D. #33911

Richard A. Kanaskie
PA Attorney I.D. #80409
Prosecutor for: Johnnie E. Simms
Office of Trial Staff.

Dated: 3/7/2007

37

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. R-00072110
Philadelphia Gas Works 1307(f) :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Notice of Appearance**, dated March 7, 2007, either personally, by first class mail, electronic mail, express mail and/or by fax upon the persons listed below:

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

Charis Mincavage, Esquire
McNees, Wallace, Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166

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

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

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

Daniel Clearfield, Esquire
Wolf, Block Schorr
213 Market Street 9th Floor
Harrisburg, PA 17101

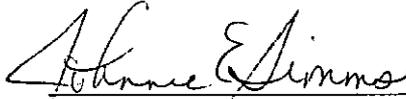
PA PUC
SECRETARY'S BUREAU

2007 MAR -7 AM 11:35

RECEIVED

Robert Knecht
Industrial Economics, Inc.
2067 Massachusetts Avenue
Cambridge, MA 02140

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



Johnnie E. Simms
Chief Prosecutor
Office of Trial Staff
PA Attorney I.D. #33911

Dated: March 7, 2007
Docket No. R-00072110



McNees Wallace & Nurick LLC
attorneys at law

ORIGINAL

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

March 9, 2007

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

VIA HAND DELIVERY

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;
Docket No. R - 00072110**

Dear Secretary McNulty:

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

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

Very truly yours,

McNEES WALLACE & NURICK LLC

Charis Mincavage
Charis Mincavage

Counsel to Philadelphia Industrial and
Commercial Gas Users Group

RECEIVED
2007 MAR -9 PM 2:09
PA PUC
SECRETARY'S BUREAU

DOCKETED By
MAR 12 2007

BAN

Enclosures

c: Administrative Law Judge Charles E. Rainey, Jr. (via Federal Express)
Certificate of Service

**DOCUMENT
FOLDER**

46

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

ORIGINAL

DOCKET NO. R- 00072110

PETITION TO INTERVENE

TO THE HONORABLE, THE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

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

1. Petitioner is the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG"). The composition of PICGUG is attached hereto as Appendix A. PICGUG reserves the right to modify Appendix A throughout the course of this proceeding, as necessary.

2. The name and address of Petitioner's attorney are:

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

3. On January 31, 2007, Philadelphia Gas Works ("PGW" or "Company") submitted its preliminary Gas Cost Rate ("GCR") filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f). On February 28, 2007, the Company subsequently submitted supporting testimony setting forth the proposed gas recovery rates effective for service rendered on and after September 1, 2007.

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MAR 12 2007

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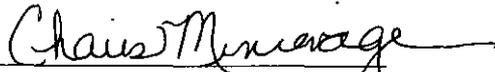
4. PICGUG is an ad hoc group of large volume natural gas customers receiving service from PGW under various rate schedules. PICGUG members use substantial volumes of natural gas in their businesses, and natural gas costs comprise a significant element of their respective costs of operation. PGW's GCR proposal may affect several of the Company's rate schedules, including schedules under which PICGUG members receive service. As a result, any PUC determination regarding PGW's 2007 GCR may impact PICGUG member interests.

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

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

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 
Charis Mincavage (Pa. I.D. 82039)
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Dated: March 9, 2007

ORIGINAL

APPENDIX A

Philadelphia Industrial and Commercial Gas Users Group

The Building Owners' and Managers' Association of Philadelphia
Philadelphia College of Osteopathic Medicine
Temple University
Thomas Jefferson University/Jefferson Health Systems

ORIGINAL

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

Gregory J. Stunder, Esquire
Philadelphia Gas Works
800 W. Montgomery Avenue
Philadelphia, PA 19112

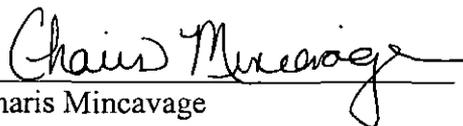
Daniel Clearfield, Esquire
Wolfe, Block, Schorr and Solis-Cohen
213 Market Street, 9th Floor
Harrisburg, PA 17101

Christy Appleby, Esquire
Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17101-1921

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

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

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


Charis Mincavage

Dated this 9th day of March, 2007, at Harrisburg, Pennsylvania.

