

Daniel Clearfield  
717.237.7173  
dclearfield@eckertseamans.com

July 19, 2017

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
PO Box 3265  
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works R-2017-2586783  
Office of Consumer Advocate v. Philadelphia Gas Works – C-2017-2592092  
Office of Small Business Advocate v. Philadelphia Gas Works – C-2017-2593497  
PICGUG v. Philadelphia Gas Works – C-2017-2595147  
William Dingfelder v. Philadelphia Gas Works – C-2017-2593903

Dear Secretary Chiavetta:

Please accept for filing on behalf of Philadelphia Gas Works (“PGW”) the enclosed Affidavit of Finbarr O’Sullivan demonstrating that PGW provided public notice of its base rate filing. This Affidavit is being filed pursuant to 52 Pa. Code § 53.45(h).

Thank you for your assistance. If you have any questions or concerns regarding this matter, please do not hesitate to contact me.

Sincerely,



Daniel Clearfield  
Counsel for Philadelphia Gas Works

DC/scs  
Enclosure

cc: Certificate of Service  
Brandon Pierce, Esq.

## CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's foregoing Affidavit upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

### Via Email and/or First Class Mail

Carrie Wright, Esq.  
Erika L. McLain, Esq.  
Bureau of Investigation and Enforcement  
PA Public Utility Commission  
Commonwealth Keystone Building  
PO Box 3265  
400 North Street, 2nd Floor West  
Harrisburg, PA 17105-3265  
[carwright@pa.gov](mailto:carwright@pa.gov)  
[ermclain@pa.gov](mailto:ermclain@pa.gov)

Kristine Marsilio, Esq.  
Harrison Breitman, Esq.  
Darryl Lawrence, Esq.  
Christy Appleby, Esq.  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923  
[Kmarsilio@paoca.org](mailto:Kmarsilio@paoca.org)  
[hbreitman@paoca.org](mailto:hbreitman@paoca.org)  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)  
[cappleby@paoca.org](mailto:cappleby@paoca.org)

Sharon Webb, Esq.  
Office of Small Business Advocate  
Commerce Building  
300 North Second Street, Suite 202  
Harrisburg, PA 17101  
[swebb@pa.gov](mailto:swebb@pa.gov)

Todd S. Stewart, Esq.  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
Harrisburg, PA 17101  
[tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)

Patrick M. Cicero, Esq.  
Elizabeth R. Marx, Esq.  
Joline Price, Esq.  
The Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101  
[pulp@palegalaid.net](mailto:pulp@palegalaid.net)

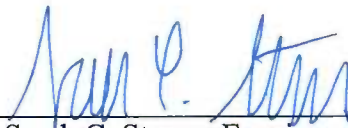
Josie B. H. Pickens, Esq.  
Robert W. Ballenger, Esq.  
Jennifer Collins, Esq.  
Community Legal Services, Inc.  
1424 Chestnut Street  
Philadelphia, PA 19102  
[jpickens@clsphila.org](mailto:jpickens@clsphila.org)  
[rballenger@clsphila.org](mailto:rballenger@clsphila.org)  
[jcollins@clsphila.org](mailto:jcollins@clsphila.org)

Mr. Robert D. Knecht  
Industrial Economics Incorporated  
2067 Massachusetts Ave.  
Cambridge, MA 02140  
[rdk@indecon.com](mailto:rdk@indecon.com)

Charis Mincavage, Esq.  
Adelou A. Bakare, Esq.  
Alessandra L. Hylander, Esq.  
McNees Wallace & Nurick, LLC  
100 Pine Street  
PO Box 1166  
Harrisburg, PA 17108-1166  
[cmincavage@mcneeslaw.com](mailto:cmincavage@mcneeslaw.com)  
[abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)  
[ahylander@mcneeslaw.com](mailto:ahylander@mcneeslaw.com)

William Dingfelder  
645 W. Sedgwick Street  
Philadelphia, PA 19119-3442  
[dingfelderGrants@gmail.com](mailto:dingfelderGrants@gmail.com)

