

Daniel Clearfield  
717.237.7173  
dclearfield@eckertseamans.com

January 29, 2016

**Via Hand Delivery**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
Commonwealth Keystone Bldg.  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

Re: Philadelphia Gas Works 2016-2017 Gas Cost Rate Filing  
Docket No. R-2016-XXXXXXX

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW") enclosed for filing are an original and one CD containing the supporting information for the prefiling for PGW's annual 2016-2017 Gas Cost Rate ("GCR") Filing. The information is presented in two volumes. Volume 1 contains tabs 1-3; and, Volume 2 contains tabs 4-37. Consistent with the Commission's September 11, 2001 Order entered at Docket No. R-00016378 and the process followed for prior GCR filings, PGW is submitting the prefiling information required by the Commission's regulation on or before February 1, 2016 and will submit its annual GCR filing on or before March 1, 2016.

Contained in this submission is the information required by 66 Pa. C.S. §§ 1307(f), 1317 and 1318 as well as 52 Pa. Code § 53.64 and 53.65, in accordance with Ordering Paragraph No. 14 of the Commission's November 2, 2000 Order, Docket Number R-00005619. The data required by 53.64(c)(1) is being filed pursuant to the attached schedule as agreed upon by the Bureau of Investigation & Enforcement and the Office of the Consumer Advocate in prior Gas Cost Rate Proceedings.

Finally, under separate cover and also consistent with prior GCR submissions, PGW is filing a Petition for Special Permission to Depart from Certain Requirements of 52 Pa. Code Sections 53.45(b), 53.64(c), 53.68(a) and 53.64(i)(5)(i) to address the timing of bill inserts, public notice, and underlying data to be relied upon for the March 1, 2016 quarterly 1307(f) filing.

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

Sincerely,

  
Daniel Clearfield

DC/lww

Enclosure

cc: Certificate of Service w/enc.

Paul Diskin, Bureau of Technical Utility Services w/enc.

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**Filing Schedule for the Data Required by 52 Pa. Code § 53.64(c)(1)**

<b><u>Filing requirement:</u></b>	<b><u>Data filed with the February 1, 2015 pre-filing:</u></b>	<b><u>Data filed with the March 1, 2015 annual filing:</u></b>
Schedule 1 - Twelve (12) month purchased gas costs expressed in terms of volumes and dollars for the period January 1, 2014 to December 31, 2014.	Actual data for the eleven (11) months ending November 30, 2014 and actual/estimated data for the one (1) month ending December 31, 2014.	Actual data for the twelve (12) months ending December 31, 2014.
Schedule 2 - Capacity release credits by pipeline by month for the period January 1, 2014 to December 31, 2014.	Actual data for the eleven (11) months ending November 30, 2014 and actual/estimated data for the one (1) month ending December 31, 2014.	Actual data for the twelve (12) months ending December 31, 2014.
Schedule 3 - Twenty (20) month forecasted summary of total fuel purchased for the period of January 1, 2015 through August 31, 2016.	N/A.	Twenty (20) month forecast.
Schedule 4 - Twenty (20) month forecast of capacity release credits by pipeline by month for the period of January 1, 2015 through August 31, 2016.	N/A.	Twenty (20) month forecast.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of PGW's Supporting Information for Prefiling of Annual GCR filing upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

**Via Federal Express**

Aron Beatty, Esq.  
Brandon J. Pierce, Esq.  
Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place Bldg.  
555 Walnut Street  
Harrisburg, PA 17101-1921

Sharon Webb, Esq.  
Office of Small Business Advocate  
Commerce Building, Suite 202  
300 North Second St.  
Harrisburg, PA 17101

Johnnie Simms, Esq.  
Richard Kanaskie, Esq.  
Gina Lauffer  
Bureau of Investigation & Enforcement  
PA Public Utility Commission  
Commonwealth Keystone Bldg.  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

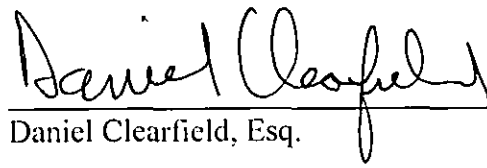
Robert Ballenger, Esq.  
Community Legal Services  
1424 Chestnut Street  
Philadelphia, PA 19102

Adeolu Bakare, Esq.  
McNees Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17101

Jerome D. Mierzwa  
Exeter Associates, Inc.  
10480 Little Patuxent Parkway  
Columbia, MD 21044

Robert Knecht  
Industrial Economics, Incorporated  
2067 Massachusetts Ave.  
Cambridge, MA 02140

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Daniel Clearfield, Esq.

