



COMMONWEALTH OF PENNSYLVANIA

March 7, 2023

E-FILED

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-2023-3038069

Dear Secretary Chiavetta:

Enclosed for filing please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-captioned proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

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

Sincerely,

/s/ Sharon E. Webb

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: Parties of Record
Mark Ewen

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
: **Docket No. R-2023-3038069**
v. :
: **Philadelphia Gas Works 1307(f)** :
:

**OFFICE OF SMALL BUSINESS ADVOCATE
PREHEARING MEMORANDUM**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business consumers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50 (“the Act”). In order to discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to this proceeding. Representing the OSBA in this matter is Assistant Small Business Advocate Sharon E. Webb. Please address all correspondence as follows:

Sharon E. Webb
Assistant Small Business Advocate
Office of Small Business Advocate
555 Walnut Street, 1st Floor
Forum Place
Harrisburg, Pennsylvania 17101
(717) 783-2525
(717) 783-2831 (fax)
swebb@pa.gov

II. FILING BACKGROUND

Pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f), Philadelphia Gas Works (“PGW” or the “Company”) made its annual Section 1307(f) Gas Cost Rate (“GCR”) pre-filing on February 1, 2023 and its definitive filing on March 1, 2023. The OSBA filed a Complaint on February 14, 2023.

III. IDENTIFICATION OF WITNESSES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mr. Mark Ewen
Principal
Industrial Economics, Incorporated (IEc)
2067 Massachusetts Ave.
Cambridge, MA 02140
617.354.0074 (x. 125)
MEwen@indecon.com

The OSBA requests that all parties provide courtesy copies of all documents, including discovery, testimony and briefs, to Mr. Ewen, simultaneously with service upon the OSBA.

IV. IDENTIFICATION OF ISSUES

The OSBA is participating in the case to assure that the interests of small business customers of PGW are adequately represented and protected. After an initial review of the materials submitted by PGW, the OSBA has identified the following issues for further examination:

1. Whether PGW's gas supply purchasing plan reasonably protects gas sales customers from potential volatility in the natural gas markets, including whether PGW has met the terms of the settlement of the 2022-2023 GCR regarding a hedging strategy;
2. Whether PGW's estimated design day demand levels are reasonable and prudent;
3. Whether all of the components of the various reconcilable tariff charges and credits that PGW includes in this filing (USEC, IRC, OPEB, ECR, LBC) are reasonable and accurately calculated;
4. Whether PGW calculated the cost of gas used for off-system sales appropriately and consistent with the terms of the settlement of the 2022-2023 GCR proceeding;
5. Whether PGW's unaccounted-for gas ("UFG") rate is reasonable, whether the Company has adopted a reasonable strategy for mitigating UFG, and whether the Company's proposed retainage rate is consistent with a reasonable estimate of the UFG rate; and
6. Any other issues that may arise during the course of the OSBA's review of the Company's filing that affect small business customers.

As appropriate and necessary, the OSBA will investigate and analyze the claims and proposals of the Company and other parties through discovery, through the cross-examination of witnesses appearing for those parties, through the filing of testimony, and through briefing. The OSBA will particularly focus on any issue where the impact on the interests of the Company's small business consumers would be unjustifiably different than, or disproportionate to, the impact on another class of customers, or otherwise lacking in reasonableness or basic fairness. The OSBA reserves the right to pursue additional issues as they arise throughout the proceeding.

IV. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date^a as satisfying the in-hand requirement. The OSBA requests that email delivery of documents also be provided to its witnesses identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

V. SETTLEMENT

The OSBA notes its willingness to enter into settlement discussions at the appropriate phase of this proceeding.

VI. HEARING AND BRIEFING SCHEDULE

The OSBA will cooperate with the other parties to develop a procedural schedule.

Respectfully submitted,

/s/ Sharon E. Webb

Sharon E. Webb
Assistant Small Business Advocate
PA Attorney ID No. 73995

Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: March 7, 2022

^a In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

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PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
: **Docket No. R-2023-3038069**
v. :
: **Philadelphia Gas Works 1307(f)** :
:

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless other noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Arlene Ashton
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DATE: March 7, 2023 `

/s/ Sharon E. Webb

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Attorney ID No. 73995