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March 6, 2020

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
400 North St., 2<sup>nd</sup> Fl.  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Philadelphia Gas Works 2020-2021 1307(f) Gas Cost Rate Filing  
Docket No. R-2020-3017934

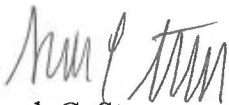
Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW"), enclosed for filing is PGW's Prehearing Memorandum in the above-referenced proceeding. Copies to be served in accordance with the attached Certificate of Service.

Please be advised that I will appear on behalf of PGW for the Prehearing Conference scheduled for March 9, 2020 at 2:00 p.m.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Sarah C. Stoner

Enclosure

cc: Hon. Darlene Heep w/enc. ([dheep@pa.gov](mailto:dheep@pa.gov))  
Certificate of Service w/enc.  
Graciela Christlieb w/enc. (via email only)

**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 First Class Mail and/or Email**

Christy M. Appleby, Esq.  
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Sharon Webb, Esq.  
Daniel Asmus, Esq.  
Office of Small Business Advocate  
Forum Place Building  
555 Walnut St., 1st Fl.  
Harrisburg, PA 17101  
[swebb@pa.gov](mailto:swebb@pa.gov)  
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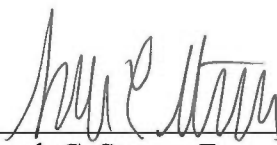
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Dated: March 6, 2020

  
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Sarah C. Stoner, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:		
	:	Docket No.	R-2020-3017934
	:		
	:		
Office of Consumer Advocate	:	Docket No.	C-2020-3018205
Office of Small Business Advocate	:	Docket No.	C-2020-3018856
	:		
v.	:		
	:		
Philadelphia Gas Works	:		

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**PREHEARING MEMORANDUM  
OF PHILADELPHIA GAS WORKS**

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Pursuant to 52 Pa Code § 5.223, the Prehearing Conference Order dated February 28, 2020, and in anticipation of the Initial Prehearing Call In Telephonic Conference scheduled before Administrative Law Judge Darlene D. Heep on Monday, March 9, 2020, Philadelphia Gas Works (“PGW”) submits this Prehearing Memorandum.

**I. BACKGROUND**

1. On January 30, 2020, PGW filed its supporting information for the prefiling for its annual 2020-2021 Gas Cost Rate (“GCR”).

2. At that time, PGW also noted that – pursuant to the Commission’s approval in its 2019-2020 GCR – it intended to depart from certain requirements of 52 Pa. Code Sections 53.45(b), 53.64(c), 53.68(a) and 53.64(i)(5)(i) to address the timing of bill inserts, public notice and underlying data to be relied upon for the March 1, 2020 quarterly 1307(f) filing.<sup>1</sup>

3. On February 6, 2020, the Bureau of Investigation and Enforcement (“I&E”) filed a Notice of Appearance.

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<sup>1</sup> *Pennsylvania Public Utility Commission, et. al. v. Philadelphia Gas Works 2018-2019 Gas Cost Rate Filing*, Docket No. R-2019-3007636, Final Order entered August 8, 2019, Ordering Paragraph 19.

4. The Office of Consumer Advocate (“OCA”) and the Office of Small Business Advocate (“OSBA”) and the subsequently filed complaints on February 11, 2020 and February 24, 2020 respectively. The OCA complaint is docketed at C-2020-3018205 and the OSBA complaint is docketed at C-2020-3018856. Per letter filed on February 24, 2020, PGW stated its intention not to file answers consistent with 52 Pa. Code § 5.61(d).

5. On February 13, 2020, the Philadelphia Industrial and Commercial Gas Users Group (“PICGUG”) filed its Petition to Intervene.

6. On March 2, 2020, PGW filed its Section 1307(f) filing which included proposed tariff revisions, supporting information regarding the computation of annual purchased gas costs for twelve months ending August 31, 2021 and the direct testimony of Kenneth Dybalski (PGW St. 1), John C. Zuk (PGW St. 2), and Denise Adamucci (PGW St. 3).

