



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

BUREAU OF  
INVESTIGATION  
&  
ENFORCEMENT

March 8, 2022

**Via Electronic Filing**

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  
**I&E Prehearing Memorandum**

Dear Secretary Chiavetta:

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

Consistent with the Pennsylvania Public Utility Commission's order regarding waiver of regulations regarding service requirements, issued at docket M-2021-3028321 on September 15, 2021, I&E is providing only electronic service on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Respectfully,

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SBG/ac  
Enclosures

cc: Deputy Chief Administrative Law Judge Christopher P. Pell (*via email* – [cpell@pa.gov](mailto:cpell@pa.gov))  
Administrative Law Judge Arlene Ashton (*via email* – [aashton@pa.gov](mailto:aashton@pa.gov))  
Per Certificate of Service



Mr. Granger's contact information is as follows:

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                         Commonwealth Keystone Building  
                         400 North Street  
                         Harrisburg, PA 17120

By e-mail:         [sgranger@pa.gov](mailto:sgranger@pa.gov)

By telephone:    (717) 425-7593

## **II. BACKGROUND**

1.        On February 1, 2022, Philadelphia Gas Works (“PGW”) submitted its pre-filing information in support of its annual reconciliation of purchased gas costs rates.

2.        On February 17, 2022, I&E filed a Notice of Appearance in this proceeding.

3.        Additionally on February 17, 2022 both the Office of the Consumer Advocate (“OCA”) and the Office of Small Business Advocate filed a Public Statement, a Notice of Appearance and a Formal Complaint in this case.

4.        On February 24, 2022, the Philadelphia Industrial and Commercial Gas Users Group (“PICGUG”) filed a Petition to Intervene in this case.

5.        On March 1, 2022, PGW made its Annual Purchased Gas Cost Rate (“GCR”) filing in accordance with Section 1307(f) of the Public Utility Code (“Code”), which establishes a procedure for recovery of purchased gas expenses by public utilities.

6.        On March 1, 2022, I&E received a Prehearing Conference Order which was issued to advise parties that Deputy Chief Administrative Law Judge Christopher Pell (“ALJ Pell”) and Administrative Law Judge Arlene Ashton (“ALJ Ashton”) would be presiding in this case and to memorialize the date, time, and requirements for the Prehearing Conference.

7.        Pursuant to the Prehearing Order, a telephonic Prehearing Conference has been scheduled for March 10, 2022, with ALJs Pell and Ashton presiding. The Prehearing

Conference will convene at 9:00 A.M. with the parties participating telephonically. I&E submits this Memorandum in compliance with the Prehearing Conference Order dated March 2, 2022.

### **III. ISSUES**

The following list represents I&E's preliminary determination of the potential issues in this case. The listing is as complete as can be made at this time, and given the recency of PGW's filing, I&E cannot yet assert its position on the issues with certainty. I&E specifically reserves the right to address other issues, as it deems appropriate, if any such relevant issues arise. The potential issues identified at this time are as follows:

1. Unaccounted for Gas;
2. Off System Sales/Capacity Release;
3. Heating Degree Days;
4. Capacity Requirements;
5. Natural Gas Contracts;
6. LNG;
7. C-Factor;
8. E-Factor;
9. Supplier Refunds;
10. Pipeline Refunds;
11. Interest Rate on Over/Under Collections;
12. Purchase of Receivables;
13. Other Post Employment Benefit Surcharge; and
14. Receivables Program/Merchant Function Charge

Most of the issues raised by I&E will be supported by the direct testimony of an I&E witness in his area of responsibility. However, there may be issues of Commission policy or legal interpretation that are not properly the subject of testimony; or there may be factual issues that are clear on the record and need not be supported by testimony. I&E reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed in Brief.

#### **IV. WITNESSES**

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

Ethan H. Cline                      Fixed Utility Valuation Engineer

Mr. Cline is reviewing the issues preliminarily identified as numbers one through six above.

Christopher Keller                Fixed Utility Valuation Analyst

Mr. Keller is reviewing the issues preliminarily identified as numbers seven through 14 above.

The I&E witnesses may be contacted through the contact information listed above for Ms. Miller and Mr. Granger. I&E reserves the right to call additional witnesses and/or delete witnesses listed above, as well as to supplement the list of issues or transfer the issues to be addressed between witnesses.<sup>1</sup> All active parties and the ALJ will be notified of any proposed additions or deletions to the I&E witness list.

#### **V. 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, answers to discovery requests, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources, and other public documents and reports.

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<sup>1</sup> The above listing is provided without analysis of the positions of all parties to this proceeding, without the benefit of completed discovery, and without knowledge of the volume of topics that I&E witnesses will need to address.

## **VI. SCHEDULE**

I&E has reviewed the proposed schedule for hearings and briefs set forth in the Prehearing Order. Taking into account those proposed dates, I&E offers the following litigation schedule for parties' and the ALJ's consideration:

Direct Testimony	April 1, 2022
Rebuttal Testimony	April 13, 2022
Surrebuttal Testimony	April 19, 2022
Oral Rejoinder at Hearing	April 21, 2022
Hearings	April 21-22, 2022
Close of Record	April 22, 2022
Main Briefs	May 2, 2022
Reply Brief	May 11, 2022 (by 12:00 p.m.)

## **VII. DISCOVERY**

Due to the time limitations in 1307(f) proceedings, 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 ten (10) calendar days of service.
2. Objections to interrogatories shall be communicated orally within three (3) business days of service.
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. Any discovery or discovery-related pleadings served after 12:00 noon on a Friday or after 12:00 pm on any business day preceding a state holiday will be deemed to be served on the next business day.

## VIII. SERVICE OF DOCUMENTS

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony, and briefs during the closure of Commission offices, and consistent with the provisions of the Commission's September 15, 2021 Order for Waiver of Regulations Regarding Service Requirements,<sup>2</sup> I&E proposes to both only serve and accept electronic delivery of documents.

## IX. SETTLEMENT

I&E will make a good faith attempt to resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate these proceedings as warranted.

Respectfully Submitted,



Scott B. Granger  
Prosecutor  
PA Attorney ID No. 63641

Gina L. Miller  
Prosecutor  
PA Attorney ID No. 313863

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120

Dated: March 8, 2022

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<sup>2</sup> Docket No. M-2021-3028321, *Re: Waiver of Regulations Regarding Service Requirements*, p. 6.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated March 8, 2022, in the manner and upon the persons listed below:

**Served via Electronic Mail Only**

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