



Eckert Seamans Cherin & Mellott, LLC
213 Market Street
8th Floor
Harrisburg, PA 17101

TEL: 717 237 6000
FAX: 717 237 6019

Karen O. Moury, Esq.
717.237.6036
kmoury@eckertseamans.com

May 31, 2023

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: PA Public Utility Commission, et al., v. Philadelphia Gas Works
2023 PGW Base Rate Case Filing – Docket No. R-2023-3037933

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Philadelphia Gas Works' Answer to Motion to Strike of the Office of Consumer Advocate with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely

Karen O. Moury
Karen O. Moury

KMO/lww

Enclosure

cc: Hon. Eranda Vero w/enc.
Hon. Arlene Ashton w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's **Answer to Motion to Strike** upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email and/or First Class Mail

Allison C. Kaster, Esq.
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
akaster@pa.gov

Sharon E. Webb, Esq.
Nakea S. Hurdle, Esq.
Office of Small Business Advocate
Forum Place, 1st Floor
555 Walnut Street
Harrisburg, PA 17101
swebb@pa.gov
nhurdle@pa.gov

Harrison Breitman, Esq.
Mackenzie C. Battle, Esq.
David T. Evrard, Esq.
Darryl Lawrence, Esq.
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
OCAPGW2023BRC@paoca.org

Craig Berry, Esq.
Philadelphia Gas Works
800 West Montgomery Avenue
Philadelphia, PA 19122
Craig.Berry@pgworks.com

Dennis A. Whitaker, Esq.
Kevin J. McKeon, Esq.
Todd S. Stewart, Esq.
Hawke McKeon & Sniscak LLP
100 N 10th Street
Harrisburg, PA 17101
dawhitaker@hmslegal.com
kjmckeon@hmslegal.com
tsstewart@hmslegal.com

Charis Mincavage, Esq.
Adeolu A. Bakare, Esq.
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
cmincavage@mcneeslaw.com
abakare@mcneeslaw.com

Glenn A. Watkins
President/Senior Economist
Jenny Dolen
Technical Associates, Inc.
6377 Mattawan Trail
Mechanicsville, Va. 23116
watkinsg@tai-econ.com
jenny.dolen@tai-econ.com

Robert D. Knecht
Industrial Economics Incorporated
5 Plymouth Road
Lexington, MA 02421
rdk@indecon.com

John W. Sweet, Esq.
Elizabeth R. Marx, Esq.
Ria M. Pereira, Esq.
Lauren N. Berman, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@pautilitylawproject.org

Robert W. Ballenger, Esq.
Joline R. Price, Esq.
Daniela E. Rakhlina-Powsner, Esq.
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102
rballenger@clsphila.org
jprice@clsphila.org
drakhlinapowsner@clsphila.org

Devin McDougall, Esq.
Rebecca Barker
Clean Energy Program
Earthjustice
1617 John F. Kennedy Blvd., Suite 2020
Philadelphia, PA 19103
dmcDougall@earthjustice.org
rbarker@earthjustice.org

Hon. Rick Krajewski
109B East Wing
P.O. Box 202188
Harrisburg, PA 17120
repkrajewski@pahouse.net

James Williford
2730 W Allegheny Ave.
Philadelphia, PA 19132

Karen O. Moury
Karen O. Moury, Esq.

Date: May 31, 2023

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**ANSWER OF PHILADELPHIA GAS WORKS
TO MOTION TO STRIKE OF THE OFFICE OF CONSUMER ADVOCATE**

Pursuant to Section 5.103(c) of the regulations of the Pennsylvania Public Utility Commission (“Commission” or “PUC”), 52 Pa. Code § 5.103(c), Philadelphia Gas Works (“PGW” or “Company”) hereby files this Answer to the Motion to Strike (“Motion”) of the Office of Consumer Advocate (“OCA”) filed on May 23, 2023.¹ In a telephonic conference convened on May 24, 2023 by Administrative Law Judge (“ALJ”) Eranda Vero and ALJ Arlene Ashton, PGW was directed to file an Answer to the Motion by May 31, 2023. By this Answer, PGW opposes OCA’s Motion. In support hereof, PGW avers as follows.

I. INTRODUCTION

If OCA’s Motion is granted, PGW will be deprived of the opportunity to present *in any pending proceeding* the expert witness testimony submitted by the Company in its base rate case on issues related to the Weather Normalization Adjustment (“WNA”) clause in PGW’s

¹ The Commission has found that the proper vehicle for limiting a parties’ right to present evidence in a proceeding is through the filing of a motion in limine. *See e.g. Pa. Public Utility Commission v. PPL Electric Utilities Corporation*, Docket No. R-2015-2469275 (Sixth Prehearing Order dated July 14, 2015). Therefore, in this Answer, PGW applies the legal standards governing the disposition of motions in limine, which are consistent with the standards that the Commission has used in ruling on motions to strike. *See, e.g. Re Gas Cost Rate No. 5*, 57 Pa. P.U.C. 158 (1983).

Commission-approved Tariff. Under the approved Tariff, the charges or credits are calculated on the basis of a formula that considers normal (or historic) heating degree days (as established in a base rate case) and actual heating degree days for the billing cycle's usage. The WNA is applied to customer usage from October 1 through May 31.

PGW's WNA, which was approved by the Commission in a base rate case in 2002 shortly after the Company came under the Commission's jurisdiction, enables the Company to bill customers at the level authorized by the PUC in its last base rate case if the actual weather experienced in its service territory departs from "normal" weather. *Pa. Public Utility Commission v. Philadelphia Gas Works*, Docket No. R-00017034 (Order entered August 8, 2002, Ordering Paragraph No. 5) ("2002 Base Rate Case"). Regardless of the weather that is experienced in Philadelphia, PGW has an opportunity through the WNA to recover the fixed costs that are incurred to operate the natural gas utility and provide safe and reliable service to its customers. If weather is colder than normal, the WNA requires PGW to apply a credit to ratepayers' bills.

The WNA has been in place for over twenty years and was most recently the subject of a base rate case in 2017 in which PGW proposed to move from a 30-year weather average to a 10-year average. Ultimately, the average weather was changed to a 20-year period due to a settlement reached by the parties that was approved by the Commission. *Pa. Public Utility Commission v. Philadelphia Gas Works*, Docket No. R-2017-25867833 (Order entered November 8, 2017, at pages 17-18 and Ordering Paragraph No. 3) ("2017 Base Rate Case"). As required, that change was applied to both the determination of normal revenues for ratemaking purposes as well as for the operation of the WNA clause.

Prior to implementation of the WNA, PGW had experienced years in which warmer than normal weather severely reduced the Company's cash flow and debt service coverages, which negatively affected PGW's bond rating and created a consistent need to request additional rate relief to stave off financial crisis. As a result of experiencing a number of winters in which abnormal weather caused severe shortfalls in earnings and liquidity, the establishment of a WNA was one of the key early requests by PGW to the Commission to return to and maintain financial health in the long term.

As PGW is a city owned cash-flow utility with no shareholders, the funds needed to run the Company come from ratepayers, or from borrowing – the costs of which then must be paid by ratepayers. Therefore, PGW's rates are set by determining the appropriate levels of cash and other financial metrics to enable PGW to pay its bills and maintain access to the capital markets at reasonable rates. The cash flow aspect of PGW's operations makes the WNA critical to ensuring that the Company has the necessary cash on hand to operate the business. This factor also contributed to PGW having a WNA approved over a decade before any investor-owned utility in Pennsylvania.

Given the importance of PGW's WNA to the Company's financial stability, and the responsibility of providing safe and adequate natural gas service to ~500,000 customers in Philadelphia, it is imperative that the Commission consider the results of a comprehensive review of PGW's WNA performed by an independent consultant. Yet, based upon a bench ruling issued by Administrative Law Judge ("ALJ") Marta Guhl in the separate WNA proceeding on May 24, 2023, PGW's expert witness testimony will not be admitted into the record of that proceeding. Therefore, if the presiding ALJs in the base rate case preclude PGW from admitting this testimony into the record of the base rate proceeding, the Commission will

not have the benefit of reviewing this testimony in adjudicating WNA-related issues and PGW will be deprived of its fundamental rights of due process.

Proponents of motions in limine carry a heavy burden of establishing that the evidence sought to be excluded is irrelevant, immaterial or beyond the scope of the proceeding. Other than including a reference to Section 5.483 of the Commission's regulations, which authorizes presiding officers to exclude irrelevant or immaterial evidence, OCA's Motion contains no argument even alleging that evidence relating to PGW's WNA is irrelevant or immaterial to the Company's base rate case. It is unthinkable that evidence related to a rate adjustment clause in a natural gas utility's tariff is not relevant or material to the utility's proposal to increase base rates and within the scope of the base rate case. Moreover, the Commission has traditionally addressed WNAs within the context of base rate cases, both for PGW and other gas utilities.

As with other utilities, PGW's base rates and its WNA, which adjusts those rates due to variations in the weather, are intrinsically linked. Further, as noted above, PGW's status as a cash flow utility without shareholders heightens this link. Although a separate WNA proceeding is pending that is examining PGW's WNA – notably, a proceeding that was initiated by PGW to protect customers during the current heating season and that PGW has unsuccessfully sought to terminate due to the pendency of this base rate case – nothing about that proceeding can or does make evidence regarding PGW's WNA in the base rate case irrelevant or inadmissible. Notably, OCA has identified no prejudice that it will suffer as a result of the inclusion of the evidence, particularly given the fact that it has had PGW's testimony for nearly two months, has served discovery on PGW's WNA recommendation and has indicated its intention to submit direct testimony in the rate case today. Given that OCA is already litigating WNA issues in the base rate case, and has successfully argued to bar PGW from submitting its supplemental direct

testimony on the WNA in the other proceeding, it is appropriate to continue considering WNA issues in the base rate case.

Based upon the conference with the presiding officers in the base rate case on May 24, 2023, PGW understands that the ALJs, in ruling on OCA's Motion, intend to consider the Commission's Interlocutory Review Order issued on May 18, 2023 ("Interlocutory Order") in the WNA proceeding. Importantly, a review of the Interlocutory Order reveals that the Commission did not limit the scope of issues that PGW could raise in the base rate case. Indeed, the non-final Interlocutory Order issued in the WNA proceeding could not lawfully preclude PGW from presenting its expert witness testimony on the WNA in the separate base rate case. To do so, particularly without any reference to or acknowledgement of the supplemental direct testimony that had already been submitted by PGW in the base rate case, would have been a gross violation of PGW's due process rights.²

In the Interlocutory Order, the PUC declined to review the Interim Order issued by ALJ Guhl dismissing the Company's Petition for Leave to Withdraw ("Withdrawal Petition"), meaning that PGW must continue litigating the WNA proceeding. Interlocutory Order at 17. Although the Commission found that the WNA "proceeding is the proper forum to address the WNA issues" that have been raised in that proceeding, the Interlocutory Order did not preclude PGW from also pursuing WNA issues in the base rate case. Interlocutory Order at 18. In addition, the Interlocutory Order stated for the first time that the WNA Suspension Order had "instituted an investigation into the justness and reasonableness of the WNA." *Id.* In fact, however, the WNA Suspension Order only suspended for investigation the proposed 25% cap

² In the Interlocutory Order, the Commission did not seem to be aware that WNA issues were already pending in the base rate case or that there was testimony in that case that had not been submitted in the separate proceeding.

and contained the standard language that is included in all suspension orders indicating that it “appears that consideration should be given to the reasonableness of PGW’s existing rates, rules, and regulations.” WNA Rate Suspension Order at page 2; Ordering Paragraph Nos. 2 and 4.

In its Motion, OCA mischaracterizes the Interlocutory Order and inappropriately reads the word “rather” into the language of the Interlocutory Order to argue that the Commission had directed that issues relating to PGW’s WNA must be addressed exclusively in the WNA proceeding. But, by its own terms, the Interlocutory Order did not make an “either/or” determination. Indeed, such a determination was unnecessary since the only questions before the Commission related to PGW’s Withdrawal Petition filed in the WNA proceeding.

Although the Interlocutory Order expressed the Commission’s desire for a full review of PGW’s WNA in the separate proceeding, such review does not logically or legally mean that a review of *specific* proposals to modify PGW’s WNA Tariff could not also occur in other proceedings. That is what PGW has presented in this rate case: a specific proposal – backed by a thorough study – to modify PGW’s WNA mechanism to remove the month of May from the WNA’s Tariffed calculation. There is nothing in the Interlocutory Order itself (rather than the OCA’s mischaracterization) that hints that the PUC did not wish to see a record developed on this issue in the rate case. In fact, in recently granting PGW emergency relief to remove May 2023 from the calculation, the Commission specifically acknowledged the existence of two separate proceedings addressing WNA issues – the WNA proceeding and the base rate case – which would enable the parties and the presiding officers to fully examine the ratemaking mechanism.³

³ Citations are provided herein on pages 15 and 16.

To PGW’s knowledge, the PUC has not previously barred a public utility from litigating issues in a base rate case that are in its Tariff and directly impact the rates paid by customers. It is telling that OCA’s Motion cites no such precedent to support its position or to otherwise justify such an extreme departure from the normal practice of a utility pursuing any and all rate-related issues in a base rate case, including adjustment clauses to reflect variations in actual weather from “normal” or historic weather. While the Motion suggests that the testimony is somehow irrelevant, immaterial and unduly repetitive, OCA makes no showing to support its assertions. The testimony is clearly relevant and material to the determination of whether PGW’s existing Tariff is just and reasonable, the reasonableness of which was brought into the base rate case by the Commission itself in suspending the general rate increase for investigation. Moreover, the testimony is not “unduly repetitive” because there is no other PGW testimony of this kind *in this case*. The rule allowing ALJs to limit the introduction of unduly repetitive testimony does not apply to multiple cases. Therefore, OCA simply does not meet the minimum requirements for a motion in limine.

Due to the importance of the WNA to PGW’s financial stability, which directly benefits ratepayers, it is imperative that PGW be permitted to address WNA issues in this base rate case. Refusing PGW the opportunity to submit evidence in this base rate proceeding relating to the WNA in its Tariff, so that it may be considered by the Commission in adjudicating PGW’s base rates, would violate fundamental principles of due process.

II. PROCEDURAL BACKGROUND

A. WNA Proceeding

1. PGW’s Filing

PGW initiated the WNA proceeding on August 2, 2022 at Docket Nos. R-2022-3034229 and P-2022-3034264 by filing a consumer protection proposal to implement a 25% cap on rate

changes that would occur due to application of the WNA during the current heating season, October 1, 2022 through May 31, 2023.⁴ The August 2, 2022 filing was prompted by an anomaly that PGW had experienced with the WNA for May 2022 usage, which was reflected in June 2022 bills. That occurrence led to PGW filing a Petition for Emergency Order on June 30, 2022 at Docket No. P-2022-3033477 and the Commission issuing an Emergency Order on July 1, 2022, which was ratified on July 14, 2022, resulting in the refund of nearly \$13 million to PGW’s customers. Following the PUC’s grant of emergency relief, the August 2, 2022 filing was intended as a quick solution to protect consumers during the October 1, 2022 through May 31, 2023 heating season from a potential recurrence of the significantly warmer weather experienced during May 2022. At that time, PGW was contemplating the filing of a base rate case in 2023, which would provide a forum for the consideration of other possible changes to the WNA for future heating seasons.

2. PUC’s Suspension Order

OCA, as well as the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), opposed PGW’s August 2, 2022 proposal to protect consumers from WNA charges in excess of 25% of delivery charges. Citing this opposition, the Commission suspended the August 2, 2022 filing for investigation by Order entered on September 15, 2022 (“WNA Suspension Order”), extending the effective date to April 1, 2023. The WNA Suspension Order contained the standard template language that is included in all Commission suspension orders, concluding that “[i]nvestigation and analysis of the proposed tariff filings and the supporting data indicate that the proposed changes in rates, rules, and

⁴ The August 2, 2022 proposal consisted of a Petition for Approval on Less Than Statutory Notice of Tariff Supplement Revising Weather Normalization Adjustment and Supplement No. 152, which proposed to revise PGW’s Gas Service Tariff – Pa. P.U.C. No. 2, Page Nos. 149-150, effective October 1, 2022.

regulations may be unlawful, unjust, unreasonable, and contrary to the public interest. It also appears that consideration should be given to the reasonableness of PGW's existing rates, rules, and regulations." WNA Rate Suspension Order at page 2; Ordering Paragraph Nos. 2 and 4.

3. PGW's Withdrawal Petition

Prior to the submission of direct testimony, PGW filed its Withdrawal Petition on November 8, 2022, along with a Motion to Hold Proceeding in Abeyance ("Abeyance Motion"), pending a ruling on the Withdrawal Petition. In the Withdrawal Petition, PGW stressed that its August 2, 2022 filing was intended as a quick solution to protect customers during the current heating season, which had been rendered moot by the Commission's subsequent suspension of the filing for investigation. PGW offered in the Withdrawal Petition to submit a complete WNA proposal by March 1, 2023. The Withdrawal Petition further indicated that a comprehensive review of the WNA would be more efficiently considered as part of a larger proceeding that examines all aspects of the WNA, such as a base rate case.

On November 14, 2022, OCA and CAUSE-PA filed Answers to the Withdrawal Petition and to the Abeyance Motion. Although both parties opposed the Withdrawal Petition, they did not oppose PGW's Abeyance Motion. On November 18, 2022, the Office of Small Business Advocate ("OSBA") filed a letter indicating that it was taking no position on either filing.

While the Withdrawal Petition was pending and the proceeding was being held in abeyance, PGW agreed to extend the effective date of the WNA filing to October 5, 2023. This extension accommodated the Commission's public meeting schedule and enabled the parties to develop a revised procedural schedule, which was submitted by e-mail to ALJ Guhl on December 6, 2022 providing for the submission of PGW's direct testimony on February 14, 2023. As the proceeding was still being held in abeyance pending a ruling on the Withdrawal Petition and the revised procedural schedule had not yet been ruled upon by the ALJ, PGW filed

a letter at the docket on February 14, 2023 noting that it did not intend to submit direct testimony and would instead pursue WNA issues through its upcoming base rate case, which it planned to file on February 27, 2023.

4. Issuance of Interim Orders

Through Interim Orders issued on February 22, 2023 and February 23, 2023, ALJ Guhl: (i) approved the revised procedural schedule that was submitted on December 6, 2022; (ii) dismissed PGW's Withdrawal Petition that was filed on November 8, 2022; (iii) lifted the abeyance that had been in place since November 29, 2022; and (iv) directed that PGW submit direct testimony by February 23, 2023.

5. Submission of Written Testimony

On February 23, 2023, PGW served the direct testimony of Denise Adamucci, as PGW Statement No. 1, which included PGW Exhibits DA-1 through DA-3, on ALJ Guhl and the parties. This testimony, including exhibits, is attached to this Answer as Attachment A.

On April 13, 2023, OCA and CAUSE-PA served direct testimony, proposing modifications to PGW's WNA and seeking to suspend or terminate PGW's WNA. OCA's direct testimony was sponsored by Ron Nelson and was marked as OCA Statement 1, along with Schedule REN-1. The direct testimony of CAUSE-PA was sponsored by Harry S. Geller and was marked as CAUSE-PA Statement 1, along with Appendices A and B. OCA Statement 1 and CAUSE-PA Statement 1 are attached to this Answer as Attachments B and C, respectively.

PGW served the rebuttal testimony of Ms. Adamucci, which was marked as PGW Statement No. 1-R, on May 2, 2023 and is attached hereto as Attachment D. On May 12, 2023, OCA and CAUSE-PA each served surrebuttal testimony, which was marked as OCA Statement 1-SR and CAUSE-PA Statement 1-SR, and are attached to this Answer as Attachments E and F.

PGW served rejoinder testimony on May 19, 2023, which was marked as PGW Statement No. 1-RJ, accompanied by PGW Exhibits DA-4 and DA-5, and is attached to this Answer as Attachment G.

6. Public Input Hearings

Public Input Hearings were held on March 9, 2023 at 10 a.m. and 6:00 p.m. The transcript from those hearings is not attached to this Answer.

7. Evidentiary Hearing

The Evidentiary Hearing was held before ALJ Guhl on May 24, 2023, at which time all the pre-served written testimony was admitted into the record. Prior to the hearing, PGW believes that ALJ Guhl made off-the-record comments noting that a decision had been made within the Office of Administrative Law Judge (“OALJ”) for all WNA issues to be addressed in that proceeding and that the OALJ was willing to keep the record open to address WNA testimony submitted in the base rate case. At that time and at the close of the hearing, PGW orally moved that the supplemental direct testimony served in the base rate case on April 3, 2023 relating to its WNA be made part of the record in the WNA proceeding. Further, PGW requested to reserve the right to designate by a date certain other testimony or exhibits in the base rate case that are relevant to the WNA. In a ruling from the bench on May 24, 2023, ALJ Guhl denied PGW’s motion.

8. Discovery

During the WNA proceeding, PGW responded to the following sets of discovery: (i) OSBA, Set I; (ii) OCA, Sets I, II and III; and (iii) CAUSE-PA, Sets I, II and III. Several of the responses provided by PGW were included in the testimony served by CAUSE-PA. PGW’s responses to CAUSE-PA, Set III, were admitted into the record as CAUSE-PA Hearing Exhibit 1, which is attached hereto as Attachment H.

9. Briefing Schedule

Main Briefs are due in the WNA proceeding on June 7, 2023. Reply Briefs are due on June 16, 2023. The schedule calls for the Commission to adopt a final order at the September 21, 2023 Public Meeting.

B. Interlocutory Review in WNA Proceeding

On April 27, 2023, PGW filed an Interlocutory Petition seeking Commission review of the February 22, 2023 Interim Order, which dismissed the Company's Withdrawal Petition. In seeking interlocutory review, PGW again requested permission to terminate the proceeding that it had initiated on August 2, 2022 for the express purpose of protecting customers so that all WNA issues could be addressed in the (by then filed) base rate case. In the Interlocutory Petition, PGW noted its willingness to have the testimony from the March 9, 2023 public input hearings admitted into the record of the base rate case.

PGW and the Bureau of Investigation and Enforcement ("I&E") filed Briefs in Support of PGW's Interlocutory Petition on May 9, 2023. OCA and CAUSE-PA filed Briefs opposing the Interlocutory Petition on the same date.

By Interlocutory Order entered on May 18, 2023, the Commission declined to answer the material questions posed by PGW's Interlocutory Petition, leaving the WNA proceeding intact. Interlocutory Order at pages 2 and 17-18. In discussing PGW's Interlocutory Petition, the Commission stated, for the first time, that it intended that a complete review of PGW's WNA should occur in the WNA proceeding. *Id.* Importantly, however, in reviewing a procedural issue that arose in the WNA proceeding, the Interlocutory Order did not find that WNA-related issues may *only* be addressed in the WNA proceeding. Specifically, the Commission did not limit – and legally could not have limited – PGW's ability to also litigate WNA issues in the base rate case.

C. Base Rate Case

On February 27, 2023, PGW filed a request with the Commission for a general base rate increase. In direct testimony submitted with the base rate case, PGW's witness Denise Adamucci, in PGW Statement No. 1, explained that due to the anomaly that had occurred with the Company's WNA in May 2022 and in anticipation of filing a base rate case, PGW contracted the services of an independent, third-party consultant, Atrium Economics, LLC ("Atrium"), to review its WNA process and formula. However, because of the requirement for PGW as a municipal authority to issue a request for proposals and the associated delays in securing a consultant, Ms. Adamucci explained that this review had not yet been completed. Therefore, she noted PGW's expectation to file supplemental testimony by April 3, 2023 and to make recommendations in its base rate case for revisions to PGW's WNA formula that should be implemented in future heating seasons.⁵

Consistent with this direct testimony, PGW served the supplemental direct testimony of Ms. Adamucci and PGW witness Ronald J. Amen of Atrium on April 3, 2023. It is the supplemental direct testimony and exhibits of Ms. Adamucci and Mr. Amen that are the subject of OCA's Motion. One of the exhibits attached to Ms. Adamucci's testimony is a Tariff Supplement, which would remove May from the WNA formula. Attached as an exhibit to Mr. Amen's testimony is the WNA Report prepared by Atrium.

By Order entered on April 20, 2023, the Commission suspended PGW's base rate case for investigation ("Base Rate Suspension Order"). The Base Rate Suspension Order extended the effective date of the base rate filing to November 28, 2023, unless permitted by the Commission to go into effect at an earlier date. Further, it contained the standard language

⁵ PGW Statement No. 1 (2023 Base Rate Case), at 10-12.

included in all suspension orders, concluding that “[i]nvestigation and analysis of the proposed tariff filings and the supporting data indicate that the proposed changes in rates, rules, and regulations may be unlawful, unjust, unreasonable, and contrary to the public interest. It also appears that consideration should be given to the reasonableness of PGW’s existing rates, rules, and regulations.” Base Rate Suspension Order at page 2; Ordering Paragraph Nos. 1 and 4 (emphasis supplied).

A prehearing conference was held on April 28, 2023. At that time, although OCA noted its concern regarding the timing of the service of PGW’s supplemental direct testimony, OCA accepted the procedural schedule negotiated by the parties. Under that schedule, other parties’ direct testimony is due today, May 31, 2023, except for direct testimony regarding Grays Ferry/Vicinity issues, which has a separate due date of June 2, 2023. Despite precedent in this base rate case, as well as many others that have been litigated by public utilities, OCA did not request that other parties’ direct testimony related to the WNA be due on a later date. Indeed, OCA has yet to seek additional time to respond to PGW’s supplemental direct testimony on WNA issues, and indicated during the May 24, 2023 conference with the ALJs that it plans to submit direct testimony on PGW’s WNA on May 31, 2023. Other parties at the conference, including I&E and OSBA, made the same representation.

D. April 28, 2023 Emergency Order

On April 27, 2023, PGW filed a Petition for Emergency Order seeking Commission approval to remove May 2023 from the WNA formula (“Emergency Petition”) at Docket No. P-2023-3042033. In the Emergency Petition, PGW expressed its concern about the possibility of a recurrence in May 2023 of the May 2022 anomaly, from which customers would not be protected. This concern was based on the findings set forth in the Atrium report submitted in the base rate case (as an exhibit to supplemental direct testimony) regarding the warmer weather

trends that have occurred in May during the past ten years. An emergency order was necessary since PGW could not otherwise diverge from its existing Tariff, which includes May as part of the WNA reconciliation period.

On April 28, 2023, Vice Chairman Stephen M. DeFrank issued an Emergency Order (“2023 Emergency Order”), granting PGW’s Emergency Petition based on PGW’s experience in 2022 and its “ongoing efforts to address the potential for WNA anomalies.” 2023 Emergency Order at page 4. Of note, the 2023 Emergency Order referred to the recommendation made by PGW in the base rate case for the permanent removal of May from its WNA formula and acknowledged PGW’s expectation that the recommendation will be addressed in the base rate case. 2023 Emergency Order at page 2, footnote 3. In addition, the 2023 Emergency Order referenced the consultant’s report that PGW has submitted in the base rate case. 2023 Emergency Order at page 3, footnote 4.

By Order adopted on May 18, 2023, the Commission ratified the 2023 Emergency Order (“2023 Ratification Order”). In the 2023 Ratification Order, the Commission described the background as involving two separate proceedings: (i) the WNA proceeding, where the “Commission initiated an investigation into PGW’s WNA in 2022 due to a weather anomaly experienced in May 2022 resulting in refunds,” which is currently ongoing; and (ii) PGW’s base rate filing “wherein technical information related to the WNA has been submitted by PGW.” Ratification Order at 2. In ratifying the 2023 Emergency Order, the Commission stated as follows:

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.

Ratification Order at 3 (emphasis supplied). As a result, PGW removed May from the WNA this year, and the WNA will not be operational again until October 1, 2023.

III. APPLICABLE LEGAL STANDARDS

A. Rulings on Motions

Under Section 5.103(d) of the Commission’s regulations, the presiding officer is authorized to rule upon motions “where an immediate ruling is essential in order to proceed with the hearing.” 52 Pa. Code § 5.103(d). Section 5.403(a)(1) of the Commission’s regulations authorizes the presiding officer to control the receipt of evidence, including ruling on the admissibility of evidence. 52 Pa. Code § 5.403(a)(1). The presiding officer also has authority to confine the evidence to the issues in the proceeding and to impose necessary limitations upon the admission of evidence. 52 Pa. Code §§ 5.403 and 5.483. Section 5.403(b) of the Commission's regulations requires the presiding officers to "actively employ these powers to direct and focus the proceedings *consistent with due process.*" 52 Pa. Code § 5.403(b) (emphasis supplied).

Motions in limine are motions made prior to trials or evidentiary hearings to aid the clear presentation of evidence. “Evidence should only be excluded on a motion *in limine* if it is clearly inadmissible on all potential grounds. The movant bears the burden of demonstrating that the evidence is inadmissible on all potential grounds.” *Feld v. Primus Techs. Corp.*, Civ. No. 4:12-1492, 2015 WL 1932053, at *1 (M.D. Pa. 2015) (citation omitted). Evidence is relevant if it has any tendency to make a fact more or less probable and if that fact is of consequence in determining the action. *See Univac Dental Co. v. Dentsply Int'l, Inc.*, 268 F.R.D. 190, 196–97 (M.D. Pa. 2010) (quoting Fed. R. Evid. 401). Stated differently, information is relevant if it “logically tends to establish a material fact in the case, tends to make a fact at issue more or less

probable, or supports a reasonable inference or presumption regarding the existence of a material fact.” *EQT Prod. Co. v. Borough of Jefferson Hills*, 208 A.3d 1010, 1025 (Pa. 2019), citing *Commonwealth v. Johnson*, 160 A.3d 127, 146 (2017); *Commonwealth v. DeJesus*, 880 A.2d 608, 614-15 (Pa. 2005).

