

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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September 17, 2015

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Petition of Philadelphia Gas Works for
Approval to Establish a Distribution System
Improvement Charge
Docket No. P-2015-2501500

Dear Secretary Chiavetta:

Attached for electronic filing are the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceedings.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

Erin L. Gannon (YB)

Erin L. Gannon
Senior Assistant Consumer Advocate
PA Attorney I.D. # 83487
E-Mail: EGannon@paoca.org

Attachment

cc: Office of Administrative Law Judge
Office of Special Assistants
Certificate of Service

*212194

CERTIFICATE OF SERVICE

Re: Petition of Philadelphia Gas Works :
for Approval to Establish a Distribution : Docket No. P-2015-2501500
System Improvement Charge :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Formal Complaint and Public Statement, 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 17th day of September 2015

SERVICE BY E-MAIL & INTER-OFFICE MAIL

Johnnie E. Simms, Director
Bureau of Investigation & Enforcement
Pa Public Utility Commission
400 North Street,
Harrisburg, PA 17101

SERVICE BY EMAIL & FIRST CLASS MAIL, POSTAGE PAID

Carl Shultz, Esquire
Daniel Clearfield, Esquire
Eckert Seamans Cherin & Mellott LLC
213 Market Street 8th Floor
Harrisburg, PA 17101

John R. Evans
Office of Small Business Advocate
Suite 202, Commerce Building
300 N. Second Street
Harrisburg, PA 17101

Erin L. Gannon (YG)
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Tanya McCloskey, Acting Consumer
Advocate
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Formal Complaint

1. COMPLAINANT

Tanya J. McCloskey

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone: (717) 783-5048
Facsimile: (717) 783-7152

2. RESPONDENT

Philadelphia Gas Works - P-2015-2501500

3. TYPE OF UTILITY

Gas

4. COMPLAINT

- A. On September 1, 2015, Philadelphia Gas Works (PGW or the Company) filed a Petition for multiple waivers of the provisions of Act 11 relating to the Distribution System Improvement Charge (DSIC), 66 Pa. C.S. §§ 1350-1360, and expedited approval of its proposed changes to the DSIC mechanism.
- B. Through this filing, PGW seeks approval to: increase its maximum allowable DSIC from 5% to 7.5% (not including reconciliation) for service rendered on or after January 1, 2016; use an annual, levelized charge as the basis for establishing a DSIC, subject to subsequent true-up for PGW's actual annual, 12-month experience, with a total cap of 10%; pay no interest on DSIC over recoveries; file the proposed PGW tariff supplement codifying these changes on one (1) day's notice; and file an amended Long Term Infrastructure Improvement Plan. PGW also seeks waiver or suspension of any provisions of Act 11 that are inconsistent with its proposals.
- C. The Company is engaged in the business of furnishing natural gas service to approximately 500,000 customers in Southeastern Pennsylvania in the County and City of Philadelphia.
- D. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the General Assembly, as amended, 71 P.S. §§ 309-1, *et seq.*

- E.** The Acting Consumer Advocate files this Complaint to ensure that the Commission will fully and fairly adjudicate issues pertaining to whether the Company's proposed waivers, increase of the DSIC cap, levelization and annualization of the charge, exemption from paying interest and request for expedited approval are just and reasonable, and are not unduly discriminatory or otherwise unlawful.

5. RELIEF

The Acting Consumer Advocate respectfully requests that Your Honorable Commission take the following actions:

- A.** Deny the Petition as filed;
- B.** Assign this Formal Complaint to the Office of Administrative Law Judge for evidentiary hearings;
- C.** Institute an investigation into the justness and reasonableness of the Company's proposed waivers and changes to the Act 11 DSIC mechanism;
- D.** Consolidate all formal complaints filed against the proposed changes with the Petition at Docket No. P-2015-2501500;
- E.** Schedule public input hearings in PGW's service territory, if there is substantial public interest;
- F.** Grant such other relief that the Commission may deem to be necessary and proper.

6. VERIFICATION AND SIGNATURE

Verification:

I, Tanya J. McCloskey, Acting Consumer Advocate, hereby state that the facts above set forth are true and correct (or 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).


(Signature)

September 17, 2015
(Date)

7. LEGAL REPRESENTATION

Erin L. Gannon, Senior Assistant Consumer Advocate, PA Bar No. 83487
Darryl A. Lawrence, Senior Assistant Consumer Advocate, PA Bar No. 93682

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**PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)**

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interest of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the Commission involving the request for multiple waivers of the provisions of Act 11 relating to the Distribution System Improvement Charge (DSIC), 66 Pa. C.S. §§ 1350-1360, and expedited approval of changes to the DSIC mechanism requested by Philadelphia Gas Works (PGW or the Company) docketed at P-2015-2501500 (Petition).

The Company is engaged in the business of furnishing gas service to approximately 500,000 customers in in Southeastern Pennsylvania in the County and City of Philadelphia. PGW has petitioned the Commission to increase its maximum allowable DSIC from 5% to 7.5% (not including reconciliation) for service rendered on or after January 1, 2016; approve use of an annual, levelized charge, subject to subsequent true-up for PGW's actual annual, 12-month experience with a total cap of 10%; be exempt from paying interest on DSIC over recoveries; approve PGW filing a tariff supplement codifying these changes on one (1) day's notice, direct it to file an amended Long Term Infrastructure Improvement Plan; and waive or suspend any provisions of Act 11 that are inconsistent with PGW's proposals.

The Acting Consumer Advocate files this Complaint to ensure that any waivers of the Act 11 DSIC provisions, 66 Pa. C.S. §§ 1350-1360, requested rate increase and proposed changes to the DSIC mechanism are legal, just and reasonable. The Acting Consumer Advocate will represent the interests of PGW consumers before the Commission and seek to ensure that customers are not subject to charges that are unjust, unreasonable, discriminatory or otherwise contrary to law.