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May 30, 2018

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17105-3265

RE: Pennsylvania Public Utility Commission, Philadelphia Industrial & Commercial
Gas Users Group v. Philadelphia Gas Works;
Docket Nos. R-2018-3000739 & C-2018-3001490

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Philadelphia Gas Works' ("PGW") Prehearing Memorandum with regard to the above-referenced matter. Copies are being served in accordance with the attached Certificate of Service.

Sincerely,



Daniel Clearfield

DC/lww
Enclosure

cc: Hon. Darlene Heep w/enc.
Certificate of Service 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 Email and/or First Class Mail

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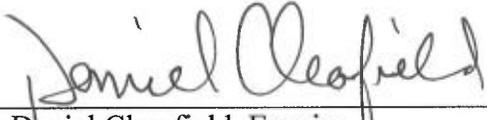
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Date: May 30, 2018



Daniel Clearfield, Esquire

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:		
	:	Docket No.	R-2018-3000739
v.	:		C-2018-3001490
	:		
Philadelphia Gas Works	:		

**PREHEARING MEMORANDUM
OF PHILADELPHIA GAS WORKS**

Pursuant to 52 Pa Code § 5.223, the Prehearing Conference Order dated May 22, 2018, and in anticipation of the Initial Prehearing Call In Telephonic Conference scheduled before Administrative Law Darlene Heep on Thursday, May 31, 2018, Philadelphia Gas Works (“PGW” or “Respondent”) submits this Prehearing Memorandum.

I. BACKGROUND

1. On March 23, 2018, PGW filed Supplement No. 111 to PGW’s Gas Service Tariff No. 2 and the materials supporting said Supplement.
2. Consistent with Paragraph 23 of the Settlement in PGW’s last general base rate case (R-2017-2586783) — wherein it was agreed that PGW would file a proposed Large Customer Transportation Service Tariff (“Rate LT”), Supplement No. 111 proposes the creation of Rate LT, which would be an option available to existing (or new) Rate IT customers.
3. PICGUG filed a Complaint “against the rates, terms, and provisions contained in Respondent's Supplement No. 111.” *See* PICGUG Complaint at ¶ 4.
4. By the “Suspension Order” entered May 17, 2018, Supplement No. 111 was suspended by operation of law on November 19, 2018, unless otherwise directed by Order of the Commission.

5. The Office of Consumer Advocate filed a Notice of Intervention on May 25, 2018.

II. DISCOVERY AND PROCEDURAL SCHEDULE

PGW proposes the voluntary suspension of Supplement No. 111 **until May 22, 2019**, unless otherwise directed by Order of the Commission. Supplement No. 111 is currently suspended until November 19, 2018, unless otherwise directed by Order of the Commission. To give the parties time to pursue settlement (as opposed to litigation of the issues presented), PGW proposes to file a further suspension of Supplement No. 111 – until May 22, 2019¹. This voluntary suspension, which is beyond the full statutory suspension period in 66 Pa.C.S. § 1308(b), would be noted in an additional tariff supplement filed by PGW.

Accordingly, at this time, **PGW proposes that discovery modifications and a litigation schedule not be adopted by the ALJ so that the parties can meet, discuss and work to settle the issues raised by Supplement No. 111.** It is proposed that the parties report back to the ALJ on (or before) August 31, 2018 on their progress towards settlement. This should provide ample time to attempt settlement and then – if necessary – establish discovery modifications, a litigation schedule and a new end of suspension period.

PGW has communicated this proposal to all the parties in PGW's last rate case (whether or not they indicated an intention to participate in this proceeding. Both PICGUG and the OCA have expressed support for this proposal. No other comments were received as of this filing.

¹ May 22, 2019 is one calendar year from the original effective date of Supplement No. 111 (May 2, 2018). PGW will further suspend the Tariff Supplement if the settlement negotiations are unsuccessful and additional time for litigation becomes necessary.

III. FACTUAL AND LEGAL ISSUES

PGW must show that Supplement No. 111 is just, reasonable and non-discriminatory.

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

Daniel Clearfield, 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

Daniel Clearfield – dclearfield@eckertseamans.com

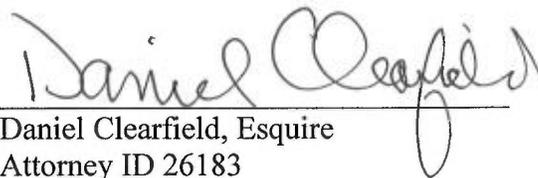
V. WITNESSES

PGW has not identified its witnesses for this proceeding, and reserves its right to modify this witness list prior to the submission of testimony.

VI. SETTLEMENT

As noted above, PGW is willing to voluntarily extend the suspension period to encourage and accommodate settlement discussions between the parties.

Respectfully submitted,



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Dated: May 30, 2018