In ruling on motions in limine, the Commission has consistently considered whether the evidence that is sought to be excluded is irrelevant or immaterial to the issues presented in the proceeding, and is therefore beyond the scope of the proceeding. 66 Pa. C.S. § 332(b); 52 Pa. Code § 5.401(a). See, e.g., *Pa. PUC v. PPL Electric Utilities Corporation*, Docket Nos. R-2015-2469275, *et al.* (Sixth Prehearing Order issued July 14, 2015) (granting a motion in limine to exclude evidence on issues that were not properly within the scope of a distribution base rate case); *Pa. PUC v. Pennsylvania-American Water Co.*, Docket No. R-00932670 *et al.*, 1994 Pa. PUC LEXIS 120 at *158 (Final Order entered July 26, 1994) (adopting the ALJ's conclusion that the issues raised by OCA were outside the scope of rate case and would be better addressed in a statewide rulemaking proceeding); *Re Gas Cost Rate No. 5*, 57 Pa. P.U.C. 158 (1983) ("The testimony stricken by the ALJ addresses, in part, matters broader than the scope of the instant proceeding."); *Re Structural Separation Of Bell Atlantic-Pennsylvania, Inc. Retail And Wholesale Operations*, Docket No. M-00001353, 2000 Pa. PUC LEXIS 59 at *7-9 (Final Order entered September 28, 2000) (affirming the decision of the Administrative Law Judge in that case to exclude certain evidence as "beyond the scope of the proceeding").

B. Due Process

The bases of the right to procedural due process are found in: Section 1 of the Fourteenth Amendment to the United States Constitution; article I, sections 1, 9, and 11 of the Pennsylvania Constitution; and Section 504 of the Administrative Agency Law. *Evans v. Pa. Public Utility*

Commission, 264 A.3d 833, 2021 WL 4451007 (reversing PUC decision for failure to afford parties due process); 2 Pa. C.S. § 504. Under the Administrative Agency Law, “[n]o adjudication of a Commonwealth agency shall be valid as to any party unless he shall have been afforded reasonable notice of a hearing and an opportunity to be heard.” 2 Pa. C.S. § 504. Further, a party has the right to “reasonable examination.” 2 Pa.C.S. § 505.

As an administrative body, the Commission is bound by the due process provisions of constitutional law and by fundamental principles of fairness. See *Popowsky v. Pa. PUC*, 805 A.2d 637, 642 (Pa. Cmwlth. 2002) (citations omitted). Entities engaged in proceedings before the Commission are entitled to due process, which requires that they be given a meaningful hearing and/or opportunity to adequately protect their interests. *Snyder Brothers, Inc. v. Pa. PUC*, 224 A.3d 450 (Pa. Cmwlth. 2020). In *Snyder Brothers*, the Commonwealth Court reversed a decision of the Commission on the basis that due process was violated because the entity was not provided a meaningful hearing or opportunity to adequately protect its interests.

In determining if a violation of procedural due process has occurred, courts consider whether due process is required and, if so, what type of process is due. “[D]ue process is flexible and calls for such procedural protections as the particular situation demands.” *Pa. Coal Mining Assn. v. Ins. Dep’t*, 370 A.2d 685, 691 (Pa. 1977). The type of process due is determined by considering the private interest at stake, the value of additional procedural safeguards, and the government's interest in proceeding without providing such procedures. *Id.* (citing *Mathews v. Eldridge*, 424 U.S. 319, 334-35 (1976)). The fundamental requirement of due process is the opportunity to be heard at a meaningful time and in a meaningful manner. *Montefiore Hospital Ass’n of Western Pennsylvania v. Pa. PUC*, 421 A.2d 481, 484 (Pa. Cmwlth. 1980).

C. Non-Appealable Interlocutory Orders

The Commission's interlocutory orders are not final orders and as a general matter are non-appealable. The appeal of an interlocutory order is a cumbersome two-step process. First, the affected party must file a motion requesting that the Commission amend its interlocutory order to include findings that: (1) the order "involves a controlling question of law as to which there is a substantial ground for difference of opinion", and (2) that an immediate appeal to Commonwealth Court "may materially advance the ultimate termination of the matter." 52 Pa. Code § 5.633(a). Second, if the PUC grants the certification motion filed under Section 5.633, Rule 1311 of the Pennsylvania Rules of Appellate Procedure provides that permission to appeal the amended interlocutory order must be sought through the filing of a petition for permission to appeal with the prothonotary of the appellate court within thirty days. *See Commonwealth v. McMurren*, 945 A.2d 194 (Pa. Super. Ct. 2008) (sets forth the process for seeking appellate review of an interlocutory order).

IV. ARGUMENT

A. Due Process Principles Require Consideration of PGW's Supplemental Direct Testimony Supporting its Proposed Modification to the Weather Normalization Adjustment

A public utility has a fundamental statutory and constitutional right to due process, which requires the Commission to afford the utility a meaningful hearing and/or opportunity to adequately protect its interests. That right includes submission of otherwise admissible testimony to support a position that is at issue in the proceeding. Here that means that PGW must have the right to present testimony, in the context of its base rate case, on its WNA, which is a current Tariff provision that is subject to investigation. Excluding WNA testimony from the base rate case would violate the meaningful time/meaningful manner requirement and violate PGW's due process rights. The Base Rate Suspension Order places all PGW Tariff provisions at

issue. Since the WNA is a Tariff provision, PGW has a legal right to enter testimony into the record to defend the existing mechanism, as well as proposed modifications. As the WNA is designed to permit PGW to bill the level of revenues determined by the PUC in the last base rate case, it would be illogical and unfair to preclude PGW from addressing WNA issues in this proceeding. In addition, the Company must also be permitted to testify as to the overall impact of the WNA on its financial health – in the very proceeding where financial issues are being addressed.

The express purpose of the base rate case is for the Commission to review PGW's proposed rates, as well as its existing Tariff provisions, to determine whether they are just and reasonable. A key part of this proceeding is a determination of what a "normal" level of revenues should be for the Fully Projected Future Test Year. It is this "normal" level of revenues that will then be reconciled through the WNA. In the base rate case, PGW proposes to continue to use a twenty-year average of degree days to determine "normal" revenues. If there is a change in that "normal level," as the OCA witness has suggested in his "alternative" recommendation in the WNA proceeding, the change has to occur both in PGW's base rate proceeding and in the WNA calculation. The only proceeding in which both changes can be made is the base rate case. Therefore, a full review of the WNA provision in PGW's Tariff must take place in the base rate case.

The fact that a separate WNA proceeding is pending and may be decided before the base rate case is resolved has no bearing on PGW's right to litigate WNA issues in this base rate proceeding. Regardless of what the PUC does in the WNA proceeding, PGW's litigation should not be limited in any way regarding WNA issues in the base rate case. To the extent that the Commission adjudicates the WNA proceeding prior to issuing a decision in the base rate case, it

will be incumbent upon the PUC to reconcile any conclusions in the final order issued in the base rate case.⁶ Since it is unlikely that PGW would be able to immediately implement any significant modifications to the WNA that arise as a result of PUC action in either proceeding, the logistics of making changes would need to be managed by PGW, with the consent of the Commission, through the compliance process.

To PGW's knowledge, the PUC has not previously barred a public utility from litigating issues in a base rate case that are in its Tariff and directly impact the rates paid by customers. Of note, OCA's Motion cites no such precedent to support its position or to otherwise justify such an extreme departure from the normal practice of a utility pursuing any and all rate-related issues in a rate case, including adjustment clauses to reflect variations in actual weather from "normal" or historic weather. Given the importance of the WNA to PGW's financial stability, and the responsibility of providing safe and adequate natural gas service to ~500,000 customers in Pennsylvania, it is imperative that the Commission consider the results of a comprehensive review of PGW's WNA performed by an independent consultant.

Although PGW's rebuttal and rejoinder testimony in the WNA proceeding make references to the consultant's report submitted in the base rate case and note support for the recommendation to remove May from the WNA formula, the Atrium report is not a part of the WNA record. Without that comprehensive expert witness report in either the base rate case or the WNA proceeding, the Commission will not have the benefit of considering the data and analysis of a recognized expert on this important issue. Moreover, refusing PGW the

⁶ Although PGW has expressed a willingness to extend the effective date of the WNA proceeding until October 5, 2023, there is no guarantee that a Commission order will be entered at that time. Under Section 1308(b) of the Public Utility Code, which is applicable to non-general rate filings, the Commission is not required to issue an order by then. However, if the PUC does not act by October 5, 2023, PGW would be free to implement Supplement No. 152, which contains a 25% cap on rate changes due to application of the WNA. 66 Pa. C.S. § 1308.

opportunity to submit evidence in this base rate proceeding relating to the WNA in its Tariff, so that it may be considered by the Commission in adjudicating PGW's base rates, would mean that it would not be considered in *either* proceeding; this plainly violates fundamental principles of due process. This is particularly important because the WNA is so critical to the continued financial health of PGW, a municipally owned, cash flow regulated natural gas utility.⁷ In fact, PGW has operated with a WNA over 90 percent of the time that it has been regulated by the Commission, meaning that operating without the WNA would require both PGW and the Commission to tread largely uncharted waters.

The litigation of WNAs in natural gas utilities' base rate proceedings is commonplace. PGW's WNA was first approved in 2002 as part of its base rate case. *2002 Base Rate Case*, Ordering Paragraph No. 5. In addition, PGW's WNA was modified to reduce the 30-year weather average in the formula to a 20-year weather average in a base rate proceeding. *2017 Base Rate Case*, November 8, 2017 Order at 18-19.

Further, the Commission approved a WNA for Columbia Gas of Pennsylvania, Inc. ("Columbia") in May 2013, which remains in its Tariff today. *Pa. Public Utility Commission v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2012-2321748 (Order entered May 23,

⁷ Prior to implementation of the WNA, PGW had experienced years in which warmer than normal weather severely reduced the Company's cash flow and debt service coverages, which negatively affected PGW's bond rating and created a consistent need to request additional rate relief to stave off financial crisis. As a result of experiencing a number of winters in which abnormal weather caused severe shortfalls in earnings and liquidity, the establishment of a WNA was a crucial requirement if the Company was to return to financial health in the long term. As PGW is a city owned cash-flow utility with no shareholders, the funds needed to run the Company come from ratepayers or from borrowing – the costs of which then must be paid by ratepayers. Therefore, PGW's rates are set by determining the appropriate levels of cash and other financial metrics to enable PGW to pay its bills and maintain access to the capital markets at reasonable rates.

This cash flow aspect of PGW's operations makes the WNA critical to ensuring that the Company has the necessary cash on hand to operate the business. In short, the WNA: (i) stabilizes cash flow from year-to-year; (ii) possibly reduces the need for short-term borrowing from year-to-year; (iii) positively affects PGW's credit rating; and (iv) reduces the need for costly base rate proceedings. *2002 Base Rate Case*, PGW St. 2 at 3 (Direct Testimony of Craig White).

2013); Columbia's Supplement No. 350 to Tariff Gas – Pa. P.U.C. No. 9, Page Nos. 162-163. More recently, in September 2022, the Commission approved a WNA for UGI Utilities, Inc. (“UGI”). *Pa. Public Utility Commission v. UGI Utilities, Inc. – Gas Division*, Docket No. R-2021-3030218 (Order entered September 15, 2022) (“*UGI Order*”). While some of the elements of Columbia's and UGI's clauses vary from PGW's current WNA, the basic purpose is the same – financial health and stability for the utility. Of particular note, Chairman Gladys Brown Dutrieuille issued a statement in connection with the Commission's approval of UGI's WNA, noting that the “decoupling of uncontrollable weather from revenues should stabilize UGI's cashflow, and in turn, allow UGI to focus on operational items within its control, namely infrastructure upgrades and repairs.” *UGI Order*, Brown Dutrieuille Statement at 1. This observation demonstrates the important benefits to ratepayers, and a cashflow utility such as PGW, of a WNA.

Currently, in the base rate case initiated by National Fuel Gas Distribution Corporation (“NFG”), a Joint Petition for Settlement filed on April 13, 2023 is pending before the Commission which would result in the implementation of a WNA. On May 9, 2023, the ALJ recommended approval of the Settlement. *Pa. P.U.C. v. National Fuel Gas Distribution Corp.*, Docket No. R-2020-3035730 (Recommended Decision issued on May 9, 2023, at 8-9). Of note, NFG, I&E and OSBA support the WNA; and OCA and CAUSE-PA do not oppose this provision of the Settlement (although they also do not join in supporting the WNA). Nonetheless, regardless of OCA's position on the WNA in the Settlement, OCA did not object to litigation of those issues in NFG's base rate case.

It is also noteworthy that in 2018, the General Assembly passed Act 58, which added Section 1330 to the Public Utility Code and expressly addresses alternative ratemaking for

utilities. By Act 58 of 2018, the General Assembly declared as a matter of policy its support for the use of alternative ratemaking methods by public utilities and specifically identified decoupling mechanisms, which the legislature defined as a tool that “reconciles authorized distribution rates or revenues for differences between the projected sales used to set rates and actual sales.” 66 Pa. C.S. § 1330. Clearly, the General Assembly through the passage of Act 58 of 2018 contemplated the Commission’s consideration of WNAs in base rate cases.

OCA’s Motion Does Not Fulfill Its Burden of Showing that PGW’s Supplemental Direct Testimony Should Be Excluded From the Record

A proponent of a motion in limine carries a heavy burden of establishing that a party should be precluded from presenting evidence, particularly in a proceeding that was initiated by the party that the movant is seeking to limit. Most Commission rulings addressing motions in limine are the result of other parties raising issues that are beyond the scope of the proceeding (but which, by implication, could be presented in other contexts). Moreover, OCA has cited no legal precedent in support of its request to bar PGW from litigating WNA issues in the base rate case. Indeed, PGW is unaware of any prior occasion in which the PUC has barred a utility from pursuing issues directly linked to its tariff provisions, which impact the utility’s billed revenues and rates charged to customers, in its base rate case.

Although OCA’s Motion includes a reference to Section 5.483 of the Commission’s regulations, 52 Pa. Code § 5.483, which authorizes a presiding officer to exclude irrelevant, immaterial or unduly repetitive evidence, OCA offers no explanation – presumably because none exists – that the WNA testimony proffered by PGW is not relevant to its base rate case or otherwise exceeds the scope of the base rate proceeding. Again, an adjustment clause in PGW’s tariff that applies charges and credits to rates based on variations in the weather from the normal

historic weather experienced in Philadelphia – a determination made in a base rate case – is clearly relevant and within the scope of PGW’s base rate case.

In addition, despite a bald assertion in the Motion that the testimony proffered by PGW in the base rate case is “unduly repetitive” of the testimony admitted in the WNA proceeding, OCA fails to offer any support for this claim. In fact, the testimony served on the parties in the base rate case contains the report of its consultant – an expert in WNAs – that reviewed various aspects of the WNA mechanism and offered a series of alternative recommendations, which is not in the WNA record, and is, therefore, not repetitive. In any event, the stated purpose of the rule permitting ALJs to exclude unduly repetitive evidence is to prevent a party from submitting evidence in the same proceeding that is repetitive of the evidence that has already been presented. *See* 52 Pa. Code § 5.483 (authorizing the presiding officer to regulate the course of the proceeding). Here, since we are discussing two different proceedings for the submission of evidence on PGW’s WNA, this rule is inapplicable. Of note, OCA has not alleged that it will be prejudiced by the admission of this testimony, and further, has indicated its intent to respond to the testimony in its direct testimony that is due today, May 31, 2023.

Clearly, the *only* basis on which OCA’s Motion relies is its incorrect interpretation of the Commission’s Interlocutory Order that was issued in the WNA proceeding on May 18, 2023. The OCA’s position is that the Commission declared that the only forum in which PGW’s WNA could be examined is the separate WNA proceeding, but then argued in that proceeding that it should not entail a full review and that the rate case testimony should be barred. To support this view, OCA blatantly mischaracterizes the non-final non-appealable Interlocutory Order. The Motion does this by selectively quoting text from the Interlocutory Order while speciously

inserting OCA’s own interpretation between the quotes. In Paragraph 11, the Motion alleges as follows:

On May 18, 2023, the Public Utility Commission (Commission) issued an Order in the WNA proceeding finding that “the [WNA proceeding] is the proper forum to address the WNA issues” rather than the base rate case and finding that “moving litigation of the WNA issues to the BRC at this time would waste resources and delay resolution of this important matter.” *Order* at 18-19.

Importantly, although OCA’s Motion inserts the phrase “rather than the base rate case” between the quoted text, the Interlocutory Order does not use the word “rather” in discussing the Commission’s decision to keep the WNA proceeding intact to address WNA issues. Indeed, at no time does the Interlocutory Order suggest that the Commission was in any way intending to limit PGW’s ability to address WNA issues in the base rate case.

The Interlocutory Order did, for the first time, announce that, by inserting the phrase “[i]t also appears that consideration should be given to the reasonableness of PGW’s existing rates, rules, and regulations” in the WNA Suspension Order, the Commission meant to direct a full investigation of PGW’s WNA mechanism. However, the Order importantly did not state that such an investigation precluded PGW from advancing *specific* proposed revisions in its base rate case – where its entire existing Tariff is also at issue. Nor could the Commission lawfully have taken action in the Interlocutory Order issued in the WNA proceeding, to preclude PGW from litigating WNA issues in the base rate case, which is examining several provisions of PGW’s Tariff, as well as making a determination about “normal” weather for PGW, the very thing that the WNA clause reconciles in the years between rate cases.⁸ The Interlocutory Order merely

⁸ See, Testimony of Florian Teme (2023 Base Rate Case), PGW St. 6 at 3-6 (explaining that PGW was proposing to maintain the use of a 20-year average degree days for determining normal sales for ratemaking purposes and therefore continuing the use of a 20-year average in its WNA).

concluded that a full review of the WNA should occur and issues already raised in that proceeding would remain in that setting and not be moved the base rate case.

OCA's Motion also improperly relies on the standard language in the WNA Suspension Order to support its view that PGW should be barred from pursuing WNA issues in the base rate case. In Paragraph 6 of the Motion, OCA describes the WNA Suspension Order as calling for an investigation of issues "pertaining to the justness and reasonableness of the WNA." OCA Motion, ¶ 6. In fact, however, the WNA Suspension Order did not do that; it simply used the standard language suggesting that provisions of PGW's existing Tariff should be considered. Only in the later Interlocutory Order did the Commission go further and state that this language meant that a full review of the WNA should occur. Importantly though, the Base Rate Suspension Order contained the exact language on page 2 and in Ordering Paragraphs 1 and 4. Therefore, the Commission's inclusion of the standard language in the WNA Suspension Order relating to the scope of the proceeding is equally applicable to the scope of the base rate case, including the justness and reasonableness of PGW's existing rates, rules and regulations.

OCA again mischaracterizes the Interlocutory Order when it asserts that the Commission found that it "is an unnecessary waste of resources to litigate PGW's WNA issues in both the WNA proceeding and in the rate case." OCA's Motion, ¶ 13. This quote from the Motion seriously misrepresents what the Commission actually ordered. The Interlocutory Order made no such findings about the litigation of WNA issues in both the WNA proceeding and the rate case. The PUC only found that any waste of resources resulting from having the issues addressed in both proceedings was caused by PGW raising the issue in the base rate case. Importantly, the Commission made no finding that it would be a waste of resources to litigate the WNA issues in both cases, which PGW has every right to do. While it is regrettable that there will be additional

resources expended to litigate WNA issues in both proceedings, PGW's due process rights cannot be trampled in the name of regulatory efficiency.

Notably, PGW is not seeking to limit the rights of any party in the WNA proceeding to review the Company's existing WNA. The parties have had a full opportunity to present testimony on PGW's proposed 25% cap on rate changes due to application of the WNA, as well as aspects of PGW's existing WNA. OCA and CAUSE-PA have availed themselves of that opportunity, to which PGW has responded. Now it is up to the PUC, based on the record developed in the WNA proceeding, to adjudicate those issues. Litigation and adjudication of the WNA proceeding does not preclude the specific WNA issues that PGW may raise and pursue in the base rate case, where the parties have the same opportunity to respond. Under the identical template language included in both suspension orders, in the same way that the parties are pursuing issues in the WNA proceeding relating to PGW's existing mechanism, all parties – including PGW – are free to pursue WNA issues in the pending base rate case.

The Emergency Order issued on April 28, 2023 and in the Ratification Order entered on May 18, 2023 support PGW's position that all the Interlocutory Order did was to keep the WNA proceeding intact. On April 28, 2023, Vice Chairman DeFrank issued the 2023 Emergency Order, granting PGW's Petition based on PGW's experience in 2022 and its "ongoing efforts to address the potential for WNA anomalies." 2023 Emergency Order at page 4. The 2023 Emergency Order referred to the recommendation made by PGW in the base rate case for the permanent removal of May from its WNA formula and acknowledged PGW's expectation that the recommendation will be addressed in the base rate case. 2023 Emergency Order at page 2, footnote 3. In addition, the 2023 Emergency Order referenced the consultant's report that PGW has submitted in the base rate case. 2023 Emergency Order at page 3, footnote 4.

On May 18, 2023, the Commission entered the Ratification Order, in which it described the background as involving two proceedings: (i) the WNA proceeding, where 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;” and (ii) PGW’s base rate filing “wherein technical information related to the WNA has been submitted by PGW.” Ratification Order at 2. In ratifying the 2023 Emergency Order, the Commission stated as follows:

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.*

Ratification Order at 3 (emphasis supplied).

In ratifying the 2023 Emergency Order, the Ratification Order did not modify in any way the comments referenced in the 2023 Emergency Order about WNA issues being litigated in the base rate case. Rather, in both the 2023 Emergency Order and in the Ratification Order, the Commission recognized the separate ongoing proceedings that are considering issues related to PGW’s WNA. The Commission made no suggestion to preclude PGW from pursuing WNA issues in the base rate case, and to the contrary, indicated that the facts and circumstances underlying PGW’s Petition for Emergency Order can be considered by the parties of record and the presiding officers in these proceedings.

It is also worth noting that OCA itself has contemplated litigation of the WNA issues in the base rate case, simultaneously with litigating these issues in the WNA proceeding. In Mr.

Nelson's direct testimony submitted in the WNA proceeding on April 13, 2023, he noted as follows:

I want to note that the concerns outlined here are specific to this docket and the testimony submitted at this docket by PGW. I am aware that PGW currently has a rate case pending in which it filed supplemental testimony about its WNA and which it proposes several alternatives. I do not address those alternatives here. My recommendations here related to PGW's proposal at this docket. The OCA will separately address in the rate case whether PGW's WNA should continue at all, and if so, what modifications are needed.

OCA Statement 1 at 11. Mr. Nelson further explained that in the base rate case, PGW "witness Amen provides six alternative recommendations to prevent further bill anomalies. The OCA will address those recommendations in the rate case docket." OCA Statement 1 at 11, footnote 8.

In the Motion, OCA alleges that it argued in its Formal Complaint in the base rate proceeding, which was filed on March 7, 2023, that the supplemental direct testimony should be addressed in the WNA proceeding instead of in the base rate case. This statement is inaccurate. In its Formal Complaint, OCA only referred to the WNA proceeding and to Ms. Adamucci's direct testimony in the base rate case noting that it would be supplemented to address the WNA. Otherwise, OCA contended in the Formal Complaint that the continued application of PGW's WNA, as filed in this base rate case, may result in unjust, unreasonable, and discriminatory rates for consumers and must be reviewed by the PUC. Further, the OCA stated that it would address the reasonableness of PGW's WNA proposal submitted in the base rate case in April. Based on the testimony of its witness in the WNA proceeding and the language in its Formal Complaint against PGW's proposed base rate increase, it is disingenuous for OCA to now assert that PGW's testimony should be excluded from the base rate case.

In the Prehearing Memorandum in the base rate case, which was filed on April 27, 2023, OCA indicated that the Company's supplemental direct testimony regarding the WNA should be

addressed as part of the already ongoing PGW WNA proceeding instead of the base rate case. OCA reiterated this view at the prehearing conference on April 28, 2023. However, OCA did not file a Motion seeking to exclude the testimony until almost a month after the prehearing conference, waiting instead until after the PUC issued its Interlocutory Order, the day before the evidentiary hearing held in the WNA proceeding. When PGW sought to have the testimony admitted in that proceeding – due to the ALJ’s comments about the OALJ deciding to address all WNA issues in the WNA proceeding – OCA objected to this request. With the ALJ’s denial of PGW’s motion, the only pending forum for having its supplemental direct testimony admitted, which includes its Tariff supplement, and Atrium’s comprehensive report reviewing the causes of the May 2022 anomaly, is the base rate case.

OCA cannot have it both ways. It is fundamentally unfair for OCA to take the position that the supplemental direct testimony should be excluded from the base rate case while successfully objecting to its admission in the WNA proceeding.

V. CONCLUSION

For the foregoing reasons, Philadelphia Gas Works respectfully requests that the Administrative Law Judges deny the Motion to Strike filed by the Office of Consumer Advocate.

Respectfully submitted,

/s/ Karen O. Moury _____

Of Counsel:
Craig Berry, Esq.
Senior Attorney
Philadelphia Gas Works
800 W. Montgomery Ave.
Philadelphia, PA 19122
215.684.6049
craig.berry@pgworks.com

Daniel Clearfield, Esq.
Attorney I.D. 26183
Karen O. Moury, Esq.
Attorney I.D. 36879
Sarah C. Stoner, Esq.
Attorney I.D. 313793
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
717.237.6000
dclearfield@eckertseamans.com
kmoury@eckertseamans.com
sstoner@eckertseamans.com

Dated: May 31, 2023

Counsel for
Philadelphia Gas Works

VERIFICATION

I, Denise Adamucci, hereby state that: (1) I am the Senior Vice President for Customer & Regulatory Affairs for Philadelphia Gas Works ("PGW"); (2) I have reviewed the statements set forth in PGW's Answer as to their accuracy; and (3) the facts set forth therein are true and correct to the best of my knowledge, information and belief. I understand that statements herein are made subject subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 31, 2023

DA

Denise Adamucci
Senior Vice President for Customer & Regulatory Affairs
Philadelphia Gas Works

Attachment A

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIRECT TESTIMONY OF

Denise Adamucci

ON BEHALF OF
PHILADELPHIA GAS WORKS

Pa. Public Utility Commission v. Philadelphia Gas Works
Docket Nos. R-2022-3034229 and P-2022-3034264

February 23, 2022
Corrected – February 24, 2022

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND CURRENT POSITION WITH PGW.**

3 A. My name is Denise Adamucci and I am the Senior Vice President for Customer &
4 Regulatory Affairs at Philadelphia Gas Works (“PGW” or “Company”).

5 **Q. HOW LONG HAVE YOU HELD THIS POSITION?**

6 A. I assumed my present position in January 2023. Prior to this position, I was Vice
7 President of Regulatory Compliance and Customer Programs.

8 **Q. WHAT ARE YOUR JOB RESPONSIBILITIES?**

9 A. In my present position, I am responsible for the direction of all customer affairs and
10 service, and PUC technical and regulatory compliance. This responsibility includes the
11 provision of universal service, including LIURP, and customer related system
12 improvements.

13 **Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.**

14 A. I have been employed with PGW since 2004. I became PGW’s Vice President of
15 Regulatory Compliance and Customer Programs in 2012. Prior to that, I worked in
16 PGW’s Legal Department as a senior attorney. Before joining PGW, I worked in private
17 practice at Manta and Welge, and then at Klett Rooney Lieber & Schorling (acquired by
18 Buchanan Ingersoll & Rooney). I received an MA in English Literature from Arizona
19 State University and a JD from Boston University School of Law.

20 **Q. HAVE YOU EVER PROVIDED TESTIMONY BEFORE THE COMMISSION?**

21 A. Yes, most relevantly, I have provided testimony in PGW’s two more recent base rate
22 cases (Docket Nos. R-2017-2586783 and R-2020-3017206).

23 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

24 A. My testimony is submitted on behalf of PGW.

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

2 A. The purpose of my testimony is to provide support for Supplement No. 152, which PGW
3 filed on August 2, 2022 proposing to implement a 25 percent cap (“the CAP”) on charges
4 and credits stemming from application of the Weather Normalization Adjustment
5 (“WNA”) clause in PGW’s Gas Service Tariff. I am also offering testimony to
6 demonstrate the value of the WNA to PGW’s financial health and stability, which in turn
7 benefits ratepayers.

8 **Q. PLEASE DESCRIBE THE PROCEDURAL STEPS THAT RESULTED IN THE**
9 **SUBMISSION OF THIS DIRECT TESTIMONY TODAY.**

10 A. On September 15, 2022, the Commission issued an Order suspending Supplement No.
11 152 for investigation. On September 19, 2022, Administrative Law Judge (“ALJ”) Guhl
12 issued a Prehearing Order proposing a procedural schedule that would result in
13 Supplement No. 152 going into effect on April 1, 2023. To afford the parties and the
14 Commission additional time to review the WNA filing, PGW provided to the ALJ a
15 proposed procedural schedule and discovery modifications agreed upon by the parties,
16 which would result in the effective date being extended to October 1, 2023. Under that
17 schedule, PGW’s Direct Testimony was due on November 30, 2022.

18 On November 9, 2022, PGW filed a Petition for Leave to Withdraw Supplement
19 No. 152 (“Withdrawal Petition”). Since no ruling was issued on the Withdrawal Petition
20 prior to November 30, 2022, PGW consulted with the parties and obtained agreement for
21 an extension of time to February 14, 2023 for the filing of Direct Testimony and
22 requested that the procedural schedule be held in abeyance pending a ruling on the
23 Withdrawal Petition. Via electronic mail on November 29, 2022, PGW per ALJ Guhl’s
24 request, provided an agreed-upon schedule on December 6, 2022, with which the ALJ

1 expressed no concerns. As of February 14, 2023, no ruling had been made on the
2 Withdrawal Petition.

3 By Letter dated February 14, 2023, PGW notified the ALJ and the parties that it
4 did not intend to file Direct Testimony on that date and that it would seek to have these
5 issues consolidated with its upcoming base rate case. By Prehearing Order issued on
6 February 22, 2023, the ALJ dismissed the Withdrawal Petition as moot and adopted the
7 procedural schedule submitted by PGW on December 6, 2022. By a second Prehearing
8 Order also issued on February 22, 2023, ALJ Guhl directed that PGW's Direct Testimony
9 be filed by close of business on February 23, 2023.

10 **II. BACKGROUND**

11 **Q. PLEASE DESCRIBE PGW.**

12 A. PGW is owned by the City of Philadelphia and provides public utility services as a city
13 natural gas distribution operation¹ in the City of Philadelphia, consistent with Section
14 2212 of the Public Utility Code.² PGW came under the jurisdiction of the Commission
15 on July 1, 2000.

