



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

April 17, 2019

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED
2019 APR 17 PM 12:15
PA PUC
SECRETARY'S BUREAU
FRONT DESK

Re: Pennsylvania Public Utility Commission, Bureau of Investigation
and Enforcement v. Philadelphia Gas Works
Docket No. R-2019-3009016

Dear Secretary Chiavetta:

Enclosed for filing please find the Formal Complaint in the above referenced case on behalf of the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission. Copies have been served on the parties of record in accordance with the Certificate of Service.

Sincerely,

Gina L. Miller
Prosecutor

PA Attorney ID No. 313863
Prosecutor for the Bureau of
Investigation and Enforcement

Enclosures

cc: As per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2019-3009016
	:	
Philadelphia Gas Works	:	
	:	

**COMPLAINT OF THE BUREAU OF
INVESTIGATION AND ENFORCEMENT**

On April 5, 2019, Philadelphia Gas Works filed Supplement No. 120 to its Gas Service Tariff- Pa. P.U.C. No. 2 in order to obtain the Pennsylvania Public Utility Commission's ("Commission") approval of its Negotiable Liquefied Natural Gas Tariff ("Rate LNG-N"). Pursuant to the Public Utility Code ("Code"), upon complaint or upon the Commission's own motion, PGW's proposed tariff supplement may be suspended by operation of law for a period not longer than six months from the time that it would have become effective.¹ Please allow this Complaint to serve as the Bureau of Investigation and Enforcement's ("I&E") formal request for the above-referenced matter be suspended for further investigation and assigned to the Office of Administrative Law Judge ("OALJ") for hearings culminating in the issuance of a Recommended Decision. I&E avers that such action is warranted in order to ensure that Rate LNG-N is lawful, just, and reasonable.

By way of further context, I&E's request is predicated on its responsibility to serve as the Commission's prosecutory bureau for the purposes of representing the public

RECEIVED

¹ 66 Pa. C.S. § 1308(b).

APR 17 2019

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

interest in ratemaking and service matters, and enforcing compliance with the Public Utility Code, and Commission regulations.² Consistent with I&E's obligations, I&E entered its appearance in this case on April 8, 2019. To date, I&E has identified significant concerns about PGW's proposal to implement Rate LNG-N.

More specifically, approval of Rate LNG-N would permit PGW to begin to provide a host of new services, including PGW's liquefaction of gas supplied by other parties, the injection of customers' liquified natural gas into PGW's facilities, PGW's delivery of other parties' commodity from its facilities via pipeline, exchange services, or other delivery mechanism.³ While PGW has made it clear that its list of services will be expanded, its filing contains minimal information regarding the cost impact of its provision of the additional services. Although PGW claims Rate LNG-N will not create costs for PGW ratepayers, I&E submits that the vast expansion of service that PGW seeks to provide through Rate LNG-N will undoubtedly require PGW to expend resources and devote its property to uses that extend beyond those required under its existing tariff. Further detail is therefore required regarding how Rate LNG-N may impact PGW's ratepayers that do not take service under Rate LNG-N, especially in the event that PGW's increased use of resources and equipment to provide service under Rate LNG-N is being subsidized by those ratepayers.

² 66 Pa.C.S. §§ 101 *et seq.*; 52 Pa. Code §§ 1.1 *et seq.* See *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852 (Order entered August 11, 2011).

³ PGW St. No. 1, pp. 4-5.

Additionally, while service under Rate LNG-N would only be available to customers that have negotiated an agreement with PGW regarding LNG sales and services,⁴ it does not appear that PGW proposes to permit the Commission to review these agreements. Instead, PGW is essentially asking the Commission to permit it to implement Rate LNG-N without any information about the rates involved other than that the agreements that underlie them “must be advantageous to PGW, as determined by PGW in its sole discretion.”⁵ I&E disputes that such action is appropriate, and again avers that further investigation is warranted to ensure that the Commission’s regulatory obligations are met.

