

September 25, 2017

**Via Electronic Filing**

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

Re: PA 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  
Philadelphia Industrial & Commercial Gas Users Group v. Philadelphia Gas Works –  
C-2017-2595147 and Dingfelder v. Philadelphia Gas Works – C-2017-2593903

Dear Secretary Chiavetta:

Please be advised that Philadelphia Gas Works (“PGW”) will not be filing Exceptions to the Recommended Decision (“R.D.”) issued on September 8, 2017 in the above-referenced matter. PGW agrees with the recommendations in the R.D. concerning approval of the Joint Petition for Partial Settlement (“Settlement”), as well as both litigated issues, namely to: (a) dismiss the proposal of the Office of Consumer Advocate to modify PGW’s partial payment allocation practices as part of the base rate proceeding; and (b) reject the proposal of the Office of Small Business Advocate to depart from the long-standing practice of allocating universal service costs to all firm customers.<sup>1</sup>

Nonetheless, PGW is compelled to note that it does not entirely agree with the basis for the R.D.’s conclusion regarding its partial payment allocation practices. Specifically, PGW disagrees with the suggestion in the R.D. that the Commission’s Order in *SBG Management Services, Inc./Colonial Garden Realty Co., L.P. v. Philadelphia Gas Works*, Docket Nos. C-2012-2304183, and *SBG Management Services, Inc./Simon Garden Realty Co., L.P. v. Philadelphia Gas Works*, Docket No. C-2012-2304324 (Order entered December 8, 2016) (“SBG Order”) will resolve the partial payment allocation issue for *all* of PGW’s customers.<sup>2</sup> In its Petition for Reconsideration of the SBG Order, which is pending before the Commission on its merits, PGW has argued that it is not lawful for the Commission in a complaint proceeding

<sup>1</sup> R.D. at 1.

<sup>2</sup> R.D. at 77. PGW agrees, however, with the R.D. that this issue does not involve the language of PGW’s tariff and is therefore beyond the proper scope of this base rate proceeding. (R.D. at 75-77).

involving a few commercial customers to make a determination that applies beyond the complainants at issue and to direct system-wide modifications of its partial payment allocation practices. Rather, PGW has contended that such changes may be directed only in the context of a rulemaking proceeding or other generic type of investigation. Indeed, PGW plans to file a Supplemental Petition in the SBG proceeding, requesting that to the extent the Commission considers whether to make a determination that applies to all customers and to direct system-wide changes, the evidentiary record developed in this base rate proceeding be admitted into the record of that proceeding.

PGW also notes that a correction to the chart appearing in PGW's Statement in Support, which reflects the allocation of the Settlement increase shown on Exhibit 2 (Proof of Revenues) to the Settlement, was attached to the letter filed by PGW on September 22, 2017. The numbers in Exhibit 2 should be used when considering the Settlement rate allocation, and not the numbers in the charts on pages 40-41 of the Recommended Decision.

Copies of this letter are being served in accordance with the attached Certificate of Service. If you have any questions regarding this filing, please contact me at your convenience.

Sincerely,



Daniel Clearfield  
DC/lww

Enclosure

cc: Hon. Christopher Pell  
Hon. Marta Guhl  
Certificate of Service w/enc.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of PGW's No Exceptions Letter upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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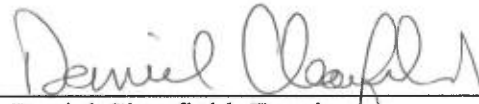
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Date: September 25, 2017

  
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