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September 25, 2018

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
PO Box 3265  
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) PGW's Petition For  
Withdrawal of Supplement No. 111 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: Hon. Darlene Heep w/enc.  
Brandon Pierce w/enc.  
Certificate of Service w/enc.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of PGW's Petition For Withdrawal of Supplement No. 111 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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Date: September 25, 2018

  
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Daniel Clearfield, Esquire

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2018-3000739
v.	:	
	:	
Philadelphia Gas Works	:	
	:	
Philadelphia Industrial and Commercial Gas Users Group	:	Docket No. C-2018-3001490
	:	
v.	:	
	:	
Philadelphia Gas Works	:	

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**PGW's PETITION FOR WITHDRAWAL  
OF SUPPLEMENT NO. 111**

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**TO ADMINISTRATIVE LAW JUDGE DARLENE D. HEEP:**

Pursuant to 52 Pa Code § 5.94,<sup>1</sup> Philadelphia Gas Works (“PGW” or “Company”) respectfully files this Petition for Leave to Withdraw (“Petition for Withdrawal of Supplement No. 111 to Gas Service Tariff -Pa. P.U.C. No. 2 (“Supplement No. 111”), containing proposed changes in rates, rules, and regulations to create a voluntary Large Customer Transportation Service Tariff Rate (“Rate LT”). PGW requests that Supplement No. 111 be permitted to be withdrawn without prejudice to any party or position raised by any party so far in this proceeding. In support of this Petition for Withdrawal, PGW avers as follows:

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<sup>1</sup> A party “desiring to withdraw a pleading in a contested proceeding may file a petition for leave to withdraw the appropriate document with the Commission and serve it upon the other parties. The petition must set forth the reasons for the withdrawal. A party may object to the petition within 10 days of service. After considering the petition, an objection thereto and the public interest, the presiding officer or the Commission will determine whether the withdrawal will be permitted.” 52 Pa.Code § 5.94.

1. PGW is a collection of assets owned by the City of Philadelphia (“City”) and used for distributing natural gas to the public in the City and County of Philadelphia. PGW is a “city natural gas distribution operation” and therefore a “natural gas distribution company” as defined in Sections 102 and 2202 of the Public Utility Code, 66 Pa.C.S. §§ 102, 2202.

2. On March 23, 2018, PGW filed the subject Supplement and the materials supporting said Supplement. This was done consistent with Paragraph 23 of the Settlement in PGW’s last general base rate case (Docket No. R-2017-2586783) — wherein it was agreed that PGW would file a tariff supplement proposing the creation of Rate LT, which would be an option available to existing (or new) Rate IT customers.

3. The Office of Small Business Advocate (“OSBA”) filed a Notice of Intervention on April 11, 2018.<sup>2</sup>

4. The Philadelphia Industrial and Commercial Gas Users Group (“PICGUG”) filed a Complaint against the rates, terms, and provisions contained in Respondent’s Supplement No. 111 on April 30, 2018. *See* Docket No. C-2018-3001490, PICGUG Complaint at ¶ 4.

5. 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. PGW filed a tariff supplement suspending Supplement No. 111 until November 19, 2018.<sup>3</sup>

6. The Office of Consumer Advocate (“OCA”) filed a Notice of Intervention on May 25, 2018.<sup>4</sup>

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<sup>2</sup> <http://www.puc.state.pa.us/pcdocs/1561564.pdf>.

<sup>3</sup> <http://www.puc.state.pa.us/pcdocs/1569120.pdf>.

<sup>4</sup> <http://www.puc.pa.gov/pcdocs/1568607.pdf>.

7. A telephonic prehearing conference was held on May 31, 2018 before Administrative Law Judge (“ALJ”) Darlene D. Heep.<sup>5</sup> At the prehearing conference, PGW sought extension of the suspension period to allow the parties time to pursue settlement. The parties were given an informal extension of 90 days and directed to report the status of any settlement discussion within six-weeks, at which time this matter would be revisited, and a formal extension provided should the settlement discussions progress as to warrant such an extension.

8. PGW was directed to file another tariff supplement with the suspension of Supplement 111 until February 19, 2019, which was done on June 13, 2018.<sup>6</sup>

9. A joint status report was filed on July 13, 2018,<sup>7</sup> indicating that settlement discussions among the parties have taken place and that, in the parties’ view, those discussions have been fruitful and productive and hold out the potential that the issues of concern to the parties can be resolved through such a collaborative process.

