



COMMONWEALTH OF PENNSYLVANIA

March 27, 2017

E-FILED

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works 2017
Base Rate Filing / Docket No. R-2017-2586783**

Dear Secretary Chiavetta:

I am delivering for filing today the Prehearing Memorandum, on behalf of the Office of Small Business Advocate, in the above-captioned proceeding. I respectfully request that a copy of any documents filed in this case be shared as well with our Witness at the address below.

Mr. Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074 / (617) 354-0463 – Fax
rdk@indecon.com

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Webb'.

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: Mr. Robert D. Knecht
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
	:	
v.	:	Docket No. P-2017-2586783
	:	
PHILADELPHIA GAS WORKS	:	

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Sharon E. Webb. Please address all correspondence in this matter as follows:

Sharon E. Webb
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street, Suite 202
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
swebb@pa.gov

II. FILING BACKGROUND

On February 27, 2017, Philadelphia Gas Works (“PGW” or “Company”) filed Supplement No. 100 to Philadelphia Gas Work’s Gas Service Tariff –Pa. P.U.C. No. 2. The proposed Tariff, if approved by the Commission, would increase the retail distribution rates of Philadelphia Gas Works (“PGW” or “Company”) by \$70 million per year.

On March 13, 2017, the OSBA filed a Complaint, alleging that the materials filed by PGW may be insufficient to justify the rate increase requested and that the Company’s present and proposed rates, rules, and conditions of service may be unjust, unreasonable, unduly discriminatory, and otherwise contrary to law, particularly as they pertain to small business customers.

Administrative Law Judges Marta Guhl and Christopher P. Pell were assigned to this proceeding and issued a Prehearing Conference Order on March 17, 2017.

III. IDENTIFICATION OF WITNESSES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
(617) 354-0074
(617) 354-0463 – Fax
rdk@indecon.com

The OSBA requests that all parties serve copies of all documents, including discovery, testimony and briefs, upon Mr. Knecht, simultaneously with service upon the OSBA. The OSBA anticipates that it will present testimony by Mr. Knecht.

IV. IDENTIFICATION OF ISSUES

The OSBA is participating in this case to ensure that the interests of small business customers of PGW are adequately represented and protected. As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of PGW and other parties, primarily through discovery, filing of testimony, cross-examination of witnesses appearing for other parties, and briefing of the issues that arise in this proceeding.

The OSBA will particularly focus on issues where the impact upon the interests of PGW's small business customers would be unjustifiably different from or disproportionate to the impact on other classes of customers, or is otherwise lacking in reasonableness or basic fairness. After an initial review of the materials submitted by PGW, the OSBA has identified the following issues:

1. Whether PGW's proposed \$70 million distribution rate increase is just and reasonable.
2. Whether PGW's proposed cost of service study ("COSS") is just and reasonable.
3. Whether PGW's non-residential customers should be required to contribute towards PGW's universal service costs.

The OSBA also reserves the right to pursue additional issues as they arise throughout the proceeding.

V. DISCOVERY

The OSBA has already served an initial set of Interrogatories.

VI. SERVICE OF DOCUMENTS

The OSBA agrees to accept electronic delivery of documents on the due date as satisfying the in-hand requirement, if followed by hard copy delivery to OSBA and its witness by first class mail.

VII. SETTLEMENT

The OSBA is willing to enter into settlement discussions at any phase of this proceeding.

VIII. PROCEDURAL SCHEDULE

The OSBA will work with the ALJ and the other parties to develop a mutually acceptable litigation schedule.

IX. PUBLIC INPUT HEARINGS

Due to budgetary concerns, the OSBA respectfully advises that its participation in public input hearings will be limited unless otherwise directed by the ALJ.

Respectfully submitted,



Sharon E. Webb
Assistant Small Business Advocate
Attorney ID # 73995

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300 North Second Street, Suite 202
Harrisburg, PA 17101
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Dated: March 27, 2017

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2017-2586783
	:	
Philadelphia Gas Works	:	
	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email and/or First-Class mail (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Christopher P. Pell
Deputy Chief Administrative Law Judge
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The Honorable Marta Guhl
Administrative Law Judge
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DATE: March 27, 2017



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Attorney I.D. No. 73995