

**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	:	

**PETITION TO INTERVENE OF TENANT UNION REPRESENTATIVE NETWORK
AND ACTION ALLIANCE OF SENIOR CITIZENS OF GREATER PHILADELPHIA**

Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia, through their counsel Community Legal Services of Philadelphia, hereby petition the Pennsylvania Public Utility Commission (“Commission”) to intervene in the above-captioned proceeding pursuant to the Rules of Practice and Procedure of the Pennsylvania Public Utility Commission (“PUC” or “Commission”), 52 Pa. Code §§ 5.61-5.76, and in support, state as follows:

1. Petitioners are Philadelphia based consumer membership and advocacy organizations, Tenant Union Representative Network (“TURN”) and Action Alliance of Senior Citizens of Greater Philadelphia (“Action Alliance,” together with TURN, “TURN et al.”), who advocate on behalf of low and moderate income residential customers and consumers of the utility services of Philadelphia Gas Works (“PGW”).

2. Petitioners are represented by:

Josie B. H. Pickens, Esquire (Attorney ID: 309422)
Robert W. Ballenger, Esquire (Attorney ID: 93434)
Jennifer Collins, Esquire (Attorney ID: 312108)

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3. On February 27, 2017, PGW filed a request with the Pennsylvania Public Utility Commission (“PUC”) to increase the distribution base rates charged to PGW’s residential, commercial and industrial customers. In its filing, PGW proposes to increase its distribution rates by approximately \$70 million per year, effective April 28, 2017. PGW’s proposed rates and other changes are set forth in PGW’s Gas Service Tariff – Pa. PUC No. 2.

4. TURN is a not-for-profit advocacy organization composed of moderate and low income tenants, a substantial number of whom are customers of PGW or dependent on PGW natural gas service and all residing in Philadelphia, PA. In those capacities, they have a direct, immediate, substantial and distinct interest in PGW’s general base rate filing.

5. Action Alliance is a not-for-profit membership organization of senior citizens, many of whom are Philadelphia taxpayers, residents and customers of PGW, on which they rely for their natural gas service needs. In those capacities, they have a direct, immediate, substantial and distinct interest in PGW’s general base rate filing.

6. TURN *et al.* were a party to PGW’s last filed rate case at Docket No. R-2009-2139884. TURN *et al.* are also a party to PGW’s most recent Universal Service and Energy Conservation Plan proceedings at Docket No. M-2016-2542415 and were parties to prior Commission proceedings involving PGW, including, but not limited to, the following:

a. Petition of Philadelphia Gas Works for Approval of Demand-Side Management Plan for FY 2016-2020 and Philadelphia Gas Works Universal Service and

Energy Conservation Plan for 2014-2016 52 Pa Code § 62.4 – Request for Waivers, Docket No. P-2014-2459362;

b. Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016 Submitted in Compliance with 52 Pa. Code § 62.4, Docket No. M-2013-2366301.

7. PGW proposes to increase revenue by \$70 million per year. This includes a proposal to increase the fixed residential customer charge to \$18 per month. Such a base rate would allegedly increase residential customer bills approximately 12% above present rates.

8. PGW alleges that its need for additional revenues is driven by increased operational and capital costs and decreasing consumption. PGW claims that warmer weather trends in PGW's service territory are contributing to decreases in consumption, and subsequently lost margin for PGW.

9. TURN *et al.* have preliminarily reviewed PGW's rate filing, and have tentatively identified the following issues:

- a. Whether a rate increase will result in unjust and unreasonable rates for Philadelphia's low-income residential customers and consumers, based on all relevant factors, including without limitation;
 - i. Projected future levels of non-borrowed year-end cash;
 - ii. Short term borrowing capacity and internal generation of funds to fund construction;
 - iii. Debt to equity ratios and financial performance of similarly situated utility enterprises;
 - iv. Level of operating and other expenses in comparison to similarly situated utility enterprises;
 - v. Level of financial performance needed to maintain or improve