Dated: January 29, 2016

Daniel Clearfield  
717.237.7173  
dclearfield@eckertseamans.com

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**Via Hand Delivery**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
Commonwealth Keystone Bldg.  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120

Re: Philadelphia Gas Works 2016-2017 Gas Cost Rate Filing; Petition for Special Permission to Depart from Certain Requirements of 52 Pa. Code Sections 53.45(b), 53.64(c), 53.68(a) and 53.64(i)(5)(i)  
Docket No. R-2016-XXXXXXX

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW") enclosed is PGW's Petition for Special Permission to Depart from Certain Requirements of 52 Pa. Code Sections 53.45(b), 53.64(c), 53.68(a) and 53.64(i)(5)(i). Under separate cover, PGW is submitting the supporting information required for the prefiling for PGW's annual 2016-2017 Gas Cost Rate ("GCR") Filing.

Consistent with prior GCR submissions, PGW is filing this Petition to address the timing of bill inserts, public notice, and underlying data to be relied upon for the March 1, 2016 quarterly 1307(f) filing.

Sincerely,

  
Daniel Clearfield

DC/lww  
Enclosure

cc: Certificate of Service w/enc.  
Paul Diskin, Bureau of Technical Utility Services w/enc.  
Marissa Boyle, (TUS) via email only [maboyle@pa.gov](mailto:maboyle@pa.gov)

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**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

**PETITION OF PHILADELPHIA GAS :  
WORKS FOR SPECIAL PERMISSION :  
TO DEPART FROM CERTAIN :  
REQUIREMENTS OF 52 PA. CODE : DOCKET NO. R-2016-\_\_\_\_\_  
SECTIONS 53.45(b), 53.64(c), 53.68(a) AND :  
53.64(i)(5)(i) :**

Philadelphia Gas Works (“PGW”) submits this petition to the Pennsylvania Public Utility Commission (“PUC” or “Commission”) requesting special permission to depart from some of the requirements of 52 Pa. Code §§ 53.45(b), 53.64(c), 53.68(a) and 53.64(i)(5)(i) in order to:

- (1) provide written notice to customers by bill insert in the one-month billing cycle commencing on the date of the annual 1307(f) filing, on March 1, 2016, of a tariff addendum and tariff or tariff supplement reflecting changes in purchased gas costs and ending no later than thirty (30) days after the filing of such tariff addendum and tariff or tariff supplement, instead of beginning such notice with the one-month billing cycle commencing thirty (30) days prior to the filing of the tariff addendum and tariff or tariff supplement as required by 52 Pa. Code § 53.68(a);
- (2) in company offices in which payments are accepted, provide public notice on the date of the annual 1307(f) filing, March 1, 2016, of a tariff addendum and tariff or tariff supplement reflecting changes in purchased gas costs, instead of thirty (30) days prior to the filing of such tariff addendum and tariff or tariff supplement as required by 52 Pa. Code §§ 53.68(a) and 53.45(b); and
- (3) provide estimated data for both January 2016 and February 2016 in the March 1, 2016 quarterly 1307(f) filing instead of providing actual data for January 2016 alone as required by 52 Pa. Code § 53.64(i)(5)(i).

1. Consistent with prior Gas Cost Rate (“GCR”) proceedings, PGW is filing this petition simultaneously with its GCR pre-filing which is to be filed on or before February 1 pursuant to the Commission’s Order entered September 11, 2001 at Docket No. R-00016378. This Petition specifically addresses issues related to PGW’s annual GCR filing which must be filed on March 1, 2016. PGW has advised the Commission’s Bureau of Investigation and

Enforcement and the Office of Consumer Advocate about this request and each has authorized PGW to indicate that they do not oppose the relief requested in this Petition.

In support of this Petition, PGW states the following:

2. PGW is a group of real and personal assets owned by the City of Philadelphia (the "City") and used for the acquisition, storage, processing, and distribution of natural gas within the City, and thus qualifies as a "city natural gas distribution operation" pursuant to Section 102 of the Public Utility Code ("Code"), 66 Pa. C.S. § 102. PGW provides natural gas supply and natural gas distribution services to over 500,000 customers in the City and County of Philadelphia.

3. In accordance with the Public Utility Code, PGW is subject to Section 1307, 66 Pa. C.S. §§ 1307(f) (relating to recovery of purchased gas costs) and 1317(a) and 1318(a) (relating to least cost fuel procurement), as well as the Commission's regulations at 52 Pa. Code §§ 53.64 and 53.68, with respect to recovery of PGW's purchased gas costs under "Gas Cost Rate" Section of its tariff.

4. Consistent with the Commission's Order entered September 11, 2001 at Docket No. R-00016378, PGW is required to submit its annual GCR filings on March 1 and the pre-filing information on February 1. PGW is submitting its pre-filing information simultaneously with this Petition.

