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March 13, 2017

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

**VIA ELECTRONIC FILING**

**RE: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;  
Docket No. R-2017-2587526**


Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission the Prehearing Memorandum of the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served.

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
Alessandra L. Hylander

Counsel to Philadelphia Industrial and Commercial Gas Users Group

Enclosure

c: Administrative Law Judge Marta Guhl (via Email and First-Class Mail)  
Certificate of Service

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2017-2587526
	:	
Philadelphia Gas Works	:	

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

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Pursuant to the March 6, 2017, Prehearing Conference Order issued by Administrative Law Judge Marta Guhl, 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 February 1, 2017, the Philadelphia Gas Works ("PGW") submitted its Gas Cost Rate ("GCR") pre-filing with the Pennsylvania Public Utility Commission ("Commission") pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f).

On February 21, 2017, PICGUG filed a Petition to Intervene in this proceeding. A description of PICGUG is set forth in PICGUG's Petition to Intervene. PICGUG's Petition to Intervene is pending and awaits disposition by the ALJ.

On March 1, 2017, PGW filed its 2017-2018 GCR filing pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f).

A Prehearing Conference has been scheduled in this proceeding for March 15, 2017.

**II. ANTICIPATED ISSUES AND SUB-ISSUES**

Because changes to the Company's gas costs may affect its members, PICGUG is concerned with the modifications to the GCR proposed in this proceeding. Similarly, PICGUG is

concerned with any issues that may arise regarding interruptible transportation service, proposed retainage fee, pipeline capacity cost assignment, penalty charges, and daily and monthly imbalance penalties. PICGUG anticipates pursuing these issues during this proceeding, as necessary, and reserves the right to raise further issues and to respond to all matters raised by other parties.

### **III. PROPOSED WITNESSES**

PICGUG is currently evaluating whether it will sponsor testimony in this proceeding. If PICGUG opts to sponsor testimony, it will immediately inform the parties and the ALJ of any intended witnesses and their areas 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 other parties to develop a mutually acceptable schedule for discovery and testimony. To the extent necessary, PICGUG will also cooperate with the ALJ and the parties at the Prehearing Conference to address any requested modifications to the Commission's standard discovery rules in accordance with the Commission's Regulations and any directives issued by the ALJs.

**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 Alessandra L. Hylander

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Counsel to the Philadelphia Industrial and  
Commercial Gas Users Group

Dated: March 13, 2017

## 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 52 Pa. Code Section 1.54 (relating to service by a participant).

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Counsel to the Philadelphia Industrial and  
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Dated this 13th day of March, 2017, at Harrisburg, Pennsylvania