SECRETARY'S BUREAU
2007 MAR -9 PM 2:09
REC'D (11/11/07)



McNees Wallace & Nurick LLC
attorneys at law

ORIGINAL

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

March 9, 2007

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

VIA HAND DELIVERY

**DOCUMENT
FOLDER**

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works,
Docket No. R-00072110**

Dear Secretary McNulty:

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

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

Very truly yours,

MCNEES WALLACE & NURICK LLC

By *Charis Mincavage*
Charis Mincavage

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

RECEIVED
2007 MAR -9 PM 2:20
PA PUC
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BAN

Enclosures

c: Administrative Law Judge Charles E. Rainey, Jr. (via Federal Express)
Certificate of Service

45

ORIGINAL
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2007 MAR 29 PM 2:10
PENNSYLVANIA PUBLIC
UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC
UTILITY COMMISSION

v.

Docket No. R-00072110

PHILADELPHIA GAS WORKS

**DOCUMENT
FOLDER**

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

Pursuant to Administrative Law Judge ("ALJ") Rainey's Prehearing Conference Order of March 2, 2007, the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On January 31, 2007, Philadelphia Gas Works ("PGW" or "Company") submitted its preliminary Gas Cost Rate ("GCR") filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") pursuant to the requirements of Section 1307(f) of the Public Utility Code. On February 28, 2007, PGW filed supporting testimony setting forth the proposed gas recovery rates effective for service rendered on and after September 1, 2007. On March 8, 2007, PICGUG filed a Petition to Intervene in this proceeding. A description of PICGUG is set forth in Paragraph 4 of PICGUG's Petition to Intervene. PICGUG's Petition to Intervene is pending ALJ disposition.

II. ANTICIPATED ISSUES AND SUB-ISSUES

Because any changes to the Company's gas costs may affect its members, PICGUG is concerned with all modifications to the GCR proposed in this proceeding. Similarly, PICGUG is concerned with any issues that may arise regarding interruptible transportation service, pipeline capacity cost assignment, penalty charges, and daily and monthly imbalance penalties. PICGUG

anticipates pursuing these issues during this proceeding and reserves the right to raise further issues and to respond to all matters raised by other parties.

III. PROPOSED WITNESSES

PICGUG is in the process of evaluating whether it will sponsor testimony in this proceeding. In the event that PICGUG decides to sponsor testimony, it will immediately inform the parties and the ALJ of any intended witnesses and topics of testimony. PICGUG also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

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

V. POSSIBILITY OF SETTLEMENT

PICGUG is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By Charis Mincavage
Charis Mincavage (Pa. I.D. 82039)
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717)232-8000
Fax: (717)237-5300

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

Dated: March 9, 2006

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

Gregory J. Stunder, Esquire
Philadelphia Gas Works
800 W. Montgomery Avenue
Philadelphia, PA 19112

Daniel Clearfield, Esquire
Wolfe, Block, Schorr and Solis-Cohen
213 Market Street, 9th Floor
Harrisburg, PA 17101

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

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

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

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


Charis Mincavage

Dated this 9th day of March, 2007, at Harrisburg, Pennsylvania.

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2007 MAR -9 PM 2:10
SECRETARY'S BUREAU



McNees Wallace & Nurick LLC
attorneys at law

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

March 9, 2007

VIA HAND DELIVERY

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

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;
Docket No. R-00072110**

Dear Secretary McNulty:

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

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

Very truly yours,

MCNEES WALLACE & NURICK LLC

By 
Charis Mincavage

Counsel to the Philadelphia Industrial and
Commercial Gas Users Group

RECEIVED
2007 MAR -9 PM 2:10
P.U.C.
SECRETARY'S BUREAU

BAN

Enclosures

c: Administrative Law Judge Charles E. Rainey, Jr. (via Federal Express)
Certificate of Service

**DOCUMENT
FOLDER**

45

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC
UTILITY COMMISSION

v.

