

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

**Petition Of Philadelphia Gas Works
for Emergency Order**

Docket No. P-2022-3033477

EMERGENCY ORDER

On June 30, 2022, PGW filed a Petition for Emergency Order seeking an *ex parte* Emergency Order to immediately implement a revised Weather Normalization Adjustment (“WNA”)¹ Clause tariff provision, subject to “any other relief in the public interest.” (Petition at 7). PGW proposes to suspend the WNA charge from May 1, 2022 through May 31, 2022 only, which was billed to residential and commercial customers in June, 2022 (June WNA charge). PGW would adjust the upcoming bill by deleting the portion of the June WNA charge that reflected the WNA charge. However, if the June WNA charge had benefitted a customer, the customer would still receive the benefit of the credit. This proposal would allow PGW to return approximately \$12.3 million to ratepayers that was billed pursuant to the formula set forth in the WNA in PGW’s Gas Service Tariff, Pa P.U.C. No. 2, Page Nos. 149-150.

PGW asserts in its Petition that “a significant anomaly” occurred in the application of the June WNA charge, which produced unusually large and unanticipated charges to customers in most billing cycles with May usage. In several days of the billing cycle, the actual number of Heating Degree Days (HDDs) was far lower than the “normal” level. This resulted in large WNA

¹ PGW’s WNA is an automatic adjustment clause that adjusts billings to customers based upon the degree to which actual weather in its service territory varies from “normal” weather levels. The adjustment is applied to customer usage during the period of October 1 through May 31. As established by the Tariff, the charges or credits are calculated based on a formula that considers normal heating degree days (“NHDD”) and actual experienced heating degree days (“AHDD”) for the billing cycle’s usage.

charges to affected customers. For bills rendered in three billing cycles, the average residential impact ranged from \$51 to \$92; the commercial average impact ranged from \$133 to \$468, prompting many customer inquiries and concerns. (Petition at ¶ 5).

To address this purported anomaly and any possible issues over the longer-term, PGW has indicated that it will institute an internal investigation into the WNA formula, input data and current information about weather trends as it affects May. PGW has determined that it is not fair or reasonable to PGW's customers to bear these unprecedented and unusually large charges while this review is underway. Therefore, in the short-term, PGW seeks to reverse the June WNA charges. If this request is approved, PGW anticipates providing these credits to customers in the next several weeks, after the billing system changes are tested and made.

This Petition was served on the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), and the Bureau of Investigation and Enforcement (I&E). The parties to the WNA settlement in R-2017-258783, which established the use of a 20-year normalization formula, included: PGW, I&E, OCA, OSBA, as well as Retail Energy Supply Association, the Philadelphia Industrial and Commercial Gas Users Group, CAUSE-PA, and Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia. (Petition at ¶ 2).

The OCA filed a response on July 1, 2022, wherein, it alleged, *inter alia*, that the "OCA urges the Commission to suspend operation of the WNA for May 2022, as requested by PGW, allowing the Company to refund WNA charges as soon as possible."

Pursuant to the Commission’s regulations governing emergency relief, an Emergency Order will be issued only when there exists a clear and present danger to life or property or when the relief requested is uncontested and action is required prior to the next scheduled public meeting. 52 Pa. Code §3.1. Additionally, Commission regulations at 52 Pa. Code §3.2 provide that, in addition to the existence of an emergency, an emergency order is appropriate where the need for relief is immediate, there would be irreparable injury if relief is not granted, and the relief is not injurious to the public interest.

I believe that issuance of an emergency order is appropriate under the unique circumstances. The Public Utility Code requires that “[E]very rate made, demanded, or received by any public utility... shall be just and reasonable.” 66 Pa. C.S. §1301. Here, PGW acknowledges that a “significant anomaly occurred in the application of the WNA to May 2022 usage, which produced unusually large and unanticipated charges to customers in the majority of billing cycles with May usage.” (Petition at 3). To address this anomaly, PGW asserts that it “will institute an internal investigation into the WNA formula, inputs and current information about weather trends as they affect May.” (Petition at 3). PGW argues that “it is not fair or reasonable to PGW’s customer[s] to have to bear these unprecedented and unusually large charges while this review is underway.” (Petition at 4). Therefore, based on PGW’s internal investigation into the accuracy of the WNA formula, it is appropriate to grant PGW’s Petition; **THEREFORE,**

IT IS ORDERED:

1. That the Philadelphia Gas Works Petition for Emergency Order is granted.
2. That PGW is permitted to file its revised Tariff, which was attached to the Petition as Appendix A, to go into effect immediately, thereby eliminating its previously approved Weather Normalization Adjustment Clause for May 2022 usage billed as a charge in/for June 2022 residential and commercial billing cycles, subject to further investigation by the Commission.



Gladys Brown Dutrieuille, Chairman

July 1, 2022
Date