## II. DISCOVERY

Consistent with the discovery modifications adopted in prior GCR proceedings, PGW proposes the following:

- Answers to written interrogatories will be served in-hand within ten (10) calendar days of service of the interrogatories except that service of interrogatories on a Friday shall be deemed service on the following business day;
- Objections to interrogatories will be communicated orally within three (3) business days of service; unresolved objections shall be served to the ALJ in writing within five (5) business days of service of the interrogatories;
- Motions to dismiss objections and/or direct the answering of interrogatories will be filed within three (3) business days of service of written objections;
- Answers to motions to dismiss objections and/or direct the answering of interrogatories will be filed within three (3) business days of service of such motions;
- Responses to requests for document production, entry for inspection, or other purposes will be served in-hand within ten (10) calendar days;
- Requests for admission will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) business days of service;

- Answers to on-the-record data requests will be served in-hand within seven (7) calendar days of the request;
- Rulings regarding motions shall be issued, if possible, within seven (7) calendar days of the filing of the motion;
- Any discovery or discovery related pleadings such as objections, motions, answers to motions served on a Friday or on any business day preceding a state holiday shall be deemed to have been served on the following business day for purposes of tracking responsive due dates; and
- That due dates be “in-hand” and that electronic or fax service on the due date will satisfy the “in-hand” requirement, where such service is immediately followed by a hard copy sent by first-class mail.

### **III. FACTUAL AND LEGAL ISSUES**

This proceeding will focus on whether PGW’s proposed 2020-2021 GCR and PGW’s claimed realized 2019-2020 natural gas expense, GCR Expense and prior years’ over/undercollection are just, reasonable and consistent with the least cost fuel procurement and other standards set forth in 66 Pa.C.S. §§ 1307(f), 1317 and 1318. In addition, the proceeding will focus on whether PGW’s proposed Tariff Supplement No. 87 to PGW Gas Supplier Tariff Pa P.U.C. No. 1 adjusting the load balancing charge and proposed Tariff Supplement No. 130 to PGW Gas Service Tariff Pa P.U.C. No. 2 adjusting the GCR, Price-to-Compare, Restructuring and Consumer Education Surcharge, Efficiency Cost Recovery Surcharge, Universal Service and Energy Conservation Surcharge, and Other Post Employment Benefit Surcharge are just, reasonable and otherwise consistent with law.

### **IV. SERVICE OF DOCUMENTS**

PGW requests that all documents be served on:

Deanne M. O’Dell, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market Street, 8th Floor  
Harrisburg, PA 17101  
[dodell@eckertseamans.com](mailto:dodell@eckertseamans.com)

Graciela Christlieb, Esq.  
Senior Attorney, Legal Department  
Philadelphia Gas Works  
800 West Montgomery Avenue  
Philadelphia, PA 19122  
[Graciela.Christlieb@pgworks.com](mailto:Graciela.Christlieb@pgworks.com)

PGW agrees to receive service of documents electronically in this proceeding.

**V. PROCEDURAL SCHEDULE**

PGW supports adoption of the schedule below for this proceeding based on discussions with the other parties and in consideration of the proposed schedule set forth in the Prehearing Conference Order:

Date	Event
March 2, 2020	Annual filing w/ Companies' Direct Testimony
April 17, 2020	Other Parties Direct Testimony
May 4, 2020	Rebuttal Testimony
May 11, 2020	Surrebuttal Testimony
May 12, 2020	Oral Rejoinder at hearing
May 12, 2020	Evidentiary Hearings
May 13, 2020	
May 26, 2020	Main Briefs Due
June 5, 2020	Reply Briefs Due

**VI. WITNESSES**

PGW expects to submit the testimony of the following witnesses:

- Kenneth Dybalski, Vice President- Energy Planning & Technical Compliance at PGW. The issues Mr. Dybalski will address are set forth in his direct testimony dated March 2, 2020. Mr. Dybalski's telephone number is 215.684.6317.
- John C. Zuk, Senior Vice President of Gas Management at PGW. The issues Mr. Snyder will address are set forth in his direct testimony dated March 2, 2020. Mr. Zuk's telephone number is 215.684.6725.
- Denise Adamucci, Vice President of Regulatory Compliance and Customer Programs at PGW. The issues Ms. Adamucci will address are set forth in her

direct testimony dated March 2, 2020. Ms. Adamucci's telephone number is 215.684.6745.

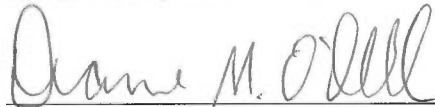
The business address for PGW's witnesses is 800 W. Montgomery Ave., 4<sup>th</sup> Fl., Philadelphia, PA 19122.

PGW reserves its right to modify this witness list prior to the submission of testimony.

**VII. SETTLEMENT**

PGW is willing to participate in settlement discussions and will be initiating such discussions as soon as the parties indicate that they have had sufficient time to review PGW's claims on the GCR.

Respectfully submitted,



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Dated: March 6, 2020

Attorneys for Philadelphia Gas Works