PHILADELPHIA GAS WORKS

Docket No. R-00072110

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2007 MAR -9 PM 2:10
PENNSYLVANIA PUBLIC
UTILITY COMMISSION
SECRETARY'S BUREAU

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

Pursuant to Administrative Law Judge ("ALJ") Rainey's Prehearing Conference Order of March 2, 2007, the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

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FOLDER**

DOCKETED
MAR 12 2007



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560 (in PA only)

IRWINA. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
consumer@paoca.org

March 12, 2007

ORIGINAL

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17101-3265

**DOCUMENT
FOLDER**

RE: Pennsylvania Public Utility Commission
v.
Philadelphia Gas Works
2007 Purchased Gas Cost Proceeding
Docket No. R-00072110

Dear Secretary McNulty:

Enclosed for filing, please find an original and three (3) copies of the Notice of Appearance of the Office of Consumer Advocate, in the above-referenced proceeding.

Copies have been served on the parties of record as indicated on the enclosed Certificate of Service.

Sincerely,

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625

Enclosures

cc: Office of Special Assistants
Office of Administrative Law Judge
Parties of Record

00093067.DOC

RECEIVED
2007 MAR 12 PM 3:58
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

78

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :
v. : Docket No. R-00072110
Philadelphia Gas Works :
2007 Purchased Gas Cost Proceeding :

ORIGINAL

NOTICE OF APPEARANCE

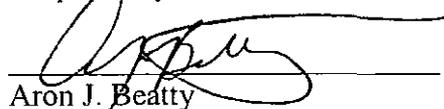
Please enter my appearance in the above-designated matter on behalf of the Office of Consumer Advocate. I am authorized to accept service on behalf of said participant in this matter.

X On the basis of this notice, I request a copy of each document hereafter issued by the Commission in this matter.

 I am already receiving or have access to a copy of each document issued by the Commission in this matter (alone, or in a consolidated proceeding) and do not on the basis of this notice require an additional copy.

**DOCUMENT
FOLDER**

Respectfully Submitted,



Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org

James A. Mullins
Assistant Consumer Advocate
PA Attorney I.D. # 77066
E-Mail: JMullins@paoca.org

Counsel for:
Irwin A. Popowsky
Consumer Advocate

DOCKETED
MAR 13 2007

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Dated: March 12, 2007
00093070.DOC

RECEIVED
2007 MAR 12 PM 3:58
PA PUC
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

ORIGINAL

Pennsylvania Public Utility Commission :

v. :

Docket No. R-00072110

Philadelphia Gas Works :
2007 Purchased Gas Cost Proceeding :

I hereby certify that I have this day served a true copy of the foregoing document, Notice of Appearance of the Office of Consumer Advocate, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 12th day of March 2007.

SERVICE BY E-MAIL and INTEROFFICE MAIL

Richard Kanaskie, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265
Counsel for: *Office of Trial Staff*

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Counsel for:

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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 12, 2007

E-mail and First Class Mail

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

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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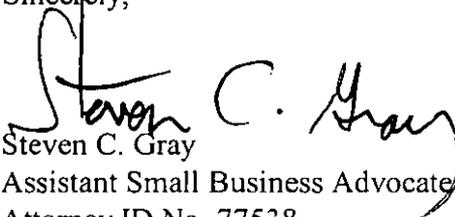
Re: **Pennsylvania Public Utility Commission v. Philadelphia Gas Works**
Docket No. R-00072110

Dear Judge Rainey:

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

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

Sincerely,


Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

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

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

:
:
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:
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:
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DOCKET NO. R-00072110

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

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

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

**DOCUMENT
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II. FILING BACKGROUND

Pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f), Philadelphia Gas Works ("PGW" or the "Company") filed its 2007 Section 1307(f) Gas Cost Rate ("GCR") filing on February 28, 2007. The OSBA filed a Complaint on March 12, 2007.