5. The Commission's regulations at 52 Pa. Code §§ 53.64(c) and 53.68(a) permit notifications of increases or decreases in purchased gas costs to customers by bill insert but require such notification, for PGW's 2016-2017 GCR, to be begun by January 30, 2016, thirty (30) days before the tariff or tariff addendum required to be filed on March 1, 2016. The Commission's regulations at 52 Pa. Code §§ 53.64(c), 53.68(a) and 53.45(b) seem to require that PGW provide public notice of proposed changes in its 2016-2017 Gas Cost Rate ("GCR") in

company offices that accept payments thirty (30) days before the tariff or tariff addendum required to be filed March 1, 2016, or on January 30, 2016. Because finalized data for the month of December 2015, will not be available and compiled by January 30, 2016, PGW cannot, by January 30, 2016: (a) determine its proposed GCR for the 2016-2017 GCR period; (b) begin customer bill insert notice of the proposed rate; or (c) provide public notice of the proposed rate in company offices that accept payments.

6. In addition, PGW is unable to determine its proposed 2016-2017 GCR by January 30, 2016 because it takes approximately ten (10) days to complete the revenue and GCR runs necessary to generate the GCR rate proposed in the March 1, 2016 annual 1307(f) filing. There is insufficient time available to collect the requisite information, calculate volume and cost information, establish demands, temperature patterns, *etc.*, perform the necessary revenue and GCR calculations and prepare the appropriate level of documentation to generate the proposed GCR rate.

7. The calculation of the GCR rate proposed in the March 1, 2016 annual 1307(f) is based on the data provided in the March 1, 2016 quarterly 1307(f) filing, therefore, PGW must prepare the March 1, 2016 quarterly 1307(f) filing before actual January 2016 data is available. As a result, PGW must use estimated January 2016 data in preparing the March 1, 2016 quarterly 1307(f).

8. In lieu of notifying individual customers by bill insert during the one-month billing cycle beginning January 30, 2016, and concluding on or before March 1, 2016, PGW hereby requests special permission to depart from the requirements of 52 Pa. Code § 53.68(a) and to notify individual customers by bill insert during a one-month billing cycle beginning on March 1, 2016, and concluding not later than March 31, 2016.

9. In lieu of providing public notice, in company offices that accept payments, of proposed changes in PGW's 2016-2017 GCR thirty (30) days before the tariff or tariff addendum required to be filed March 1, 2016, or on January 30, 2016, PGW hereby requests special permission to depart from the requirements of 52 Pa. Code §§ 53.68(a) and 53.45(b) and to provide public notice, in company offices that accept payments, of proposed changes in PGW's 2016-2017 GCR on March 1, 2016.

10. In lieu of providing actual January 2016 data in PGW's March 1, 2016 quarterly 1307(f) filing, PGW hereby requests special permission to depart from the requirements of 52 Pa. Code § 53.64(i)(5)(i) and to provide estimated January 2016 and estimated February 2016 data in PGW's March 1, 2016 quarterly 1307(f) filing.

11. Permitting PGW to provide customer notice by bill insert beginning March 1, 2016 and to provide public notice, in company offices that accept payments, on March 1, 2016, will not prejudice individual customers or the public interest because PGW's proposed 2016-2017 GCR will not become effective in any event until September 1, 2016. In addition, permitting PGW to provide customer notice by bill insert beginning March 1, 2016 is consistent with 52 Pa. Code § 53.45(b)(4), which provides that "the bill insert shall be included with customer bills beginning no later than the day the tariff, tariff supplement or tariff revision containing the rate increase is filed."

12. Pursuant to the Joint Petition for Settlement of PGW's 2003-2004 GCR Proceeding,<sup>1</sup> PGW will publish on February 18, 2016 or February 19, 2016 newspaper notice of the filing of its tariff addendum and tariff or tariff supplement in the newspapers of general

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<sup>1</sup> *Pennsylvania Public Utility Commission v. Philadelphia Gas Works*, Docket No. R-00038173, Order entered August 27, 2003 at ¶ 12.

circulation within the territory served by PGW in advance of the March 1, 2016 filing of its tariff addendum and tariff or tariff supplement.

13. This petition for special permission is limited to the filing requirement provisions of 52 Pa. Code § 53.64(c) and to the notice provisions of 52 Pa. Code §§ 53.68(a) and 53.45(b) as they apply to the tariff addendum and tariff or tariff supplement to be filed by PGW on March 1, 2016, and has no applicability to any subsequent tariff addendum or tariff filing. PGW acknowledges that neither the granting of the requested special permission nor PGW's filing of the tariff addendum and tariff or tariff supplement is to be construed as approval by the Commission of the proposed change in PGW's gas cost recovery rates to be set forth in the tariff addendum and tariff or tariff supplement, and PGW acknowledges that the Commission's rules with regard to the construction, filing and posting of tariffs are not to be considered as being waived, except as permitted by any special permission granted in response hereto. PGW further acknowledges the Commission's right to take such other action as may be authorized by law, notwithstanding the granting of the requested special permission.

