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May 9, 2018

**Via Electronic Filing**

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

Re: Philadelphia Gas Works Supplement No. 111 to Tariff Gas Pa. P.U.C. No. 2  
Docket NO. R-2018-3000739 – Utility Code 125042

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Responses of Philadelphia Gas Works to the Energy Industry Group's Data Requests Nos. TUS-1 through TUS-7 with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Daniel Clearfield

DC/lww  
Enclosure

cc: Jeff McCracken w/enc., [jmccracken@pa.gov](mailto:jmccracken@pa.gov)

## CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Responses to Energy Industry Group Data Requests 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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Date: May 9, 2018

  
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Daniel Clearfield, Esquire

**Response of Philadelphia Gas Works (“PGW”)  
to the Data Requests of the Bureau of Technical Utility Services  
Energy Industry Group in  
Docket No. R-2018-3000739**

**Request: TUS-1**

Reference Statement of Reasons, Page 1 - Please explain how implementing this Tariff will produce 'additional revenues that would ultimately lower rates for other customers. '

**Response:**

The sentence should more appropriately read (underlined material reflects the revised language), “The proposed Tariff provisions are designed to provide customers with greater flexibility in utilizing PGW’s distribution system assets, and potentially, sales service, while producing additional revenues that would ultimately mitigate the need for larger rate increases for other customers in the future.”

**Response provided by:** Gregory Stunder, Vice President Regulatory and Legislative Affairs

**Response of Philadelphia Gas Works (“PGW”)  
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**Request: TUS-2**

Reference Statement of Reasons, Page 3 - Please provide definitions and proof of service for the below entities:

1. PICGUG;
2. RESA.

**Response:**

PICGUG is the acronym for the Philadelphia Industrial and Commercial Gas Users Group. PICGUG is represented by the law firm McNeese Wallace & Nurick. Please see PGW’s Certificate of Service attached to its March 23, 2018 Rate LT Filing for proof of service on PICGUG’s attorneys.

RESA is the acronym for the Retail Energy Supply Association. RESA is represented by the law firm Hawke McKeon & Sniscak. Please see PGW’s Certificate of Service attached to its March 23, 2018 Rate LT Filing for evidence of service on RESA’s attorney.

**Response provided by:** Brandon Pierce, Senior Attorney, PGW

**Response of Philadelphia Gas Works (“PGW”)  
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Docket No. R-2018-3000739**

**Request: TUS-3**

Reference Statement of Reasons, Page 3 - Please provide explanations regarding interruptions of service for the following:

1. The triggers for an interruption of service to an LT customer vs. an IT customer;
2. Definition and examples of highly unusual circumstances;
3. Over the last five years, provide the number of highly unusual circumstances that occurred each year;
4. The process used to alert the customers of an interruption of service;
5. Explain how the required level of interruptions are determined and how these differ between LT and IT customers;
6. The criteria used to determine priority thresholds for interrupting Rate LT versus Rate IT.

**Response:**

1. Gas Supply issues may trigger an interruption of service to Rate IT customers at PGW’s discretion as provided for in the Company’s Gas Service Tariff. Interruption of service to Rate LT customers due to Gas Supply issues would not trigger an interruption for up to 10 days in a year when a supplier does not deliver gas to PGW’s city gate. After the first ten days, Rate LT may be interrupted if PGW cannot provide additional sales service.
2. At page 3, the Statement of Reasons provides that interruption of Rate LT customers will only occur in “highly unusual circumstances.” “Highly unusual circumstances” are by definition, unpredictable and unusual. Such circumstances could include, but are not limited to, *force majeure* events, or when PGW issues an Operational Flow Order, as described in the Company’s Gas Service Tariff at page 107, Section 3.(e). Another example would be if PGW’s distribution system experiences an emergency that would require PGW to reduce load on the system to safely make an emergency repair.
3. Over the last five years, there have been no interruptions or curtailments by PGW due to gas supply. There have been interruptions and curtailments by PGW due to distribution system reasons. These occurrences have happened in emergency situations, in which customer service was curtailed or interrupted to accommodate the capacity limitations resulting from the need to perform emergency repairs. PGW does not keep a record of these occurrences.

**Response of Philadelphia Gas Works (“PGW”)  
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Docket No. R-2018-3000739**

4. PGW’s Gas Service Tariff provides that “PGW shall notify the Customer of any interruption of service by email or fax and /or by telephone.” Gas Service Tariff at page 157. Further, it states” “Although the Company will endeavor to provide as much notice as is reasonable and practical, the Customer shall maintain the ability to curtail or interrupt usage upon eight hours’ notice. In the event of a system emergency, upon notice by the Company, the Customer shall use its best efforts to curtail or interrupt usage upon less than eight hours notice.” Gas Service Tariff at page 112.
5. Pursuant to PGW’s Rate IT tariff provisions, PGW may, at its discretion, interrupt Rate IT customers if suppliers fail to supply gas to the city gate. For Rate LT customers, PGW will not interrupt service for the first 10 days if a supplier fails to supply gas to the city gate. If PGW needs to reduce load to maintain system integrity or address an emergency situation, PGW shall make best efforts to reduce service first to Rate IT customers, then to Rate LT customers.
6. PGW shall make best efforts to reduce service first to Rate IT customers, then to Rate LT customers.