16 **Q. HOW ARE JUST AND REASONABLE RATES FOR PGW DETERMINED?**

17 A. Just and reasonable rates are determined for PGW using the cash flow method. As PGW
18 is a city owned utility with no shareholders, all of the funds needed to run the Company
19 come from ratepayers or from borrowing – the costs of which then must be paid by
20 ratepayers. Therefore, rather than having its revenue requirement determined on the
21 basis of a fair rate of return on a used and useful rate base that is applicable to other
22 natural gas distribution companies (“NGDCs”), PGW's rates are set by determining the

¹ 66 Pa.C.S. § 102 (definitions).

² 66 Pa. C.S. § 2212.

1 appropriate levels of cash and other financial metrics to enable PGW to pay its bills and
2 maintain access to the capital markets at reasonable rates. The Commission issued a
3 Policy Statement more fully setting forth these criteria, as well as the financial and other
4 considerations that are to be reviewed in setting PGW's base rates at just and reasonable
5 levels.³

6 **Q. WITH RESPECT TO WEATHER-RELATED FACTORS, HOW HAVE THE**
7 **BASE RATES OF NGDCS TRADITIONALLY BEEN ESTABLISHED?**

8 A. Traditionally, the base rates of NGDCs have been established on a "weather normalized"
9 basis, i.e., rates are set to permit the Company to earn at levels determined to be
10 reasonable assuming that sales and revenues are at the levels the utility would experience
11 if the level of experienced "Heating Degree Days" ("HDDs") were at "normal" levels.
12 Accordingly, when a year is colder or warmer than some determined normal level, the
13 NGDC typically earns more or less than the normalized amount, all other things being
14 equal.

15 **Q. WHAT IS THE PURPOSE OF A WNA?**

16 A. A WNA mechanism is one way in which to balance out the effects of "abnormal"
17 weather by permitting the utility to true-up its revenues when experienced HDDs in a
18 given period are less than a determined normal level. Correspondingly, when
19 experienced HDDs exceed normal levels, the utility adjusts its charges to provide a credit
20 to customers. Importantly, the WNA design does not result in a utility being able to earn
21 more. Rather, the goal of the WNA design is to merely to permit the utility to recover its
22 authorized level of earnings and, for a cash flow regulated utility, the company's
23 authorized level of cash and liquidity.

³ 52 Pa. Code §§ 69.2702, 2703.

1 **Q. PLEASE DESCRIBE PGW’S WNA.**

2 A. PGW’s WNA is an automatic adjustment clause that adjusts billings to customers based
3 upon the degree to which actual weather in its service territory varies from “normal”
4 weather levels. The Commission-approved WNA is applied to customer usage from
5 October 1 through May 31. As established by the Tariff, the charges or credits are
6 calculated on the basis of a formula that considers historic normal HDDs and actual
7 experienced HDDs for the billing cycle’s usage. PGW’s WNA is attached as Exhibit
8 DA-1.

9 **Q. WHEN WAS PGW’S WNA ORIGINALLY AUTHORIZED BY THE**
10 **COMMISSION?**

11 A. The Commission originally authorized PGW’s WNA in 2002.⁴ The WNA was approved
12 as a three year pilot in a settlement of the 2002 base rate case. The settling parties
13 included PGW, the Office of Trial Staff (“OTS”) - which was the predecessor of the
14 Bureau of Investigation and Enforcement (“I&E”), the Office of Consumer Advocate
15 (“OCA”), the Office of Small Business Advocate (“OSBA”), and the Philadelphia
16 Industrial and Commercial Gas Users Group (“PICGUG”). In the Recommended
17 Decision (“R.D.”) adopted by the Commission, the ALJ noted that although OCA and
18 PICGUG had reservations about the WNA, they agreed to the provision since the parties
19 would have an opportunity to review the results generated by the WNA before a decision
20 was made as to whether it should be implemented on a permanent basis. The ALJ
21 observed that the WNA “will provide more certainty in PGW’s level of annual

⁴ *Pa. Public Utility Commission v. Philadelphia Gas Works*, Docket No. R-00017034 (Order entered August 8, 2002, Ordering Paragraph No. 5) (“2002 Base Rate Case”).

1 revenues.”⁵ In addition, the R.D. referenced OCA’s Statement in Support, which
 2 emphasized the “unique, immediate circumstances facing this municipally-owned
 3 utility.”⁶ PGW was authorized to implement the WNA as soon as system modifications
 4 were completed. The WNA was implemented on December 1, 2002.

5 **Q. WHAT UNIQUE, IMMEDIATE CIRCUMSTANCES WAS PGW FACING AT**
 6 **THAT TIME?**

7 A. Prior to implementation of the WNA, PGW experienced years in which warmer than
 8 normal weather severely reduced the Company’s cash flow and debt service coverages,
 9 which negatively affected PGW’s bond rating and created a consistent need to request
 10 additional rate relief to stave off financial crisis. As a result of experiencing a number of
 11 winters in which abnormal weather caused severe shortfalls in earnings and liquidity, the
 12 establishment of a WNA was a crucial requirement if the Company was to return to
 13 financial health in the long term. Those experiences led to the WNA being proposed and
 14 approved in the 2002 base rate proceeding.

15 **Q. WHAT SPECIFIC BENEFITS DID PGW IDENTIFY AS PART OF ITS**
 16 **PROPOSAL TO ESTABLISH A WNA IN 2002?**

17 A. PGW explained that the establishment of the WNA would: (i) stabilize cash flow from
 18 year-to-year; (ii) possibly reduce the need for short-term borrowing from year-to-year;
 19 (iii) positively affect PGW’s credit rating; and (iv) reduce the need for costly base rate
 20 proceedings.⁷ A WNA-type clause is particularly appropriate for a municipally owned
 21 utility because under the cash flow method of ratemaking, ratepayers provide revenues to
 22 cover the entire costs of service – but only the cost of service. The WNA minimizes the

⁵ 2002 Base Rate Case (Recommended Decision dated July 29, 2002, at 10-11).

⁶ *Id.* (R.D. at 11).

⁷ 2002 Base Rate Case, PGW St. 2 at 3 (Direct Testimony of Craig White).

1 degree to which shortfalls or windfalls occur. For a municipal utility that utilizes a
 2 WNA, ratepayers are assigned the same responsibilities or obtain the same benefits that
 3 they would without a WNA.

4 **Q. DID OTHER PARTIES IN THE 2002 BASE RATE CASE MAKE SIMILAR**
 5 **OBSERVATIONS?**

6 A. Yes, the witness for then OTS agreed that a WNA clause would be reasonable since
 7 PGW's rates are established using the cash flow method of ratemaking.⁸ Similarly,
 8 OCA's witness described PGW as being "unique" among NGDCs in Pennsylvania since
 9 it is a municipal utility and operates on a cash flow basis according to statute with no
 10 source of equity financing in the sense of a traditional investor-owned utility.⁹

11 **Q. DID PGW FILE A REPORT WITH THE COMMISSION AT THE CONCLUSION**
 12 **OF THE THREE YEAR PILOT?**

13 A. Yes. PGW filed a WNA Report on May 4, 2006 ("2006 WNA Report"), which examined
 14 the performance of the WNA over the prior three years and its effect on reducing
 15 volatility of earnings and concluded that both the Company and its customers have
 16 benefited from the existence of the WNA over this period. Additionally, PGW filed a
 17 Stipulation entered into by OCA and OTS agreeing to a continuation of the WNA clause
 18 on a permanent basis. The WNA Report and Stipulation are attached as Exhibit DA-2

19 **Q. HAS PGW'S WNA REMAINED IN PLACE SINCE ITS INITIAL**
 20 **IMPLEMENTATION IN 2002?**

21 A. Yes.

⁸ 2002 Base Rate Case, OTS St. 4 at 10 (Direct Testimony of Paul Metro).

⁹ 2002 Base Rate Case, OCA St. 3 at 3-4 (Direct Testimony of Thomas Catlin).

1 **Q. HAS THE WNA BEEN MODIFIED SINCE IT WAS FIRST IMPLEMENTED?**

2 A. Yes. Based on a settlement reached in PGW’s 2017 base rate case, normal weather is
 3 currently determined on the basis of a twenty year average of HDDs.¹⁰ The settling
 4 parties agreeing to shift from the use of a thirty year normal to the twenty year normal
 5 included PGW, I&E, OCA, OSBA, the Retail Energy Supply Association, PICGUG, the
 6 Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania
 7 (“CAUSE-PA”) and Tenant Union Representative Network and Action Alliance of
 8 Senior Citizens of Greater Philadelphia (“TURN”). No other changes have been made
 9 since 2002, other than the refund referenced herein.

10 **III. PGW’S OVERALL OBJECTIVES OF THIS PROCEEDING**

11 **Q. PLEASE EXPLAIN PGW’S OVERALL OBJECTIVES OF THIS PROCEEDING.**

12 A. PGW’s overall objectives of this proceeding are for the implementation of a continued
 13 and slightly modified WNA, which: (i) preserves the Company’s financial health and
 14 stability, particularly in view of its status as a city owned gas utility with rates that are
 15 established through a cash flow method, which in turn benefits ratepayers; and (ii)
 16 protects customers, to the extent possible, from unusually large increases resulting from
 17 abnormal weather occurring in Philadelphia during the winter heating season.

18 **Q. HAS THE COMMISSION EXPRESSED ITS SUPPORT FOR WNAS?**

19 Yes. The Commission approved a WNA for Columbia Gas of Pennsylvania, Inc.
 20 (“Columbia”) in May 2013, which remains in its Tariff today.¹¹ Additionally, in
 21 September 2022, the Commission approved a WNA for UGI Utilities, Inc. (“UGI”).

¹⁰ *Pa. Public Utility Commission v. Philadelphia Gas Works*, Docket No. R-2017-25867833 (Order entered November 8, 2017, at pages 17-18 and Ordering Paragraph No. 3) (“2017 Base Rate Case”).

¹¹ *Pa. Public Utility Commission v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2012-2321748 (Order entered May 23, 2013); Columbia’s Supplement No. 350 to Tariff Gas – Pa. P.U.C. No. 9, Page Nos. 162-163.

1 While some of the elements of Columbia’s and UGI’s clauses vary from PGW’s current
2 WNA, the basic purpose is the same – financial health and stability for the utility. Of
3 particular note, Chairman Gladys Brown Dutrieuille issued a statement in connection
4 with the Commission’s approval of UGI’s WNA, noting that the “decoupling of
5 uncontrollable weather from revenues should stabilize UGI’s cashflow, and in turn, allow
6 UGI to focus on operational items within its control, namely infrastructure upgrades and
7 repairs.”¹² This observation demonstrates the important benefits to ratepayers, and a
8 cashflow utility such as PGW, of a properly designed WNA.

9 **Q. IN ADDITION, HAS THE GENERAL ASSEMBLY EXPRESSED SUPPORT FOR**
10 **WNAS?**

11 A. Yes. The passage of Act 58 of 2018 added Section 1330 to the Public Utility Code,
12 enabling utilities to seek approval of alternative rates, including decoupling
13 mechanisms.¹³

14 **Q. PLEASE DESCRIBE THE EFFECTS OF THE EXISTING WNA ON PGW’S**
15 **CREDIT RATING.**

16 A. Because the existing WNA has eliminated the effect of abnormal weather on earnings
17 and cash flow, it has had a very positive effect upon the way in which PGW has been
18 viewed by the financial community. Weather-related reductions in earnings and cash
19 flow prior to implementation of the WNA threatened PGW’s ability to successfully issue
20 additional long term debt, the Company’s only available source of external capital. The
21 rating agencies have clearly indicated their reliance upon the WNA to operate as a risk-

¹² *Pa. Public Utility Commission v. UGI Utilities, Inc. – Gas Division*, Docket No. R-2021-3030218 (Order entered September 15, 2022; Brown Dutrieuille Statement).

¹³ 66 Pa.C.S. § 1330.

1 mitigating tool, which has resulted in PGW achieving higher credit ratings.¹⁴ Of note,
2 absent the WNA, PGW would need to seek Commission approval for significantly higher
3 base rates to guard against financial risks that might occur due abnormal weather in its
4 service territory.

5 **IV. DISCUSSION OF EXISTING AND PROPOSED WNA**

6 **(A) Operation of Existing WNA**

7 **Q. HOW WOULD YOU CHARACTERIZE THE OPERATION OF THE WNA**
8 **OVER THE PAST TWO DECADES?**

9 A. The WNA has worked largely as intended over the past two decades. It has been
10 instrumental in helping PGW to become a financially stable and strong Company, while
11 assuring that weather related charges to customers were fair and reasonable. As such, the
12 WNA is extremely important to PGW's financial stability, which in turn benefits
13 ratepayers.

14 **Q. PLEASE DESCRIBE THE ANOMALY THAT OCCURRED FOR MAY 2022**
15 **USAGE.**

16 A. An anomaly occurred with the WNA for May 2022 usage, which produced unusually
17 large charges to customers in many billing cycles with May usage. This occurred as a
18 result of warmer than normal weather in PGW's service territory on certain dates in May.

19 **Q. HOW DID PGW ADDRESS THIS ANOMALY?**

20 A. PGW determined that its customers should not bear these charges, although they had
21 been correctly calculated pursuant to the formula in PGW's Tariff. As a result, PGW
22 filed a Petition for Emergency Order on June 30, 2022 seeking Commission approval to
23 immediately revise its Tariff to reverse the WNA charges that were applied to May 2022

¹⁴ <https://www.fitchratings.com/research/us-public-finance/fitch-upgrades-philadelphia-pa-gas-works-revs-to-a-outlook-stable-17-02-2022>

1 usage. PGW did not seek to reverse the WNA credits for May usage. In addition, PGW
2 explained that to address the May 2022 anomaly and any possible issues over the longer-
3 term, the Company had instituted an internal investigation into the WNA formula.

4 **Q. HOW DID THE COMMISSION RESPOND?**

5 A. On July 1, 2022, the Commission issued an Emergency Order authorizing PGW to
6 implement the proposed Tariff revision. The Emergency Order was ratified by
7 Ratification Order at the Public Meeting held on July 14, 2022.¹⁵ The Ratification Order
8 also directed that PGW submit a report of its internal investigation and findings to date
9 regarding the WNA by August 15, 2022 (“2022 WNA Report”).

10 **Q. HAS PGW REVERSED THE WNA CHARGES THAT WERE BASED ON MAY**
11 **2022 USAGE?**

12 A. Yes. PGW completed this process, and the reversal of the WNA charges amounted to
13 refunds to customers in the amount of approximately \$12,645,000.

14 **Q. HAS PGW FILED THE 2022 WNA REPORT?**

15 A. Yes. The 2022 WNA Report was filed on August 12, 2022. It is attached to the Direct
16 Testimony as Exhibit DA-3.

17 **(B) Proposed 25 Percent Cap**

18 **Q. PLEASE DESCRIBE PGW’S PROPOSED 25 PERCENT CAP ON THE WNA.**

19 A. On August 2, 2022, PGW filed Supplement No. 152 to Gas Service Tariff – Pa. P.U.C.
20 No. 2 (“Supplement No. 152”) and a Petition for Approval on Less than Statutory Notice
21 of Supplement Revising Weather Normalization Adjustment (“Cap Petition”). As filed,
22 Supplement No. 152 proposed to revise PGW’s Gas Service Tariff – Pa. P.U.C. No. 2,

¹⁵ *Petition of Philadelphia Gas Works for Emergency Order*, Docket No. P-2022-3033477 (Order entered July 14, 2022).

1 Pages 149-150, effective October 1, 2022. Through the proposed revision, PGW sought
2 to add a control, or Cap, to its WNA prior to the beginning of the WNA cycle beginning
3 on October 1, 2022. PGW's WNA cycle is the period of October 1 through May 31 of
4 each year. The purpose of this proposal was to prevent customers from being billed a
5 WNA charge or credit of greater than 25 percent of total delivery charges on any given
6 bill. Total delivery charges include the Customer Charge plus the Distribution Charge,
7 (including the Distribution System Improvement Charge), and if applicable, the Gas
8 Adjustment Charge (including the Interruptible Revenue Credit). This proposal was
9 designed as a quick solution to protect consumers in the event that the WNA, due to
10 abnormal weather, produced an unusually large increase during the current heating
11 season.

12 **Q. DID OTHER PARTIES RESPOND TO PGW'S PROPOSED 25 PERCENT CAP?**

13 A. Yes. OCA filed an Answer opposing the 25 percent cap and advocating for an immediate
14 suspension of the entire WNA for investigation. Other parties, including I&E, OSBA,
15 CAUSE-PA and TURN, intervened in the proceeding.

16 **Q. DID THE 25 PERCENT CAP GO INTO EFFECT ON OCTOBER 1, 2022?**

17 A. No. By Order entered on September 15, 2022 ("Suspension Order"), the Commission
18 suspended Supplement No. 152 for investigation until April 1, 2023. Although the
19 Commission did not suspend the underlying WNA for investigation, the Suspension
20 Order contained the standard language indicating that the investigation of Supplement
21 No. 152 shall also consider whether PGW's existing rates, rules and regulations are just
22 and reasonable.

1 **Q. IS THE 25 PERCENT CAP SLATED TO GO INTO EFFECT ON APRIL 1, 2023?**

2 A. No. To accommodate the development of a procedural schedule, PGW voluntarily
3 extended the effective date to October 1, 2023.

4 **Q. PLEASE EXPLAIN PGW’S BASIS FOR PROPOSING A 25 PERCENT CAP AS A**
5 **WAY OF PROTECTING CONSUMERS FROM RATE SHOCK.**

6 A. PGW views the proposed 25 percent Cap as offering a simple, quick solution to ensure
7 that if the WNA formula, due to abnormally warmer weather in Philadelphia in any given
8 month during this winter heating season, produced an increase in customers’ delivery
9 charges of more than 25 percent, the amount above 25 percent would not be billed to
10 ratepayers.

11 **Q. DOES SUPPLEMENT NO. 152 ALSO PLACE A SIMILAR CONTROL ON WNA**
12 **CREDITS?**

13 A. Yes. If the WNA formula, due to abnormally colder weather in Philadelphia, would
14 result in PGW crediting customers by more than 25 percent, such credits above that
15 amount would not be billed to ratepayers. Since the express purpose of a WNA is to keep
16 the utility revenue neutral, notwithstanding abnormal weather, PGW views the Cap as
17 being equally applicable to both charges and credits.

18 **Q. ISN’T THE PROPOSED 25 PERCENT CAP ITSELF CONTRARY TO THE**
19 **EXPRESS PURPOSE OF A WNA TO KEEP A UTILITY REVENUE NEUTRAL?**

20 A. Yes, to a degree, it is. For instance, without the 25 percent Cap, the WNA would work as
21 intended to provide revenue neutrality and financial stability to PGW from the standpoint
22 of weather trends in Philadelphia that are beyond the control of the Company.
23 Nonetheless, given the anomaly that occurred with the May 2022 usage, PGW made a
24 determination that having a control in place is preferable for its customers to the
25 application of a formula that does not consider the volume of charges or credits. Given

1 the brief amount of time between the unusually large increases based on May 2022 usage
2 and the onset of the 2022-2023 heating season on October 1, 2022, PGW selected this
3 simple solution that could be quickly implemented at the time to prevent a recurrence.

4 The Cap is a straightforward solution to explain to customers and has the advantage of
5 being fairly simple to implement in PGW's current billing system.

6 **Q. PLEASE EXPLAIN WHAT YOU MEAN BY A SIMPLE SOLUTION.**

7 A. What I mean is that a cap is a straightforward solution to explain to customers. However,
8 PGW has not viewed the 25 percent cap as the only possible way of protecting customers,
9 as well as the Company's own financial stability.

10 **Q. IS PGW OPPOSED TO THE CONSIDERATION IN THIS PROCEEDING OF**
11 **OTHER ALTERNATIVES?**

12 A. PGW would have to consider any alternatives with extreme caution. Any alternative
13 modification would have to not fundamentally or materially harm the essential benefit of
14 the WNA – to make weather variations a neutral factor to both customers and PGW. It
15 would also have to be something that PGW could actually implement from a technical
16 standpoint in a timely manner and without significant costs.

17 **V. CONCLUSION**

18 **Q. DOES THAT COMPLETE YOUR TESTIMONY?**

19 A. Yes. However, I reserve the right to offer further testimony. Thank you.

VERIFICATION

I, Denise Adamucci, hereby state that: (1) I am the Senior Vice President for Customer & Regulatory Affairs for Philadelphia Gas Works (“PGW”); (2) I have reviewed the statements set forth in PGW’s Direct Testimony as to their accuracy; and (3) the facts set forth therein are true and correct to the best of my knowledge, information and belief. I understand that statements herein are made subject subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: February 23, 2023

DA

Denise Adamucci
Senior Vice President for Customer & Regulatory Affairs
Philadelphia Gas Works

PGW Exhibit DA-1

PGW
Gas Service Tariff
Pa. P.U.C. No. 2

Supplement No. 152

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Seth Shapiro
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

Proposed rates to become effective October 1, 2022 in accordance with Philadelphia Gas Works' Petition for Approval On Less Than Statutory Notice of Tariff Supplement Revising Weather Normalization Adjustment, filed August 1, 2022.

List of Changes Made by this Tariff Supplement

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Updated to reflect revised page numbers for each of the changes listed below on this page.

Weather Normalization Adjustment Clause (PAGE Nos. 149-150)

Adds a control (“cap”) so that customers would not be billed a WNA charge or credit of greater than 25 percent of the Distribution Charge and Gas Cost Adjustment, on any given bill.

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE

Provision For Adjustment

The Weather Normalization Adjustment shall be applied to each Mcf (1,000 cubic feet) used for heating purposes under Rate Schedules GS, MS, and PHA (“heating” and “heating only” customers), except for Gas usage under the Special Provisions – Air Conditioning of those rates. The Weather Normalization Adjustment will be applied to customer usage during the period of October 1 through May 31 of each year for each billing cycle (except for the 2021-2022 heating season when the Weather Normalization Adjustment will exclude May 1 through May 31 to the extent that the application would produce a charge to the customer).

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment surcharge or credit shall be computed to the nearest one-hundredth cent (0.01cent) in accordance with the formulas set forth below:

$$HL = TU - (BL * BC)$$

$$WNA = DC * [(HL * \frac{NHDD \pm (NHDD * 1\%)}{AHDD}) - HL]$$

Definitions

TU – Total Usage for the billing cycle. TU measured in Mcf.

BL – base load Mcf per billing day is the number of Mcf per Customer used per day for non-heating purposes based on usage by Customers to which this adjustment applies. It is determined separately for each individual customer and will be revised annually to reflect the non-temperature sensitive usage of Customers to which the adjustment applies reflected in the prior heating season’s sales. If an individual customer base load is not available, the base load for the related customer class will be applied.

BC – billing cycle is the actual number of days shown on the bill that the Customer receives for service.

DC – Delivery Charge.

NHDD – normal heating degree days for any given calendar day within a month are based on the normal weather determination applied in the Company’s most recent base rate case, currently twenty years, as approved at Docket No. R-2017-2586783. The NHDD provided for in the formula are the total number of NHDD for the billing cycle. The degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport.

AHDD – actual experienced heating degree days for the billing cycle. The degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport.

Operation of Weather Normalization Adjustment

The Weather Normalization Adjustment will be applied to a Customer’s bill on a cents per Mcf basis when actual heating degree days vary from normal heating degree days during the period for which the Customer is billed. The Weather Normalization Adjustment will be applied to the Customer’s space

(C) - Change

PHILADELPHIA GAS WORKS

heating consumption except for air conditioning usage billed under the air conditioning rate. The Weather Normalization Adjustment for a billing cycle will apply only if the actual heating degree days (AHDD) for the billing cycle are lower than 99 percent or higher than 101 percent of the normal heating degree days (NHDD) for the billing cycle and will only apply to the extent that the variation is lower than 99 percent or higher than 101 percent of the normal heating degree days for that billing cycle. A new weather adjustment will be calculated for each billing cycle.

Under the formulas, the Weather Normalization Adjustment surcharge or credit is calculated by:

- 1) Normal HDD are calculated for each day of the fiscal year based upon the normal weather determination applied in the Company's most recent base rate case, currently twenty years as approved at Docket No. R-2017-2586783.
- 2) At the start of the fiscal year, an average daily base load (non-heating) usage is calculated for each individual customer based upon actual base load usage.
- 3) The average daily base load (non-heating) amount is multiplied by the number of days in the billing cycle.
- 4) The total billing cycle base load amount is subtracted from the actual cycle usage of the customer in order to derive the usage applicable to heating.
- 5) The WNA factor is multiplied times the heating usage in order to derive the normalized heating usage.
 - a) The WNA factor is calculated by first adjusting the Normal HDD (NHDD) for the billing cycle by the deadband percentage (1 %). The deadband percentage is multiplied by the NHDD and then added to NHDD for the billing period when the weather is colder than normal (i.e., AHDD > NHDD) or subtracted from NHDD for the billing period when the weather is warmer than normal (i.e., AHDD < NHDD).
 - b) The adjusted NHDD are then divided by the AHDD.
- 6) The actual heating usage is subtracted from the normalized heating usage and then multiplied by the delivery charge. The result is a surcharge or credit.

Reporting Requirements

The Company will file all Weather Normalization Adjustments with the Commission on an annual basis. On or about January 10 of each year beginning in 2018, the Company shall submit an annual report for the most recent fiscal year ending August 31 detailing the actual charges or credits that resulted from the application of this clause and the actual number of heating degree days (HDDs).

WNA Cap

The Weather Normalization Adjustment surcharge or credit applied to a customer's bill shall not exceed 25% of the total of the Customer Charge plus the Distribution Charge and, if applicable, plus the Gas Adjustment Charge plus the Interruptible Revenue Credit.

(C)

(C) - Change

PGW Exhibit DA-2

ORIGINAL

Wolf Block

213 Market Street, 9th Floor, P.O. Box 865, Harrisburg, PA 17108-0865
Tel: (717) 237-7160 ■ Fax: (717) 237-7161 ■ www.WolfBlock.com

Daniel Clearfield
Direct Dial: (717) 237-7173
Direct Fax: (717) 237-7161
E-mail: dclearfield@wolfblock.com

DOCUMENT
FOLDER

May 4, 2006

James McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
2nd Fl., 400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED
2006 MAY -4 PM 1:37
PA PUC
SECRETARY'S BUREAU

Re: Pa PUC v. Philadelphia Gas Works,
Docket No. R-00017034

Dear Secretary McNulty:

As part of the settlement of Philadelphia Gas Works' ("PGW" 2002 base rate proceeding (R-00017034), the Company was permitted to implement its proposed Weather Normalization Adjustment ("WNA") clause and, in addition, agreed to conduct a review of the costs and benefits of the WNA after three years. In addition, the Settlement stated that "[a] determination will be made at the end of the review as to whether the WNA will continue, with modifications." PGW conducted such a review at the conclusion of the three-year pilot period, the results of which are reflected in the attached Report on Weather Normalization Adjustment Clause (Appendix "A" to the Stipulation). The report incorporates the input and suggestions of the Office of Consumer Advocate ("OCA") and the Office of Trial Staff ("OTS") and contains data and analyses which, in PGW's view, support the continuation of the WNA for PGW. In addition, the OCA and the OTS have entered into a stipulation with PGW which accepts the continuation of the WNA clause for PGW on a permanent basis (with one contingency explained in the stipulation).

As the 2002 Rate Case Settlement did not specify how the WNA review was to occur, PGW, OCA and OTS have agreed that PGW shall submit the WNA Report to the Commission and request that the Commission review the report and issue a secretarial letter or other pronouncement of the Commission, as it determines to be most appropriate, which authorizes or acknowledges that the WNA will continue on a permanent basis. Accordingly,

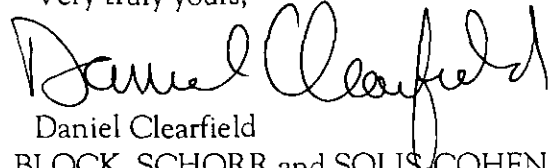
HAR:65530.1/PHI211-156924

57

James McNulty
May 4, 2006
Page 2

PGW is hereby submitting its WNA Report and Stipulation to the Commission for its review and any action it determines is appropriate.

Very truly yours,



Daniel Clearfield
For WOLF, BLOCK, SCHORR and SOLIS COHEN LLP

DC/lww

Attachments

cc: Robert Rosenthal, Director, FUS
Attached Service List

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

:
:
:
:
:
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:

Docket No. R-00017034

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PA PUC
SECRETARY'S BUREAU

STIPULATION

Philadelphia Gas Works ("PGW"), the Commission's Office of Trial Staff ("OTS") and the Office of Consumer Advocate ("OCA"), (collectively "the Stipulating Parties"), hereby stipulate and agree as follows:

WHEREAS, On February 25, 2002, PGW submitted Supplement No. 17 to Tariff Gas - Pa. P.U.C. No. 1 to become effective for service rendered on or after April 26, 2002, and proposed to increase PGW's base rates by \$60 million annually; and

WHEREAS, the proposed tariff contained a proposal to implement a weather normalization adjustment clause ("WNA") designed to adjust PGW's base rates on a monthly basis to account for colder or warmer than normal weather; and

WHEREAS, prior to completion of the public hearings on the base rate request, the parties were able to reach a Settlement which resolved all issues pertaining to PGW's base rate filing; and

WHEREAS, as part of that settlement, PGW was permitted to implement its proposed WNA as soon as necessary systems modifications were complete; and

WHEREAS, PGW actually began to implement the adjustment clause as of December 1, 2002; and

WHEREAS, the Settlement indicated that the WNA was being put in place for an initial three-year pilot period. At the conclusion of the three year period, the Company agreed to conduct a review of the costs and benefits of the WNA; and

WHEREAS, the Settlement stated that "[a] determination will be made at the end of the review as to whether the WNA will continue, continue with modifications;" and

WHEREAS, the Settlement was approved by the PUC in an order entered on August 2, 2002; and

WHEREAS, the three-year pilot period ended on August 9, 2005; and

WHEREAS, PGW has conducted the review of the costs and benefits of the WNA and has set forth its conclusions in the form of a Report, (hereinafter "the WNA Report") which is attached hereto as Appendix "A"; and

WHEREAS, the Report examined the performance of the WNA over the last three (3) years and its effect on reducing volatility of earnings and concluded that both the Company and its customers have benefited from the existence of the WNA over this period; and

WHEREAS, the Stipulating Parties were provided drafts of the WNA Report and made suggestions for inclusion, which were addressed in the body of the report.