Date: July 19, 2017



---

Sarah C. Stoner, Esquire

**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
Philadelphia Industrial & Commercial	:	
Gas Users Group	:	C-2017-2595147
William Dingfelder	:	C-2017-2593903
	:	
	:	
v.	:	
	:	
Philadelphia Gas Works	:	

**AFFIDAVIT OF FINBARR O’SULLIVAN**

Commonwealth of Pennsylvania	:	
	:	ss.
County of Philadelphia	:	

I, Finbarr O’Sullivan, an adult individual, being duly sworn according to law, deposes and says that:

1. I am employed by Philadelphia Gas Works (“PGW” or “Company”) as Director of Corporate Communications;
2. On February 27, 2017, PGW filed Supplement No. 100 to PGW’s Gas Service Tariff – Pa P.U.C. No. 2 (“Supplement No. 100”) with the Pennsylvania Public Utility Commission (“Commission”), which filing constitutes a general rate increase;
3. The required notice of Supplement No. 100 was posted in a conspicuous place in each PGW office at which payments are accepted in compliance with the Commission’s regulations at 52 Pa. Code § 53.45(b)(1);
4. Attachment A contains the news release that was distributed to major newspapers, radio and television stations serving PGW’s area on February 27, 2017, in compliance with the Commission’s regulations at 52 Pa. Code § 53.45(b)(3);
5. PGW complied with the alternative method of customer notification set forth in the Commission’s regulations at 52 Pa. Code § 53.45(b)(4);


6. Attachment B contains the notice that PGW inserted in envelopes containing customer bills beginning the week of February 27, 2017, and which notice continued to be inserted into envelopes containing customer bills for an entire billing cycle until all customers of PGW whose rates would be increased by Supplement No. 100 received notice;

7. The billing envelopes for those customer bills called attention to the fact that rate increase information was contained in the mailings. A sample billing envelope is provided in Attachment C;

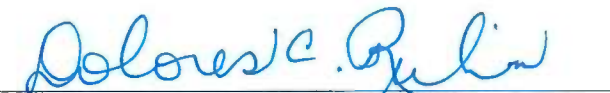
8. PGW's electronic billing customers received a link to the bill insert discussed in paragraph 6 of this Affidavit;

9. Customer bills issued in the March 2017 billing cycle contained messaging about Supplement No. 100, as indicated in the sample bill provided in Attachment D;

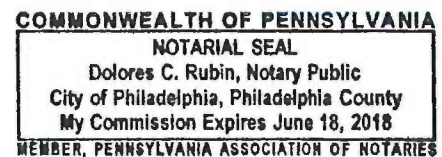
10. The Proofs of Publication enclosed in Attachment E for paid newspaper advertisements of Supplement No. 100 were provided by *The Philadelphia Tribune*, *The Philadelphia Inquirer*, *Philadelphia Daily News*, *The Legal Intelligencer*, and *Al Día*.

  
Finbarr O'Sullivan

Sworn and subscribed before me this 13 day of July, 2017.

  
Signature of official administering oath

My commission expires June 18, 2018.



# **ATTACHMENT A**



## NEWS RELEASE

FROM THE  
OFFICE OF CORPORATE COMMUNICATIONS & PUBLIC AFFAIRS  
Philadelphia Gas Works • 800 West Montgomery Avenue • Philadelphia, PA 19122

---

For Immediate Release

Contact: Barry O'Sullivan  
215-684-6667

### **PGW FILES REQUEST WITH REGULATORS TO INCREASE DISTRIBUTION BASE RATES**

*New average residential bills would still be lower than after last Base Rate increase*

**(Philadelphia, Pa. – February 27, 2017)** – Philadelphia Gas Works (PGW) today announced that it has filed a base rate case with the Pennsylvania Public Utility Commission (PUC). The filing, PGW's first in eight years, requests permission to increase rates by \$70 million per year. If the request is granted, the bill for an average residential customer using 76 thousand cubic feet (Mcf) of natural gas per year would increase by about \$2.44 a week. At this new rate, residential customers would pay \$2.55 less per week than they did for the same amount of natural gas when rates were last adjusted, in 2010.

