

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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February 17, 2022

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission  
v.  
Philadelphia Gas Works  
1307(f) Proceeding  
Docket No. R-2022-3030686

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Christy M. Appleby  
Christy M. Appleby  
Assistant Consumer Advocate  
PA Attorney I.D. # 85824  
E-Mail: [CAappleby@paoca.org](mailto:CAappleby@paoca.org)

Enclosures:

cc: Office of Administrative Law Judge (**email only**)  
Bureau of Technical Utility Services (**email only**)  
Office of Special Assistants (**email only**: [ra-OSA@pa.gov](mailto:ra-OSA@pa.gov))  
Certificate of Service

\*324129

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No. R-2022-3030686  
 :  
 Philadelphia Gas Works 1307(f) Proceeding :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 17<sup>th</sup> day of February 2022.

**SERVICE BY E-MAIL ONLY**

Gina L. Miller, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, PA 17120  
[ginmiller@pa.gov](mailto:ginmiller@pa.gov)

Teresa Wagner  
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Craig Berry, Esquire  
Philadelphia Gas Works  
800 West Montgomery Avenue  
Philadelphia, PA 19122  
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/s/ Christy M. Appleby  
Christy M. Appleby  
Assistant Consumer Advocate  
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Counsel for:  
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Phone: (717) 783-5048  
Fax: (717) 783-7152  
Dated: February 17, 2022  
\*324134

**Pennsylvania Public Utility Commission**

**Formal Complaint Form**

**1. COMPLAINANT**

Patrick M. Cicero, Acting Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place

Harrisburg, PA 17101-1923

Dauphin County

Phone: (717) 783-5048

Facsimile: (717) 783-7152

**2. RESPONDENT**

Philadelphia Gas Works, Docket No. R-2022-3030686

**3. TYPE OF UTILITY**

GAS

**4. COMPLAINT**

- A.** On February 1, 2022, Philadelphia Gas Works (PGW or the Company) submitted its pre-filing information in support of its annual reconciliation of purchased gas cost (PGC) rates, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations.
- B.** In its pre-filed material, PGW indicated that on or before March 1, 2022, the Company will make its definitive annual PGC filing pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f).
- C.** PGW provides service to natural gas customers within the City of Philadelphia.
- D.** The Public Utility Code provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and vigorously represented ratepayer interests before the Federal Energy Regulatory Commission; (2) taken all prudent steps to negotiate favorable gas supply contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas supplies; and (4) not withheld or caused

to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy. 66 Pa. C.S. § 1318(a)(1-4).

- E.** The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission (the Commission) pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. Stat. Ann. §§309-1, *et seq.*
- F.** After initial review of PGW's filing information, the Acting Consumer Advocate files this Formal Complaint in order to ensure that the Company's proposed purchased gas cost rates are consistent with a least cost fuel procurement policy and do not result in rates or charges that are excessive, unjust or unreasonable, discriminatory or otherwise contrary to Commission regulations or policy.

## **5. RELIEF**

The Acting Consumer Advocate respectfully requests that the Public Utility Commission:

- A.** Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code;
- B.** Hold at least one public input hearing in the PGW service territory, if there is sufficient public interest in holding one;
- C.** Deny any rate or tariff changes which are not the result of a least cost fuel procurement policy as defined by the standards set forth in Section 1318 of the Public Utility Code, and as defined by other applicable ratemaking standards;
- D.** Ensure that the Company's PGC customers are only allocated those costs which should be borne by them;
- E.** Deny any rate or tariff that is unjust, unreasonable, unduly discriminatory or contrary to sound ratemaking principles; and;
- F.** Grant such other relief that the Commission may deem to be necessary, just or proper.

**6. VERIFICATION**

*Verification:*

*I, Patrick M. Cicero, Acting Consumer Advocate, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).*

/s/ Patrick M. Cicero  
*(Signature)*

February 17, 2022  
*(Date)*

**7. LEGAL REPRESENTATION**

Christy M. Appleby, Assistant Consumer Advocate, PA Bar No. 85824  
Aron J. Beatty, Senior Assistant Consumer Advocate, PA Bar No. 86625

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PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE  
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Acting Consumer Advocate determined to file a Formal Complaint and participate in the proceedings before the Commission involving Philadelphia Gas Works' (PGW or the Company) annual purchased gas cost reconciliation at Docket No. R-2022-3030686

On February 1, 2022, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations, PGW submitted its pre-filing information in support of its annual purchased gas cost (PGC) filing. On or about March 1, 2022, PGW will submit its definitive annual PGC filing to the Commission pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. § 1307(f).

The Office of Consumer Advocate has filed this Formal Complaint to ensure that each element of PGW's purchased gas cost rate is scrutinized. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy. 66 Pa. C.S. § 1318(a). The OCA will seek to ensure that only those purchased gas costs which meet the requirements of Section 1318 will be paid by PGW's ratepayers. The OCA will also seek to ensure that the rates approved by the Commission are otherwise just and reasonable, and not unduly discriminatory or excessive.