



April 26, 2023

Via Email

Honorable Eranda Vero
Honorable Arlene Ashton
Office of Administrative Law Judge
801 Market Street, Suite 4063
Philadelphia, PA 19107
evero@pa.gov
aashton@pa.gov

Re: Pa. PUC v. Philadelphia Gas Works, Docket No. R-2023-3037933

Dear Counsel:

Please find the attached *Prehearing Memorandum of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania* in the above referenced proceeding.

As indicated on the attached Certificate of Service, service on the parties was accomplished by email only.

Respectfully,

A handwritten signature in black ink, appearing to read "John W. Sweet". The signature is written in a cursive style with a horizontal line above the name.

John W. Sweet, Esq.
Counsel for CAUSE-PA

CC: *Secretary Chiavetta (Via E-file – Cover Letter and Certificate of Service only)*
Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission, et al. :
 :
 v. : Docket No. R-2023-3037933
 :
 Philadelphia Gas Works :

Certificate of Service

I hereby certify that I have this day served copies of the *Prehearing Memorandum of the Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania* upon the parties of record in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

VIA First Class Mail and Email

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Respectfully Submitted,
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Counsel for CAUSE-PA



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April 26, 2023.

On April 20, 2023, a Prehearing Conference Order was issued by Administrative Law Judges Eranda Vero and Arlene Ashton setting a telephonic prehearing conference for Friday, April 28, 2023, at 1:30 p.m. and requiring parties to file a Prehearing Memorandum on or before 12:00 p.m. on Thursday, April 27, 2023. In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby files this Prehearing Memorandum.

I. Background

On February 27, 2023, Philadelphia Gas Works (PGW) filed proposed Supplement No. 159 to its Gas Service Tariff – Pa. P.U.C. No. 2 (Supplement No. 159) requesting to increase rates by \$85.8 million, or 10.3%, effective April 28, 2023. If PGW’s proposal is approved, the bill for a typical PGW residential heating customer who uses 71 Mcf per year will increase 9.9% - amounting to approximately \$12.35 per month (from \$125.38 to \$137.73) or \$148.26 per year (from \$1,504.55 to \$1,652.81). (PGW St. 1 at 15). PGW seeks to increase its fixed monthly residential customer charge from \$14.90 to \$19.50, an increase of \$4.60 or 31%. (PGW St. 6 at 8).

On April 20, 2023, the Commission entered a Suspension and Investigation Order suspending the proposed tariff by operation of law, and opening an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained therein. (S&I Order).

II. Issues to be Presented

In addition to compliance with sound rate making principles, including the requirement that rates be just and reasonable, PGW must also ensure that its rates and tariff comply with

universal service requirements. See 66 Pa. C.S. § 2203(8). In determining whether rates are just and reasonable, the Commission must examine whether rates are affordable and accessible to those served.

If the Commission approves any gas distribution rate increase, the Commission should condition approval on PGW's agreement to perform such actions as are necessary to assure compliance with applicable sections of the Public Utility Code, Commission regulations and guidelines, and settlement agreements.

CAUSE-PA has conducted an initial review of PGW's proposed tariff changes and testimony and opposes PGW's request on the grounds that the proposed rate increase and tariff changes may result in unjust and unreasonable rates that would impose severe hardship on low and moderate income residential customers. CAUSE-PA identifies the following specific issues of concern, which must be addressed in this proceeding, though it reserves the right to raise additional issues which may arise through the course of this proceeding:

- i. The conformity to law and the effect of PGW's rate filing and proposed rate increase on low income households.
- ii. The effect of PGW's proposed \$19.50 fixed residential customer charge on low income households, and the ability to achieve appreciable bill savings through adoption of energy efficiency measures.
- iii. The effect of PGW's rate filing and proposed rate increase on low income households enrolled in or eligible for its Universal Service Programs, and the continued adequacy of those programs in delivering universally accessible gas service.
- iv. The propriety of PGW's filing supplemental testimony regarding its WNA well after its initial base rate filing, and whether that testimony and WNA

issues are more appropriately considered at the ongoing docket regarding PGW's WNA at docket numbers R-2022-3034229 and P-2022-3034264.

III. Witnesses and Testimony

CAUSE-PA intends to present the following witness to testify in this matter, but reserves the right to call additional or substitute witnesses as may be warranted upon proper notice to Your Honors and the parties:

Harry S. Geller, Esq.
118 Locust Street
Harrisburg, PA 17101
hgeller@pautilitylawproject.org

Mr. Geller will address the issues identified above, as well as other issues that may arise throughout this proceeding. CAUSE-PA reserves the right to call witnesses as may be warranted upon proper notice to Your Honor and the parties.

IV. Discovery

CAUSE-PA supports the discovery modifications requested by the Office of Consumer Advocate (OCA) in its Prehearing Memorandum.

V. Settlement

CAUSE-PA is willing and ready to engage in settlement discussions in an attempt to resolve or narrow the issues in this proceeding, with any and all parties, and encourages the parties to engage in settlement early in the process.

VI. Service on CAUSE-PA

CAUSE-PA is represented by the attorneys at the Pennsylvania Utility Law Project. All documents should be served on CAUSE-PA as follows:

John W. Sweet, Esq.
Elizabeth R. Marx, Esq.
Ria M. Pereira, Esq.
Lauren Berman, Esq.
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CAUSE-PA requests that parties agree to electronic service in this proceeding.

VII. Representation of CAUSE-PA at Prehearing Conference

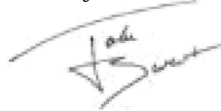
For the Prehearing Conference, CAUSE-PA will be represented by John W. Sweet, Esq.

VIII. Litigation Schedule

CAUSE-PA will work with the ALJs and the other parties to reach a mutually acceptable litigation schedule. CAUSE-PA supports telephonic hearings in this proceeding.

WHEREFORE, CAUSE-PA respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,
PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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April 27, 2023