14. Upon information and belief, PGW notes that the Commission, in the past, has granted Section 1307(f) utilities special permission to delay customer notice until closer in time to the actual rate filing. For example, by Order entered December 6, 1985, at Docket No. P-850081, the Commission approved the "Petition of the Pennsylvania Gas Association for Partial Waiver of the Commission's Regulations at 52 Pa. Code §§ 53.64(c) and 53.68(a)," permitting customer notice to begin fifteen (15) days in advance of the Section 1307(f) tariff filing. In addition, the Commission permitted National Fuel Gas Distribution ("NFGD") to begin customer notice fourteen (14) days before NFGD's 2001-2002 and 2002-2003 Section 1307(f) proceedings at Docket Nos. R-00005832 and R-00016789.

15. PGW has submitted similar petitions for special permission with prior GCR filings which have been granted via Secretarial Letter.<sup>2</sup>

16. PGW has advised the Commission's Bureau of Investigation and Enforcement and the Office of Consumer Advocate about this request and each has authorized PGW to indicate that they do not oppose the relief requested in this Petition.

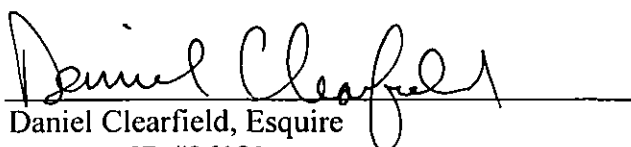
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<sup>2</sup> See, e.g., *Philadelphia Gas Works 2004 - 2005 Gas Cost Rate Filing, Petition for Special Permission to Depart from certain Requirements of 52 Pa. Code Sections 53.45(b), 53.64(c) and 53.68(a) Concerning the Provision of Public Notice*, Docket No. R-00049157, Secretarial Letter dated March 4, 2004 (granting Petition).

**WHEREFORE**, it is respectfully requested that the Pennsylvania Public Utility Commission approve PGW's petition for special permission to depart from the requirements of 52 Pa. Code §§ 53.45(b), 53.64(c), 53.68(a) and 53.64(i)(5)(i) in order to:

- (1) provide written notice to customers by bill insert in the one-month billing cycle commencing on the date of the filing, on March 1, 2016, of a tariff addendum and tariff or tariff supplement reflecting changes in purchased gas costs and ending no later than thirty (30) after the filing of such tariff addendum and tariff or tariff supplement, instead of beginning such notice with the one-month billing cycle commencing thirty (30) days prior to the filing of the tariff addendum and tariff or tariff supplement as required by 52 Pa. Code § 53.68(a);
- (2) in company offices in which payments are accepted, provide public notice on the date of the filing, March 1, 2016, of a tariff addendum and tariff or tariff supplement reflecting changes in purchased gas costs, instead of thirty (30) days prior to the filing of such tariff addendum and tariff or tariff supplement as required by 52 Pa. Code §§ 53.68(a) and 53.45(b); and
- (3) provide estimated data for both January 2016 and February 2016 in the March 1, 2016 quarterly 1307(f) filing instead of providing actual data for January 2016 alone as required by 52 Pa. Code § 53.64(i)(5)(i).

Respectfully submitted,



Daniel Clearfield, Esquire  
Attorney ID #26183  
Deanne M. O'Dell, Esquire  
Attorney ID #81064  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8th Floor  
Harrisburg, PA 17101  
(717) 237-6000 (phone)  
(717) 237-6019 (fax)

Of Counsel:  
Raquel Guzman, Esquire  
Assistant General Counsel  
Philadelphia Gas Works  
800 West Montgomery Ave  
Philadelphia, PA 19122

Date: January 29, 2016

Attorneys for Philadelphia Gas Works

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**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of PGW's Petition for Special Permission to Depart from Certain Requirements upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

**Via Federal Express**

Aron Beatty, Esq.  
Brandon J. Pierce, Esq.  
Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place Bldg.  
555 Walnut Street  
Harrisburg, PA 17101-1921

Sharon Webb, Esq.  
Office of Small Business Advocate  
Commerce Building, Suite 202  
300 North Second St.  
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Johnnie Simms, Esq.  
Richard Kanaskie, Esq.  
Gina Lauffer  
Bureau of Investigation & Enforcement  
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1424 Chestnut Street  
Philadelphia, PA 19102

Adeolu Bakare, Esq.  
McNees Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17101

Jerome D. Mierzwa  
Exeter Associates, Inc.  
10480 Little Patuxent Parkway  
Columbia, MD 21044

Robert Knecht  
Industrial Economics, Incorporated  
2067 Massachusetts Ave.  
Cambridge, MA 02140

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