



COMMONWEALTH OF PENNSYLVANIA

October 1, 2015

E-FILED, E-MAIL, AND HAND DELIVERY

Hon. Christopher P. Pell
Administrative Law Judge
Pa. Public Utility Commission
801 Market Street - #4063
Philadelphia, PA 19107

Hon. Marta J. Guhl
Administrative Law Judge
PA Public Utility Commission
801 Market Street - #4063
Philadelphia, PA 19107

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-2015-2501500**

Dear Judge Pell and Judge Guhl:

Enclosed are two copies of the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon E. Webb".

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: Parties of Record
Robert D. Knecht

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Philadelphia Gas	:	
Works for Waiver of Provisions	:	
Of Act 11 to Increase the	:	Docket No. P-2015-2501500
Distribution System Improvement	:	
Charge Cap and to Permit	:	
Levelization of DSIC Charges	:	

**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 (“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 Sharon E. Webb. Please address all correspondence as follows:

Sharon E. Webb
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
swebb@pa.gov

II. FILING BACKGROUND

On September 1, 2015, Philadelphia Gas Works (“PGW” or the “Company”) filed a Petition for Waiver of Provisions of Act 11 to increase the Distribution System Improvement Charge CAP and to Permit Levelization of DSIC Charges (“Petition”) with the Commission. The OSBA filed an Answer and Notice of Intervention in this matter on September 21, 2015.

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

In its May 9, 2013, Order, PGW’s DSIC was approved by the Commission and which allowed the Company to bill ratepayers up to 5% of its billed non-gas revenues to fund the replacement of cast iron mains.¹

In its Petition, PGW has proposed material changes its DSIC including increasing the CAP, and to modify the current Distribution System Improvement Charge (“DSIC”) mechanism through a waiver or suspension of the requirements of Act 11 of 2012 (“Act 11”) by allowing the Company to base its DSIC on annual expenditures rather than quarterly expenditures.²

The OSBA will participate in the case to assure that the interests of small business customers of PGW are adequately represented and protected. Specifically, the OSBA expects to focus on issues the Company’s requests for waivers of Act 11 and its proposal to not pay interest on over-collections.

The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

¹ *Petition of PGW for Approval of a DSIC*, Docket No. P-2012-2337737, Order, May 9, 2013.

² *Petition* at 2.

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.

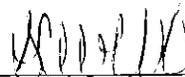
V. SETTLEMENT

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 work with other parties to arrive at a mutually acceptable litigation schedule.

Respectfully submitted,



Sharon E. Webb
Attorney ID No. 73995
Assistant Small Business Advocate

Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, PA 17101

Dated: October 1, 2015

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Philadelphia Gas :
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CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email and/or first-class mail (unless other noted below) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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The Honorable Marta J. Guhl
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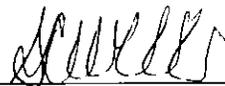
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Dated: October 1, 2015