



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

March 14, 2018

Secretary Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building, Second Floor  
400 North Street  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v.  
Philadelphia Gas Works - 1307(f)  
Docket No. R-2018-2645938

Dear Secretary Chiavetta:

Enclosed please find the Bureau of Investigation and Enforcement (I&E)  
**Prehearing Memorandum** in this proceeding.

Copies are being served as evidenced in the attached Certificate of Service. If you  
have any questions, please contact me at (717) 787-8754.

Sincerely,

Gina L. Miller

Prosecutor

Bureau of Investigation and Enforcement

PA Attorney I.D. #313863

GLM/wsf  
Enclosure

cc: ALJ Marta Guhl  
Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2018-2645938
	:	
Philadelphia Gas Works 1307(f)	:	

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**PREHEARING MEMORANDUM OF THE  
BUREAU OF INVESTIGATION AND ENFORCEMENT**

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**TO ADMINISTRATIVE LAW JUDGE MARTA GUHL:**

**I. INTRODUCTION**

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned proceeding.

I&E’s Prosecutor in this proceeding will be Gina L. Miller. Ms. Miller’s contact information is as follows:

By mail: Gina L. Miller  
Pennsylvania Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

By e-mail: ginmiller@pa.gov

By telephone: (717) 787-8754

By fax: (717) 772-2677

## **II. BACKGROUND**

On February 1, 2018, Philadelphia Gas Works (“PGW”) filed its prefiling information in support of its annual reconciliation of purchased gas costs rates. On March 1, 2018, PGW made its Annual Purchase Gas Cost filing. The filing has been made in accordance with Section 1307(f) of the Public Utility Code, which establishes a procedure for recovery of purchase gas expenses by public utilities. On February 6, 2018, I&E filed a Notice of Appearance in this proceeding.

A telephonic Prehearing Conference had been scheduled on March 16, 2018, with Administrative Law Judge Marta Guhl presiding. The Prehearing Conference will convene at 10:00 a.m. with the parties participating telephonically. I&E submits this Memorandum in compliance with the Prehearing Conference Order dated March 8, 2018.

## **III. ISSUES**

The following list represents I&E’s preliminary determination of the potential issues in this case. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate, if any such relevant issues arise. The issues are as follows:

1. Retainage Rate;
2. Unaccounted for Gas;
3. Capacity Release;
4. Capacity Requirements;
5. Peak Day Forecasts;
6. Compliance with prior Commission Orders;
7. Sharing Mechanism;
8. C-Factor;
9. E-Factor;
10. Supplier Refunds;



listed above.<sup>1</sup> All active parties will be notified of any additions or deletions to the I&E witness list.

## **V. EVIDENCE**

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the PGW's filing, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

## **VI. SCHEDULE**

I&E has reviewed the proposed schedule for hearings and brief set forth on page three of Judge Guhl's Prehearing Order, and I&E is agreeable to the dates set forth with the caveat that I&E requests that the evidentiary hearings conclude on or by May 9, 2018. With respect to the remaining portion of the litigation schedule, deadlines for service of testimony, I&E is committed to cooperating with Judge Guhl and all parties to finalize an acceptable schedule.

## **VII. DISCOVERY**

Due to the time limitations in 1307(f) proceedings, I&E requests that the Commission's Rules of Practice and Procedure for the conduct of discovery be modified as follows:

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<sup>1</sup> The above listing is provided without analysis of the positions of all parties to this proceeding and without the benefit of completed discovery.

1. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service.
2. Objections to interrogatories shall be communicated orally within three (3) days of service; unresolved objections be served to the ALJ in writing within five (5) days of service of interrogatories.
3. Motion to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) days of service of written objections.
4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) days of service of such motions.
5. Any discovery or discovery related pleadings served after 12:00 noon on a Friday or after 12:00 pm on any business day preceding a state holiday will be deemed to be served on the next business day.

#### **VIII. SERVICE OF DOCUMENTS**

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept electronic delivery of documents with a follow-up hard copy provided by regular first-class mail.

## IX. SETTLEMENT

I&E is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate these proceedings.

Respectfully Submitted,



Gina L. Miller

Prosecutor

PA Attorney I.D. #313863

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, Pennsylvania 17105-3265

Dated: March 14, 2018

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-2018-2645938  
 :  
 Philadelphia Gas Works 1307(f) :

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated March 14, 2018, in the manner and upon the persons listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party):

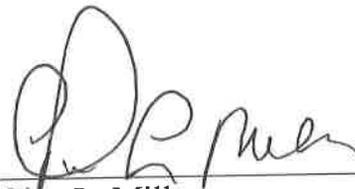
**Served via Electronic and First-Class Mail**

Brandon J. Pierce, Esquire  
Philadelphia Gas Works  
800 West Montgomery Avenue  
Philadelphia, PA 19122

Adeolu Bakare, Esquire  
McNees Wallace & Nurick LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166

Sharon Webb, Esquire  
Office of Small Business Advocate  
300 North Second Street  
Suite 202  
Harrisburg, PA 17101

Christy M. Appleby, Esquire  
Harrison W. Breitman, Esquire  
Aron J. Beatty, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
5th Floor Forum Place  
Harrisburg, PA 17101-1923



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Gina L. Miller  
Prosecutor  
Bureau of Investigation and Enforcement  
PA Attorney I.D. #313863