NOW, THEREFORE, it is hereby stipulated and agreed as follows:

1. The other Stipulating Parties agree with PGW's conclusion that PGW's WNA tariff should continue on a permanent basis, subject to the conditions set forth in paragraphs 2 and 3 below.
2. PGW agrees that its internal audit department will annually audit the WNA by selecting a sample from invoices issued during the month in which the highest total monthly surcharge or credit was applied to customers' invoices. The surcharge or credit for the selected

invoices will be recalculated. All procedures will be documented and all data will be saved for a period of six months after the completion of the audit. The results of the annual audit will be provided to the Parties. The Parties will have the right to address any negative audit findings in the appropriate forum(s).

3. PGW agrees that if PGW is purchased by, or otherwise transferred to an investor owned utility, or should become an investor owned utility, PGW agrees that such successor entity may no longer utilize the WNA Clause unless the Commission upon petition by the purchasing IOU in the transfer application proceeding or otherwise authorizes the establishment of a WNA for the successor entity.

4. The Stipulating Parties agree to the following procedure to comply with the terms of the 2002 Rate Case Settlement:

a) PGW shall submit the WNA Report to the Commission and request that the Commission review the report and issue a secretarial letter or other pronouncement of the Commission, as it determines to be most appropriate, which authorizes or acknowledges that the WNA will continue on a permanent basis.

b) The Stipulating Parties, and any other interested person, may file comments to the Report and to PGW's conclusion that the WNA should continue on a permanent basis.

5. The Stipulating Parties specifically acknowledge and agree that PGW's WNA

shall continue unless and until the Commission issues a final order directing that it be terminated or modified.

Respectfully submitted,

Philadelphia Gas Works

By Daniel Clearfield
Daniel Clearfield
Mark Stewart
Wolf, Block, Schorr and Solis-Cohen LLP
213 Market St., 9th Fl.
Harrisburg, PA 17101

Greg Stunder, Esq.
Abby Pozefsky, Esq.
Philadelphia Gas Works
800 West Montgomery Ave
Philadelphia, PA 19122

Counsel for PGW

Dated: May 3, 2006

Office of Trial Staff

By Johnnie E. Simms
Johnnie E. Simms
Counsel for Office of Trial Staff

PA Public Utility Commission
400 North Street, P.O. Box 3265
Harrisburg, PA 17105-3265

Date: May 4, 2006

Office of Consumer Advocate

By Tanya J. McCloskey
Tanya J. McCloskey
Stephen J. Keene, Senior Assistant
Consumer Advocates
Counsel for Office of Consumer
Advocate

Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923

Dated: May 3, 2006

PHILADELPHIA GAS WORKS

REPORT ON WEATHER NORMALIZATION ADJUSTMENT CLAUSE



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PA PUC
SECRETARY'S BUREAU

Prepared in Compliance with
Joint Petition For Settlement
Pa PUC v. PGW, R-00017034

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

November 2005

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I. BACKGROUND

Traditionally, the base rates of natural gas distribution companies (NGDCs) are established on a "weather normalized" basis, i.e., rates are set to permit the Company to earn at levels determined to be reasonable assuming that sales and revenues are at the levels the utility would experience if the level of experienced "Heating Degree Days" ("HDD") were at "normal" levels. Accordingly, when a year is colder or warmer than some determined "normal" level the NGDC typically earns more or less than the normalized amount, all other things being equal.

One way in which to balance out the effects of "abnormal" weather is by implementing a Weather Normalization Adjustment ("WNA") mechanism. The typical WNA permits the NGDC to true-up its revenues when experienced HDDs in a given period are less than a determined "normal" level. Correspondingly, when experienced HDDs exceed normal levels the utility adjusts its charges to provide a credit to customers. Importantly, the WNA does not result in a utility being able to earn more or realizing an earnings short-fall; it merely permits the utility to recover its authorized level of earnings and, for a cash flow regulated utility, the company's authorized level of liquidity.

As a result of experiencing a number of winters in which abnormal weather caused severe shortfalls in earnings and liquidity, PGW determined that the establishment of a WNA was a crucial requirement if the Company was to return to financial health in the long term.

Accordingly, PGW included a request to establish a WNA clause as part of its 2002 general base rate proceeding. On February 25, 2002, PGW submitted Supplement No. 17 to Tariff Gas - Pa. P.U.C. No. 1 to become effective for service rendered on or after April 26, 2002. This base rate filing sought to increase PGW's base rates by \$60 million and to implement a weather normalization adjustment clause ("WNA"). Prior to completion of the public hearings on the base rate request, the parties were able to reach a Settlement which resolved all issues

pertaining to PGW's base rate filing. As part of that settlement, PGW was permitted to implement its proposed WNA as soon as necessary systems modifications were complete. PGW agreed that the WNA would be put in place after consulting with the settling parties. PGW actually began to implement the adjustment clause as of December 1, 2002. In compliance with its settlement agreement, PGW provided consumer education to its customers to assist them in understanding the workings of the WNA.

The Settlement indicated that the WNA was being put in place for an initial three-year pilot period. At the conclusion of the three year period, the Company agreed to conduct a review of the costs and benefits of the WNA. After that evaluation, a determination was to be made as to whether the WNA will continue, continue with modifications, or be eliminated.

The Settlement was approved by the PUC in an order entered on August 2, 2002.

In presenting its proposal for a WNA, PGW's Craig White explained that the establishment of the Clause would have a number of benefits:

- i. stabilizes cash flow from year-to-year
- ii. can reduce the need for short-term borrowing from year-to-year
- iii. positively affect PGW's credit rating
- iv. reduces the need for costly base rate proceedings¹

Mr. White also pointed out that a WNA-type clause was particularly appropriate for a municipally owned utility, such as PGW:

I believe that PGW's municipal status makes a WNA particularly appropriate. Under the cash flow method of ratemaking, ratepayers provide revenues to cover the entire costs of service -- but only the cost of service. Any revenue shortfalls or windfalls ultimately inure to the ratepayers. The WNA simply minimizes

¹ *Pa PUC v. PGW*, R-00017034, PGW BRP St. 2 at 3.

the degree to which such shortfalls or windfalls occur. For a municipal utility that utilizes a WNA, ratepayers are assigned the same responsibilities or obtain the same benefits that they would without a WNA.²

In response to the Company's presentation, the OTS agreed with the Company's WNA proposal in principle:

I cannot agree with the Company's proposed WNA as filed. ... However, I agree in concept that a WNA clause would be reasonable only because PGW's rates are established using the cash flow method of ratemaking.³

OTS's witness Mr. Metro recommended approval of the WNA clause if several conditions were adopted by the PUC.⁴

OCA witness Thomas Catlin also indicated that a WNA clause would make sense for the PUC to approve for a municipal utility such as PGW:

Generally, a WNA clause would not be appropriate for an investor-owned utility where the costs of capital, especially equity capital, embodies compensation for the very risk that a WNA clause would attenuate....PGW is unique among gas distribution companies in Pennsylvania. PGW is the only gas distribution utility in Pennsylvania regulated by the Commission that is a municipal utility. Moreover, PGW operates on a cash basis according to statute, and it has no source of equity financing in the sense of a traditional investor-owned utility. The Company represents that its ability to borrow short-term is largely exhausted and it has virtually no remaining flexibility to address short-term margin losses.⁵

² Id. at 3-4.

³ R-00017034, OTS St. 4 at 10.

⁴ The conditions Mr. Metro recommended were: 1) the WNA be approved for a 3 year "trial" basis; 2) the Company provide tariff language that describes how the individual customer charge and middle of the month monthly bills will be calculated; and 3) the Company will not file for a rate increase until after June 1, 2005. Id. at 10-12.

⁵ R-00017034, OCA St. 3 at 3-4. OCA witness Catlin also recommended several refinements to the Company's proposal, including the filing of periodic reports on the

Accordingly, in evaluating the performance of the clause three years after its initiation PGW has focused on whether the WNA has provided the benefits anticipated and whether PGW's implementation has been otherwise reasonable.

II. PERFORMANCE OF CLAUSE

In the three years in which the WNA clause has been in place, PGW has credited to customers, on net, approximately \$9.3 million.

Philadelphia Gas Works Weather Normalization Adjustment Clause

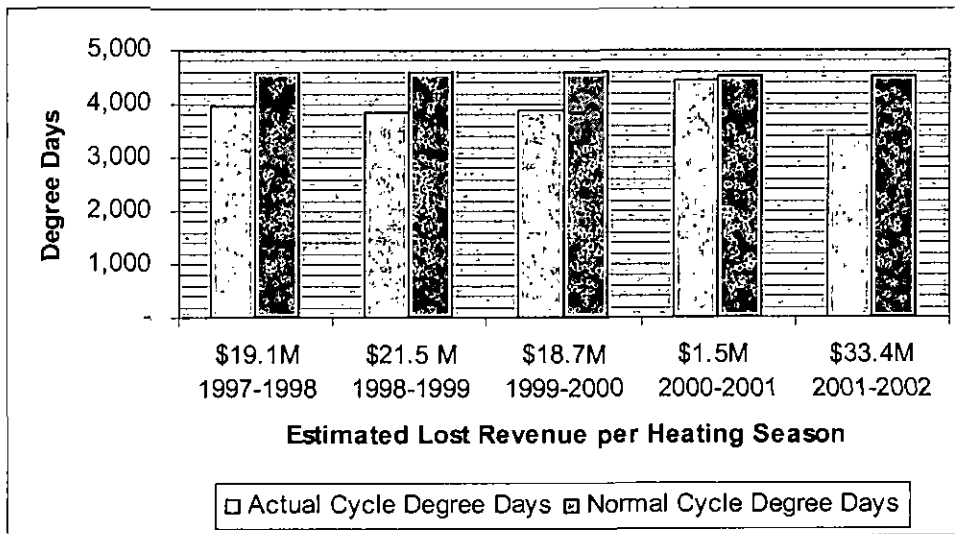
	<u>Fiscal Year</u> <u>2002-03</u>	<u>Fiscal Year</u> <u>2003-04</u>	<u>Fiscal Year</u> <u>2004-05</u>
SEP	-	\$ 5,837	\$ 1,093
OCT	-	(293,666)	(171,486)
NOV	-	1,744,403	(85,304)
DEC	(3,094,912)	249,694	1,456,550
JAN	183,378	(313,490)	2,349,557
FEB	(4,952,755)	(4,584,777)	(791,197)
MAR	(3,636,720)	2,384,882	(3,074,010)
APR	1,334,999	(111,428)	(9,860)
MAY	107,459	2,035,759	(462,910)
JUN	8,492	1,039,386	(568,422)
JUL	11,133	2,828	(11,583)
AUG	9,590	(50,881)	2,410
TOTAL	\$ (10,029,336)	\$ 2,108,547	\$ (1,365,162)

clause, the establishment of the clause on a 3 year pilot basis, consumer education on the clause and an evaluation of the appropriateness of the 1% plus or minus deadband after actual experience is obtained.

III. ASSESSMENT OF CLAUSE PERFORMANCE

A. Affect on PGW Financial Position

Notwithstanding the fact that, since its inception, the PGW has actually resulted in a net credit to customers, the existence of the WNA has had a very positive effect upon the way in which PGW has been viewed by the financial community. The principal reason for this is that the existence of the WNA has eliminated the effect of weather on earnings and cash flow. Prior to the establishment of PGW's WNA, the Company experienced substantial shortfalls in earnings and cash flow as a result of successive warmer than normal winters. The following chart illustrates PGW's historical experience:



These weather related reductions in earnings and cash flow decimated PGW's already precarious financial position and threatened the Company's ability successfully to issue additional long term debt, the firm's only available source of external capital. In fact, it is estimated that during the five fiscal years ending August 31, 2002, PGW experienced

approximately \$94 million in lost revenue due to higher than normal temperatures. As a result, PGW was downgraded to the lowest investment grade and was required to pay extremely high effective interest rates in order to obtain the long term financing on which it relies to maintain its capital improvement program. It was also forced to obtain a series of base rate increases (including a \$36 million emergency rate increase) in order to "weather" the storm.

With the implementation of the WNA, PGW has not filed any additional base rate cases and, while many other factors have continued to keep the Company in a challenging financial position, the investment community has recognized that PGW's earnings and cash flow are now uniquely insulated from the vagaries of weather. Both Standard & Poor's ("S & P") and Moody's continue to cite the WNA as a positive factor. In fact, both rating agencies have discussed the WNA in some of their most recently issued reports. In May 2005, S & P reiterated that "[a]nother indication of regulatory support involves the PUC's relatively recent approval of a weather normalization adjustment for PGW – the first such allowance to a gas utility in Pennsylvania. The WNA enables PGW to smooth out fluctuations in margin revenue due to abnormal weather in winter months."⁶ Again, on August 30, 2005, in a report in which S & P affirmed PGW's bond rating as the lowest investment grade rating and affirmed a negative outlook, S & P stated: "The current rating assumes that the company will continue to have access to its WNA. Although poor collections exacerbate liquidity problems in colder-than-normal years (as total customer bills increase), the WNA keeps distribution revenues from dropping precipitously in years with warmer-than-normal winters."⁷ Likewise, Moody's has clearly expressed that "[p]rior to the natural gas price spike in 2003 PGW has implemented several

⁶ Standard & Poor's Full Report (May 19, 2005).

⁷ Standard & Poor's Full Report (August 30, 2005).

changes that were to be key to improved financial performance. PGW ... was granted a Weather Normalization Adjustment, to normalize the impact of changes in weather on cash flow.”⁸ Additionally, Fitch Ratings favorably commented on the WNA after its approval. When discussing rating considerations, Fitch reported that the “rating considers management’s continued focus on cost control, steady albeit slow improvement in customer collections, and recent rate modifications that have provided some stability to cash flow...”⁹ The rate modifications were described later in the report as permanent base rate relief of \$70 million, as well as the ability to levy a WNA for warmer than normal years.”¹⁰

B. Effect on Customers

The WNA clause has been well accepted by PGW customers. Since its inception, PGW has had an extremely small number of complaints. The Clause has been calculated without any errors or revisions being necessary.

C. WNA Billing

PGW's WNA formula used to apply the clause works as it was intended. In order to demonstrate this, PGW sampled all rate classes to which the WNA was applied¹¹ for the month of March 2005. March 2005 was selected because it was the month during which the

⁸ Moody’s Report (September 28, 2004).

⁹ Fitch Ratings Report, p. 2 (December 18, 2002).

¹⁰ *Id.*

¹¹ GS, MS and PHA.

largest credit was issued during the 2004-2005 fiscal year. After selecting a sample size¹² from each rate class, the WNA applied to each selected invoice was recalculated and no exceptions were identified. PGW's conclusion is that algorithms and billing systems used to calculate the WNA are accurate and reliable.

IV. WORKSHOPS

PGW held two telephonic workshops with the Office of the Trial Staff (“OTS”), the Office of the Consumer Advocate (“OCA”), the Office of the Small Business Advocate (“OSBA”), and the Philadelphia Industrial and Commercial Users Group (“PICGUG”) (collectively the “Parties”) on August 30 and September 15, 2005 in order to discuss draft forms of this report and exchange information. PGW and the Parties discussed many issues, the more prominent of which follow.

A. WNA Deadband

At least one of the workshop participants asked that PGW provide an analysis of the pros and cons of modifying the existing deadband, currently set at 1%. Based upon total residential heating season sales (10/1 to 5/31) of 36 Bcf, each increase of the deadband by 1% shows a correlating decrease in the total heating season surcharge or credit of \$1.5M. For example, when 36 Bcf is used as baseline residential heating season sales which are then adjusted for 5% warmer or colder weather, the resulting surcharge/credit is \$6,050,000 using a 1% deadband. The increase of the deadband to 2%, 3%, 4% and 5% results in surcharges/credits of \$4,550,000, \$3,030,000, \$1,520,000 and \$0, respectively. The same incremental change of

¹² Three populations (i.e. March 2005 GS, MS and PHA invoices) were sampled based upon a 95% confidence level and a confidence interval of plus or minus 5%.

approximately \$1.5M per 1% occurs even if the temperature variance is less than 5% warmer/colder or greater than 5% warmer/colder.

The rating agencies have clearly indicated that they rely upon the WNA to be a risk mitigating tool, therefore, an increase of the deadband beyond 1% will diminish the effect of the WNA as a risk mitigating tool. After discussing PGW's analysis and the independent analyses prepared by another party, it was agreed that the deadband at 1% should be maintained.

B. WNA Audit

PGW and the parties agreed that it would be appropriate to conduct annual audits of the WNA. Accordingly, it was agreed that PGW's internal audit department will annually audit the WNA by selecting a sample from invoices issued during the month in which the highest total monthly surcharge or credit was applied to customers' invoices. The surcharge or credit for the selected invoices will be recalculated. All procedures will be documented and all data will be saved for a period of six months after the completion of the audit. The results of the annual audit will be provided to the Parties. The Parties will have the right to address any negative audit findings in the appropriate forum(s).

C. Change in Ownership of PGW

OTS wanted to address the question of the continuation of the clause in the event that PGW was sold to or transferred into an investor owned utility. Accordingly, it was agreed that if PGW is purchased by, or otherwise transferred to an investor owned utility or should become an investor owned utility, PGW agrees that such successor entity may no longer utilize the WNA Clause unless the Commission upon petition by the purchasing IOU in the transfer

application proceeding or otherwise authorizes the establishment of a WNA for the successor entity.

V. PGW CONCLUSIONS REGARDING THE WNA

While PGW continues to struggle under the weight of a variety of systemic (i.e. historically high natural gas prices) and idiosyncratic (high uncollectibles and low but improving cash receipts percentages) PGW's financial health would be far worse without the WNA Clause. There is no question that it can and must continue. PGW intends to continue the clause to obtain the needed benefits for the Company, its employees and, most importantly, its customers.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
E-mail: Simmsj@puc.state.pa.us

David M. Kleppinger, Esquire
Charis M. Burak, Esquire
McNEES, WALLACE, NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
E-mail: Dkleppin@mwn.com
Cburak@mwn.com

Stephen Gray, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101
E-mail: sgray@state.pa.us

Tanya McCloskey, Esq.
James Mullins, Esq.
Steve Keene, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921
E-mail: TmcCloskey@paoca.org
Skeene@paoca.org

Richard Lelash
Financial and Regulatory Consultant
18 Seventy Acre Road
Redding, CT 06896
(OCA)
E-mail: Lelash@sprintmail.com

Philip Bertocci, Esq.
Edward A. McCool, Esq.
Community Legal Services
1424 Chestnut Street
Philadelphia, PA 19102
Fax: (215) 981-0434
E-mail: pbertocci@clsphila.org

Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
(OSBA)
Fax: (314) 725-2022

Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Ave.
Cambridge, MA 02140
rdk@indecon.com

Michael A. Bleiweis
243 Banks Road
Easton, CT 06612-1627
mikeblei@optonline.net

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RECEIVED

Kent D. Murphy, Esquire
Assistant General Counsel
Exelon Business Services Co.
2301 Market Street, S23-1
Philadelphia, PA 19103
kent.murphy@exeloncorp.com

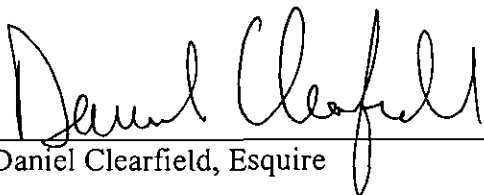
Barnett Satinsky, Esq.
Kristina L. Frank, Esq.
Fox, Rothschild, O'Brien & Frankel LLP
2000 market St., Tenth Fl.
Philadelphia, PA 19103-3291
bsatinsky@frof.com

Robert J. Bennett
PA Public Utility Commission
Fixed Utility Services
Keystone Bldg.
P.O. Box 3265
Harrisburg, PA 17105-3265
Bennett@puc.state.pa.us

Karen Moury, Deputy Chief Counsel
Law Bureau
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Moury@puc.state.pa.us

Scott J. Rubin, Esquire
3 Lost Creek Drive
Selinsgrove, PA 17870
scott@publicutilityhome.com

Dated: May 4, 2006


Daniel Clearfield, Esquire



ORIGINAL

OFFICE OF SMALL BUSINESS ADVOCATE

Suite 1102, Commerce Building
300 North Second Street
Harrisburg, Pennsylvania 17101

William R. Lloyd, Jr.
Small Business Advocate

(717) 783-2525
(717) 783-2831 (FAX)

May 24, 2006

HAND DELIVERED

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265

**Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-00017034**

Dear Secretary McNulty:

I am delivering for filing today the original plus three copies of the Answer of the Office of Small Business Advocate to Philadelphia Gas Works' Proposed Stipulation filed on May 4, 2006.

As evidenced by the enclosed Certificate of Service, two copies have been served on all parties in this proceeding.

Sincerely,

Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

DOCUMENT
FOLDER

Enclosures

cc: Parties of Record

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2006 MAY 24 PM 5:02
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

DOCKET NO. R-00017034

SECRETARY'S BUREAU

2005 MAY 24 PM 5:02

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CERTIFICATE OF SERVICE

I certify that I am serving two copies of the Answer to Philadelphia Gas Works' Proposed Stipulation, on behalf of the Office of Small Business Advocate, by e-mail and first class mail (unless otherwise noted) upon the persons addressed below:

Hon. Cynthia Fordham
Administrative Law Judge
Pa. Public Utility Commission
Rm. 1302, Philadelphia State Office Building
1400 West Spring Garden Street
Philadelphia, PA 19130
(215) 560-2105
(215) 560-3133 - Fax
cfordham@state.pa.us

Barnett Satinsky, Esquire
Kristina L. Frank, Esquire
Fox, Rothschild, O'Brien & Frankel LLP
2000 Market Street - Tenth Floor
Philadelphia, PA 19103-3291
bsatinsky@frof.com

Kent D. Murphy, Esquire
Exelon Business Services Company
2301 Market Street - #S23-1
Philadelphia, PA 19103
kent.murphy@exeloncorp.com

Richard W. LeLash
18 Seventy Acre Road
Redding, CT 06896
(203) 438-4659
(203) 431-9625 (fax)
lelash@sprintmail.com

Tanya McCloskey, Esquire
James Mullins, Esquire
Steve Keene, Esquire
Office of Consumer Advocate
555 Walnut Street 5th FL Forum Place
Harrisburg, PA 17101-1923
(717) 783-5048
(717) 783-7152 (fax)
tmccloskey@paoca.org
jmullins@paoca.org
skeene@paoca.org
(E-mail and Hand Delivery)

Johnnie E. Simms, Esquire
Office of Trial Staff
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105
(717) 787-1976
(717) 772-2677 (fax)
josimms@state.pa.us
(E-mail and Hand Delivery)

David M. Kleppinger, Esquire
Charis Mincavage, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
(717) 232-8000
(717) 237-5300 (fax)
dkleppinger@mwn.com
cmincavage@mwn.com

Daniel Clearfield, Esquire
Wolf, Block, Schorr and Solis-Cohen, LLP
213 Market Street - 9th Floor
P. O. Box 865
Harrisburg, PA 17108-0865
(717) 237-7160
(717) 237-7161 (fax)
dclearfield@wolfblock.com

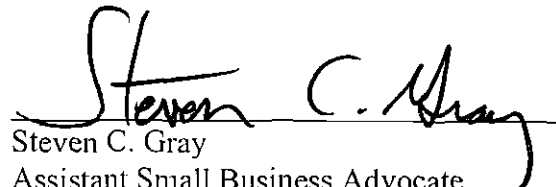
Phillip Bertocci, Esquire
Edward A. McCool, Esquire
Community Legal Services
1424 Chestnut Street
Philadelphia, PA 19102
(215) 981-3702
(215) 981-0435 (fax)
pbertocci@clsphila.org

Scott J. Rubin, Esquire
3 Lost Creek Drive
Selinsgrove, PA 17870
scott@publicutilityhome.com

Michael A. Bleiweis
243 Banks Road
Easton, CT 06612-1627
mikeblei@optonline.net

Robert Rosenthal
Robert J. Bennett
Bureau of Fixed Utility Services
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105
(717) 783-5242
(717) 787-4750 (fax)
rrosenthal@state.pa.us
robennett@state.pa.us
(E-mail and Hand Delivery)

Karen Moury, Esquire
Law Bureau
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105
(717) 787-5000
(717) 783-3458 (fax)
kmoury@state.pa.us
(E-mail and Hand Delivery)


Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Date: May 24, 2006

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2006 MAY 24 PM 5:02
PA. PUBLIC
UTILITY
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

DOCKET NO. R-00017034

PHILADELPHIA GAS WORKS

**OFFICE OF SMALL BUSINESS ADVOCATE'S
ANSWER TO PHILADELPHIA GAS WORKS'
PROPOSED STIPULATION**

SECRETARY'S OFFICE

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On May 2, 2006, Philadelphia Gas Works ("PGW" or the "Company") filed a Stipulation with the Pennsylvania Public Utility Commission ("Commission") that addresses the Company's weather normalization adjustment ("WNA") clause placed into operation as a "three-year pilot" by the Commission. See Docket No. R-00017034 (Order entered August 8, 2002), at Ordering Paragraph 5(c). The Stipulation proposes to place the WNA clause into permanent operation.

The Office of Small Business Advocate ("OSBA") submits this Answer in response to the Stipulation.

Responses to the Stipulation's Numbered Paragraphs

1. The averments of Paragraph 1 contain summaries of the Company's request for relief to which no response is required. By way of further response, the WNA clause went into effect on December 1, 2002. See *Stipulation*, at page 1. Consequently, the "three-year pilot" ended on November 30, 2005. The operation of the WNA clause should have terminated at that time. See also, *Statement in Support of the Office of Consumer Advocate*, Docket No. R-00017034 (Dated June 26, 2002), at page 3 ("The

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WNA is limited to a three year pilot period, at which time the Company will conduct a review of the costs and benefits of the WNA.”) Instead, the WNA clause continued to operate throughout the winter 2005-2006 season.¹

2. The averments of Paragraph 2 contain summaries of the Company’s request for relief to which no response is required. By way of further response, the OSBA respectfully requests that the Commission order PGW to provide the OSBA with a copy of the annual WNA audit, and grant the OSBA the opportunity to “address any negative audit findings in the appropriate forum(s).”

3. The averments of Paragraph 3 contain summaries of the Company’s request for relief to which no response is required.

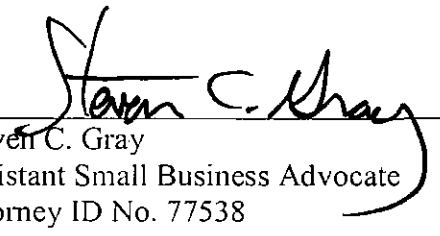
4a. The averments of Paragraph 4a contain summaries of the Company’s request for relief to which no response is required. By way of further response, the OSBA agrees that the Commission should review the Company’s *Report on Weather Normalization Adjustment Clause* once the Company has updated that *Report* for the winter 2005-2006 season. Specifically, the OSBA observes that Section II of the *Report* documents that the WNA clause has credited PGW’s customers two out of the three years of the WNA clause’s operation, and “since its inception, the [WNA] has actually resulted in a net credit to customers.” *Report*, at 6. If that trend continued in the winter 2005-2006 season, the OSBA is concerned that the WNA clause may not be properly designed for PGW’s purposes.

¹ The OSBA has not received any analysis of the operation of the WNA clause for the winter of 2005-2006 season from the Company. That analysis should be similar to what is set forth in Section II (entitled “Performance of the Clause”) of the Company’s *Report on Weather Normalization Adjustment Clause* that is attached to the Stipulation.

4b. The averments of Paragraph 4b contain summaries of the Company's request for relief to which no response is required. By way of further response, the OSBA respectfully submits that placing the WNA into permanent operation is not reasonable at this time. Instead, the OSBA recommends that the WNA clause be continued for an additional three-year trial period (which includes the winter 2005-2006 season), be subject to a full review by all interested parties at the conclusion of that additional three-year trial period, and be terminated at the end of that additional period unless there is a Commission Order continuing the operation of the WNA clause beyond the conclusion of the six-year trial period.

5. The averments of Paragraph 5 contain summaries of the Company's request for relief to which no response is required. By way of further response, the OSBA recommends that the WNA clause be continued for an additional three-year trial period (which includes the winter 2005-2006 season), be subject to a full review by all interested parties at the conclusion of that additional three-year trial period, and be terminated at the end of that additional period unless there is a Commission Order continuing the operation of the WNA clause beyond the conclusion of the six-year trial period. However, because the WNA clause should have ceased operation on November 30, 2005 (as required by the Commission's Order at Docket No. R-00017034), the OSBA respectfully requests that the Commission enter an Order granting a three-year extension for the operation of the WNA clause through the winter 2007-2008, at which time the WNA should be subject to a full review and further Commission Order.

Respectfully submitted,



Steven C. Gray
Assistant Small Business Advocate
Attorney ID No. 77538

Date: May 24, 2006

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2006 MAY 24 PM 5:02
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213 Market Street, 9th Floor, P.O. Box 865, Harrisburg, PA 17108-0865
Tel: (717) 237-7160 ■ Fax: (717) 237-7161 ■ www.WolfBlock.com

Daniel Clearfield
Direct Dial: (717) 237-7173
Direct Fax: (717) 237-7161
E-mail: dclearfield@wolfblock.com

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June 6, 2006

VIA FEDERAL EXPRESS

James McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
2nd Fl., 400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

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JUN 06 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: PA PUC v. Philadelphia Gas Works,
Docket No. R-00017034

Dear Secretary McNulty:

On behalf of Philadelphia Gas Works, enclosed for filing please find an original and three copies of its Response to the Office of Small Business Advocate's Answer to the Joint Stipulation with regard to the above-referenced matter. A copy has been served in accordance with the attached Certificate of Service.

Very truly yours,

Daniel Clearfield
Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

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FOLDER**

DC/lww
Enclosure

cc: Attached Cert. of Service w/enc.

