



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

June 4, 2019

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission v.
Philadelphia Gas Works
Docket No. R-2019-3009016
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for filing please find the Bureau of Investigation and Enforcement's (I&E) **Prehearing Memorandum** for the above-captioned proceeding.

Copies are being served on all active parties of record. If you have any questions, please contact me at (717) 783-6151.

Sincerely,

A handwritten signature in black ink, appearing to be "John M. Coogan", written over a light blue circular stamp.

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

Gina L. Miller
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney I.D. No. 313863

JMC/jfm
Enclosure

cc: Hon. Marta Guhl (OALJ, PUC Philadelphia)
Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**PREHEARING MEMORANDUM OF THE
BUREAU OF INVESTIGATION AND ENFORCEMENT**

TO ADMINISTRATIVE LAW JUDGE MARTA GUHL:

In accordance with the Prehearing Conference Order dated May 24, 2019, the Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) hereby submits this Prehearing Memorandum in the above-captioned docket. The I&E prosecutors assigned to this proceeding are John M. Coogan and Gina L. Miller. Mr. Coogan and Ms. Miller may be contacted as follows:

By mail: John M. Coogan
 Gina L. Miller
 Pennsylvania Public Utility Commission
 Bureau of Investigation and Enforcement
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 400 North Street
 Harrisburg, PA 17120

By E-mail: jcoogan@pa.gov
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Telephone: (717) 783-6151 (JMC)
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I. BACKGROUND

On April 5, 2019, Philadelphia Gas Works (“PGW”) filed Supplement No. 120 to its Gas Service Tariff – Pa P.U.C. No. 2 to become effective June 4, 2019. With its filing, PGW proposes to cancel its Rate LNG and establish a new rate for negotiated liquefied natural gas service, LNG-N. Rate LNG-N would expand the type of LNG services PGW offers, allowing non-PGW parties to transport, liquefy, inject, store, vaporize, withdraw, and deliver their own natural gas using PGW facilities.

On April 17, 2019, I&E filed a Formal Complaint requesting that the Commission suspend approval of Supplement No. 120 pending further investigation necessary to ensure PGW’s Rate LNG-N is lawful, just, and reasonable. On April 25, 2019, the Office of Small Business Advocate (“OSBA”) filed a Notice of Appearance, Complaint and Public Statement. On May 9, 2019, the Commission entered an Order suspending the filing until December 4, 2019 pursuant to 66 Pa. C.S. § 1308(b), unless permitted by Commission Order to become effective at an earlier date. On May 9, 2019, the Office of Consumer Advocate (“OCA”) filed a Notice of Intervention and Public Statement. On May 16, the Philadelphia Industrial and Commercial Gas Users Group (“PICGUG”) filed a Petition to Intervene.

II. WITNESSES

It is currently expected that I&E may call the following witnesses without being limited thereto:

- Ethan Cline, Fixed Utility Valuation Engineer
- Terri C. Smith, Pipeline Safety Inspector and Fixed Utility Valuation Engineer
- Christopher Whiteash, Pipeline Safety Inspector and Fixed Utility Valuation Engineer

The I&E witnesses may be contacted through the contact information listed above for Ms. Miller and Mr. Coogan. I&E notes that this listing of witnesses is provided without analysis of the positions of all parties to this proceeding and without the benefit of completed discovery. I&E reserves the right to supplement this witness list, to remove witnesses from this list, and to reassign issues between witnesses as necessary to facilitate the development of a full record in this case. The ALJ and all active parties will be notified of any amendments to the I&E witness list.

III. ISSUES

The following list represents I&E's preliminary determination of the potential issues in this proceeding:

List of Preliminary Issues for Witness Ethan H. Cline

- Cost Allocation
- Revenue Allocation
- Public-Private Partnership with Passyunk Energy Center

List of Preliminary Issues for Witnesses Terri C. Smith & Christopher Whiteash

- Operator Qualification
- Operations and Maintenance (including procedures)
- Public Awareness
- Construction of Facilities
- Compliance with Applicable Safety Regulations

I&E notes that the above listing of issues is provided without analysis of the positions of all parties to this proceeding and without the benefit of completed discovery. I&E reserves the right to supplement this list, to delete entries from this list, and to reassign issues between witnesses as necessary to facilitate the development of a full record in this case.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on PGW's filing and all supplemental materials provided by PGW, answers to interrogatories, other documents submitted or filed with the Commission, and other public documents and reports. However, there may be issues of law or Commission policy that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony. I&E thereby reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

I&E has already initiated discovery. Due to the time limitations in this proceeding, I&E requests that the Commission's Rules of Practice and Procedure for the conduct of discovery be modified as follows:

1. Answers to written interrogatories shall be served in-hand within seven (7) calendar days of service.
2. Objections to interrogatories shall be communicated orally within three (3) business days of service; unresolved objections be served to the ALJ in writing within five (5) business days of service of interrogatories.
3. Motion to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) business days of service of written objections.

4. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) business days of service of such motions.
5. Discovery and discovery-related pleadings served after 12:00 noon on a Friday or after 12:00 p.m. on any business day preceding a state holiday will be deemed to be served on the next business day.

VI. PROPOSED SCHEDULE

In the May 24, 2019 Prehearing Conference Order, ALJ Guhl proposed the following schedule for hearings and briefs:

Evidentiary Hearing	Week of July 22, 2019
Close of Record	July 26, 2019
Main Briefs	August 6, 2019
Reply Briefs	August 16, 2019

I&E is working with the Parties to develop a mutually agreeable procedural schedule regarding testimony for this proceeding. I&E proposes the following schedule for submission of testimony, hearings, and briefing:

Non-Company Direct	June 26, 2019
Rebuttal	July 10, 2019
Surrebuttal	July 18, 2019
Hearings (including Oral Rejoinder)	July 24, 2019
Main Brief	August 6, 2019
Reply Brief	August 15, 2019

VII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs, I&E will accept electronic delivery of documents with a follow-up hard copy provided by regular first-class mail.

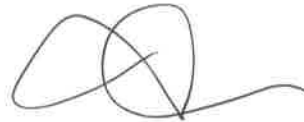
VIII. PUBLIC INPUT HEARINGS

To the extent that public input hearings are deemed necessary in this proceeding, I&E advocates for the use of Smart Hearings where possible.

IX. SETTLEMENT

I&E intends to participate in any settlement discussions and is willing to work with the parties to reach a resolution of any or all issues. In the event settlement discussions fail to result in a complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully submitted,



John M. Coogan
Prosecutor
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission

Gina L. Miller
Prosecutor
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
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June 4, 2019

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CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated June 4, 2019, in the manner and upon the persons 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

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