Finally, I&E notes that it is unclear at this time whether any safety concerns may be implicated through PGW’s proposal and corresponding expansion of services. This case presents a critical opportunity to investigate how PGW’s proposal will align with its obligations under applicable law and regulations regarding gas safety. Therefore, additional time for investigation is warranted and necessary to ensure protection of the public interest.

In summary, I&E has identified concerns regarding the following: (1) the basis for the rates that PGW will charge under Rate LNG-N; (2) whether the amount charged will be appropriately tracked and reconciled; (3) whether other PGW ratepayer funding and resources will be diverted to subsidize the expanded service that PGW now seeks to provide; (4) whether PGW’s proposal to enter into the necessary agreements without

⁴ PGW St. No. 1, p. 4.

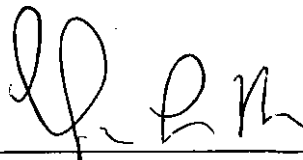
⁵ PGW St. No. 1, p. 5.

Commission review is appropriate; and (5) whether PGW's proposal implicates any safety concerns. The questions implicated must be answered through this proceeding in order to ensure that PGW's ratepayers are not unduly prejudiced by any approval of Rate LNG-N without the appropriate level of scrutiny.⁶

⁶ Aside from the preliminary issues I&E identifies in this Complaint, I&E reserves the right to raise additional issues as they arise during the pendency of this proceeding and as they are further identified during the discovery process.

WHEREFORE, the Bureau of Investigation and Enforcement respectfully requests that the Commission refrain from approving Philadelphia Gas Works' Supplement No. 120 to its Gas Service Tariff- Pa. P.U.C. No. 2 until such time as parties have been able to investigate the issues implicated by the tariff filing and to fully develop a record for the Commission's review.

Respectfully submitted,



Gina L. Miller
Prosecutor
Bureau of Investigation & Enforcement
PA Attorney ID # 313863

John M. Coogan
Prosecutor
Bureau of Investigation & Enforcement
PA Attorney I.D. No. 313920

Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120
(717) 787-8754

Dated: April 17, 2019

RECEIVED
2019 APR 17 PM 12:15
PA PUC
SECRETARY'S BUREAU
FRONT DESK

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Bureau of Investigation and Enforcement,	:	
Complainant	:	
	:	
v.	:	Docket No. R-2019-3009016
	:	
Philadelphia Gas Works,	:	
Respondent	:	

CERTIFICATE OF SERVICE

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

Served via First Class and Electronic Mail

Daniel Clearfield, Esq.
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
dclearfield@eckertseamans.com

Brandon Pierce, Esq.
Philadelphia Gas Works
800 West Montgomery Avenue
Philadelphia, PA 19122
brandon.pierce@pgworks.com

Lauren Burge, Esq.
Harrison Breitman, Esq.
Office of Consumer Advocate
555 Walnut Street, Forum Place, 5th Floor
Harrisburg, PA 17101-1923
lburge@paoca.org
hbreitman@paoca.org

Sharon Webb, Esq.
Office of Small Business Advocate
Commerce Building 300
North Second Street, Suite 202
Harrisburg, PA 17101
swebb@pa.gov

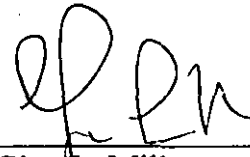
RECEIVED
2019 APR 17 PM 12:15
PA PUC
SECRETARY'S BUREAU
FRONT DESK

Charis Mincavage, Esq.
Alessandra L. Hylander, Esq.
Adelou A. Bakare, Esq.
McNees Wallace & Nurick, LLC
100 Pine Street, P.O. Box 1166
Harrisburg, PA 17108-1166
cmincavage@mcneeslaw.com
ahylander@mcneeslaw.com
abakare@mcneeslaw.com

RECEIVED

2019 APR 17 PM 12:16

PA PUC
SECRETARY'S BUREAU
FRONT DESK



Gina L. Miller
Prosecutor
PA Attorney ID No. 313863

John M. Coogan
Prosecutor
PA Attorney ID No. 313920

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265
717-787-8754
ginmiller@pa.gov

Dated: April 17, 2019