HAR:66317.1/PHI211-156924

51

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I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
E-mail: Simmsj@puc.state.pa.us

David M. Kleppinger, Esquire
Charis M. Burak, Esquire
McNEES, WALLACE, NURICK
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
E-mail: Dkleppin@mwn.com
Cburak@mwn.com

Stephen Gray, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101
E-mail: sgray@state.pa.us

Tanya McCloskey, Esq.
James Mullins, Esq.
Steve Keene, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921
E-mail: TmcCloskey@paoca.org
Skeene@paoca.org

Richard Lelash
Financial and Regulatory Consultant
18 Seventy Acre Road
Redding, CT 06896
(OCA)
E-mail: Lelash@sprintmail.com

Philip Bertocci, Esq.
Edward A. McCool, Esq.
Community Legal Services
1424 Chestnut Street
Philadelphia, PA 19102
Fax: (215) 981-0434
E-mail: pbertocci@clsphila.org

Brian Kalcic
Excel Consulting
Suite 720-T
225 S. Meramec Avenue
St. Louis, MO 63105
(OSBA)
Fax: (314) 725-2022

Robert D. Knecht
Industrial Economics Incorporated
2067 Massachusetts Ave.
Cambridge, MA 02140
rdk@indecon.com

Michael A. Bleiweis
243 Banks Road
Easton, CT 06612-1627
mikeblei@optonline.net

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Kent D. Murphy, Esquire
Assistant General Counsel
Exelon Business Services Co.
2301 Market Street, S23-1
Philadelphia, PA 19103
kent.murphy@exeloncorp.com

Barnett Satinsky, Esq.
Kristina L. Frank, Esq.
Fox, Rothschild, O'Brien & Frankel LLP
2000 market St., Tenth Fl.
Philadelphia, PA 19103-3291
bsatinsky@frof.com

Robert J. Bennett
PA Public Utility Commission
Fixed Utility Services
Keystone Bldg.
P.O. Box 3265
Harrisburg, PA 17105-3265
Bennett@puc.state.pa.us

Bohdan Pankiw
Law Bureau
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Scott J. Rubin, Esquire
3 Lost Creek Drive
Selinsgrove, PA 17870
scott@publicutilityhome.com

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PA PUBLIC UTILITY COMMISSION
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Dated: June 6, 2006



Daniel Clearfield, Esquire

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PENNSYLVANIA PUBLIC UTILITY COMMISSION

JUN 06 2006

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

v.

Docket No. R-00017034

PHILADELPHIA GAS WORKS

**PHILADELPHIA GAS WORKS' RESPONSE TO OFFICE OF SMALL
BUSINESS ADVOCATE'S ANSWER TO PHILADELPHIA GAS WORKS'
JOINT STIPULATION**

Philadelphia Gas Works ("PGW") hereby provides this response to the document filed by the Office of Small Business Advocate ("OSBA") which it characterized as an "Answer to Philadelphia Gas Works' Proposed Stipulation." While OSBA presents its position on the Joint Stipulation filed by Office of Trial Staff ("OTS"), the Office of Consumer Advocate ("OCA"), and PGW regarding the continuation of PGW's WNA tariff, it also makes several factual statements which require correction or clarification.

The joint stipulation was filed in accordance with the requirements of the settlement of the Company's 2002 rate case in which the parties agreed to permit the WNA to be placed into effect, but to study it after three years and make a determination whether it should continue or be modified, in whole or in part. Based upon a report prepared by PGW, with the input from the public parties, the Joint Stipulation endorsed the Clause and agreed that the WNA should continue as it is structured today, as a permanent part of PGW's rate structure.

While the OSBA joins with the other parties in agreeing that the PGW WNA clause should continue, it, unnecessarily and unreasonably, suggests that the clause should only be approved for an additional three years after which it should terminate unless the Commission issues an order to the contrary before that. As the clause is universally viewed as beneficial to PGW and its customers, and its termination would have profoundly negative consequences for

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PGW's financial circumstances, OSBA's suggestions should be rejected and, as the Joint Stipulation requests, the Commission should acknowledge that the WNA will continue in place, just as its present tariff states.

1. Preliminarily, the OSBA's document characterizes the joint filing as "PGW's proposed stipulation;" this is wrong on two counts. First, the document was filed jointly by PGW, OCA and OTS; it is not "PGW's" Stipulation. Second, the stipulation is not "proposed;" the Stipulation reflects the position of the majority of the public parties that the WNA should continue because it is good for the Company and fair to the customers.

2. OSBA requests that the report prepared by PGW detailing the Company's experience with the clause be updated to include results for the 2005-06 winter season. Attached (Attachment "A") is an Updated WNA Report which includes this information. This version is modified only to add the 2005-06 results and to remove any general characterizations of the actual WNA experience which were based on pre-2005-06 data.

3. Most importantly, OSBA incorrectly states that the original, 2002 rate Settlement had agreed that the WNA would be in place for three years and then terminated.¹ In addition, OSBA stated that "the WNA clause should have ceased operation on November 30, 2005 (as required by the Commission's Order at Docket No. R-00017034)."² These statements are completely untrue. The 2002 rate case Settlement states only that the clause would be in place for an initial three year pilot period, after which PGW was required to conduct a review of the clause and prepare a report which would inform a decision as to whether the clause should continue or be terminated (the relevant portions of the Settlement Agreement are attached as

¹ OSBA "Answer" at 1.

² OSBA "Answer" at 3.

Attachment "B"). The actual language from the Commission's order approving the settlement restates the settlement term:

the WNA will have a three-year pilot period. At the conclusion of the three year period, the Company will conduct a review of the costs and benefits of the WNA. A determination will be made at the end of the review as to whether the WNA will continue, continue with modifications, or be eliminated.³

4. As can be plainly observed, there is nothing in the Settlement or the Commission's Order approving the Settlement, which states that the WNA is to "terminate" after the three-year pilot period. Such a suggestion is not only inconsistent with the plain language in the Settlement but it is also inconsistent with permanent nature of the tariff provision implementing the WNA which was approved by the Commission when the 2002 Settlement was approved. That tariff provision was filed as part of PGW's compliance filing implementing the Settlement and was served upon all parties to the proceeding including OSBA. Neither OSBA nor any other party raised an objection to the tariff provision implementing the WNA, as per the Settlement and the Commission's Order. The tariff language states, in part, as follows:

The Weather Normalization Adjustment shall be applied to each Mcf (1,000 cubic feet) used for heating purposes under Rate Schedules GS, MS, and PHA ("heating" and "heating only" customers), except for Gas usage under the Special Provisions – Air Conditioning of those rates. The Weather Normalization Adjustment will be applied to customer usage during the period of October 1 through May 31 of each year for each billing cycle (except for the 2002-2003 heating season when the Weather Normalization Adjustment will be applied to customer invoices rendered during the period of December 1 through May 31 of each year for each billing cycle).

The full text of the WNA tariff provisions are attached hereto as Attachment "C." This tariff provision is permanent in every respect and does not state that it "terminates" or ends after three

³ *Pa PUC v. PGW*, R-00017034 (August 8, 2002) Ordering ¶ 5(c).

years. This is conclusive proof that the Commission did not order the clause to terminate at the end of the initial "pilot" but only that a review should occur at that time. If the OSBA was confused about the Settlement language or had a different interpretation than the Company, the Commission (as evidenced by the PUC's approval of the Company's permanent tariff provision) or all of the other parties, none of which have endorsed the OSBA view, it should have raised it in 2002.

5. Ironically, OSBA's substantive position does not challenge the appropriateness of the WNA (which makes its initial position even harder to understand), but suggests that the WNA be continued as an additional "trial" for another three years and that at the end of that second three year period, the clause should terminate, unless there is a PUC order prior to the end of the second trial which authorizes its continuation.⁴

6. PGW is not opposed to a second review and evaluation of the WNA after three years if the Commission, in its discretion, believes such a review would be prudent, but strongly opposes OSBA's suggestion that the clause should terminate after the 2007-08 winter unless the PUC issues an order continuing it. The WNA has been – and will continue to be – enormously important to PGW in providing a certain amount of financial stability for the Company. Creating a risk that the clause might not continue merely because of inadvertence or administrative error could create unnecessary and harmful uncertainty for PGW and its ratepayers.

7. In PGW's WNA Evaluation Report (attached), PGW documented how the WNA has insulated PGW's financial results from the vagaries of the weather and has had a positive impact on the way in which PGW is viewed by the bond rating agencies.⁵ Clearly, the

⁴ OSBA "Answer" at ¶ 5.

⁵ See, WNA Report at 6-8.

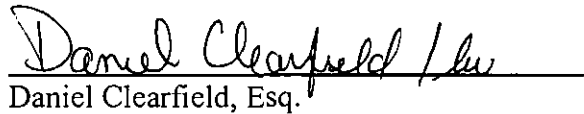
elimination of the WNA would have an extremely negative effect on the Company's bond rating and worsen its already precarious financial condition. Under the circumstances, putting in place a scheme in which the WNA clause would automatically go away unless the Commission took timely action is risky and inadvisable, especially since all parties, including OSBA endorse its continuation.

8. The OSBA does make a passing reference in its Answer to the fact that prior to the 2005-06 season, the WNA had resulted in a net credit to customers, and that "the OSBA is concerned that the WNA clause may not be properly designed for PGW's purposes."⁶ In light of the fact that the updated Report (including the 2005-06 data) shows that, over the last four years, the WNA has resulted in a small charge (\$3.9 million) to customers (which amounts to, on average, less than \$1 million a year), the OSBA should have no further concerns.

⁶ OSBA "Answer" at ¶ 4a.

WHEREFORE, PGW respectfully urges the Commission to reject both OSBA's incorrect factual assertions and its recommendations. PGW also requests that the Commission adopt the Joint Stipulation and indicate its approval of the continuation of the WNA for PGW. If the PUC believes that the WNA clause should be reviewed further, it should order such a review but make clear that the WNA clause will continue unless and until the Commission enters an order terminating or modifying the clause.

Respectfully submitted,



Daniel Clearfield, Esq.
Wolf, Block, Schorr and Solis-Cohen LLP
213 Market Street, 9th Floor
P.O. Box 865
Harrisburg, PA 17108-0865

Of Counsel:
Gregory Stunder, Esq.
Philadelphia Gas Works
800 West Montgomery Ave.
Philadelphia, PA 19122

Dated: June 6, 2006

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Attachment A

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PA PUBLIC UTILITY COMMISSION
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PHILADELPHIA GAS WORKS

REPORT ON WEATHER NORMALIZATION ADJUSTMENT CLAUSE



Prepared in Compliance with
Joint Petition For Settlement
Pa PUC v. PGW, R-00017034

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

November 2005

Updated June 2006

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I. BACKGROUND

Traditionally, the base rates of natural gas distribution companies (NGDCs) are established on a "weather normalized" basis, i.e., rates are set to permit the Company to earn at levels determined to be reasonable assuming that sales and revenues are at the levels the utility would experience if the level of experienced "Heating Degree Days" ("HDD") were at "normal" levels. Accordingly, when a year is colder or warmer than some determined "normal" level the NGDC typically earns more or less than the normalized amount, all other things being equal.

One way in which to balance out the effects of "abnormal" weather is by implementing a Weather Normalization Adjustment ("WNA") mechanism. The typical WNA permits the NGDC to true-up its revenues when experienced HDDs in a given period are less than a determined "normal" level. Correspondingly, when experienced HDDs exceed normal levels the utility adjusts its charges to provide a credit to customers. Importantly, the WNA does not result in a utility being able to earn more or realizing an earnings short-fall; it merely permits the utility to recover its authorized level of earnings and, for a cash flow regulated utility, the company's authorized level of liquidity.

As a result of experiencing a number of winters in which abnormal weather caused severe shortfalls in earnings and liquidity, PGW determined that the establishment of a WNA was a crucial requirement if the Company was to return to financial health in the long term.

Accordingly, PGW included a request to establish a WNA clause as part of its 2002 general base rate proceeding. On February 25, 2002, PGW submitted Supplement No. 17 to Tariff Gas - Pa. P.U.C. No. 1 to become effective for service rendered on or after April 26, 2002. This base rate filing sought to increase PGW's base rates by \$60 million and to implement a weather normalization adjustment clause ("WNA"). Prior to completion of the public hearings on the base rate request, the parties were able to reach a Settlement which resolved all issues

pertaining to PGW's base rate filing. As part of that settlement, PGW was permitted to implement its proposed WNA as soon as necessary systems modifications were complete. PGW agreed that the WNA would be put in place after consulting with the settling parties. PGW actually began to implement the adjustment clause as of December 1, 2002. In compliance with its settlement agreement, PGW provided consumer education to its customers to assist them in understanding the workings of the WNA.

The Settlement indicated that the WNA was being put in place for an initial three-year pilot period. At the conclusion of the three year period, the Company agreed to conduct a review of the costs and benefits of the WNA. After that evaluation, a determination was to be made as to whether the WNA will continue, continue with modifications, or be eliminated.

The Settlement was approved by the PUC in an order entered on August 2, 2002.

In presenting its proposal for a WNA, PGW's Craig White explained that the establishment of the Clause would have a number of benefits:

- i. stabilizes cash flow from year-to-year
- ii. can reduce the need for short-term borrowing from year-to-year
- iii. positively affect PGW's credit rating
- iv. reduces the need for costly base rate proceedings¹

Mr. White also pointed out that a WNA-type clause was particularly appropriate for a municipally owned utility, such as PGW:

I believe that PGW's municipal status makes a WNA particularly appropriate. Under the cash flow method of ratemaking, ratepayers provide revenues to cover the entire costs of service -- but only the cost of service. Any revenue shortfalls or windfalls ultimately inure to the ratepayers. The WNA simply minimizes

¹ *Pa PUC v. PGW*, R-00017034, PGW BRP St. 2 at 3.

the degree to which such shortfalls or windfalls occur. For a municipal utility that utilizes a WNA, ratepayers are assigned the same responsibilities or obtain the same benefits that they would without a WNA.²

In response to the Company's presentation, the OTS agreed with the Company's WNA proposal in principle:

I cannot agree with the Company's proposed WNA as filed. ... However, I agree in concept that a WNA clause would be reasonable only because PGW's rates are established using the cash flow method of ratemaking.³

OTS's witness Mr. Metro recommended approval of the WNA clause if several conditions were adopted by the PUC.⁴

OCA witness Thomas Catlin also indicated that a WNA clause would make sense for the PUC to approve for a municipal utility such as PGW:

Generally, a WNA clause would not be appropriate for an investor-owned utility where the costs of capital, especially equity capital, embodies compensation for the very risk that a WNA clause would attenuate. ... PGW is unique among gas distribution companies in Pennsylvania. PGW is the only gas distribution utility in Pennsylvania regulated by the Commission that is a municipal utility. Moreover, PGW operates on a cash basis according to statute, and it has no source of equity financing in the sense of a traditional investor-owned utility. The Company represents that its ability to borrow short-term is largely exhausted and it has virtually no remaining flexibility to address short-term margin losses.⁵

² Id. at 3-4.

³ R-00017034, OTS St. 4 at 10.

⁴ The conditions Mr. Metro recommended were: 1) the WNA be approved for a 3 year "trial" basis; 2) the Company provide tariff language that describes how the individual customer charge and middle of the month monthly bills will be calculated; and 3) the Company will not file for a rate increase until after June 1, 2005. Id. at 10-12.

⁵ R-00017034, OCA St. 3 at 3-4. OCA witness Catlin also recommended several refinements to the Company's proposal, including the filing of periodic reports on the

Accordingly, in evaluating the performance of the clause three years after its initiation PGW has focused on whether the WNA has provided the benefits anticipated and whether PGW's implementation has been otherwise reasonable.

II. PERFORMANCE OF CLAUSE

In the three years in which the WNA clause has been in place, PGW customers have remitted to PGW on net, approximately \$3.9 million.

Philadelphia Gas Works
Weather Normalization Clause

	<u>Fiscal Year</u> <u>2002-03</u>	<u>Fiscal Year</u> <u>2003-04</u>	<u>Fiscal Year</u> <u>2004-05</u>	<u>Fiscal Year</u> <u>2005-06</u>	
SEP	-	\$ 5,837	\$ 1,093	2,492	
OCT	-	(293,666)	(171,486)	657,761	
NOV	-	1,744,403	(85,304)	799,667	
DEC	(3,094,912)	249,694	1,456,550	(1,991,219)	
JAN	183,378	(313,490)	2,349,557	4,778,258	
FEB	(4,952,755)	(4,584,777)	(791,197)	5,695,014	
MAR	(3,636,720)	2,384,882	(3,074,010)	(61,095)	
APR	1,334,999	(111,428)	(9,860)	2,342,224	
MAY	107,459	2,035,759	(462,910)	1,024,782	MAY 2006 = ESTIMATE
JUN	8,492	1,039,386	(568,422)		
JUL	11,133	2,828	(11,583)		
AUG	9,590	(50,881)	2,410		
TOTAL	\$ (10,029,336)	\$ 2,108,547	\$ (1,365,162)	\$ 13,247,883	\$ 3,961,932

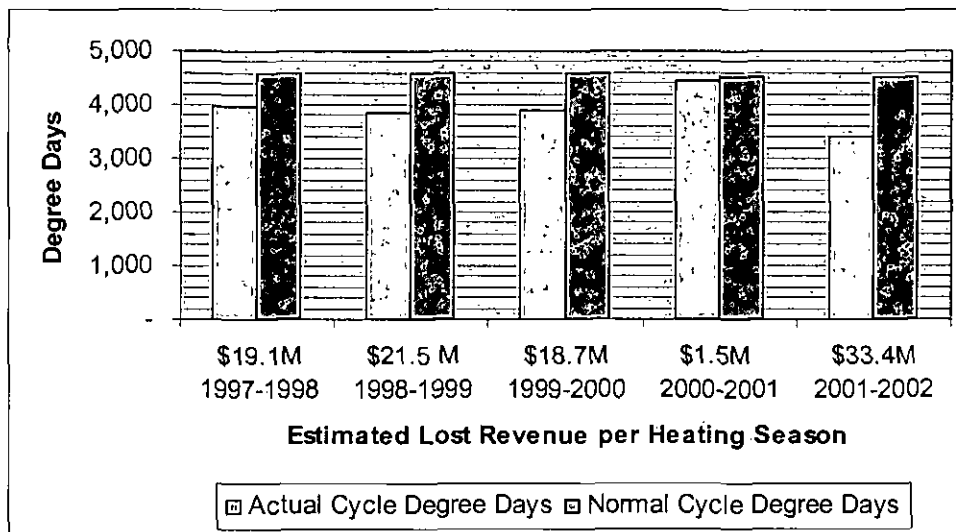
Updated June 2006

clause, the establishment of the clause on a 3 year pilot basis, consumer education on the clause and an evaluation of the appropriateness of the 1% plus or minus deadband after actual experience is obtained.

III. ASSESSMENT OF CLAUSE PERFORMANCE

A. Affect on PGW Financial Position

The WNA has had a very positive effect upon the way in which PGW has been viewed by the financial community. The principal reason for this is that the existence of the WNA has eliminated the effect of weather on earnings and cash flow. Prior to the establishment of PGW's WNA, the Company experienced substantial shortfalls in earnings and cash flow as a result of successive warmer than normal winters. The following chart illustrates PGW's historical experience:



These weather related reductions in earnings and cash flow decimated PGW's already precarious financial position and threatened the Company's ability successfully to issue additional long term debt, the firm's only available source of external capital. In fact, it is estimated that during the five fiscal years ending August 31, 2002, PGW experienced

approximately \$94 million in lost revenue due to higher than normal temperatures. As a result, PGW was downgraded to the lowest investment grade and was required to pay extremely high effective interest rates in order to obtain the long term financing on which it relies to maintain its capital improvement program. It was also forced to obtain a series of base rate increases (including a \$36 million emergency rate increase) in order to "weather" the storm.

With the implementation of the WNA, PGW has not filed any additional base rate cases and, while many other factors have continued to keep the Company in a challenging financial position, the investment community has recognized that PGW's earnings and cash flow are now uniquely insulated from the vagaries of weather. Both Standard & Poor's ("S & P") and Moody's continue to cite the WNA as a positive factor. In fact, both rating agencies have discussed the WNA in some of their most recently issued reports. In May 2005, S & P reiterated that "[a]nother indication of regulatory support involves the PUC's relatively recent approval of a weather normalization adjustment for PGW – the first such allowance to a gas utility in Pennsylvania. The WNA enables PGW to smooth out fluctuations in margin revenue due to abnormal weather in winter months."⁶ Again, on August 30, 2005, in a report in which S & P affirmed PGW's bond rating as the lowest investment grade rating and affirmed a negative outlook, S & P stated: "The current rating assumes that the company will continue to have access to its WNA. Although poor collections exacerbate liquidity problems in colder-than-normal years (as total customer bills increase), the WNA keeps distribution revenues from dropping precipitously in years with warmer-than-normal winters."⁷ Likewise, Moody's has clearly expressed that "[p]rior to the natural gas price spike in 2003 PGW has implemented several

⁶ Standard & Poor's Full Report (May 19, 2005).

⁷ Standard & Poor's Full Report (August 30, 2005).

changes that were to be key to improved financial performance. PGW ... was granted a Weather Normalization Adjustment, to normalize the impact of changes in weather on cash flow.”⁸

Additionally, Fitch Ratings favorably commented on the WNA after its approval. When discussing rating considerations, Fitch reported that the “rating considers management’s continued focus on cost control, steady albeit slow improvement in customer collections, and recent rate modifications that have provided some stability to cash flow...”⁹ The rate modifications were described later in the report as permanent base rate relief of \$70 million, as well as the ability to levy a WNA for warmer than normal years.”¹⁰

B. Effect on Customers

The WNA clause has been well accepted by PGW customers. Since its inception, PGW has had an extremely small number of complaints. The Clause has been calculated without any errors or revisions being necessary.

C. WNA Billing

PGW's WNA formula used to apply the clause works as it was intended. In order to demonstrate this, PGW sampled all rate classes to which the WNA was applied¹¹ for the month of March 2005. March 2005 was selected because it was the month during which the

⁸ Moody’s Report (September 28, 2004).

⁹ Fitch Ratings Report, p. 2 (December 18, 2002).

¹⁰ *Id.*

¹¹ GS, MS and PHA.

largest credit was issued during the 2004-2005 fiscal year. After selecting a sample size¹² from each rate class, the WNA applied to each selected invoice was recalculated and no exceptions were identified. PGW's conclusion is that algorithms and billing systems used to calculate the WNA are accurate and reliable.

IV. WORKSHOPS

PGW held two telephonic workshops with the Office of the Trial Staff (“OTS”), the Office of the Consumer Advocate (“OCA”), the Office of the Small Business Advocate (“OSBA”), and the Philadelphia Industrial and Commercial Users Group (“PICGUG”) (collectively the “Parties”) on August 30 and September 15, 2005 in order to discuss draft forms of this report and exchange information. PGW and the Parties discussed many issues, the more prominent of which follow.

A. WNA Deadband

At least one of the workshop participants asked that PGW provide an analysis of the pros and cons of modifying the existing deadband, currently set at 1%. Based upon total residential heating season sales (10/1 to 5/31) of 36 Bcf, each increase of the deadband by 1% shows a correlating decrease in the total heating season surcharge or credit of \$1.5M. For example, when 36 Bcf is used as baseline residential heating season sales which are then adjusted for 5% warmer or colder weather, the resulting surcharge/credit is \$6,050,000 using a 1% deadband. The increase of the deadband to 2%, 3%, 4% and 5% results in surcharges/credits of \$4,550,000, \$3,030,000, \$1,520,000 and \$0, respectively. The same incremental change of

¹² Three populations (i.e. March 2005 GS, MS and PHA invoices) were sampled based upon a 95% confidence level and a confidence interval of plus or minus 5%.

approximately \$1.5M per 1% occurs even if the temperature variance is less than 5% warmer/colder or greater than 5% warmer/colder.

The rating agencies have clearly indicated that they rely upon the WNA to be a risk mitigating tool, therefore, an increase of the deadband beyond 1% will diminish the effect of the WNA as a risk mitigating tool. After discussing PGW's analysis and the independent analyses prepared by another party, it was agreed that the deadband at 1% should be maintained.

B. WNA Audit

PGW and the parties agreed that it would be appropriate to conduct annual audits of the WNA. Accordingly, it was agreed that PGW's internal audit department will annually audit the WNA by selecting a sample from invoices issued during the month in which the highest total monthly surcharge or credit was applied to customers' invoices. The surcharge or credit for the selected invoices will be recalculated. All procedures will be documented and all data will be saved for a period of six months after the completion of the audit. The results of the annual audit will be provided to the Parties. The Parties will have the right to address any negative audit findings in the appropriate forum(s).

C. Change in Ownership of PGW

OTS wanted to address the question of the continuation of the clause in the event that PGW was sold to or transferred into an investor owned utility. Accordingly, it was agreed that if PGW is purchased by, or otherwise transferred to an investor owned utility or should become an investor owned utility, PGW agrees that such successor entity may no longer utilize the WNA Clause unless the Commission upon petition by the purchasing IOU in the transfer

application proceeding or otherwise authorizes the establishment of a WNA for the successor entity.

V. PGW CONCLUSIONS REGARDING THE WNA

While PGW continues to struggle under the weight of a variety of systemic (i.e. historically high natural gas prices) and idiosyncratic (high uncollectibles and low but improving cash receipts percentages) PGW's financial health would be far worse without the WNA Clause. There is no question that it can and must continue. PGW intends to continue the clause to obtain the needed benefits for the Company, its employees and, most importantly, its customers.

Attachment B

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

Docket No. R-00017034

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JOINT PETITION FOR SETTLEMENT OF
PHILADELPHIA GAS WORKS'
BASE RATE PROCEEDING

TO ADMINISTRATION LAW JUDGE CYNTHIA WILLIAMS FORDHAM:

I. INTRODUCTION

Philadelphia Gas Works ("PGW"), the Commission's Office of Trial Staff ("OTS"), the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), and the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") (collectively "the Joint Petitioners"),¹ hereby submit this Joint Petition for Settlement of Philadelphia Gas Works' Base Rate Proceeding as captioned above and respectfully request the following:

1. That Administrative Law Judge ("ALJ") Cynthia Williams Fordham recommend and the Commission approve this Settlement and all of its terms and conditions.²

¹ The Consumers Education and Protective Association ("CEPA"), the Association of Community Organizations for Reform Now ("ACORN"), the Tenants Action Group ("TAG") and Action Alliance of Senior Citizens of Greater Philadelphia ("Action Alliance") (collectively "CEPA, et al."), who have participated jointly in this proceeding, the Service Employees International Union, Local 686, and PECO Energy Company are not participating in this Settlement, but have reviewed the Settlement and have informed the Joint Petitioners that they do not oppose the Settlement. Attached as Appendices "A" and "B," respectively, are letters of non-opposition executed by CEPA, et al, and the Service Employees International Union, Local 686.

² Attached hereto as Appendix "C" are Statements in Support submitted by OTS, OCA and PGW.

1. Base Rates. PGW shall be permitted an increase in rates equal to its existing \$36 million extraordinary rate award placed into effect in accordance with the PUC's Extraordinary Rate Order (entered April 12, 2002) on April 16, 2002.

2. The \$36 million settlement award is the result of a compromise and does not reflect or constitute the recovery of any individual expense claim or revenue assumption contained in PGW's pro forma test year filing.

3. PGW is specifically permitted to request recovery of all of the incremental costs for meter change out, gas leak survey, and safety training in its restructuring proceeding. The Joint Petitioners retain the right to argue that these costs are not incremental or that rates in effect are sufficient to cover these costs. The Joint Petitioners will not argue that these costs were specifically included in the \$36 million awarded pursuant to this Settlement or that these costs are not restructuring costs.

4. Rate Structure. The existing distribution of the extraordinary rate increase approved by the Commission in its April 12, 2002, Order will remain in effect.

5. Weather Normalization Adjustment Clause. In consideration of the agreements in this Settlement, PGW will be permitted to implement its proposed Weather Normalization Adjustment Clause (WNA) as soon as systems modifications are available.

(a) PGW will hold workshops in which all interested parties can participate where PGW will provide detailed information about systems modifications and where implementation procedures and consumer education plans will be developed. The final product of the workshop will be submitted to the Commission for review and approval. Any issues that cannot be resolved in the workshop will be submitted to the Commission for disposition.

Notwithstanding the above, the parties agree that PGW will be permitted to implement the WNA

for the 2002-03 winter heating season if systems modifications are available. Absent completion of the workshop and Commission approval by August 15, 2002, PGW will be permitted to implement the WNA as proposed with an effective date no sooner than October 1, 2002 and no later than December 1, 2002. Any subsequent changes required by the Commission will be implemented as soon as practicable.

(b) PGW will provide all consumer education materials and information and billing formats to the OCA, OTS, OSBA, all other interested parties, and the appropriate Commission staff for review and comment. Materials should be provided no less than two weeks before the Company anticipates that the materials must be in final form.

(c) The WNA will be put in place for an initial three-year pilot period. At the conclusion of the three year period, the Company will conduct a review of the costs and benefits of the WNA. A determination will be made at the end of the review as to whether the WNA will continue, continue with modifications, or be eliminated.

(d) PGW and the interested parties to the workshops will address tariff issues regarding the treatment of customers whose billing cycle falls outside of the October 1 to May 31 time frame as well the base load calculation for new customers.

6. Short Term Debt Paydowns. PGW will project the amount of annual short term debt pay down (commercial paper) that the agreed to revenue requirement will permit, will provide the basis for its projections, and will agree to meet those projections or explain why it cannot in a yearly report to the Joint Petitioners.

7. Withdrawal of Appeals. PGW will limit its appeal of the Commission's October 4, 2001 and December 6, 2001 Orders to the rate structure issue of PGW being required by the Commission to allocate a portion of its rate award to the municipal rate class, MUN/MS.

Attachment C

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JUN 06 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

WEATHER NORMALIZATION ADJUSTMENT CLAUSEProvision For Adjustment

The Weather Normalization Adjustment shall be applied to each Mcf (1,000 cubic feet) used for heating purposes under Rate Schedules GS, MS, and PHA ("heating" and "heating only" customers), except for Gas usage under the Special Provisions – Air Conditioning of those rates. The Weather Normalization Adjustment will be applied to customer usage during the period of October 1 through May 31 of each year for each billing cycle (except for the 2002-2003 heating season when the Weather Normalization Adjustment will be applied to customer invoices rendered during the period of December 1 through May 31 of each year for each billing cycle).

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment surcharge or credit shall be computed to the nearest one-hundredth cent (0.01cent) in accordance with the formulas set forth below:

$$HL = TU - (BL * BC)$$

$$WNA = DC * [(HL * \frac{NHDD +/- (NHDD * 1\%)}{AHDD}) - HL]$$

Definitions

TU – Total Usage for the billing cycle. TU measured in Mcf.