III. IDENTIFICATION OF WITNESSES AND TENTATIVE ISSUES

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

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

After time for only the most cursory review of the materials submitted by PGW, the OSBA has identified the following issues:

1. Whether PGW's gas supply purchasing plan reasonably protects gas sales customers from the volatility in the natural gas markets;
2. Whether PGW's historical year purchases were consistent with its gas supply purchasing plan and prudent gas procurement practices;
3. Whether PGW's design day weather conditions and its estimated design day demand levels are reasonable and prudent;
4. Whether PGW's universal service charge is reasonable and accurately calculated;
5. Whether PGW's interruptible revenue credit is reasonable and accurately calculated;
6. Whether PGW's natural gas commodity forecasts are reasonable and timely;

7. Whether PGW's proposed treatment of unaccounted-for gas is reasonable; and

8. Any other issues that may arise during the course of OSBA's review of the Company's filing that affect small business customers.

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

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

IV. SERVICE OF DOCUMENTS

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

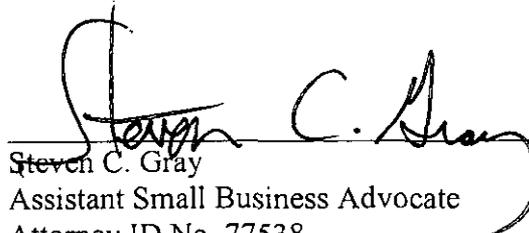
V. **SETTLEMENT**

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

VI. **HEARING AND BRIEFING SCHEDULE**

The OSBA will cooperate with the other parties to develop a procedural schedule. Given the Governor's desire to limit the travel of State Offices under his jurisdiction, the OSBA respectfully requests that the evidentiary hearings take place in Harrisburg.

Respectfully submitted,


Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

For:

William R. Lloyd, Jr.
Small Business Advocate
Attorney ID No. 16452

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

Dated: March 12, 2007

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

DOCKET NO. R-00072110

CERTIFICATE OF SERVICE

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

Hon. Charles Rainey
Administrative Law Judge
Pa. Public Utility Commission
1302 Philadelphia State Office Building
Broad & Spring Garden Streets
Philadelphia, PA 19130
(215) 560-2105
(215) 560-3133 (fax)
crainey@state.pa.us

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greg.stunder@pgworks.com

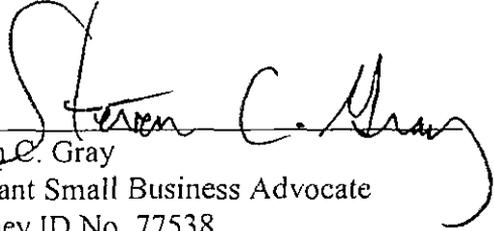
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(215) 981-0435 (fax)
(First class mail only)



Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Date: March 12, 2007

Philadelphia Gas Works

Gregory J. Stunder
Senior Attorney



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

March 12, 2007

VIA EXPRESS MAIL

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

ORIGINAL

RE: Philadelphia Gas Works 2007 – 2008 Gas Cost Rate Filing
Docket No. R-00072110

Dear Secretary McNulty,

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

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

Respectfully submitted,

Gregory J. Stunder

Enclosures

**DOCUMENT
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cc: All Parties of Record
Hon. Charles E. Rainey, Jr.

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SECRETARY'S BUREAU

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Pennsylvania Public Utility Commission,

v.

Philadelphia Gas Works

Docket No. R-00072110

**PHILADELPHIA GAS WORK'S
PREHEARING MEMORANDUM**

I. INTRODUCTION

Philadelphia Gas Works ("PGW") submits this Prehearing Memorandum in anticipation of the Prehearing Conference scheduled before Administrative Law Judge Charles E. Rainey, Jr. on March 15, 2007. This Prehearing Conference is to cover PGW's 2007-08 Gas Cost Rate ("GCR") proceeding, which includes the establishment of its 2007-08 proposed Restructuring and Universal Service Surcharge, for which pre-filing information was filed on February 1, 2007 and its annual filing was made on March 1, 2007. Additionally, PGW submitted a Petition requesting waiver of certain Commission regulations pertaining to its supporting data and customer notice for the GCR. That Petition was approved as indicated in Secretary McNulty's letter dated February 21, 2007.