"We recognize the pressures on hardworking families and businesses in Philadelphia. That's why we've worked so hard to reduce our operating costs and identify new sources of revenue since our last rate increase," said Craig White, president and CEO of PGW. "However, changes in the local economy and rising regulatory, healthcare and equipment costs mean that this request is necessary so PGW can continue to safely provide gas service to our neighbors."

Since 2010, PGW has put changes in place that have avoided over \$75 million in healthcare costs, cut borrowing needs by over \$185 million, and eliminated over \$340 million of long-term debt. In addition, the way PGW manages its operations and finances has led to improved bond ratings, the net result of which is that we save \$72 million in debt service payments, on behalf of our customers. Despite these and other cost control measures at PGW, service-line work related to the company's infrastructure upgrade project, dynamic weather patterns, a flat customer base have meant a decline in sales volume and a net increase in operating costs.

"Since the last base rate increase, winters have become warmer and appliances and homes are more energy efficient," said White. "That combination has caused our sales volume to drop by over 11% since 2009. To absorb that change, and others, while continuing to ensure that Philadelphia benefits

from safe, reliable gas service we always look for cost savings and new revenue sources first. While that has delayed our base rate case, we now have no option but to request an increase.”

In addition to PGW’s efforts to increase top-line revenue – including its successful LNG sales pilot program – the company is also asking the PUC to approve the implementation of a new Technology and Economic Development Rider. Designed to boost economic development, enhance revenue and support local job creation, the rider will expand the use of natural gas by giving customers access to more energy options, including combined heat and power projects, natural gas vehicles, and fuel cells.

For small and medium sized commercial properties, PGW is asking the PUC to approve a pilot Micro-Combined Heat and Power (Micro-CHP) Incentive Program that will provide new incentives to increase the ability of qualifying customers to expand natural gas use.

Information on PGW’s Base Rate request can be found at [www.pgworks.com](http://www.pgworks.com) including options for challenging the company’s request to change its rates.

###

*Founded in 1836, The Philadelphia Gas Works (PGW) is owned by the City of Philadelphia and is the largest municipally owned gas utility in the country. It manages a distribution system of approximately 6,000 miles of gas mains and service pipes supplying approximately 500,000 customers. PGW's operations are managed by a non-profit corporation, the Philadelphia Facilities Management Corporation (PFMC). More information about the company is available at [www.pgworks.com](http://www.pgworks.com).*



# **ATTACHMENT B**

PHILADELPHIA GAS WORKS

## NOTICE OF PROPOSED RATE CHANGES

### To Our Customers:

PGW is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your natural gas rates as of April 28, 2017. This notice describes the Company's rate request, the PUC's role, and what actions you can take.

PGW has requested an overall rate increase of \$70 million per year. If the Company's entire request is approved, the total bill for a residential customer using 76 thousand cubic feet (Mcf) per year would increase from \$94.06 to \$104.65 per month or by 11.3%.

The total bill for a commercial customer using 332 Mcf per year would increase from \$327.07 to \$342.15 per month or by 4.6%.

Rates for an industrial customer using 717 Mcf per year would decrease from \$712.81 to \$694.58 per month or by (2.6)%.

To find out your customer class or how the requested increase may affect your natural gas bill, contact PGW at 215-235-1000. The rates requested by the Company may be found in **Gas Service Tariff, Pa. P.U.C. No. 2, Supplement No. 100**. You may examine the material filed with the PUC, which explains the requested increase and the reasons for it. A copy of this material is kept at PGW's office. Upon request, the Company will send you the Statement of Reasons for **Gas Service Tariff, Pa. P.U.C. No. 2, Supplement No. 100**, explaining why the rate increase has been requested. A copy can also be viewed by visiting [pgworks.com](http://pgworks.com).

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company and shown above.

Please see reverse side

**There are three ways to challenge a company's request to change its rates:**

**1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint.**

By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before **April 28, 2017**. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.

**2. You can send the PUC a letter telling why you object to the requested rate increase.** Sometimes there is information in these letters that makes the PUC aware of problems with the Company's service or management. This information can be helpful when the PUC investigates the rate request.

