

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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consumer@paoca.org

February 21, 2017

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

Re: Pennsylvania Public Utility Commission v.
Philadelphia Gas Works 1307(f)
Docket No. R-2017-2587526

Dear Secretary Chiavetta:

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

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

A handwritten signature in cursive script that reads "Christy M. Appleby".

Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824

Attachment

cc: Office of Special Assistants
Certificate of Service

229771

Pennsylvania Public Utility Commission

Formal Complaint Form

Please Print.

1. Your name, mailing address, telephone number and utility account number:

Name Tanya J. McCloskey, Acting Consumer Advocate

Street/P.O. Box 555 Walnut Street 5th Floor Forum Place Apt #

City Harrisburg State Pennsylvania Zip 17101-1923

County Dauphin

Area Code/Home Phone Area Code/Work Phone (717)783-5048

Utility Account Number

If the above mailing address differs from the address where the utility service is provided, list this information below.

Name

Street/P.O. Box

City State Zip

County

2. Name of utility company your complaint concerns: Philadelphia Gas Works, Docket No. R-2017-2587526

3. Type of Utility (circle one):

GAS

WATER

MOTOR CARRIER

STEAM HEAT

ELECTRIC

SEWER

TELEPHONE – (LOCAL OR LONG DISTANCE)

4. What is your complaint? (Use additional paper if you need more space and provide copies of any relevant documentation you believe will support your complaint).

- A. On February 9, 2017, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations, Philadelphia Gas Works (PGW or the Company) submitted pre-filed supporting information concerning its annual 2017-2018 Purchased Gas Cost (PGC) filing.
- B. In its pre-filed material, PGW indicated that on or before March 1, 2017, the Company will make its definitive 1307(f) filing, in which it will state the proposed PGC rate to be effective September 1, 2017.
- C. PGW provides service to residential customers within the City of Philadelphia.
- D. The Public Utility Code provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to customers. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and vigorously represented ratepayer interests before the Federal Energy Regulatory Commission; (2) taken all prudent steps to negotiate favorable gas supply contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas supplies; and (4) not withheld or caused to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy.
- E. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. Stat. Ann. §§ 309-1 et seq. (Purdon's Supp. 1990).
- F. After the initial review of PGW's filing, the Acting Consumer Advocate files this Formal Complaint in order to ensure that the Company's proposed purchased gas cost rates are consistent with a least cost fuel procurement policy and do not result in rates and charges that are excessive, unjust or unreasonable, discriminatory, or otherwise contrary to Commission regulation or policy.

5. What do you want the Public Utility Commission to do about your complaint? (Use additional paper if you need more space).

The Acting Consumer Advocate respectfully requests that the Public Utility Commission:

- 1. Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code;
- 2. Hold public input hearings in PGW's service territory, if consumer interest arises;

8. Mail to:

Secretary
Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

If you have additional questions about filling out this form, please contact the Secretary's Bureau at 717-772-7777.

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 Office of Consumer Advocate (OCA) to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC or the 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 Philadelphia Gas Works (PGW or the Company) at Docket No. R-2017-2587526.

On February 1, 2017, PGW submitted pre-filed information in support of its annual reconciliation of its purchased gas cost rate (PGC) filing. On or about March 1, 2017, PGW will submit its definitive annual PGC filing to the Commission pursuant to Section 1307(f) of the Public Utility Code.

The Office of Consumer Advocate has filed this Formal Complaint with the Commission to ensure that PGW's PGC filing is examined and that any implemented PGC rate is consistent with the least cost fuel procurement obligation under the Public Utility Code. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy. The OCA will seek to ensure that only those purchased gas costs which meet the requirements of Section 1318 will be paid by PGW's ratepayers. The OCA also will seek to ensure that the rates approved by the Commission are otherwise just and reasonable.

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v. : Docket Nos. R-2017-2587526
Philadelphia Gas Works 1307(f) :

I hereby certify that I have this day served a true copy of the foregoing documents, 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 Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 21st day of February 2017.

SERVICE BY INTER-OFFICE MAIL

Gina L. Miller, Esquire
Bureau of Investigation & Enforcement
400 North Street
Harrisburg, PA 17120

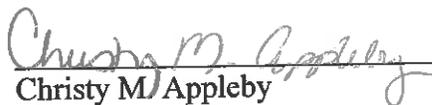
SERVICE BY E-MAIL and FIRST CLASS MAIL

Brandon J. Pierce, Esquire
Philadelphia Gas Works
800 West Montgomery Avenue
Philadelphia, PA 19122

Sharon E. Webb, Esquire
Office of Small Business Advocate
Commerce Building, Suite 202
300 North Second Street
Harrisburg, PA 17101

Adeolu A. Bakare, Esquire
McNees, Wallace & Nurick, LLC
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P.O. Box 1166
Harrisburg, PA 17108-1166

Robert Ballenger, Esq.
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