BL – base load Mcf per billing day is the number of Mcf per Customer used per day for non-heating purposes based on usage by Customers to which this adjustment applies. It is determined separately for each individual customer and will be revised annually to reflect the non-temperature sensitive usage of Customers to which the adjustment applies reflected in the prior heating season's sales. If an individual customer base load is not available, the base load for the related customer class will be applied.

BC – billing cycle is the actual number of days shown on the bill that the Customer receives for service.

DC – Delivery Charge.

NHDD – normal heating degree days for any given calendar day within a month are based on the thirty year average for the given calendar day based on the thirty year period ended August 31, 2001. The NHDD provided for in the formula are the total number of NHDD for the billing cycle. The degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport.

AHDD – actual experienced heating degree days for the billing cycle. The degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport.

Operation of Weather Normalization Adjustment

The Weather Normalization Adjustment will be applied to a Customer's bill on a cents per Mcf basis when actual heating degree days vary from normal heating degree days during the period for which the Customer is billed. The Weather Normalization Adjustment will be applied to the Customer's space heating consumption except for air conditioning usage billed under the air conditioning rate. The Weather

Normalization Adjustment for a billing cycle will apply only if the actual heating degree days (AHDD) for the billing cycle are lower than 99 percent or higher than 101 percent of the normal heating degree days (NHDD) for the billing cycle and will only apply to the extent that the variation is lower than 99 percent or higher than 101 percent of the normal heating degree days for that billing cycle. A new weather adjustment will be calculated for each billing cycle.

Under the formulas, the Weather Normalization Adjustment surcharge or credit is calculated by:

- 1) Normal HDD are calculated for each day of the fiscal year based upon the thirty year average for the thirty year period ended August 31, 2001.
- 2) At the start of the fiscal year, an average daily base load (non-heating) usage is calculated for each individual customer based upon actual base load usage.
- 3) The average daily base load (non-heating) amount is multiplied by the number of days in the billing cycle.
- 4) The total billing cycle base load amount is subtracted from the actual cycle usage of the customer in order to derive the usage applicable to heating.
- 5) The WNA factor is multiplied times the heating usage in order to derive the normalized heating usage.
 - a) The WNA factor is calculated by first adjusting the Normal HDD (NHDD) for the billing cycle by the deadband percentage (1 %). The deadband percentage is multiplied by the NHDD and then added to NHDD for the billing period when the weather is colder than normal (i.e., AHDD > NHDD) or subtracted from NHDD for the billing period when the weather is warmer than normal (i.e., AHDD < NHDD).
 - b) The adjusted NHDD are then divided by the AHDD.
- 6) The actual heating usage is subtracted from the normalized heating usage and then multiplied by the delivery charge. The result is a surcharge or credit.

Reporting Requirements

The Company will file all Weather Normalization Adjustments with the Commission on an annual basis.

PGW Exhibit DA-3

Philadelphia Gas Works



Weather Normalization Adjustment Report to the Pennsylvania Public Utility Commission

Docket No. P-2022-3033477

August 12, 2022

Philadelphia Gas Works

Weather Normalization Adjustment Report to the Pennsylvania Public Utility Commission

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I. Introduction

PGW's Tariffed Weather Normalization Adjustment ("WNA") is a charge or credit applied to a customer's bill that adjusts for warmer or colder than normal weather during a billing cycle.¹ As a general summary, if the weather is warmer than normal, the WNA is a charge on the bill. When the weather is colder than normal, the WNA is a credit on the bill. There is no WNA charge or credit on a customer's bill if the weather is within 1.0% warmer or colder than normal. The WNA is applied to customer usage from October 1 through May 31. It has been instrumental in helping PGW to become a financially stable and strong company, with weather related charges to customers that were designed to be fair and reasonable.

An anomaly occurred with the WNA related to mid to late May 2022 weather, which produced unusually large charges to some customers. PGW determined that PGW's customers should not bear these unprecedented and unusually large charges, and therefore, PGW filed a Petition for Emergency Order on June 30, 2022, at Docket No. P-2022-3033477 ("PGW Petition for Emergency Order") seeking Commission approval to immediately revise its Tariff to reverse the WNA charges that were applied to May 2022 usage billings.

The Commission issued an Emergency Order on July 1, 2022, authorizing PGW to implement the proposed Tariff revision and also directed that PGW submit a report of its findings to date regarding the WNA within 30 days. This Order was ratified on July 14, 2022 ("Ratification Order").

On August 2, 2022, in response to the issues discussed above, PGW filed a Tariff Supplement and Petition for Approval on Less Than Statutory Notice ("PGW WNA Control Request Petition"). PGW proposed addition to its WNA to cap the WNA at 25 percent of the total of the Customer Charge, the Distribution Charge (including the Distribution System Improvement Charge), and if applicable, the Gas Adjustment Charge (including the Interruptible Revenue Credit) (collectively herein, "Bill Charge").

Consistent with the Ratification Order, this report provides PGW's WNA investigation results. The Ratification Order required that PGW report on its investigation of "the WNA formula, the inputs, and current information about weather trends affecting May."²

¹ See Philadelphia Gas Works' Gas Service Tariff – Pa P.U.C. No. 2, Page Nos. 149-150.

² Ratification Order at 2, entered July 14, 2022, in Docket No. P-2022-3033477.

II. Purpose of the WNA

Utility base rates are established on a “weather normalized” basis, such that rates are set to allow the utility to generate revenues at levels determined to be reasonable assuming that sales volumes are at the levels the utility would experience if the weather were at “normal” levels.

When a year is colder or warmer than some determined “normal” level, the utility typically bills more or less than the weather normalized amount, all other things being equal. One way in which to balance out the effects of “unusual” weather (and permit the utility to realize revenue levels that are consistent with that which the Commission determined was “reasonable” in its last rate case) is by utilizing a WNA mechanism. For a cash flow regulated utility such as PGW, a WNA assists the company in protecting its authorized level of liquidity and reducing the potential for emergency rate relief in an extremely warmer than normal scenario. Under PGW’s cash flow method of ratemaking, ratepayers provide revenues to cover the entire costs of service – but only the cost of service. Any revenue shortfalls or windfalls ultimately inure to the ratepayers. A WNA can minimize the degree to which such weather-related shortfalls or windfalls occur.

For PGW, a WNA provides several benefits that are not limited to those below:

- Stabilizes cash flow from year-to-year
- Reduces the need for short-term borrowing from year-to-year
- Positively affects PGW’s-credit rating, reducing cost of borrowing
- Reduces the need for base rate proceedings to recover revenue shortfalls related to weather

As a result, the WNA reduces the incremental need for short-term financing and rate case proceedings specific to revenue shortfalls due to unusual weather and contributes to PGW’s currently positive bond credit rating.³

III. Investigative Process

This report provides PGW’s investigation results as required by the Order. Data was used going back to Fiscal Year 2019.

³ The rating agencies have viewed PGW’s WNA favorably, describing it as a key to the utility’s financial stability. See Moody’s Investor Service Credit Opinion (June 10, 2019) at 4; S&P Global, Philadelphia; Gas; Joint Criteria (May 8, 2019) at 3-4; Fitch Rating Outlook (July 5, 2018) at 1. These rating agency reports are part of the record in PGW’s last rate case (R-2020-3017206, Exh. JFG-3).

Below, the WNA formula and its inputs are reviewed, and this report examines the inputs that affected the May WNA charges. Additionally, weather trends are analyzed against historical data.

IV. WNA Formula

Formula

As defined in the Tariff, PGW's WNA formula is as follows:

$$\text{WNA} = \text{DC} * \frac{[(\text{HL} * \text{NHDD} +/- (\text{NHDD} * 1\%)) - \text{HL}]}{\text{AHDD}}$$

$$\text{whereas HL} = \text{TU} - (\text{BL} * \text{BC})$$

Normal Weather (NHDD)

For PGW's WNA, normal weather is derived from a 20-year average of Normal Heating Degree Days ("NHDD"), pursuant to PUC Order dated November 8, 2017.⁴ Actual Heating Degree Days are recorded daily from the National Oceanic and Atmospheric Administration (NOAA). Heating Degree Days are calculated by subtracting the daily average daily temperature from 65 degrees. If the average temperature is greater than 65 degrees, then there are 0 heating degree days.

For example, if the High Temperature of the day is 60 degrees and the Low Temperature is 40 degrees, then there are 15 heating degree days.

$$60 + 40 / 2 = 50 \text{ degrees; } 65 \text{ minus } 50 = 15 \text{ heating degree days.}$$

Of note, consistent with the PUC Order in the 2017 base rate case and PGW's Tariff, PGW submits annual Weather Normalization Adjustment Reports at that docket and serves the parties to the rate case. This report shows the AHDD and the Total WNA Charge (Credit), this information is transparent to the Commission and the parties. The most recent report for Fiscal Year 2021 was filed on January 4, 2022.

WNA Tariff Formula Inputs

- TU – total usage ("TU") for the Customer-specific billing cycle, measured in Mcf.

⁴ Opinion and Order, ¶ 3, entered November 8, 2017, in Docket No. R-2017-2586783.

- BL – base load (“BL”) Mcf is the Mcf per Customer used per day for non-heating purposes. BL is determined separately for each individual Customer and is revised annually based on non-heating month usage. BL represents the gas usage per day for non-heating purposes. If an individual Customer’s BL is not available, the BL for the related customer class is applied.
- BC – billing cycle (“BC”) is the actual number of days shown on the bill that the Customer receives for service.
- HL – normalized amount of gas used for heating purposes (“HL”). HL is the Customer’s TU minus the normal gas usage for non-heating purposes derived by multiplying BL and BC.
- DC – delivery charge in \$/Mcf (“DC”).
- NHDD – normal heating degree days (“NHDD”) for any given calendar day within a month are based on the normal weather determination applied in PGW’s most recent base rate case, currently twenty years, as approved at Docket No. R-2017-2586783. The NHDD provided for in the formula are the total number of NHDD for the BC. The degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport.
- AHDD – actual experienced heating degree days (“AHDD”) for the billing cycle. The degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport.
- Dead-band Percentage – Set as 1%, this represents the margin whereby the heating degree days vary and there would be no WNA. When the weather is colder than normal, the deadband is added to NHDD. And when the weather is warmer than normal, the dead-band is subtracted from NHDD.

WNA Calculation Explanation and Examples

- The BL is multiplied by the number of days in the BC to calculate the normal gas usage for non-heating purposes.
- The non-heating gas usage calculated above, BL, is subtracted from TU to derive the normalized amount of gas used for HL.
- NHDD are divided by AHDD to derive how much the weather has varied from the normal weather.
- The normalized amount of gas used for heating purposes, HL, is multiplied by the ratio of NHDD to AHDD to calculate the weather normalized gas usage.
- HL is then subtracted from this to derive the difference between actual and normalized gas usage.

- This amount is then multiplied by the rate case DC to calculate the WNA.

Example Calculation #1

Units in these examples are in Ccf as opposed to Mcf to align with actual customer bill presentation.

Assume customer has:

- i) Total Usage (TU) of 21 Ccf.
- ii) Base Load (BL) of 0.54 Ccf/day
- iii) Billing Cycle (BC) of 30 days
- iv) Bill Period from 5/11/2022 through 6/10/2022
- v) Normal Heating Degree Days (NHDD) of 47
- vi) Actual Heating Degree Days (AHDD) of 1
- vii) Delivery Charge (DC) of \$0.72955/Ccf

1. The Customer’s non-heating gas usage (HL) is calculated by subtracting the BL of 0.54 Ccf/day times the BC of 30 days, from the TU of 21 Ccf.

$$HL = TU - (BL * BC) = 21 \text{ Ccf} - (0.54 \text{ Ccf/day} * 30 \text{ days}) = 21 \text{ Ccf} - 16.2 \text{ Ccf} = 4.8 \text{ Ccf}$$

2. The variation in weather is calculated by dividing NHDD of 47 by AHDD of 1 with a margin, or dead band, of 1%. This dead band value gives a margin of +/- 1% where if AHDD and NHDD differ by any less than that, there is no WNA charge/credit.

$$\frac{NHDD +/- (NHDD * 1\%)}{AHDD} = \frac{47 - (47 * 1\%)}{1} = \frac{47 - 0.47}{1} = \frac{46.53}{1} = 46.53$$

3. HL is then multiplied by this 46.53 to derive the normalize gas usage.

$$(4.8 * 46.53) = 223.344 \text{ Ccf}$$

4. HL is then subtracted from the normalized gas usage to derive the adjustment for weather normalization.

$$223.344 - 4.8 \text{ Ccf} = 218.544 \text{ Ccf}$$

- This difference (218.544) is then multiplied by the DC of \$0.72955/Ccf and prorated for 20 WNA-applicable days of 5/11/2022 through 5/31/2022 to provide WNA charge of approximately \$106.

$$218.544 \text{ Ccf} * \$0.72955/\text{Ccf} * 20 \text{ days} / 30 \text{ days} = \mathbf{\$106.29}$$

Example Calculation #2

If all of the parameters above are held constant with the exception of AHDD changing from 1 to 40 (denominator in the WNA formula), then the WNA would have decreased from a charge of \$106.29 to \$0.33.

- As calculated above, HL = 4.8 Ccf
- The variation in weather is calculated by dividing NHDD of 47 by AHDD of 40 with the dead band, of 1%.

$$\frac{\text{NHDD} \pm (\text{NHDD} * 1\%)}{\text{AHDD}} = \frac{47 - (40 * 1\%)}{40} = \frac{47 - 0.47}{40} = \frac{46.53}{40} = 1.16325$$

- HL is then multiplied by this 1.16325 to derive the normalize gas usage.

$$(4.8 * 1.16325) = 5.5836 \text{ Ccf}$$

- HL is then subtracted from the normalized gas usage to derive the adjustment for weather normalization.

$$5.5836 \text{ Ccf} - 4.8 \text{ Ccf} = 0.7836 \text{ Ccf}$$

- This difference (0.7836 Ccf) is then multiplied by the DC of \$0.72955/Ccf and prorated for 20 WNA-applicable days of 5/11/2022 through 5/31/2022 to provide the WNA charge of approximately \$0.38.

$$0.7836 \text{ Ccf} * \$0.72955/\text{Ccf} * 20 \text{ days} / 30 \text{ days} = \mathbf{\$0.38}$$

Example Calculation #3

Please see the below colder month scenario where a customer received a credit for the WNA.

Assume customer has:

- i) Total Usage (TU) of 240 Ccf.
- ii) Base Load (BL) of 0.34 Ccf/day
- iii) Billing Cycle (BC) of 29 days
- iv) Bill Period from 4/15/2020 through 5/14/2020
- v) Normal Heating Degree Days (NHDD) of 182
- vi) Actual Heating Degree Days (AHDD) of 354
- vii) Delivery Charge (DC) of \$0.66967/Ccf

1. The Customer's non-heating gas usage (HL) is calculated by subtracting the BL of 0.34 Ccf/day times the BC of 29 days, from the TU of 240 Ccf.

$$HL = TU - (BL * BC) = 240 \text{ Ccf} - (0.34 \text{ Ccf/day} * 29 \text{ days}) = 240 \text{ Ccf} - 9.86 \text{ Ccf} = 230.14 \text{ Ccf}$$

2. The variation in weather is calculated by dividing NHDD of 182 by AHDD of 354 with a margin, or dead band, of 1%. This dead band value gives a margin of +/- 1% where if AHDD and NHDD differ by any less than that, there is no WNA charge/credit. Because weather was colder than normal, the dead band is subtracted from NHDD.

$$\frac{NHDD \pm (NHDD * 1\%)}{AHDD} = \frac{182 + (182 * 1\%)}{354} = \frac{182 + 1.82}{354} = \frac{183.82}{354} = 0.519266$$

3. HL is then multiplied by this 0.519266 to derive the normalized gas usage.

$$(230.14 * 0.519266) = 119.5038 \text{ Ccf}$$

4. HL is then subtracted from the normalized gas usage to derive the adjustment for weather normalization.

$$119.5038 - 230.14 \text{ Ccf} = -110.636229 \text{ Ccf}$$

5. This difference (-110.636229) is then multiplied by the DC of \$0.66967/Ccf to provide the WNA credit of approximately \$74.09. There is no proration because the billing cycle fell completely within the WNA period. In the below result, the customer receives a \$74.09 credit on their bill.

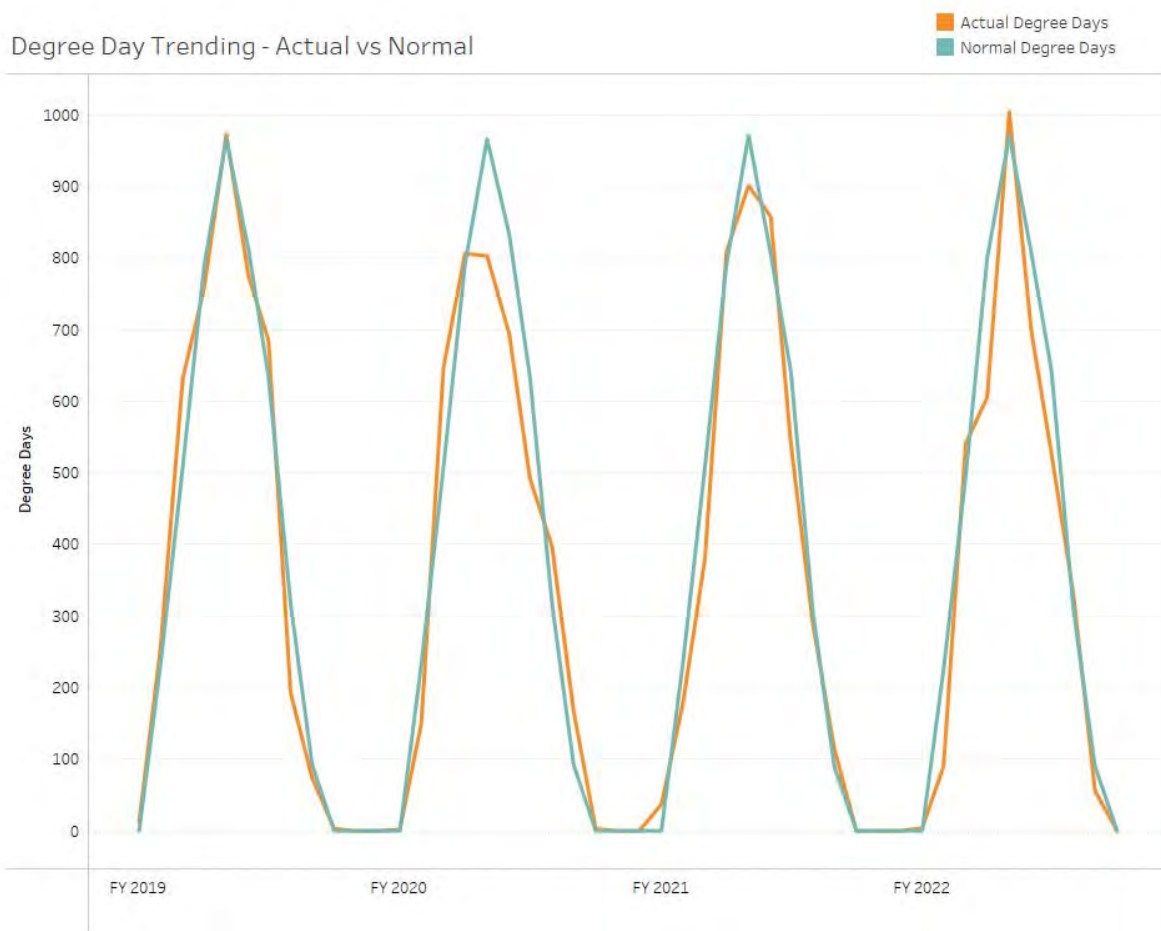
$$-110.636229 \text{ Ccf} * \$0.66967/\text{Ccf} = \mathbf{\$(74.09)}$$

V. Fiscal Year and May Weather Trends

The purpose of this section is to show recent weather experience, and the specific variation that occurred in normal May weather versus May 2022 mid to late month weather.

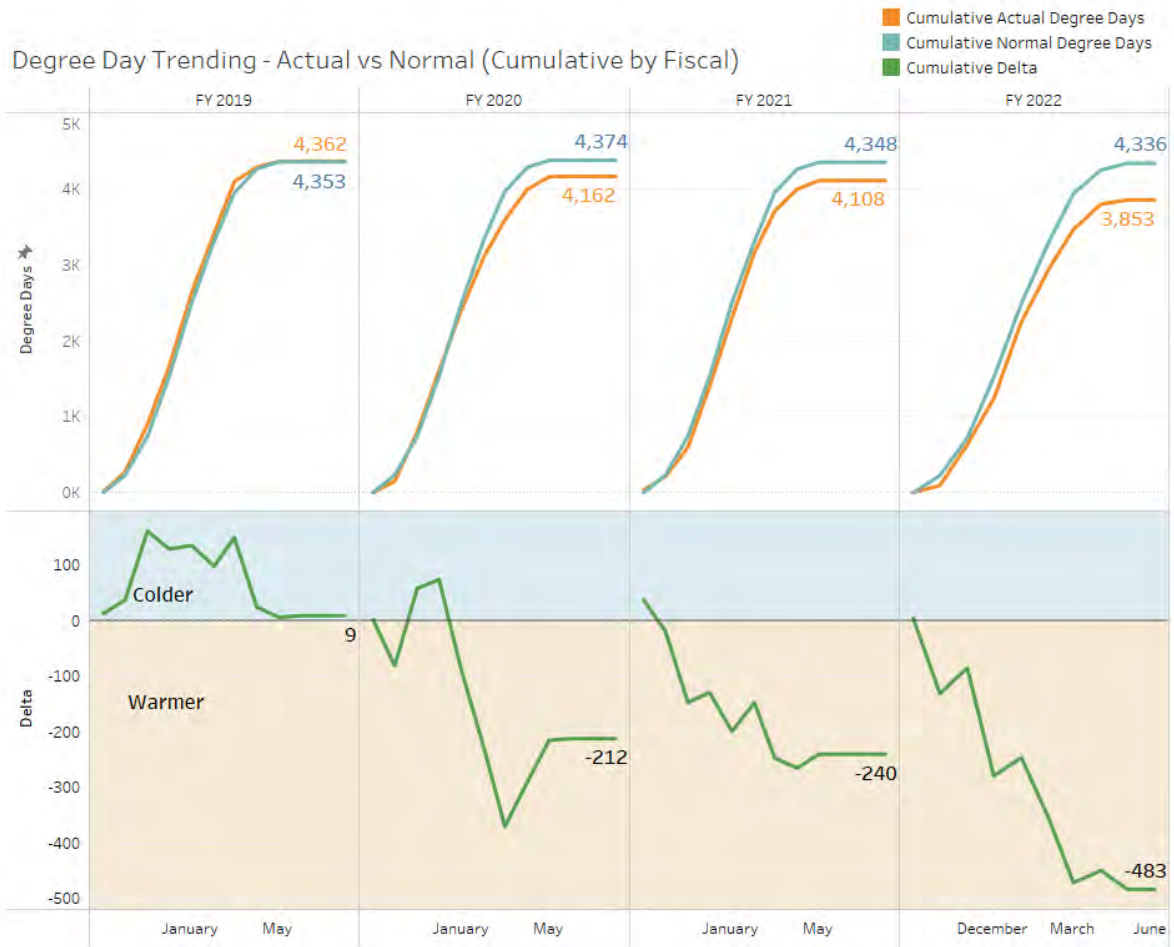
Below, Table 1 shows the monthly AHDD superimposed onto the NHDD over 4 fiscal years. In Table 1, one can see a higher heating degree day number in the colder season months as opposed to the warmer season months. When the two curves deviate from one another, this represents a difference in the AHDD from the NHDD.

Table 1. Monthly Degree Day Trending – Actual vs. Normal Heating Degree Days



Below, Table 2 shows the cumulative heating degree days by fiscal year. Comparing Fiscal Year 2019 from 2022 (thus far), the cumulative AHDD decreased from 4,362 to 3,853.

Table 2. Cumulative Degree Day Trending – Actual vs. Normal Heating Degree Days



Below Table 3 shows the May AHDD and NHDD used in the Company’s May 2022 WNA calculations; it shows the May 2021 AHDD and NHDD for comparison. In May 2022, the AHDD dropped dramatically mid-month compared to NHDD. After May 11th, 2022, there was 1 AHDD in bills whereas NHDD in bills for same period was 47 days. In comparison, FY21 had 55 AHDD for that same period.

Table 3. Historical May Heating Degree Days

May Day	NHDD	AHDD	
		FY 2021	FY 2022
1	4	9	6
2	3	0	0
3	5	0	1
4	5	0	5
5	5	0	0
6	5	7	9
7	4	6	15
8	3	11	13
9	3	13	4
10	3	7	1
11	3	7	1
12	3	7	0
13	5	5	0
14	4	2	0
15	2	1	0
16	2	3	0
17	3	1	0
18	4	0	0
19	4	0	0
20	3	0	0
21	4	0	0
22	3	0	0
23	2	0	0
24	1	0	0
25	2	0	0
26	1	0	1
27	1	0	0
28	1	4	0
29	1	14	0
30	1	15	0
31	0	3	0
Total	90	115	56

VI. May 2022 AHDD & Residential Customer Impact

As shown above, a warm weather pattern occurred in mid to late May 2022 that resulted in large WNA charges for many customers.

These increased charges were due to mid to late May warm weather’s percent variance of NHDD versus AHDD, as detailed below. For a number of customers, their bill usage period variance of NHDD versus AHDD resulted in a large WNA charge. Below, Table 4 details 7 billing periods’ NHDD, AHDD, total residential WNA charges and average residential service agreement WNA charge.

Table 4. May 2022 Residential Customer Impact by HDD Period

Heating Degree Day Period	NHDD	AHDD	Total WNA Charges	Average WNA Charge
5/6/22 – 6/6/22	68	44	\$53,386.72	\$2.19
5/7/22 – 6/7/22	63	35	\$83,765.64	\$3.95
5/10/22 – 6/8/22	53	3	\$860,550.81	\$50.05
5/11/22 – 6/9/22	50	2	\$1,020,933.48	\$53.86
5/12/22 – 6/10/22	47	1	\$1,924,011.72	\$87.28
5/24/22 – 6/22/22	8	1	\$102,765.92	\$4.71
5/25/22 – 6/23/22	7	1	\$80,589.03	\$3.38

Bolded in Table 4 above are three usage periods where the AHDD denominator was very low and varied greatly from the NHDD, resulting in large WNA charges. In the other examples provided in Table 4 above where NHDD and AHDD were more aligned, the WNA charges were significantly lower.

Below Table 5 shows historical May AHDD compared to NHDD, and the WNA charges applicable to that period. May 2022 was an unusually warm month that resulted in AHDD of 56 compared to NHDD of 90. The variance was particularly strong in mid to late May, as shown in Table 4 above.

Table 5. Historical May Heating Degree Day and WNA Chart⁵



VII. Actions PGW Has Taken to Address the May 2022 WNA Anomaly

On June 30, 2022, PGW filed a Petition for Emergency Order and proposed tariff revision to exclude May 2022 usage from the WNA calculation to allow PGW to fully refund all WNA charges that were billed for May usage. As requested by PGW, any customers who received a WNA credit for May usage retained the credit.

More recently, on August 2, 2022, PGW filed a Tariff Supplement and Petition for Approval on Less Than Statutory Notice in which PGW proposed a control to cap WNA credits and charges at 25 percent of the total Bill Charge, to ensure that WNA amounts will not have an unusually

⁵ The stated \$11.29 million is based on data evaluated for this report for May 2022, and it differs from the approximately \$12.4 million stated in the Emergency Petition. It was noted in the Emergency Petition that \$12.4 million was an estimate.

adverse effect on PGW’s customers. This request also sought to provide continued financial stability for PGW such that its financial condition not diverge significantly from the current expectations of PGW’s bondholders or rating agencies. Maintaining PGW’s financial integrity and current bond rating keeps financial costs low, which, in turn, benefits ratepayers.

The cap will work as follows. In Example #1 in Section IV WNA Formula herein, the customer would have been charged a WNA of \$106.29. With the introduction of a 25% cap on total Bill Charges, the customer would have been charged a WNA of \$9.24. The total Bill Charge in this Example were \$143.25. Excluding the WNA of \$106.29, total charges were \$36.96. The 25% cap would be \$9.24. Since the calculated WNA of \$106.29 exceeds the proposed 25% cap, the cap would result in a billed WNA of \$9.24.

$$\text{Adjusted WNA} = (\text{Total Bill Charge}) \times 25\% = (\$143.25 - \$106.29) \times 25\% = \$36.96 \times 25\% = \$9.24.$$

Likewise, in Example #3 in Section IV WNA Formula herein, the customer would have been credited a WNA of \$74.09. With the introduction of a 25% cap on total Bill Charge, the customer would have been credited \$56.55. The total Bill Charge in this Example were \$152.09. Excluding the WNA of \$(74.09), total charges were \$226.18. The 25% cap would be \$56.55. Since the calculated WNA of \$(74.09) exceeds the proposed 25% cap, the cap would result in a billed WNA credit of \$56.55.

$$\text{Adjusted WNA} = (\text{Total Bill Charge}) \times 25\% = (\$152.09 - (-\$74.09)) \times 25\% = \$226.18 \times 25\% = \$56.55.$$

Below, Table 6 illustrates the estimated impact on prior fiscal year WNA charges with the application of the 25% cap, along with the estimated average impact per customer service agreement for those affected by the 25% WNA Cap.

Table 6. WNA Control

Fiscal Year	(A) WNA Billings (Actual)	(B) Estimated WNA Billings (25% Cap)	(C) = (B) – (A) Estimated Dollar Impact (25% Cap)	Estimated Average Impact per Affected Customer SA with 25% Cap
FY 2019	\$1,592,512	\$(48,055)	\$(1,640,567)	\$(12.37)
FY 2020	\$10,339,901	\$10,439,654	\$99,752	\$3.48
FY 2021	\$11,668,061	\$11,631,071	\$(36,990)	\$(4.03)
FY 2022	\$34,373,495	\$24,103,688	\$(10, 269,668)	\$(54.16)

Numbers in parentheses represent a bill credit in the favor of the customer. FY 2022 numbers are through June 2022 billings and inclusive of approximately \$11.3 million in WNA charges related to the May 2022 usage month.⁶

VIII. Conclusion

As experienced this past May 2022, mid to late month warm weather AHDD variance compared to NHDD resulted in large WNA charges. In this investigative review, PGW did not identify a misapplication of or error in applying the long-standing WNA formula. In order to prevent a reoccurrence of the May 2022 experience, PGW has proposed a “cap” on the maximum charge or credit that can be imposed by the WNA. PGW’s proposed 25% cap would protect customers from large WNA charges and also ensure that PGW retains protection from weather variations.