Send your letter or request for a formal complaint form to the:

Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, PA 17105-3265

Complaint forms can also be accessed at the PUC website in Adobe Acrobat (PDF) format: [http://www.puc.state.pa.us/general/onlineforms/pdf/Formal\\_Complaint\\_Proposed\\_Rate\\_Increase.pdf](http://www.puc.state.pa.us/general/onlineforms/pdf/Formal_Complaint_Proposed_Rate_Increase.pdf).

**3. You can be a witness at a public input hearing.**

Public input hearings are held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Company.

For more information, call the PUC at 1-800-692-7380. You may leave your name and address so you can be notified of any public input hearings that may be scheduled in this case.

Philadelphia Gas Works  
800 W. Montgomery Avenue  
Philadelphia, PA 19122  
215-235-1000



# **ATTACHMENT C**



**Philadelphia Gas Works**  
Post Office Box 3500  
Philadelphia, PA 19122-0500

ADDRESS SERVICE REQUESTED



Presorted  
First-Class Mail  
U.S. Postage  
PAID  
Philadelphia Gas  
Works

**Rate increase information inside**

# **ATTACHMENT D**



# **ATTACHMENT E**





# PHILADELPHIA TURBINE

Date of proof: 02/17/17

Account: 985161

Name:  
 Company: AVC MEDIA GROUP  
 Address: 58 S. BROAD STREET  
 WOODBURY, NJ 08096  
 Telephone: (856) 848-3566  
 Fax:

Ad ID: 1260696  
 Description: PHILADELPHIA GAS WORKS NOTICE OF PRO

Run Dates: 02/28/17 to 02/28/17  
 Class: 1201  
 Orig User: CRASIMS  
 Words: 178  
 Lines: 26  
 Agate Lines: 68  
 Column width: 2  
 Depth: 2.39  
 Blind Box  
 Total: \$775.32

**PHILADELPHIA GAS WORKS NOTICE OF PROPOSED RATE CHANGES**

**To Our Customers:**

PG&W is filing a request with the Federal Energy Regulatory Commission (FERC) to increase your natural gas rates as of April 28, 2017. PG&W has requested an overall rate increase of \$70 million per year. If the Company's entire request is approved, the total bill for a residential customer using 76 thousand cubic feet (Mcf) per year would increase from \$94.06 to \$104.65 per month or by 11.3%. The total bill for a commercial customer using 312 Mcf per year would increase from \$327.87 to \$362.15 per month or by 10.5%. Rates for an industrial customer using 312 Mcf per year would decrease from \$712.81 to \$684.46 per month or by 3.9%.

To find out your customer class, how the requested increase may affect your natural gas bill, or to find out what actions you may take, contact PG&W at 215-268-1800. A copy of the filing can also be viewed by visiting [www.pgas.com](http://www.pgas.com).

Philadelphia Gas Works • 800 W. Montgomery Avenue  
 Philadelphia, PA 19122 • 215-268-1800

We Appreciate Your Business!  
Thank You !

Joint Proof of Publication in  
The Philadelphia Inquirer and Philadelphia Daily News  
Under Act. No 160, P.L. 877, July 9, 1976

STATE OF PENNSYLVANIA  
COUNTY OF PHILADELPHIA

Cindy Jakubowski being duly sworn, deposes and says that **The Philadelphia Inquirer and Philadelphia Daily News** daily newspapers published at 8<sup>th</sup> and Market Streets, Philadelphia County and State aforesaid, which were established in the years 1829 (Inquirer) & 1925 (Daily News), since which dates said daily newspapers have been regularly issued in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of said daily newspapers on the following dates:

February 27, 2017

Affiant further deposes and says that she is an employee of the publisher of said daily newspapers and has been authorized to verify the foregoing statement and that she is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

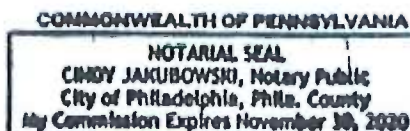


Sworn to and subscribed before me this 27th day of  
February, 2017.