- PGW's bond rating permitting PGW to access the capital markets at the lowest reasonable costs to customers over time;
- vi. PGW's management quality, efficiency and effectiveness;
 - vii. Service quality and reliability; and
 - viii. Effect on universal service.
- b. Whether PGW's proposal to increase its residential customer charge to \$18 is just and reasonable;
 - c. Whether PGW's proposal to increase the residential volumetric charge by approximately 12% is just and reasonable;
 - d. Whether PGW's proposed allocation of 84% of requested new rates to residential customers is just and reasonable;
 - e. Whether PGW's request is reasonable in light of other non-base rate revenues, opportunities for other revenues, and/or reductions in operating expenses;
 - f. Whether PGW's request is reasonable in the absence of a commitment by PGW's owner, the City of Philadelphia, to renounce its right to receive and/or grant back all or a portion of the fixed annual payment it currently receives from PGW;
 - g. Whether PGW's proposal is supportable on the basis of PGW's claims concerning customer usage;
 - h. Whether PGW's proposal to use 10 year average of degree days is reasonable in light of its use of a 30 year average of degree days for budgeting purposes;

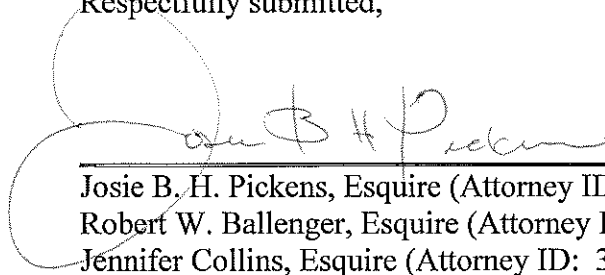
- i. Whether a rate increase is justified given the quality of PGW's customer service; and
- j. Whether PGW's termination practices, payment agreement requirements and universal service program rules have contributed to reduced revenue or lost opportunities for revenue growth.

10. TURN *et al.* reserve the right to examine any other issues that arise in the course of this proceeding.

11. PGW's general base rate filing is of critical importance to the low income PGW residential customers and consumers who are members of TURN *et al.* who stand to benefit from affordable natural gas service and who, due to limited income, may be harmed disproportionately by the imposition of unjust or unreasonable rates. The petitioners therefore have interests in this proceeding, which may be directly affected and which are not adequately represented by other participants, and as to which the petitioners may be bound by the action of the Commission in this proceeding.

WHEREFORE, TURN *et al.* respectfully request that the Commission enter an order granting TURN *et al.* full status as intervenors in this proceeding with active party status.

Respectfully submitted,



Josie B. H. Pickens, Esquire (Attorney ID: 309422)
Robert W. Ballenger, Esquire (Attorney ID: 93434)
Jennifer Collins, Esquire (Attorney ID: 312108)

Attorneys for TURN et al.

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Date: March 24, 2017

VERIFICATION

I, Phil Lord, on behalf of Tenant Union Representative Network (TURN), hereby state that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, that I am duly authorized to make this Verification, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 10 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: March 24, 2017

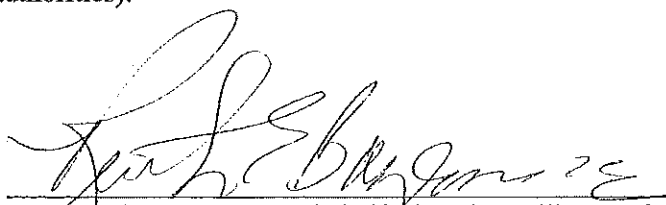
A handwritten signature in black ink that reads "Phil Lord". The signature is written in a cursive, slightly slanted style.

Title: Executive Director, TURN

VERIFICATION

I, **Ruth Bazemore**, Acting President of Action Alliance of Senior Citizens of Greater Philadelphia, hereby state that the facts contained in the foregoing pleading are true and correct to the best of my knowledge, information and belief, that I am duly authorized to make this Verification, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 10 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 3/24/17


RUTH BAZEMORE, on behalf of Action Alliance of
Senior Citizens of Greater Philadelphia

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Certificate of Service

I hereby certify that I have this day served copies of the **Petition to Intervene of Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia** upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

VIA E-MAIL AND FIRST CLASS MAIL

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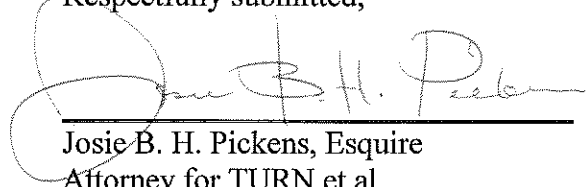
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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Josie B. H. Pickens". The signature is written in a cursive style with a large loop at the beginning and a distinct end. It is positioned above a solid horizontal line.

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