⁶ WNA billings herein are from data analysis of WNA charges from PGW’s billing system and vary from the totals reported in PGW’s Weather Normalization Adjustment (WNA) Annual Reports. Adjustments to report totals may include, but are not limited to, out of period adjustments and timing of billings.

Attachment B

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :
COMMISSION :
V. : DOCKET NOS. R-2022-3034229
PHILADELPHIA GAS WORKS : and P-2022-3034264
:

DIRECT TESTIMONY

OF

RON NELSON
SENIOR DIRECTOR
STRATEGEN CONSULTING

ON BEHALF OF
THE OFFICE OF CONSUMER ADVOCATE

April 13, 2023

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1 I. INTRODUCTION

2

3 Q. Please state your name, business address, and occupation.

4 A. My name is Ron Nelson. I am a Senior Director with Strategen Consulting. My
5 business address is 10265 Rockingham Dr., Suite #100-4061, Sacramento, CA
6 95827.

7 Q. On whose behalf are you testifying in this proceeding?

8 A. I am testifying on behalf of the Office of the Consumer Advocate.

9 Q. Please describe your formal education and professional experience.

10 A. Currently, I am a Senior Director at Strategen Consulting. The Strategen team is
11 nationally recognized for its thought leadership and deep expertise in rate
12 design, renewable program development, grid modernization, and new grid
13 technologies including distributed and centralized renewable energy, energy
14 storage, smart grid technologies, and electric vehicles. During my time at
15 Strategen, I have worked with numerous consumer advocates on issues related
16 to cost of service modeling, rate design, grid modernization, distributed energy
17 resource (“DER”) valuation and integration, and performance-based regulation
18 (“PBR”).

19 Before joining Strategen in early 2018, I worked for the Minnesota
20 Attorney General’s Office for almost five years, where I led the Office’s work on
21 cost of service, rate design, renewable energy program design, and performance-
22 based regulation. Before that, I worked for two universities and the United States
23 Geological Survey as an economic researcher. I have a Master of Science from

1 Colorado State University in Agriculture and Resource Economics, and a
2 Bachelor of Arts in Environmental Economics and a Minor in Mathematics from
3 Western Washington University.

4 **Q. Have you testified in similar regulatory proceedings previously?**

5 A. Yes. I have testified in over 50 proceedings in Minnesota, Michigan, Ohio,
6 Pennsylvania, Oklahoma, Maine, Indiana, Illinois, Georgia, Utah, Massachusetts,
7 Maryland, New Hampshire, North Dakota, and Vermont. The issues covered in
8 these proceedings include marginal and embedded cost of service studies,
9 revenue apportionment, rate design, load management, renewable program
10 design, fuel clause adjustments, formula rates, decoupling, performance-based
11 regulation, multi-year rate plans, performance metrics, distributed energy
12 resource (“DER”) interconnection, DER compensation, DER integration, EV
13 infrastructure investments, pilot frameworks, automated metering infrastructure,
14 prudence review, distribution system planning, capital investment plan review,
15 and smart inverter integration.

16 I have also assisted with testimonies and regulatory analysis in Hawai’i,
17 Washington, D.C., Colorado, California, North Carolina, South Carolina, Iowa,
18 Kentucky, Washington, Oregon, and the Federal Energy Regulatory Commission
19 (“FERC”).

20 A summary of my resume is attached as Schedule REN-1.

21

1 **Q. Have you previously provided testimony before the Pennsylvania Public**
2 **Utility Commission (“Commission”)?**

3 A. Yes. I submitted testimony on behalf of the OCA regarding PPL Electric Utilities’
4 DER Management Plan in Docket No. P-2019-3010128. I also submitted
5 testimony on behalf of the OCA regarding PECO Energy Company – Electric
6 Division’s Electric Vehicle (“EV”) Charging Pilot in Docket No. R-2021-3024601
7 as well as Duquesne Light Company’s Transportation Electrification (“TE”)
8 Programs in Docket No. R-2021-3024750.

9 **Q. What is the purpose of your testimony?**

10 A. The purpose of my testimony is to respond to the Direct Testimony of PGW
11 Witness Denise Adamucci (Statement No. 1) and evaluate and propose
12 alternatives to Philadelphia Gas Works’ (“PGW”) proposal of a 25 percent cap on
13 charges and credits related to PGW’s Weather Normalization Adjustment
14 (“WNA”).

15 **Q. How is your testimony organized?**

16 A. Section II provides an overview of PGW’s WNA and the objectives of decoupling
17 mechanisms; Section III analyzes PGW’s WNA and the May 2022 event that
18 triggered this proceeding; and Section IV contains my recommendations.

19 **II. OVERVIEW OF PGW’S WNA AND DECOUPLING OBJECTIVES**
20

21 **Q. What is a WNA?**

22 A. A WNA is a form of revenue decoupling mechanism.
23

1 **Q. What is a decoupling mechanism?**

2 A. A decoupling mechanism addresses the utility throughput incentive by ensuring
3 that revenue recovery does not depend on variations in energy consumption
4 and/or weather. Decoupling can reduce or eliminate the impact on a utility's
5 allowed revenues from exogenous impacts such as weather and energy
6 efficiency, ensuring utility cost recovery according to a predetermined formula.
7 There are two primary approaches to decoupling: 1) full decoupling adjusts
8 ("true-up") rates to achieve the allowed revenue regardless of what caused the
9 deviation in sales (weather, energy efficiency); 2) limited decoupling adjusts rates
10 to address only a specific cause of sales variation (known as a weather
11 normalization adjustment when accounting for weather, for example).

12 To implement a decoupling mechanism, a number of design elements
13 must be determined along with associated assumptions. Some examples of the
14 design options and key assumptions are (1) whether decoupling be applied at the
15 customer, class, or system level, (2) the utility's sales forecast, (3) how frequently
16 true-ups occur (e.g., monthly, quarterly, or annually), (4) does the mechanism
17 have a rate adjustment cap, if so, what is it, and (5) what are the specific
18 mathematical formulas used for the mechanism. There are just a few of the
19 design options and assumptions underlying each decoupling mechanism. Any
20 one design flaw or questionable assumption can shift excessive risk to ratepayers
21 and may ultimately make the decoupling mechanism unreasonable.

1 A comprehensive and properly implemented decoupling mechanism can
2 theoretically benefit both customers and the utility. As noted above, however,
3 there are several assumptions that make this outcome infrequent and context
4 specific. In some instances, decoupling can protect customers from extreme
5 weather events that could have otherwise resulted in excessive bills. Regardless
6 of whether customers benefit from the presence of decoupling, however, utilities
7 always benefit from improved revenue collection. The improved revenue
8 collection can lower utility risk and translate to improved bond ratings and
9 sometimes lower allowed return on equity (for investor-owned utilities).¹

10 Furthermore, any comprehensive and properly implemented decoupling
11 mechanism must be supported through the broader regulatory framework. To
12 ensure benefits flow to customers, regulators must take explicit action on related
13 issues such as rate design, energy burden, and energy efficiency. Without such
14 explicit actions tied to decoupling, customers may benefit little and utilities may
15 realize most, or all, benefits associated with the mechanism.

16 **Q. Can decoupling address different causes of utility sales disruption?**

17 A. Yes. Full decoupling establishes a cost recovery mechanism intended to secure a
18 utility's revenue requirement regardless of what causes sales disruptions. One
19 such approach is to establish a "revenue-per-customer" target for each utility

¹ Migden-Ostrander, J., and Sedano, R. (2016). *Decoupling Design: Customizing Revenue Regulation to Your State's Priorities*. Montpelier, VT: Regulatory Assistance Project. Page 37 Available at: <http://www.raponline.org/knowledge-center/decouplingdesign-customizing-revenue-regulation-state-priorities>

1 customer and adjust customer rates to meet the predetermined revenue target.
2 This can provide some rate stability and renders the utility indifferent to actual
3 sale volumes. Of course, rate stability in and of itself is an illusory benefit if not
4 coupled with bill affordability for consumers and there is nothing inherent in
5 decoupling that makes bills more affordable – hence the need discussed above to
6 tie specific utility actions to the benefit it receives from decoupling.

7 On the other hand, limited decoupling mechanism only adjusts for a
8 single variable impacting sales. The most common such mechanism, especially
9 for natural gas utilities, adjusts rates based on weather. This approach mitigates
10 weather-related rate impacts, limiting customer costs during extended periods of
11 extreme cold and allowing the utility to recover more revenue during extended
12 periods with warmer than average temperatures.

13 PGW uses a form of limited decoupling to stabilize its revenues against
14 changes in sales due to abnormal weather.

15 **Q. How does PGW's WNA operate?**

16 A. PGW's WNA has been in place since before PGW became PUC regulated and
17 permits the utility to adjust gas sales revenue to levels determined to be
18 "normal" and upon which distribution rates are designed in a base rate
19 proceeding. The WNA is designed to balance out the effects of so called
20 "abnormal" weather by permitting PGW to true-up its revenues: if temperatures
21 are warmer than expected, the utility recovers additional revenue from
22 customers to make up the deficit, and when temperatures are colder than

1 expected, the utility returns excess to customers. PGW's WNA acts as a limited
2 decoupling mechanism by normalizing gas consumption in accordance with an
3 approved temperature forecast, known as Normal Heating Degree Days
4 ("NHDD"). The heating season stretches from October to May and the forecast
5 assumes no heating in the summer months (June through September). A
6 predetermined formula assesses the difference in actual usage from normalized
7 usage by comparing temperature readings, known as Actual Heating Degree
8 Days ("AHDD"), with NHDD. The delta (i.e., difference) in usage, multiplied by
9 the distribution delivery charge, is applied as a charge, or reimbursement, to
10 customer rates, effectively reconciling revenues. The intent of PGW's WNA, like
11 revenue decoupling, is to share weather risk between the utility and its
12 customers, ultimately stabilizing revenues for the utility. The formula does not
13 adjust customer bills such that the utility earns a fixed revenue. Actual utility
14 WNA revenues are ultimately a function of actual customer usage and
15 deviations from weather forecasts. Furthermore, the WNA only applies to
16 weather-related demand fluctuations, actual utility revenues can vary due to
17 other factors such as energy efficiency and electrification. Fuel costs are a pass
18 through costs and are not directly implicated within the WNA. Under any form
19 of decoupling mechanism, regulators must carefully balance how risk shifts
20 between utilities and ratepayers to ensure that ratepayers equally benefit.

1 **III. ANALYSIS OF PGW’S WEATHER NORMALIZATION ADJUSTMENT AND**
2 **MAY 2022 EVENT**

3 **Q. What event precipitated the current proceeding?**

4 A. In May 2022, temperatures in Philadelphia were unusually warm and gas
5 consumption was low. Due to the WNA, some customers in particular PGW
6 billing groups faced disproportionately high gas bills solely because of a high
7 WNA charge. The impacts of those adjustments were so substantial that PGW
8 eventually reversed the WNA charges for May 2022 usage, thus reimbursing
9 customers for the excessive charges.²

10 **Q. Were PGW’s customers equally impacted by the May 2022 event?**

11 A. No. Many customers experienced minor rate impacts for the unseasonable warm
12 weather, but a subset of customers was significantly impacted. A customer’s
13 billing cycle determined whether they experienced a rate shock. As evidenced in
14 Figure 1,³ the Company charged customers with a May 7th to June 7th billing
15 cycle an average WNA charge of \$3.95, yet it applied an average \$87.28 WNA
16 charge to customers with billing cycles starting just five days later (May 12th to
17 June 10th).

18
19
20

² Adamucci Direct Testimony at 10-11.

³ Weather Normalization Adjustment Report to the Pennsylvania Public Utility Commission. August 12, 2022, page 11

Figure 1: WNA Impact of May 2022 event on Different Billing Cycles

Heating Degree Day Period	NHDD	AHDD	Total WNA Charges	Average WNA Charge
5/6/22 – 6/6/22	68	44	\$53,386.72	\$2.19
5/7/22 – 6/7/22	63	35	\$83,765.64	\$3.95
5/10/22 – 6/8/22	53	3	\$860,550.81	\$50.05
5/11/22 – 6/9/22	50	2	\$1,020,933.48	\$53.86
5/12/22 – 6/10/22	47	1	\$1,924,011.72	\$87.28
5/24/22 – 6/22/22	8	1	\$102,765.92	\$4.71
5/25/22 – 6/23/22	7	1	\$80,589.03	\$3.38

The values presented in Figure 1 only display averages across all customers within the same billing cycle and mask the extreme impacts of the WNA. Some customers faced greater WNA charges in June than others experienced over a full year. For example, in a March 9th hearing, witness Morgan Byrne testified to receiving a \$255.30 bill in June.⁴ The WNA charge totaled \$201.51, nearly 80 percent of witness Byrne’s total bill and exponentially more than customers on different billing cycles.⁵

Q. Has PGW analyzed why this issue occurred and if it is likely to recur?

A. In response to the May 2022 event, PGW states that it launched an internal investigation into the WNA formula.⁶ Although PGW analyzed the issues, the Company “did not identify a misapplication of or error in applying the long-standing WNA formula” and does not indicate whether a similar event could recur.⁷ Even though PGW refers to the event as an “anomaly” throughout its

⁴ Hearing transcript (March 9, 2023) at 63.

⁵ Hearing transcript (March 9, 2023) at 63.

⁶ Adamucci Direct Testimony at 11.

⁷ Adamucci Direct Testimony, Exhibit DA-3 at 14.

1 testimony, the Company's proposed 25% cap suggests that another such weather
2 event triggering significant bill impacts is possible.

3 **Q. Did PGW propose a solution intended to protect consumers against unusually**
4 **large WNA increases?⁸**

5 A. Yes. The Company proposed to cap the WNA "to prevent customers from being
6 billed a WNA charge or credit of greater than 25 percent of total delivery charges
7 on any given bill."⁹ Thus, the 25% cap applies to under recovery and over
8 collection. The Company describes the cap as an "interim" solution to protect
9 customers, yet does not propose a long-term solution in this proceeding.¹⁰

10 **Q. What are your concerns with the WNA outcome for May 2022 usage?**

11 A. I have two primary concerns. Before addressing them, I want to note that the
12 concerns outlined here are specific to this docket and the testimony submitted at
13 this docket by PGW. I am aware that PGW currently has a rate case pending in
14 which it filed supplemental testimony about its WNA and in which it proposes
15 several alternatives. I do not address those alternatives here. My
16 recommendations here relate to PGW's proposal at this docket. The OCA will
17 separately address in the rate case whether PGW's WNA should continue at all
18 and, if so, what modifications are needed.

⁸ In PGW's base rate proceeding, Docket No. R-2023-3037933, witness Amen provides six alternative recommendations to prevent further bill anomalies. The OCA will address those recommendations in the rate case docket.

⁹ Adamucci Direct Testimony at 12.

¹⁰ Adamucci Direct Testimony at 13.

1 Turning to the issues in this case, first, it is inequitable that customers on
2 different billing cycles faced much higher bills than others, despite experiencing
3 the same weather anomaly. Second, it is inappropriate that there is no consumer
4 protection against such astronomical customer bill impacts.

5 **Q. What element of PWG’s WNA allowed as subset of customers to face much**
6 **higher bills than others?**

7 A. The fact that PGW adjusts rates monthly under the WNA increased the variance
8 in differences between NHDD and AHDD, raising customer exposure to bill
9 volatility. While weather abnormalities could cause WNA charges in any month,
10 risks are magnified in the shoulder months of October and May because the
11 WNA does not model any NHDDs between June and October, effectively
12 shortening customers’ WNA bill cycles in May and October. All customers paid
13 more since May AHDD were lower than NHDD, as displayed in Figure 1.¹¹
14 However, the heat wave stretched over several weeks starting on May 10th. Until
15 the 10th, the month of May was colder than expected. As a result, customers
16 whose billing cycles coincided with the beginning of the heat wave in May were
17 more greatly impacted than others.

18 *Table 1: May 2022 NHDD and AHDD*

	NHDD	AHDD
May 1-May 9	37	53
May 10- May 31	53	3
Total (May 1 - May 31)	90	56

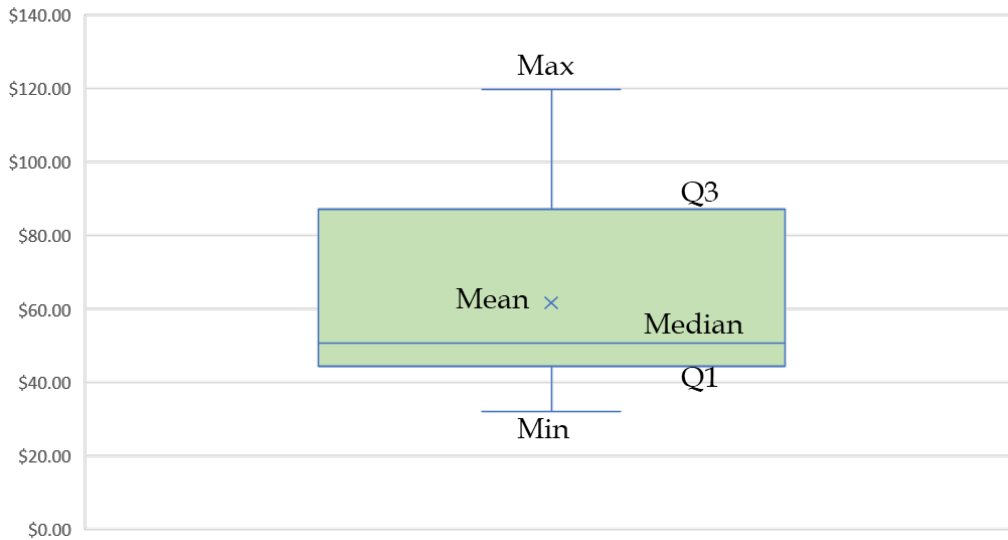
¹¹ Weather Normalization Adjustment Report to the Pennsylvania Public Utility Commission. August 12, 2022, page 10

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All customers are located in Philadelphia and experience the same weather and the same delta between NHDD and AHDD. Yet, WNA charges varied widely based on billing cycle. Figure 2 shows the significant variation in residential WNA charges during the full heating season: the WNA formula recovered \$32 from some customers and nearly \$120 from others simply because of their billing cycle. The blue line at the bottom of the box in Figure 2 denotes the first quartile of average charges, the blue line dividing the green box denotes the median, and the top of the box denotes the third quartile. The wide gaps between the median, quartile three, and the peak average charge (denoted by the blue horizontal line at about \$120), highlight the volatility of WNA charges.

Figure 2: Average Residential WNA Charges by Billing Group 2021-2022 Heating Season¹²

¹² Compiled with data from OCA I-5 Attachment. The chart represents the range of average customer WNA charges by cycle. The blue line segments that extend from the green box denote the minimum and maximum average charges, roughly \$32 and \$120 respectively. The bottom and top horizontal lines of the box denote the first quartile and third quartile of customer charges. The horizontal line in the box denotes the median bill and the “X” denotes the mean bill.



1

2 **Q. Would such discriminatory charges have occurred if the WNA true-up was**
 3 **reconciled once at the conclusion of the fiscal year?**

4 A. No. If PGW compared AHDD and NHDD over the entirety of the 2021-2022
 5 winter and charged customers according to the full cycle, the variation in WNA
 6 charges caused by the heat wave would have been much less significant, as
 7 demonstrated in Table 2.

8 *Table 2: 2021-2022 Heating Season Weather¹³*

	NHDD	AHDD	AHDD Percent of NHDD
October 1, 2021 – May 9, 2022	4,283	3,846	89.8%
May 10, 2022 – May 31, 2022	53	3	5.5%
Full season	4,336	3,849	88.8%

9

10 The monthly reconciliation increases WNA charge volatility and exposes
 11 customers to discriminatory risks beyond their control.

¹³ OCA I-5 Attachment.

1 **Q. Are there any other unequal elements in the WNA formula?**

2 A. Yes. PGW's "Example Calculations" in their Weather Normalization Adjustment
3 Report show that the delta between NHDD and AHDD acts as a multiplier used
4 to calculate normalized gas usage, which is then subtracted from actual gas
5 usage to determine the WNA.¹⁴ This multiplier disproportionately impacts
6 heavier users. I demonstrate this with a sample calculation.

7 *Table 3: Sample WNA Calculation*

	Customer 1	Customer 2
Usage	10 ccf	30 ccf
NHDD	10	10
AHDD	1	1
Normalized Gas Usage*	100 ccf	300 ccf
WNA charge at \$1/ccf	\$90	\$270

8 *Excludes 1% deadband for simplicity

9 While customer 2 uses and ultimately pays three times more for their
10 distribution charges, the WNA charge magnifies the disparity in the customer
11 bill. Purely based on volumetric billing (at a sample \$1/ccf), customer 2 should
12 expect to pay \$20 more than customer 1. But because of the distortion caused by
13 the WNA, customer 2 ends up paying \$180 more. While customers that consume
14 more should pay proportionally more, the short reconciliation cycle exposes
15 customers to undue volatility risk that is unrelated to cost causation for the
16 distribution system. A slight deviation from a customer's normal usage,

¹⁴ Weather Normalization Adjustment Report to the Pennsylvania Public Utility Commission. August 12, 2022, page 5.

1 especially during shoulder months, could have significant financial
2 consequences if it coincides with a significantly warmer than normal period.

3 **Q. Does the WNA’s monthly reconciliation appropriately balance risk between**
4 **customers and the Company, as emphasized in Section II?**

5 A. No. Customers are far more exposed to bill volatility under shorter true-up
6 periods. Per the Regulatory Assistance Project (RAP), this adjustment frequency
7 benefits the utility since it regularly limits the divergence between actual and
8 allowed revenues,¹⁵ while providing little benefit to customers facing higher bill
9 volatility. Conversely, an annual true-up “has the benefits of smoothing out
10 shorter-term volatility and tend to result in small adjustments.”¹⁶ Monthly true-
11 ups are considered the “lower limits” to decoupling.¹⁷ By using the shortest
12 possible reconciliation period, PGW disproportionately benefits from frequent
13 adjustments. Risk mitigation, and thus decoupling benefits, are skewed in the
14 utility’s favor. It is inequitable for customers to fund lost utility revenues when
15 the WNA structure can result in such extreme price increases.

16 **Q. Does PGW’s proposed 25% cap resolve your concerns about WNA for May**
17 **2022 usage?**

18 A. No. The cap does not resolve either 1) the problem of discriminatory impacts due
19 to billing cycle nor 2) the lack of appropriate consumer protection against
20 extreme bill impacts. I discuss each issue individually below.

¹⁵ RAP Decoupling Design at 24

¹⁶ RAP Decoupling Design at 26

¹⁷ RAP Decoupling Design at 24

1 The cap does not address the underlying problems that resulted in
2 discriminatory charges following the May 2022 event – which I have shown to be
3 due to PGW’s use of monthly true-ups. In fact, the use of such a large cap
4 indicates that the underlying WNA methodology results in extremely volatile
5 charges – over 25%! – which should be addressed at their root, rather than
6 patched over with an insufficient cap. If temperature changes result in more
7 frequent heat waves, customers will continue to experience inequitable WNA
8 impacts based solely on their billing cycle, and a cap will do nothing to fix that.
9 Indeed, HDD data from the last three years indicates that temperatures are
10 rising: NHDD outnumbered AHDD by 212 in the 2019-2020 winter season, by
11 240 in the 2020-2021 winter season, and 483 in the 2021-2022 winter season.¹⁸ As
12 climate change continues to increase temperatures, WNA adjustments will more
13 regularly burden customers, especially in shoulder months. The cap only serves
14 to blunt the impact and does nothing to address the discriminatory nature of
15 PGW’s WNA because it continues to treat otherwise similarly situated customers
16 differently based on the arbitrary designation of their billing group and its
17 decision to reconcile the WNA each month.

18 As for customer protection, a 25% cap on charges cannot reasonably be
19 called a protection against rate shock, as a 25% increase would itself be rate
20 shock. The proposal does not sufficiently limit the ratepayer impacts – and

¹⁸ OCA 1-4 Attachment.

1 therefore risk – of the WNA. Approved caps in other jurisdictions are much
2 smaller than 25%. In fact, in many cases, when revenues vary too widely from
3 baseline, the decoupling mechanism is subject to a review.¹⁹ A 25% cap is such a
4 significant deviation from the baseline that the decoupling mechanism as a
5 whole must be reevaluated.

6 **Q. Provide examples of other utilities’ decoupling reconciliations caps.**

7 A. Baltimore Gas and Electric Company (“BGE”), which bills on a monthly basis,
8 caps monthly at 10%.²⁰ Idaho Power and Light and National Grid, which
9 reconcile charges annually, limit true-ups to 3% and 1%, respectively.²¹

10 Importantly, these caps are applied to utilities sales, which typically do not vary
11 greatly. PGW’s weather normalization is less predictable than traditional
12 decoupling measures since it uses HDD, and not total sales, to quantify
13 adjustments.

14 **Q. What is the Company’s stated need for the WNA?**

15 A. The WNA stabilizes cash flow, reduced short-term borrowing needs and costs,
16 and reduces the need for weather-related rate proceedings.²² The Company
17 states that, prior to the implementation of the WNA, PGW suffered liquidity
18 crunches. Since the Company relies on cash flow to fund investments,

¹⁹ Lazar, J. et al. (2016). *Revenue Regulation and Decoupling: A Guide to Theory and Application*. Regulatory Assistance Project. Page 40. Available at: <https://www.raponline.org/knowledge-center/revenue-regulation-and-decoupling-a-guide-to-theory-and-application-incl-case-studies/>

²⁰ RAP Decoupling Design at 25

²¹ RAP Decoupling Design at 27

²² P-2022-3033477, Weather Normalization Adjustment Report to the Pennsylvania Public Utility Commission. August 18, 2022. Page 2.

1 abnormally warm weather “negatively affected PGW’s bond rating and created a
2 consistent need to request additional rate relief to stave off financial crisis.”²³

3 However, it must be noted that the WNA was first implemented approximately
4 20 years ago. At that time, there were likely other potential confounding factors
5 that could have been more greatly contributed to PGW’s liquidity challenges
6 than weather variations.

7 **Q. What is the Company’s financial position?**

8 A. The Company posted a net income of \$220 million between June 1, 2021 and May
9 31, 2022. During the 2021-2022 heating season, the Company collected \$37
10 million from the WNA across residential, commercial, and industrial customers,
11 a fraction of its net income during that period.²⁴ Moreover, \$13 million, or 35.4%
12 of total WNA charges, occurred in June 2022, most of which were ultimately
13 reimbursed. WNA revenue represents a small portion of operating revenues and
14 net income. It is challenging to assess PGW’s financial position in the absence of
15 a WNA and, when asked about difficulties financing long term debt,²⁵ the
16 Company did not substantiate with evidence.²⁶

²³ Adamucci Direct Testimony at 6.

²⁴ OCA I-5 Attachment.

²⁵ OCA 2-4.

²⁶ OCA 2-2.

1 **IV. RECOMMENDATIONS**

2 **Q. What are your recommendations related to the WNA?**

3 A. I recommend that the Commission suspend the WNA until or unless PGW
4 comes up with a rate formula that corrects the documented failures, does not
5 discriminate against similarly situated customers, and does not result in
6 unreasonable rate shock. The WNA, as currently allowed, even with the
7 proposed 25% cap, cannot readily be considered a just and reasonable rate.

8 **Q. If the Commission chooses to continue with the WNA, what modifications do**
9 **you recommend?**

10 A. I recommend that the Commission change the WNA adjustment from a monthly
11 reconciliation period to an annual reconciliation period. The Company can track
12 the revenue deficit (or surplus) monthly, apply a carrying charge to reflect the
13 time value of money, and roll the balance to subsequent months. These charges
14 should be recovered through rates in the following fiscal year. The monthly
15 carrying charge should be comparable to the Company's cost of debt in order to
16 minimize Company risk.

17 Additionally, I recommend applying a 5% hard cap on WNA surcharges
18 for under-recoveries. Any Company over-recovery should be fully refunded.

19 Finally, I recommend that NHDD averaging calculations use a 10-year
20 weather average to better reflect climate trends that the WNA is designed to
21 address. Currently, the formulas use a 20-year average.

22

1 **Q. Do your recommendations better balance customer and utility risk?**

2 A. Yes. Extending the true-up period to an annual reconciliation would shift some
3 customer risk to the utility and create a more equitable balance. In accordance to
4 my recommendations, customers would be exposed to far less volatility than
5 they are currently under monthly billing adjustments. Although the utility
6 would bear slightly more risk, the utility will continue to recover charges using
7 the same formula in place and would up ultimately recover the normalized gas
8 usage cost, up to a 5% cap. The delay in adjustment recovery, from monthly to
9 annually, does not impact the value of the recovery charge, since the carrying
10 charge factors a rate comparable to the utility's cost of debt.

11 **Q. Had a 5% rate cap applied to the 2021-2022 winter season, what would have
12 been the impact?**

13 A. I do not have the data to determine the financial impact of a 5% rate cap,
14 however, such a cap would only have impacted a small percentage of HDDs. 5%
15 of the 4,336 NHDD in the 2021-2022 season yields 217 HDD and a capped range
16 of 4,119 to 4,553 HDD. Thus, in Fiscal Year 2022, the cap would have rolled over
17 the financial equivalent of 266 HDD.²⁷ The ultimate impact to Company
18 revenues of such a cap would have been minimal. As a reference, the AHDD
19 total for each of the three prior years is 4362, 4162, and 4108.²⁸ Two years are
20 within the 5% cap and the other (FY 2021) is only 11 HDD below the minimum

²⁷ 483 HDD delta minus 217 HDD is 266. Monthly carrying charges would apply to the rates.