Notary Public

My Commission Expires:



Copy of Notice of Publication

PHILADELPHIA GAS WORKS  
NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

PGW is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your natural gas rates as of April 26, 2017. PGW has requested an overall rate increase of \$70 million per year. If the Company's entire request is approved, the total bill for a residential customer using 76 thousand cubic feet (Mcf) per year would increase from \$94.00 to \$104.66 per month or by 11.3%. The total bill for a commercial customer using 332 Mcf per year would increase from \$327.97 to \$342.16 per month or by 4.6%. Rates for an industrial customer using 717 Mcf per year would decrease from \$712.81 to \$694.68 per month or by (2.6%).

To find out your customer class, how the requested increase may affect your natural gas bill, or to find out what actions you may take, contact PGW at 215-235-1000. A copy of the filing can also be viewed by visiting [pgworks.com](http://pgworks.com).

Philadelphia Gas Works - 800 W. Montgomery Avenue - Philadelphia, PA 19122 - 215-235-1000

PROOF OF PUBLICATION OF NOTICE IN THE LEGAL INTELLIGENCER

Under Act of May 16, 1929, P.L. 1784, as amended

COMMONWEALTH OF PENNSYLVANIA, } ss.:
COUNTY OF PHILADELPHIA }

STEPHANIE MURRAY, being duly sworn, deposes and says that The Legal Intelligencer is a daily newspaper published at One Penn Center at Suburban Station, 1617 John F. Kennedy, Philadelphia, Pennsylvania 19103, and was established in said city in 1843, since which date said legal newspaper has been regularly issued in said county, that it has been issued daily since September 4, 1933, and that it was entered at the Philadelphia Post Office under the Postal Laws and Regulations as second class matter in the United States mails on July 19, 1879; that The Legal Intelligencer is a daily legal newspaper complying in all respects with the Newspaper Advertising Act of May 16, 1929, P.L. 1784, its amendments and supplements; and that a copy of the printed notice or publication is attached hereto exactly as the same was printed or published in the regular editions and issues of the said legal newspaper on the following dates, viz.:

February 27, A.D. 2017

Affiant further deposes and says that she is an employee of the publisher of said legal newspaper and has been authorized to verify the foregoing statement and that she is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Handwritten signature of Stephanie Murray

Copy of Notice or Publication

PHILADELPHIA GAS WORKS NOTICE OF PROPOSED RATE CHANGES

To Our Customers: PGW is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your natural gas rates as of April 28, 2017. PGW has requested an overall rate increase of \$70 million per year. If the Company's entire request is approved, the total bill for a residential customer using 76 thousand cubic feet (Mcf) per year would increase from \$94.06 to \$104.65 per month or by 11.3%. The total bill for a commercial customer using 332 Mcf per year would increase from \$327.07 to \$342.15 per month or by 4.6%. Rates for an industrial customer using 717 Mcf per year would decrease from \$712.81 to \$694.58 per month or by (2.6)%.

To find out your customer class, how the requested increase may affect your natural gas bill, or to find out what actions you may take, contact PGW at 215-235-1000. A copy of the filing can also be viewed by visiting pgworks.com.

Philadelphia Gas Works - 800 W. Montgomery Avenue - Philadelphia, PA 19122 - 215-235-1000

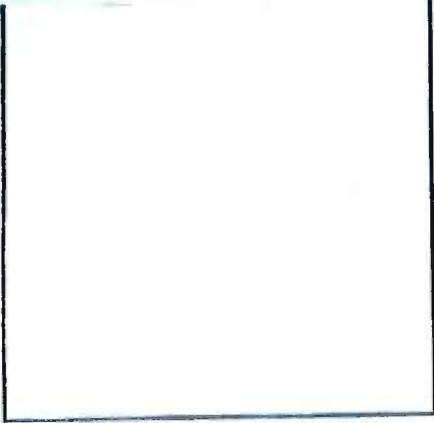
2-27-17

Sworn to and subscribed before me this 27th day of February, 2017

Handwritten signature of Jennifer M. McCullough, Notary Public

Philadelphia, Philadelphia County

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
JENNIFER M. McCULLOUGH, Notary Public
City of Philadelphia, Phila. County
My Commission Expires October 6, 2019



OFFICE:
One Penn Center at Suburban Station
17th Floor
1617 John F. Kennedy Boulevard
Philadelphia, PA 19103