**Response provided by:** John Zuk, Vice President of Gas Supply

**Response of Philadelphia Gas Works (“PGW”)  
to the Data Requests of the Bureau of Technical Utility Services  
Energy Industry Group in  
Docket No. R-2018-3000739**

**Request: TUS-4**

Reference Statement of Reasons, Page 3 - Please provide explanations regarding 10 days of sales service per year for the following:

1. The process required for a customer to request sales service on one of the 10 days per year;
2. The notification time frame required to utilize sales service;
3. The source of gas used for sales service;
4. Why the PGW rate was selected to price the gas provided.

**Response:**

1. Suppliers and/or customers will provide written notice to PGW that sale service is being requested.
2. Suppliers and/or customers will make the request at least 24 hours prior to the Gas Day.
3. The source of gas will depend on PGW’s gas profile for the day. It may be sourced from PGW’s daily baseload gas or storage gas.
4. The GCR was selected to price the gas because that is the same rate charged to firm sales service customers.

**Response provided by:** John Zuk, Vice President of Gas Supply

**Response of Philadelphia Gas Works (“PGW”)  
to the Data Requests of the Bureau of Technical Utility Services  
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**Request: TUS-5**

Reference Response to 52 Pa. Code, Section 53.52(a)(3) - Please explain the criteria the utility will use to determine which Interruptible Tariff customers 'demonstrate its ability to meet the requirements of the IT Tariff provisions. '

**Response:**

PGW's Gas Service Tariff – Pa. P.U.C. No. 2 provides the criteria to determine whether customers are eligible for PGW's Interruptible Transportation service. *See* PGW Gas Service Tariff – Pa. P.U.C. No. 2, Supplement No. 111 at First Revised Pg. No. 111 through First Revised Pg. No. 117. The Rate IT criteria also specifies:

In order to qualify for interruptible daily Transportation Service under this Rate Schedule, a Customer must: (1) have installed and operable alternate fuel equipment, including appropriate fuel storage capacity, capable of displacing the daily quantity of Gas subject to curtailment or interruption; or (2) or in the alternative demonstrate to the Company's sole satisfaction the ability to manage its business without the use of Gas during periods of curtailment or interruption.

PGW Gas Service Tariff – Pa. P.U.C. No. 2, Supplement No. 111 at Original Pg. No. 112.

**Response provided by:** John Zuk, Vice President of Gas Supply

**Response of Philadelphia Gas Works (“PGW”)  
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**Request: TUS-6**

Reference Tariff Supplement No. 111 , Page 159 - Please provide the following:

1. A description for the asterisk in the heading 'Rate(\$) Per Mcf / Dth Delivered\*.' Please provide an updated Tariff page, if applicable;
2. Details determining Rate LT sales service paying the current GCR rate and how this rate was determined.

**Response:**

1. The asterisk is erroneous. Please see attached for a revised page 159 that removes the asterisk.

2. In lieu of being interrupted, a rate LT customer will pay for sales service only when its supplier fails to deliver the gas supply needed to meet the customer’s demand on that day, and only for the first ten (10) days in which such a delivery failure occurs during a year. The GCR was selected to price the gas because that is the same rate charged to firm sales service customers.

**Response provided by:** Part 1: Brandon Pierce, Senior Attorney, PGW; Part 2 John Zuk, Vice President of Gas Supply

PHILADELPHIA GAS WORKS

CHARGES

1. MONTHLY BILL

The monthly bill shall consist of the sum of the monthly Customer charge and the Distribution Charge as detailed below:

<u>CUSTOMER CHARGE</u>	<u>(\$ Per Meter Per Month</u> <u>(Parallel Meters are considered one meter)</u>
LT-A:	152.16
LT-B:	273.89
LT-C:	273.89
LT-D:	273.89
LT-E:	426.06
<u>DISTRIBUTION CHARGE</u>	<u>Rate (\$) Per Mcf / Dth Delivered</u>
LT-A:	3.4836 / 3.3593
LT-B:	1.6861 / 1.6259
LT-C:	1.3156 / 1.2687
LT-D:	1.1674 / 1.1257
LT-E:	1.1304 / 1.0901

Rate LT Sales Service: the current GCR shall be applicable to sales service volumes delivered.

**Response of Philadelphia Gas Works (“PGW”)  
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**Request: TUS-7**                      Reference Tariff Supplement No. 111, Page 161 - Please explain the logic of Standby Service, given that the intention of Rate LT is to reduce load, when necessary, for system stability.

**Response:**

First, the intention of Rate LT is not to reduce load for system stability or otherwise. PGW’s March 23, 2018 filing makes no such statement or inference. The purpose of Rate LT, as stated in PGW’s Statement of Reasons is as follows:

[PGW] proposes an optional and voluntary rate for eligible commercial and industrial customers that is designed to provide additional optionality to meet their needs. Specifically, the proposed LT rate is designed to reduce the potential for interruption compared to the Company’s Interruptible Transportation (“IT”) service, while preserving PGW’s ability to interrupt LT load if needed to protect firm customers or in operational emergencies. The proposed Tariff provisions are designed to provide customers with greater flexibility in utilizing PGW’s distribution system assets, and potentially, sales service, while producing additional revenues.

Statement of Reasons at 1.

Second, PGW is offering Standby Service as an option for any customer who wants additional protection from interruption in the event that a supplier fails to deliver gas beyond the included 10 ten days of sales service and PGW is not able to provide additional sales service.

**Response provided by:** John Zuk, Vice President of Gas Supply