

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2017-2586783
Office of Consumer Advocate	:	C-2017-2592092
Office of Small Business Advocate	:	C-2017-2593497
v.	:	
	:	
Philadelphia Gas Works	:	

Prehearing Memorandum

On March 17, 2017, a Prehearing Conference Order was issued by Administrative Law Judges Christopher P. Pell and Marta Guhl setting a telephonic prehearing conference for Wednesday, March 29, 2017 at 10:00am, and requiring parties to file a Prehearing Memorandum no later than 12:00 pm on Monday, March 27, 2017. In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its attorneys at the Pennsylvania Utility Law Project, hereby files this Prehearing Conference Memorandum. On March 22, 2017, CAUSE-PA filed a Petition to Intervene in this proceeding and is seeking intervenor status in this proceeding.

I. Background

On February 28, 2017, Philadelphia Gas Works (PGW) filed Supplement No. 100 to PGW’s Gas Service Tariff – PA. P.U.C. No. 2 (Supplement No. 100) to become effective April 28, 2017, seeking a general rate increase calculated to produce \$70 million (11.6%) in additional annual revenues. PGW also filed a Petition for Waiver seeking waiver of the application of the

statutory definition of the fully projected future test year (FPFTY) so as to permit PGW to use a FPFTY beginning on September 1, 2017 in this proceeding.

On March 16, 2017, the Commission entered a suspension and investigation Order suspending the PGW tariff by operation of law, and opening an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained therein.

II. Issues to be Presented

In addition to complying with sound rate making principles, including the requirement that rates be just and reasonable, PGW must also ensure that its rates and tariff comply with universal service requirements. In turn, the Commission must ensure that universal service programs assist low-income customers to afford natural gas service, and that these programs are appropriately funded, promoted, and available in each natural gas distribution territory. 66 Pa. C.S. § 2203(8).

In the event that the Commission approves any natural gas distribution rate increase, the Commission should condition approval on PGW's agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and settlement agreements.

CAUSE-PA has conducted an initial review of PGW's proposed tariff changes and testimony, and it opposes PGW's request on the grounds that the proposed rate increase, rate design, and tariff changes may result in unjust and unreasonable rates that would impose severe hardship on low and moderate income residential customers. CAUSE-PA identifies the following specific issues of concern which must be addressed in this proceeding, though it

reserves the right to raise additional issues which may arise through the course of this proceeding:

- i. The conformity to law and the effect of PGW's rate filing and proposed rate increase on low income households.
- ii. The effect of PGW's rate filing and proposed rate increase on low income households enrolled in or eligible for PGW Universal Service Programs and the continued adequacy of those programs in delivering universal service to eligible populations in light of the proposed increase in rates.

III. Witnesses and Testimony

CAUSE-PA reserves the right to present the following witness to testify in this matter, as well as the right to call additional or substitute witnesses as may be warranted upon proper notice to Your Honors and the parties:

Mitchell Miller
Mitch Miller Consulting LLC
60 Geisel Road
Harrisburg, PA 17112
717-903-2196
Mitchmiller77@hotmail.com

Mr. Miller will address the issues identified above and any other issues that may arise in the course of this proceeding.

IV. Proposed Schedule

CAUSE-PA will work with the parties and Commission to come up with a schedule that provides sufficient opportunity to fully investigate the issues in this proceeding while acknowledging the November 2017 deadline announced in the Prehearing Conference Order.

V. Discovery

CAUSE-PA will work with the parties to develop appropriate modification to discovery rules that support the robust exchange of all relevant information.

VI. Public Input Hearings

CAUSE-PA does not oppose the scheduling of public input hearings, but is not presently requesting that any be scheduled.

VII. Settlement

CAUSE-PA is willing and ready to engage in settlement discussions in an attempt to resolve or narrow the issues in this proceeding, with any and all parties, and encourages the parties to engage in settlement early in the process.

VIII. Service on CAUSE-PA

CAUSE-PA is represented by the attorneys at the Pennsylvania Utility Law Project.

Electronic service of all documents should be served on CAUSE-PA as follows:

Patrick M. Cicero, Esq.
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WHEREFORE, CAUSE-PA respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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March 22, 2017