



PHILADELPHIA GAS WORKS

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March 14, 2018

Via E-Filing

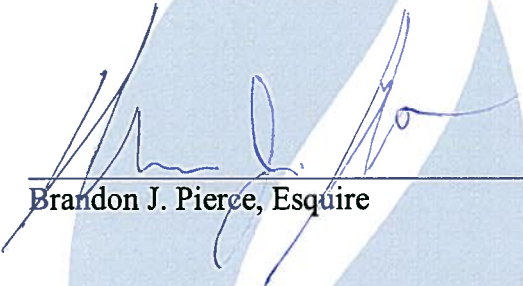
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

Re: Philadelphia Gas Works 2018-2019 Gas Cost Rate Filing
Docket No. R-2018-2645938

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW"), enclosed for filing is PGW's Prehearing Memorandum in the above-referenced matter. Copies have been served in accordance with the attached Certificate of Service. Please contact me if you have questions.

Respectfully,

A handwritten signature in blue ink, appearing to read "Brandon J. Pierce", is written over a horizontal line. The signature is fluid and cursive.

Brandon J. Pierce, Esquire

Enclosure

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

CERTIFICATE OF SERVICE

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

VIA FIRST CLASS MAIL and EMAIL

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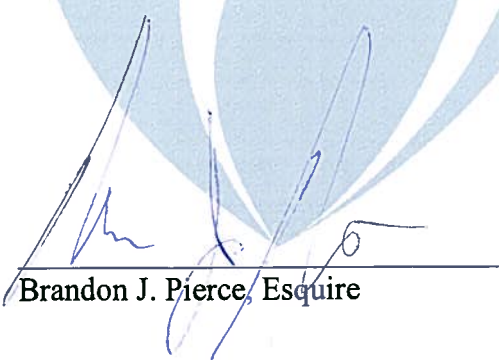
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Dated: March 14, 2018



Brandon J. Pierce, Esquire

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**PREHEARING MEMORANDUM
OF PHILADELPHIA GAS WORKS**

Pursuant to 52 Pa Code § 5.223, the Prehearing Conference Order dated March 8, 2018, and in anticipation of the Initial Prehearing Call In Telephonic Conference scheduled before Administrative Law Judge Marta Guhl on March 16, 2018, Philadelphia Gas Works (“PGW”) submits this Prehearing Memorandum.

I. BACKGROUND

1. On February 1, 2018, PGW filed its supporting information for the prefiling for its annual 2018-2019 Gas Cost Rate (“GCR”).

2. At that time, PGW also noted that – pursuant to the Commission’s approval in its 2017-2018 GCR – it intended to depart from certain requirements of 52 Pa. Code Sections 53.45(b), 53.64(c), 53.68(a) and 53.64(i)(5)(i) to address the timing of bill inserts, public notice and underlying data to be relied upon for the March 1, 2018 quarterly 1307(f) filing.¹

3. On February 6, 2018, the Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance.

4. The Office of Small Business Advocate (“OSBA”) and the Office of Consumer Advocate (“OCA”) subsequently filed complaints on February 12, 2018, and February

¹ *Pennsylvania Public Utility Commission, et. al. v. Philadelphia Gas Works 2017-2018 Gas Cost Rate Filing*, Docket No. R-2017-2587526, Final Order entered August 3, 2017 at 4.

21, 2018, respectively. The OSBA complaint is docketed at C-2018-2647156 and the OCA complaint is docketed at C-2018-3000048. Per letter filed on February 28, 2018, PGW stated its intention not to file answers consistent with 52 Pa. Code § 5.61(d).

5. On February 14, 2018, the Philadelphia Industrial and Commercial Gas Users Group (PICGUG) filed its Petition to Intervene.

6. On March 1, 2018, PGW filed its Section 1307(f) filing which included proposed tariff revisions, supporting information regarding the computation of annual purchased gas costs for twelve months ending August 31, 2019, and the direct testimony of Kenneth Dybalski (PGW St. 1) and Raymond Snyder (PGW St. 2).