II. DISCOVERY

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

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service of the interrogatories, except that service of interrogatories on a Friday shall be deemed service on the following Monday.

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2. Objections to interrogatories shall be communicated orally within three (3) days of service; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories.
3. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) business days of service of written objections.
4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) days of service of such motions and shall have attached a copy of the interrogatory or interrogatories and any responses.
5. Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days.
6. Requests for admission shall be deemed admitted unless answered within ten (10) days or objected to within five (5) days of service.
7. Answers to on-the-record data requests shall be served in-hand within seven (7) calendar days of the requests.

III. FACTUAL AND LEGAL ISSUES

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

1. Whether PGW proposed 2007-08 projected cost of natural gas expense and total applicable GCR Expense are just, reasonable and consistent with the least cost fuel procurement and other standards set forth in 66 Pa.C.S. §§ 1307(f), 1317 and 1318?
2. Whether PGW's claimed realized 2007-08 natural gas expense, GCR Expense and prior year undercollection is just, reasonable and consistent with the least cost procurement and other standards set forth in 66 Pa. C.S. §§ 1307(f), 1317 and 1318?
3. Are the revisions to PGW's authorized Restructuring Surcharge, designed to recover PGW's realized and projected restructuring costs, authorized by the Pa PUC in PGW's Restructuring Proceeding (M-00021612), just, reasonable and in accordance with applicable PUC orders and the Public Utility Code?

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

5. Whether PGW's proposed Supplement No. 16 to PGW's Pa PUC Tariff No. 2 setting forth the revisions in rates required by the changes in the GCR, Restructuring, and USC surcharges is just, reasonable and otherwise consistent with law?

IV. SERVICE OF DOCUMENTS

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

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

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

* Lead Counsel

V. SCHEDULE

PGW has been communicating with the other parties in order to develop a proposed schedule for discovery, evidentiary hearings and submission of briefs and anticipates presenting a schedule during the pre-hearing conference.

VI. WITNESSES

PGW expects to submit the testimony of the following witnesses:

- A. Douglas Moser (same business address as the undersigned).
- B. Kenneth Dybalski (same business address as the undersigned).

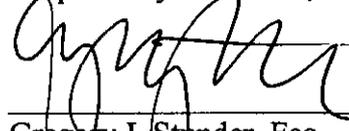
PGW has filed the prepared direct testimony of these witnesses with its March 1 filing.

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

VII. SETTLEMENT

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

Respectfully submitted,



Gregory J. Stunder, Esq.
Senior Attorney
Philadelphia Gas Works
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(215) 684-6878

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

Dated: March 12, 2007

CERTIFICATE OF SERVICE

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

VIA E-MAIL and FIRST CLASS MAIL MAIL

Aron Beatty, Esq.
Office of Consumer Advocate
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555 Walnut Street
Harrisburg, PA 17101-1921

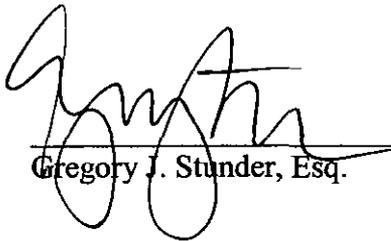
Charis Mincavage, Esquire
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Gregory J. Stunder, Esq.

Date: March 12, 2007

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Philadelphia Gas Works



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Email: greg.stunder@pgworks.com

March 13, 2007

VIA FEDERAL EXPRESS

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

RECEIVED
MAR 13 2007
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: Philadelphia Gas Works 2007-2008 Gas Cost Rate Filing
Docket No. R-00072110

Dear Secretary McNulty:

On March 12, 2007, my Assistant was to send to your office for filing the attached Gas Cost Rate Filing via overnight mail. This morning, March 13, 2007, my Assistant explained to me that she forgot to place the Federal Express envelope in the FedEx delivery box.

This document was emailed on March 12, 2007 to All Parties of Record, as well as mailed by First Class Mail.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder". The signature is fluid and cursive, with a large loop at the end.

Gregory J. Stunder

GJS:g

Attachment