

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held May 18, 2023

Commissioners Present:

Gladys Brown Dutrieuille, Chairman
Stephen M. DeFrank, Vice Chairman
Ralph V. Yanora
Kathryn L. Zerfuss
John F. Coleman, Jr.

Petition of Philadelphia Gas Works for Emergency
Order

P-2023-3040233

RATIFICATION ORDER

BY THE COMMISSION:

On April 28, 2023, Vice Chairman Stephen M. DeFrank issued an Emergency Order (*April 28, 2023 Emergency Order*), pursuant to 52 Pa. Code §§ 3.1-3.3, in response to the Petition for Emergency Order (Petition) filed by Philadelphia Gas Works (PGW) on April 27, 2023. In its Petition, PGW predicted that its service territory will potentially experience a weather anomaly in May 2023 due to predicted extreme differences in historic and actual heating degree days. PGW was concerned that the weather anomaly in May 2023 would be like the weather anomaly experienced in May 2022,¹ which resulted in approximately \$12.6 million in refunds to customers in 2022. Petition at 1, 8 (¶¶25-26). To proactively avoid a potential sizeable refund situation like the one it experienced in 2022, PGW requested in its Petition that the Commission authorize it to revise the Weather Normalization Adjustment (WNA) clause in its tariff and eliminate all May 2023 usage from the formula of the WNA clause prior to bills being issued to customers for May 2023

¹ See *Petition of PGW For Emergency Order*, Docket No. P-2022-3033477.

usage. Petition at 7 (¶20). PGW asserted that avoiding a potential repeat of last year's refund situation is appropriate and in the public interest as it would avoid creating financial hardship on PGW's customers, especially its lower-income customers, in times of national high inflation. Petition at 8-10 (¶¶ 25-27, 29-31). PGW requested that it be permitted to file a revised Gas Service Tariff, Pa P.U.C. No. 2, Page Nos. 149-150, to go into effect May 1, 2023, pending further investigation by the Commission.

As background, the Commission initiated an investigation into PGW's WNA in 2022 due to a weather anomaly experienced in May 2022 resulting in refunds, and that proceeding is currently on-going at Docket Nos. R-2022-3034229, P-2022-3034264 (WNA Proceeding). Additionally, PGW has initiated a voluntary base rate filing at Docket No. R-2023-3037933 (2023 Base Rate Case), wherein technical information related to the WNA has been submitted by PGW.

PGW served its Petition on the Office of Consumer Advocate (OCA); the Office of Small Business Advocate; the Commission's Bureau of Investigation and Enforcement; Counsel for Philadelphia Industrial and Commercial Gas Users Group; Counsel for the Coalition of Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA); and Counsel for the Tenant Union Representative Network.

OCA and CAUSE-PA each filed a letter in lieu of answer, expressing support for PGW's Petition, on April 27, 2023, and April 28, 2023, respectively. In their letters, OCA and CAUSE-PA requested that the Commission approve PGW's Petition without delay, and suspend the WNA for May 2023, as a proactive measure to minimize the impact on customer bills that would reflect May 2023 usage. Even though OCA and CAUSE-PA supported PGW's Petition, they each expressed in their letters that they oppose PGW's separate Petition for Interlocutory Review and Answer to Material Question, which PGW filed at the separately docketed WNA Proceeding, seeking to discontinue the ongoing WNA

Proceeding, and they further stated that they would file separate answers thereto in the WNA Proceeding.

In response to PGW's Petition, Vice Chairman DeFrank issued the *April 28, 2023 Emergency Order* granting the Petition, concluding that the issuance of an emergency order was appropriate under the unique circumstances presented in the Petition. Vice Chairman DeFrank concluded that an "emergency" as defined in 52 Pa. Code § 3.1 was present given that PGW's proposed course of action was uncontested and that Commission action was required prior to the next scheduled public meeting in May 2023. In the *April 28, 2023 Emergency Order*, Vice Chairman DeFrank authorized PGW to eliminate all May 2023 customer usage from the WNA formula prior to bills being issued to customers for May 2023 usage, subject to further investigation by the Commission.

Pursuant to 52 Pa. Code § 3.3, it is necessary for the full Commission to ratify an emergency order at the next scheduled Public Meeting following the issuance thereof. After due consideration, we hereby adopt and ratify the *April 28, 2023 Emergency Order*. We also recognize the ongoing investigation of PGW's WNA formula, the inputs, and current information about weather trends affecting May 2022 in the separately docketed WNA Proceeding at Docket Nos. R-2022-3034229, P-2022-3034264, and in PGW's 2023 Base Rate Case at Docket No. R-2023-3037933. We refer this matter to those separate ongoing proceedings so that the underlying facts and circumstances that gave rise to PGW's Petition can be considered, as appropriate, as part of the ongoing review in those proceedings by the parties of record and the presiding officers in those proceedings.

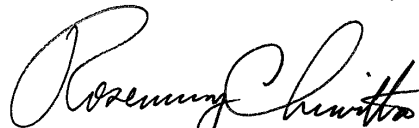
We find that the relief provided herein is responsive to the concerns of PGW and its customers; **THEREFORE,**

IT IS ORDERED:

1. That the Emergency Order issued on April 28, 2023, is hereby ratified.

2. That this Ratification Order be served on the parties of record in the WNA Proceeding, *Pa. Public Utility Commission v. Philadelphia Gas Works*, at Docket Nos. R-2022-3034229, P-2022-3034264, and in PGW's 2023 Base Rate Case at Docket No. R-2023-3037933.

BY THE COMMISSION,


Rosemary Chavetta
Secretary

(SEAL)

ORDER ADOPTED: May 18, 2023

ORDER ENTERED: May 18, 2023