10. Following the filing of said status report, ALJ Heep entered a “Status Report Order” directing the parties to submit a second status report no later than September 25, 2018.<sup>8</sup> That Order further provides that if the matter had not reached a stage where a settlement agreement can be submitted by November 2, 2018, parties should submit a joint, signed request for further extension of the suspension date by October 3, 2018.

11. Following continued discussions among the parties and consideration of the positions presented during said discussions, PGW believes that it would be best to withdraw Supplement No. 111 at this time in order to permit additional (and extended) discussions (outside

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<sup>5</sup> <http://www.puc.state.pa.us/pcdocs/1569859.doc>.

<sup>6</sup> <http://www.puc.state.pa.us/pcdocs/1571396.pdf>.

<sup>7</sup> <http://www.puc.state.pa.us/pcdocs/1576868.pdf>.

<sup>8</sup> <http://www.puc.state.pa.us/pcdocs/1578187.docx>

of contested proceedings) with interested parties with the goal of achieving greater clarity and consensus on ancillary issues raised in the context of Rate LT (or a similar voluntary rate for existing (or new) Rate IT customers). PGW further believes that discussions held outside of a contested proceeding tend to facilitate a more open discussion of the issues.

12. PGW requests that Supplement No. 111 is withdrawn without prejudice to file future changes in rates, rules, and regulations to create Rate LT (or a similar voluntary rate for existing (or new) Rate IT customers). The withdrawal of Supplement 111 will be without any admission against, or prejudice to, any position that any party has advanced in this proceeding, or any position any party may raise any subsequent litigation of this proceeding or in any other proceeding. Failure to oppose PGW's withdrawal shall not be viewed as an admission with respect to any issue raised by any party so far in this or a subsequent proceeding.

13. PGW has notified the Bureau of Investigation and Enforcement, OSBA, PICGUG and OCA about PGW's withdrawal of Supplement No. 111 as described in the foregoing Paragraph.

14. Granting the requested withdrawal is in the public interest. Withdrawal of Supplement No. 111 will allow for a collaborative process to occur on ancillary issues outside of a contested proceeding and will enable PGW to file a new or revised proposal that will incorporate the fruits of prior and future discussions with interested parties. Withdrawal will also avoid further delay in the resolution of these contested proceedings and avoids the expenses of further litigation for both the parties and the Commission. In addition, the withdrawal of these contested proceedings prior to discovery, hearings and subsequent briefing will conserve the resources of each party, which may then be used to prepare for and participate in the proposed collaborative process. Withdrawal will not prejudice any customer as the rate was voluntary, no

customer has expressed any interest in being placed on the rate and there is a viable alternative option (Rate IT) for any entity wishing to obtain natural gas service on similar terms and conditions.

15. PGW is authorized to represent that Bureau of Investigation and Enforcement, Office of Consumer Advocate, Office of Small Business Advocate and PICGUG do not oppose this Petition.

WHEREFORE, PGW respectfully requests that the Commission issue an Order: (1) granting this Petition for Withdrawal of Supplement No. 111, without prejudice; (2) without any admission against, or prejudice to, any position which any party may adopt in the event of any subsequent litigation of this proceeding or in any other proceeding; and, (3) marking the above-captioned proceedings as closed.

Of Counsel:

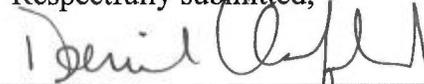
Brandon J. Pierce, Esquire  
Senior Attorney, Legal Department

Philadelphia Gas Works  
800 West Montgomery Ave  
Philadelphia, PA 19122

Brandon.Pierce@pgworks.com

Date: September 25, 2018

Respectfully submitted,



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Daniel Clearfield, Esquire  
(PA Attorney ID No. 26183)

Carl R. Shultz, Esquire  
(PA Attorney ID No. 70328)

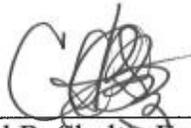
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Attorneys for Philadelphia Gas Works

## Verification

I, Carl R. Shultz state that I am an Attorney of Record for Philadelphia Gas Works (“PGW”) and that as such I am authorized to make this verification on its behalf. I hereby state that the facts contained in the foregoing document are true and correct (or are true and correct to the best of my knowledge, information and belief). I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.



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Carl R. Shultz, Esquire  
Attorney for Philadelphia Gas Works