II. DISCOVERY

Consistent with the discovery modifications adopted in prior GCR proceedings, PGW proposes the following:

- Answers to written interrogatories will be served in-hand within ten (10) calendar days of service of the interrogatories except that service of interrogatories on a Friday shall be deemed service on the following business day;
- Objections to interrogatories will be communicated orally within three (3) business days of service; unresolved objections shall be served to the ALJ in writing within five (5) business days of service of the interrogatories;
- Motions to dismiss objections and/or direct the answering of interrogatories will be filed within three (3) business days of service of written objections;
- Answers to motions to dismiss objections and/or direct the answering of interrogatories will be filed within three (3) business days of service of such motions;
- Responses to requests for document production, entry for inspection, or other purposes will be served in-hand within ten (10) calendar days;
- Requests for admission will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) business days of service;
- Answers to on-the-record data requests will be served in-hand within seven (7) calendar days of the request;
- Rulings regarding motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion;

- Any discovery or discovery related pleadings such as objections, motions, answers to motions served on a Friday or on any business day preceding a state holiday shall be deemed to have been served on the following business day for purposes of tracking responsive due dates; and
- That due dates be "in-hand" and that electronic or fax service on the due date will satisfy the "in-hand" requirement, where such service is immediately followed by a hard copy sent by first-class mail.

III. FACTUAL AND LEGAL ISSUES

This proceeding will focus on whether PGW's proposed 2018-2019 GCR and PGW's claimed realized 2017-18 natural gas expense, GCR Expense and prior years' over/undercollection are just, reasonable and consistent with the least cost fuel procurement and other standards set forth in 66 Pa. C.S. §§ 1307(f), 1317 and 1318. In addition, the proceeding will focus on whether PGW's proposed Tariff Supplement No. 76 to PGW Gas Supplier Tariff Pa P.U.C. No. 1 adjusting the load balancing charge and proposed Tariff Supplement No. 110 to PGW Gas Service Tariff Pa P.U.C. No. 2 adjusting the GCR, Price-to-Compare, Restructuring and Consumer Education Surcharge, Efficiency Cost Recovery Surcharge, Universal Service and Energy Conservation Surcharge, and Other Post Employment Benefit Surcharge are just, reasonable and otherwise consistent with law.

IV. SERVICE OF DOCUMENTS

PGW requests that all documents be served on:

Brandon J. Pierce, Esquire
 Senior Attorney, Legal Department
 Philadelphia Gas Works
 800 West Montgomery Avenue
 Philadelphia, PA 19122

and

Deanne M. O'Dell, Esquire

Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101

PGW also agrees to receive service of documents electronically in this proceeding. To the extent that materials are available electronically, it is requested that copies be served upon:

Brandon Pierce – Brandon.Pierce@pgworks.com

Deanne O'Dell – dodell@eckertseamans.com

V. PROCEDURAL SCHEDULE

PGW proposes the schedule below for this proceeding (due dates via email by 4:30 P.M. unless otherwise noted) based on discussions with the other parties and in consideration of proposed schedule set forth in the Prehearing Conference Order:

Date	Event
3/1/2018	Annual filing w/ Company's Direct Testimony
4/16/2018	Other Parties Direct Testimony
5/2/2018	Rebuttal Testimony
5/7/2018	Surrebuttal Testimony
5/8/2018	Oral Rejoinder at hearing
5/8/2018	Evidentiary Hearings
5/9/2018	
5/21/2018	Main Briefs Due
5/31/2018	Reply Briefs Due

VI. WITNESSES

PGW expects to submit the testimony of the following witnesses:

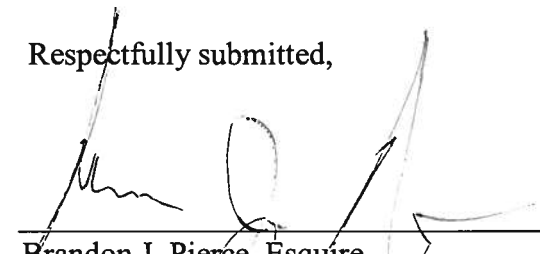
- Kenneth Dybalski, Vice President – Energy Planning & Technical Compliance at PGW. The issues Mr. Dybalski will address are set forth in his direct testimony dated March 1, 2018.
- Raymond Snyder, Senior Vice President of Gas Management at PGW. The issues Mr. Snyder will address are set forth in his direct testimony dated March 1, 2018.

PGW reserves its right to modify this witness list prior to the submission of testimony.

VII. SETTLEMENT

PGW is willing to participate in settlement discussions and will be initiating such discussion as soon as the parties indicate that they have had sufficient time to review PGW's claims on the GCR.

Respectfully submitted,



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Dated: March 14, 2018

Attorneys for Philadelphia Gas Works