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March 14, 2018

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

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

Dear Secretary Chiavetta:

Please find enclosed for filing with the Pennsylvania Public Utility Commission the Prehearing Memorandum of the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Alessandra L. Hylander

Counsel to the Philadelphia Industrial and Commercial Gas Users Group

Enclosure

c: Administrative Law Judge Marta Guhl (via Email and First-Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST-CLASS MAIL

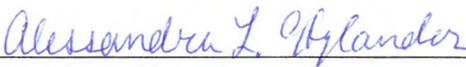
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Gas Users Group

Dated this 14th day of March, 2018, at Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**PREHEARING MEMORANDUM OF
THE PHILADELPHIA INDUSTRIAL AND COMMERCIAL GAS USERS GROUP**

Pursuant to the March 8, 2018, Prehearing Conference Order issued by Administrative Law Judge Marta Guhl, the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On February 1, 2018, Philadelphia Gas Works ("PGW") submitted its Gas Cost Rate ("GCR") pre-filing with the Pennsylvania Public Utility Commission ("Commission") pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f).

On February 14, 2018, PICGUG filed a Petition to Intervene in this proceeding. A description of PICGUG is set forth in Paragraphs 1 and 4 of its Petition to Intervene. PICGUG's Petition to Intervene is pending and awaits disposition by the ALJ.

On March 1, 2018, PGW filed its 2018-2019 GCR filing pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f).

A Prehearing Conference has been scheduled in this proceeding for March 16, 2018.

II. ANTICIPATED ISSUES AND SUB-ISSUES

Because changes to the Company's gas costs may affect its members, PICGUG is concerned with the modifications to the GCR proposed in this proceeding. Similarly, PICGUG is

concerned with any issues that may arise regarding interruptible transportation service, proposed retainage fees, pipeline capacity cost assignment, penalty charges, and daily and monthly imbalance penalties. PICGUG anticipates pursuing these issues during this proceeding, as necessary, and reserves the right to raise further issues and to respond to all matters raised by other parties.

III. PROPOSED WITNESSES

PICGUG is currently evaluating whether it will sponsor testimony in this proceeding. If PICGUG opts to sponsor testimony, it will immediately inform the parties and the ALJ of any intended witnesses and their areas of testimony. PICGUG also intends to participate in this proceeding through the submission of discovery, cross-examination of other parties' witnesses, and the submission of briefs, exceptions, and reply exceptions, if necessary.

IV. PROPOSED SCHEDULE AND DISCOVERY RULES

PICGUG is agreeable to the proposed schedule for hearings and briefs set forth in the ALJ's Prehearing Conference Order and will defer to the other parties at the Prehearing Conference regarding the amount of hearing time needed. Additionally, PICGUG will cooperate with the ALJ and the parties at the Prehearing Conference to develop appropriate discovery rules in accordance with the Commission's regulations and any ALJ directives.

V. POSSIBILITY OF SETTLEMENT

PICGUG is willing to participate in discussions with the other parties to amicably resolve the issues in this proceeding.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

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Dated: March 14, 2018