²⁸ P-2022-3033477, Weather Normalization Adjustment Report
to the Pennsylvania Public Utility Commission. August 18, 2022. Page 9

1 bound. Therefore, I conclude that the 5% cap is unlikely to financially challenge

2 PGW.

3 **Q. Does this conclude your testimony?**

4 **A. Yes, this concludes my testimony.**

Ron Nelson

Senior Director



Ron is a Senior Director at Strategen and a subject matter expert in gas and electric Advanced Rate Design, Cost of Service Studies, and Decarbonization. Ron leads a team that provides expertise and expert testimony on numerous topics, including multi-year utility rate plans, performance incentive mechanisms, cost of service modeling, line extension policies, residential and commercial rate design, renewable energy program design, system planning, DER interconnection cost allocation and recovery, and DER integration.

Contact



Location

Portland, Oregon



Email

rnelson@strategen.com



Phone

+1 (510) 679-1976

Education

MS

Agricultural and Resource Economics

Colorado State University
2013

BA

Environmental Economics

Western Washington University
2011

STRATEGEN.COM

Work Experience

Senior Director

Strategen / Portland, OR / 2018 - Present

- + Subject matter and testimony expert in advanced rate design, embedded and marginal cost of service modeling, performance-based regulation, gas decarbonization, and DER integration and compensation.
- + Designing and implementing policies and programs to decarbonize energy systems including deployment of distributed energy resources, demand-side management programs, energy storage and grid integration.
- + Expert witness and advisor that has testified across 12 states in over 50 proceedings and supported multiple state commissions in various proceedings

Economist

Minnesota Attorney General's Office / St. Paul, MN / 2013 - 2017

- + Provided expert testimony on cost of service modeling, rate design, grid modernization and utility business models.
- + Analyzing issues related to conservation incentive programs, value of solar, grid modernization, performance-based regulation, renewable energy program design, and MISO.
- + Reviewed and made recommendation to improve gas company pipeline replacement programs, demand response tariffs, performance metrics, and rate designs.

Graduate Research Associate

Colorado State University / Fort Collins, CO / 2011 - 2013

Economic Research Assistant

Washington State University / Mount Vernon, WA / 2009 - 2011

Domain Expertise

Regulatory Strategy

Gas Decarbonization

Rate Design

Performance-Based Regulation

Performance Incentive
Mechanisms

Cost of Service Analysis

DER Compensation

Rate Case Support

Electric Vehicles

Renewable Energy Program
Design

Expert Testimony

Northern Indiana Public Service Company Rate Case

Cost of Service and Rate Design

[Direct](#)

Application of Public Service Company of Oklahoma, an Oklahoma Corporation, for an Adjustment in its Rates and Charges and the Electric Service Rules, Regulations, and Conditions of Service for Electric Service in the State of Oklahoma and to Approve a Formula Based Rate Proposal

Cost of Service and Rate Design

Central Maine Power Company: Request for Approval of Distribution Rate Increase and Rate Design Changes Pursuant to 35-A M.R.S. Section 307, Docket 2022-00152, On Behalf of the Governor's Energy Office w/Panelists Caroline Palmer and Nikhil Balakumar

Marginal Cost of Service, Performance-Based Regulation, Distribution System Planning

[Direct](#)

Montana-Dakota Utilities Co. 2022 Electric Rate Increase Application

Cost of Service and Rate Design

Georgia Power Company's 2022 Rate Case

Electric Vehicle Rate Design

[Direct](#)

In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota (Docket No 21-630), On Behalf of the Citizen's Utility Board of Minnesota

Rate Riders, Fuel Clause Risk Sharing, and MYRP Structure

[Direct](#) | [Rebuttal](#)

In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in Minnesota (Docket No 21-630), On Behalf of the Clean Energy Organizations

Advanced Rate Design, Regulatory Sandbox, TOU Rate Design

[Direct](#) | [Surrebuttal](#)

Massachusetts Electric Company Nantucket Electric Company d/b/a National Grid, Capital Investment Project Filing: Shutesbury (D.P.U. 22-51 through 55) On Behalf of the MA AGO w/ Panelists Jorge Camacho and Eli Asher

DER Integration, Interconnection and Cost Allocation

[Direct](#) | [Surrebuttal](#)

Expert Testimony (Continued)

Massachusetts Electric Company Nantucket Electric Company d/b/a National Grid, Capital Investment Project Filing: Shutesbury (D.P.U. 22-61) On Behalf of the MA AGO w/ Panelists Jorge Camacho and Eli Asher

DER Integration, Interconnection and Cost Allocation

Direct

In the Matter of Delmarva Power and Light Company's Application for an Electric Multi-Year Plan (Case No. 9681) On Behalf of the Office of People's Counsel w/ Panelist Jorge Camacho

Distribution System Planning, Capital Investment Plan, Multi-Year Rate Plan Structure, Revenue Decoupling

Direct (No. 21) | Rebuttal (No. 23)

Petition of NSTAR Electric Company d/b/a Eversource Energy for approval by the Department of Public Utilities of the Company's Marion-Fairhaven capital project proposal under the Provisional Program established by the Department in Provisional System Planning Program, D.P.U 20-75-B (2021) (D.P.U. 22-47) On Behalf of the MA AGO w/ Panelists Jorge Camacho, Eli Asher, and Fred Schaefer

DER Integration, Interconnection and Cost Allocation

Direct | Surrebuttal

Petition for Approval of Beneficial Electrification Plan under the Electric Vehicle Act, 20 ILCS 627/45 and New EV Charging Delivery Classes under the Public Utilities Act, Article IX. (Docket No. 22-0432 and 22-0442) On Behalf of NRDC, Sierra Club, EDF, RHA and Little Village Environmental Justice Organization (LVEJO)

Electric Vehicle Rate Design and Energy Management Systems

Petition for Approval of Beneficial Electrification Plan pursuant to Section 45 of the Electric Vehicle Act (Docket No. 22-0431 and 22-0443) On Behalf of NRDC, Sierra Club, EDF, and RHA

Electric Vehicle Rate Design and Energy Management Systems

In the Matter of the Application of Oklahoma Gas & Electric Company for an Order of the Commission Authorizing Applicant to Modify Its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma

Cost of service, rate design, formula rate plan

Direct | Stipulation

In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Utility Service in Minnesota. Docket No. E-015/GR-21-335. On Behalf of CUB Minnesota

Cost recovery, cost of service, and revenue apportionment

Direct | Surrebuttal

Expert Testimony (Continued)

Petition for Establishment of Performance Metrics Under Section 16-108.18(e) of the Public Utilities Act, Commonwealth Edison Company, Docket No. 22-0067 On Behalf of NRDC

Demand Response and Electric Vehicle Performance metrics

Direct | Rebuttal

Petition for Establishment of Performance Metrics Under Section 16-108.18(e) of the Public Utilities Act, Ameren Illinois Company, Docket No. 22-0063 On Behalf of NRDC

Demand Response and Electric Vehicle Performance metrics

Direct | Rebuttal

In the matter of the application of CONSUMERS ENERGY COMPANY for authority to increase its rates for the distribution of natural gas and for other relief. U-21148. On Behalf of NRDC

Performance-based regulation and gas decarbonization

Direct

In the Matter of Delmarva Power & Light Company's Application for an Electric Multi-Year Plan, Case No. 9681

Revenue Decoupling, Multi-Year Rate Plan, Capital Investment Plan

Petition of NSTAR Electric Company d/b/a Eversource Energy for approval by the Department of Public Utilities of the Company's Marion-Fairhaven capital project proposal under the Provisional Program established by the Department in Provisional System Planning Program, D.P.U 20-75-B (2021)

DER integration, Flexible interconnection, Capital Investment Project

Direct | Surrebuttal

In the Matter of the Application of Oklahoma Gas & Electric Company for an Order of the Commission Authorizing Applicant to Modify Its Rates, Charges, and Tariffs for Retail Electric Service in Oklahoma

Cost of service, rate design, formula rate plan

Direct | Stipulation

In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Utility Service in Minnesota. Docket No. E-015/GR-21-335. On Behalf of CUB Minnesota

Cost recovery, cost of service, and revenue apportionment

Direct | Surrebuttal

Petition for Establishment of Performance Metrics Under Section 16-108.18(e) of the Public Utilities Act, Commonwealth Edison Company, Docket No. 22-0067 On Behalf of NRDC

Demand Response and Electric Vehicle Performance metrics

Direct | Rebuttal

Expert Testimony (Continued)

Petition for Establishment of Performance Metrics Under Section 16-108.18(e) of the Public Utilities Act, Ameren Illinois Company, Docket No. 22-0063 On Behalf of NRDC

[Demand Response and Electric Vehicle Performance metrics](#)

[Direct | Rebuttal](#)

In the matter of the application of CONSUMERS ENERGY COMPANY for authority to increase its rates for the distribution of natural gas and for other relief. U-21148. On Behalf of NRDC

[Performance-based regulation and gas decarbonization](#)

[Direct](#)

Phase 2: Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval of its Electric Vehicle Infrastructure Program, Electric Vehicle Demand Charge Alternative Proposal, and Residential Electric Vehicle Time-of-Use Rate Proposal (D.P.U 21-92) On Behalf of the Attorney General's Office

[EV Program Design and Load Management](#)

[Direct](#)

Phase 2: Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for approval of its Phase III Electric Vehicle Market Development Program and Electric Vehicle Demand Charge Alternative Proposal (D.P.U 21-91) On Behalf of the Attorney General's Office

[EV Program Design and Load Management](#)

[Direct](#)

Phase 2: Petition of NSTAR Electric Company d/b/a Eversource Energy for approval of its Phase II Electric Vehicle Infrastructure Program and Electric Vehicle Demand Charge Alternative Proposal (D.P.U 21-90) On Behalf of the Attorney General's Office

[EV Program Design and Load Management](#)

[Direct](#)

Phase 1: Petition of Fitchburg Gas and Electric Light Company d/b/a Unitil for approval of its Electric Vehicle Infrastructure Program, Electric Vehicle Demand Charge Alternative Proposal, and Residential Electric Vehicle Time-of-Use Rate Proposal (D.P.U 21-92) On Behalf of the Attorney General's Office

[EV Program Design and Load Management](#)

[Direct](#)

Phase 1: Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, for approval of its Phase III Electric Vehicle Market Development Program and Electric Vehicle Demand Charge Alternative Proposal (D.P.U 21-91) On Behalf of the Attorney General's Office

[EV Program Design and Load Management](#)

[Direct](#)

Expert Testimony (Continued)

Phase 1: Petition of NSTAR Electric Company d/b/a Eversource Energy for approval of its Phase II Electric Vehicle Infrastructure Program and Electric Vehicle Demand Charge Alternative Proposal (D.P.U 21-90) On Behalf of the Attorney General's Office

[EV Program Design and Load Management](#)

[Direct](#)

In the Matter of the Petitions for Recovery of Certain Gas Costs (DKT: 21-138, 21-235, 21-610, 21-611) On Behalf of The Citizens Utility Board of Minnesota

[Prudency Review](#)

[Direct](#)

In the Matter of the Application of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas for Authority to Increase Rates for Natural Gas Utility Service in Minnesota (Docket No. 21-435) On Behalf of the Clean Energy Organizations

[Rate Design and Line Extension Policy](#)

[Direct](#)

In the Matter of the Petitions for Recovery of Certain Gas Costs (DKT: 21-138, 21-235, 21-610, 21-611) On Behalf of The Citizens Utility Board of Minnesota

[Prudency Review](#)

[Direct](#)

Green Mountain Power (DKT: 2021-3707-PET) On Behalf of Green Mountain Power

[Multi Year Rate Plan](#)

[Prefiled Direct Testimony](#)

Public Service of Oklahoma (DKT: 202100055) On Behalf of AARP

[ECOSS and Rate Design](#)

[Responsive Testimony](#)

Duquesne Light Company (DKT: R-2021-3024750) On Behalf of the PA OCA

[Transportation Electrification, Load Control](#)

[Direct | Surrebuttal](#) (note: please type in the docket number, the testimony cannot be directly referenced)

PECO (DKT: R-2021-3024601) On Behalf of the PA OCA

[Transportation Electrification, Load Control](#)

[Direct](#) (note: please type in the docket number, the testimony cannot be directly referenced)

Rocky Mountain Power (DKT: 20-035-04) On Behalf of the Utah Office of Consumer Services

[Embedded COS, Rate Design, and AMI Rollout](#)

[Direct](#)

Expert Testimony (Continued)

Minnesota Power* On Behalf of the MN CUB

ECOSS and low-income rate design

Pennsylvania Power and Light: DER Management Petition (DKT: P-2019-3010128) On Behalf of the PA OCA

[DER integration](#)

[Direct](#) | [Surrebuttal](#) (note: please type in the docket number, the testimony cannot be directly referenced)

Public Service of New Hampshire (dba Eversource Energy) (DKT: DE 19-057) On Behalf of the NH OCA

Embedded and marginal COS, Rate Design, and PBR

[Direct](#)

Liberty Utilities (DKT: DE 19-064) On Behalf of the NH OCA

Marginal COS, Rate Design, decoupling and PBR

[Direct](#)

*Settled before direct was filed

Oklahoma Gas and Electric (DKT: 201800140) On Behalf of AARP

[Rate Design and CCOSS](#)

[Direct](#)

Vectren Energy Delivery of Ohio (DKT: 18-0298-GA-AIR) On Behalf of the Environmental Law and Policy Center

[CCOSS and Rate Design](#)

[Direct](#) | [Supplemental](#) | [Case link](#)

Commonwealth Edison (DKT: 18-0753) On Behalf of the IL AG

[Distributed Generation Rebates and Smart Inverter Specifications](#)

[Direct](#) | [Rebuttal](#) | [Case link](#)

Ameren Illinois Company (DKT: 18-0537) On Behalf of the IL AG

[Distributed Generation Rebates and Smart Inverter Specifications](#)

[Direct](#) | [Rebuttal](#) | [Case file](#)

Public Service Company of Oklahoma (DKT: 201800096) On Behalf of AARP

[Formula Rates, Performance Metrics, Rate Design, and CCOSS](#)

[Direct](#)

Oklahoma Gas and Electric (DKT: 201700496) On Behalf of AARP

[CCOSS and Revenue Apportionment](#)

[Responsive](#) | [Case link](#)

Minnesota Power (DKT: E-002/GR-16-664) On Behalf of the MN OAG

[CCOSS, Rate Design, and the Utility Business Model](#)

[Surrebuttal](#) | [Rebuttal](#) | [Testimony](#) | [Case Link](#)

Expert Testimony (Continued)

Minnesota Power (DKT: E-002/GR-16-664) On Behalf of the MN OAG

CCOSS, Rate Design, and the Utility Business Model

[Surrebuttal](#) | [Rebuttal](#) | [Testimony](#) | [Case Link](#)

Otter Tail Power (DKT: E-002/GR-15-1033) On Behalf of the MN OAG

Marginal and Embedded CCOSS and Rate Design

[Opening Statement](#) | [Direct](#) | [Rebuttal](#) | [Case link](#)

Xcel Energy (DKT: E-002/GR-15-826) On Behalf of the MN OAG

CCOSS, Rate Design, and Performance-Based Regulation

[Direct](#) | [Rebuttal](#) | [Surrebuttal](#) | [Case link](#)

Minnesota Energy Resources Corp. (DKT: G-011/GR-15-736) On Behalf of the MN OAG

CCOSS and Rate Design

[Direct](#) : | [Rebuttal](#) | [Surrebuttal](#) | [Case link](#)

CenterPoint Energy (DKT: E-002/GR-15-424) On Behalf of the MN OAG

CCOSS and Rate Design

[Opening Statement](#) | [Direct](#) | [Rebuttal](#) | [Surrebuttal](#) | [Case link](#)

Dakota Energy Association (DKT: E-002/GR-14-482) On Behalf of the MN OAG

CCOSS and Rate Design

[Direct](#) | [Rebuttal](#) | [Surrebuttal](#) | [Case link](#)

Xcel Energy (DKT: E-002/GR-13-868) On Behalf of the MN OAG

CCOSS and Rate Design

[Direct](#) | [Rebuttal](#) | [Surrebuttal](#): [Case Link](#)

Xcel Energy, Minnesota Energy Resources Corp, CenterPoint Energy (DKT: 21-138)

Natural Gas Prudence Testimony

[Case Details](#) | [Direct](#)

Minnesota Energy Resources Corp. (DKT: G-011/GR-13-617) On Behalf of the MN OAG

CCOSS

[Direct](#) | [Surrebuttal](#) | [Case Link](#)

CenterPoint Energy (DKT: G-008/GR-13-316) On Behalf of the MN OAG

CCOSS

[Direct](#) | [Surrebuttal](#) | [Case Link](#)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2022-3034229
Supplement No. 152 to Gas Service Tariff –	:	
Pa. P.U.C. of Philadelphia Gas Works	:	
	:	
Petition of Philadelphia Gas Works for	:	
Approval on Less than Statutory Notice	:	Docket No. P-2022-3034264
of Tariff Supplement Revising Weather	:	
Normalization Adjustment	:	

VERIFICATION

I, Ron Nelson, hereby state that the facts set forth in my Direct Testimony, OCA Statement 1, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: April 13, 2023
*344287

Signature: Ron Nelson
Ron Nelson

Consultant Address: Strategen Consulting
10265 Rockingham Dr
Ste 100-4061
Sacramento, CA 95827

Attachment C

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2022-3034229
	:		P- 2022-3034264
v.	:		
	:		
Philadelphia Gas Works	:		

DIRECT TESTIMONY OF HARRY S. GELLER, ESQ.

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND
ENERGY EFFICIENCY IN PENNSYLVANIA (“CAUSE-PA”)

April 13, 2023

1 **PREPARED DIRECT TESTIMONY OF HARRY S. GELLER**

2 **I. INTRODUCTION**

3 **Q: Please state your name, occupation, and business address.**

4 A: My name is Harry S. Geller. I am an attorney. I am retired as the Executive Director of the
5 Pennsylvania Utility Law Project (PULP), but have maintained an office at 118 Locust St.,
6 Harrisburg, PA 17101 for the purpose of providing consulting services and assistance to low
7 income individuals and the organizations which represent them in utility and energy matters.

8 **Q: Briefly outline your education and professional background.**

9 A: I received my B.A. degree from Harpur College, State University of New York at
10 Binghamton in 1966, and a J.D. degree from Washington College of Law, American University in
11 1969. Upon graduation from law school, I worked at several organizations dedicated to serving
12 low income households. In 1988, I was hired to be the Executive Director of PULP, a statewide
13 legal aid project dedicated to protecting the rights of low income utility customers. At PULP, I
14 represented low income individuals to resolve issues impacting their ability to maintain energy
15 and utility services to their home and supported organizations advocating for improved utility
16 access and affordability. I also consulted and co-counseled on a wide variety of individual utility
17 consumer cases, and participated in multiple task forces, work groups and advisory panels,
18 including serving as chair of the Department of Human Services' LIHEAP Advisory Committee
19 and the Pennsylvania Public Utility Commissions' Consumer Advisory Committee. I frequently
20 trained communities, legal aid staff, and advocacy groups across Pennsylvania on a range of utility
21 and energy matters affecting Pennsylvania's low income population. I retired from PULP on June
22 30, 2015. Since that time, I have continued to provide consulting services for PULP and its clients,

1 as well as other organizations serving the low income community. In sum, I have over 50 years'
2 experience working on behalf of households in poverty, including the past 30 years focusing
3 specifically on utility and energy issues affecting low income consumers. My resume is attached
4 as Appendix A.

5 **Q: Please describe the focus of your work over the past fifty years, including relevant**
6 **work experience on issues of low income families' ability to afford essential services such as**
7 **utilities?**

8 A: Through the entirety of my career, I have represented low income individuals and
9 organizations serving low income populations in a wide variety of legal matters, including family
10 law, public benefits, unemployment compensation, utility shut-offs, debtor/creditor, and housing-
11 related disputes. Over the past 30 years, my focus has been to ensure that low income households
12 can connect to, afford, and maintain utility and energy services.

13 In all of these legal matters, I worked almost exclusively on behalf of individuals and
14 households that subsist on incomes at or below 150% of the Federal Poverty Level (FPL). Through
15 this work, I have had a close view of the daily lives of countless of our poorest citizens. I have
16 spent thousands of hours assisting clients, combing through their budgets to see whether it is even
17 possible to make ends meet. Over the years, I have consistently seen the near total absence of the
18 ability of low income families to afford the most basic monthly necessities with the incomes they
19 have, even assuming heroic self-control and conscientious budgeting and spending. Every month,
20 my clients faced the stark reality of having to choose which bills they can forgo with the least
21 drastic consequences.

1 **Q: Have you testified in any proceeding before the Pennsylvania PUC?**

2 A: Yes. I have presented testimony in many proceedings before the PUC. A complete list is
3 included in my resume, which is attached as Appendix A.

4 **Q: For whom are you testifying in this proceeding?**

5 A: I am testifying on behalf of the Coalition for Affordable Utility Services and Energy
6 Efficiency in Pennsylvania (CAUSE-PA).

7 **Q: What is the purpose of your testimony?**

8 A: CAUSE-PA intervened in this proceeding to ensure that PGW's low income customers are
9 protected from the adverse impacts of PGW's WNA, especially regarding the potential impacts of
10 rate spikes such as May 2022. CAUSE-PA is concerned about the effects of PGW's WNA on its
11 low income customers' ability to maintain gas service by shifting the financial risk of warming
12 weather onto residential customers. In addition to compliance with sound rate making principles,
13 including the requirement that rates be just and reasonable, PGW must also ensure rates are
14 affordable and accessible to those served. Excessive charges levied through ratemaking
15 mechanisms such as PGW's WNA fall hardest on low income families, exacerbating existing
16 disparities in payment trouble and termination rates across low income customer groups.

17 **II. SUMMARY OF PGW'S WNA**

18 **Q: Please briefly describe PGW's WNA?**

19 A: PGW's WNA is an automatic bill adjustment applied from October 1 through May 31 each
20 year.¹ It adjusts customer bills based upon the degree to which actual weather in the service

¹ PGW St. 1 at 5.

1 territory varies from “normal” temperatures.² When the weather is colder than normal, customers
 2 receive a credit; when it is warmer than normal, they are assessed a surcharge. The premise of the
 3 WNA is based on the fact that average usage - regardless of individual usage – will be lower in
 4 warm weather and higher in cold weather, and is an alternative ratemaking feature designed to
 5 help increase revenue predictability for the utility – passing the risk of fluctuating temperatures
 6 from the utility to the consumer.

7 **Q: What is the practical effect of PGW’s WNA?**

8 A: PGW’s WNA has resulted in consistently (and increasingly) higher charges for consumers
 9 year-over-year. PGW asserts that the purpose of the WNA is to balance out the effects of abnormal
 10 weather and stabilize revenue,³ but in practice it has shifted the financial risk of increasingly warm
 11 weather from PGW onto its customers.

12 PGW’s distribution rates are based on expected throughput during normal weather. When
 13 temperatures are warmer than normal, which they have been for the last several years, the WNA
 14 results in a higher bill for residential customers. Table 1 shows the annual WNA charges and
 15 credits assessed to PGW customers since PGW began reporting on the current iteration of the
 16 WNA as amended in its 2017 rate case.

17 **Table 1 - PGW WNA Annual Charges/Credits⁴**

18

Fiscal Year	Total WNA Charge (Credit)
2017-2018	(\$3,805,874)
2018-2019	\$1,595,837
2019-2020	\$10,789,328
2020-2021	\$11,761,938
2021-2022	\$23,159,935

² Id.

³ PGW St.1 at 5

⁴ CAUSE-PA to PGW I-14.

1 Over the past five years, PGW customers have paid a net total of approximately \$43.5 million in
2 WNA charges – and, annually, the total charges have increased exponentially year over year as
3 average temperatures have increased. While PGW has not provided data prior to the 2017-2018
4 fiscal year,⁵ suffice to say based on five years of data, the WNA has worked to the benefit of PGW
5 and the detriment of consumers.

6 **III. IMPACT ON LOW INCOME HOUSEHOLDS**

7 **Q: What level of income qualifies a household as “low income”?**

8 A: Section 62.2 of the Commission’s regulations defines the term “low-income customer” as
9 “A residential utility customer whose gross household income is at or below 150% of the Federal
10 poverty guidelines.”⁶ The federal poverty guidelines (or federal poverty level (FPL)) is a measure
11 of poverty based exclusively on the size of the household, not the composition of the household
12 (of the number of adults or children) or geographic location. A family of four at 150% FPL has a
13 gross annual income of just \$45,000.⁷ This is insufficient income to support a family of this size
14 and is substantially less than a household this size needs to meet their basic expenses in PGW’s
15 service territory.⁸

16 The Commission’s definition of “low income customer” does not encompass all those
17 whose income is inadequate to afford basic needs. To assess actual levels of economic hardship
18 across a given region, poverty experts often use the Self Sufficiency Standard - a benchmark
19 developed to determine how much income a household needs to afford life’s most basic necessities
20 (food, rent, clothing, medicine/medical care, childcare, utilities, transportation, and taxes) without

⁵ CAUSE-PA to PGW I-14.

⁶ 52 Pa. Code § 62.2.

⁷ U.S. Dept. of Health and Human Services, 2023 U.S. Federal Poverty Guidelines, available at <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

⁸ Self Sufficiency Standard, <http://www.selfsufficiencystandard.org/Pennsylvania>.

1 assistance.⁹ Unlike the federal poverty level, which does not change based on geographic location
2 or family composition, the Self Sufficiency Standard measures the income necessary to meet a
3 family’s basic needs based average costs at the county level. In 2021, the Self Sufficiency Standard
4 for a family of four (two adults and two school-aged children) living in Philadelphia was \$61,533.
5 This is \$16,533 more than a four-person household with income at 150% FPL makes in a given
6 year.¹⁰

7 Most of PGW’s confirmed low income customers do not have income that is anywhere
8 close to the Self Sufficiency standard in Philadelphia – or, for that matter, the Commission’s low
9 income threshold at 150% FPL. As of February 28, 2023, the *average* household income of a low
10 income customer enrolled in PGW’s Customer Assistance Program (CAP) (known as CRP) was
11 just \$13,675 - well below the amount needed to be self-sufficient and live without financial
12 assistance.¹¹

13 **Q: How many low income consumers reside in PGW’s service territory?**

14 A: PGW has confirmed that nearly one in four (24%) of its customers are low income and
15 estimates over one in three (38%) to be low income.¹²

⁹ Id.

¹⁰ See id. (2021 Pennsylvania Data Set).

¹¹ CAUSE-PA to PGW I-6. PGW does not track detailed income information for all of its confirmed low income customers, and was only able to provide average income data for confirmed low income customers enrolled in its Customer Assistance Program (CAP). CAUSE-PA to PGW I-5.

¹² PGW tracks its low-income customer population in two ways. First, an “estimated low-income customer” count, which uses census data and PGW’s residential customer count to estimate the likely number of customers in UGI’s service territory with low income. Second, a “confirmed low-income customer” count, which includes only those customers from whom PGW has obtained information documenting low income or who PGW has identified as receiving LIHEAP. As of December 2021 (the most recent date currently available), PGW reported having 187,901 estimated low income customers (approximately 38% of its residential customer base) and 117,782 confirmed low income customers (approximately 24% of its residential customer base). CAUSE-PA to PGW I-1, I-2, & I-3.

1 **Q: How does the WNA affect PGW’s low income customers?**

2 A: The WNA places unjust and unreasonable additional financial strain on low income
3 families. Over the last five years, PGW’s WNA has consistently charged customers more than they
4 would have paid if the WNA were not applied. Low income families already struggle to make ends
5 meet each month and are often forced to choose between critical necessities. The additional cost
6 of the WNA charge inappropriately contributes to their inability to afford service and further
7 impacts their ability to afford other necessities like food and medicine.

8 Low income customers are far more likely than other residential consumers to be payment
9 troubled¹³ and experience substantially higher rates of service termination due to inability to pay.¹⁴
10 As of December 2021, 60% of PGW’s payment troubled customers were confirmed low income,
11 despite the fact that confirmed low income customers make up 24% of PGW’s residential
12 customers.¹⁵ In 2021, 3.2% of PGW’s residential customers were terminated versus 6.8% of
13 PGW’s confirmed low income customers.¹⁶ In other words, PGW’s confirmed low income
14 customers are more than twice as likely to be terminated for nonpayment.

15 According to the United States Census Bureau Household Pulse Survey, as of March 2023,
16 23% of Pennsylvanians reported that they were unable to afford their energy bills at least once
17 over the last 12 months.¹⁷ Energy unaffordability is even more pronounced in the city of
18 Philadelphia, where the poverty rate is nearly double the statewide poverty rate. In Philadelphia,

¹³ CAUSE-PA to PGW I-7. The Commission defines “payment troubled” as “a household that has failed to maintain one or more payment arrangements in a 1-year period.” 52 Pa. Code § 54.72.

¹⁴ CAUSE-PA to PGW I-9, 10, 11, 12.

¹⁵ CAUSE-PA to PGW I-7 (out of PGW’s 29,399 payment troubled customers, 17,691 (60%) were confirmed low income.).

¹⁶ 2021 Universal Service Report at 15-16.

¹⁷ United States Census Bureau, Household Pulse Survey Interactive Tool, available at: https://www.census.gov/data-tools/demo/hhp/#/?s_state=00042&measures=ENERGYBILL .

1 22.8%¹⁸ of residents live in poverty, versus 12.1% statewide and 12.8% nationwide.¹⁹ In
2 Philadelphia, 34.2% of children live in poverty, which is double the statewide rate of 16.9%, and
3 21.2% of Philadelphia senior citizens live in poverty, double the statewide rate of 9.6%.²⁰

4 Energy unaffordability has a profound impact on families – causing many to forego food,
5 medicine, and other basic necessities in order to maintain energy services to their home. According
6 to the Energy Information Administration (EIA) Residential Energy Consumption Survey released
7 in 2022, 27.2% of United States residents reported experiencing energy insecurity; 19.9% reported
8 reducing or forgoing food or medicine to pay for energy costs; and 10% reported leaving their
9 homes at unhealthy temperatures because they could not afford to pay for energy.²¹ Considering
10 the disproportionately high rate of poverty in the city of Philadelphia, it is imperative that all
11 necessary measures be taken to alleviate energy insecurity and limit unnecessary additional costs
12 such as the WNA charge.

13 Every dollar of added cost from the WNA disproportionately impacts low income
14 customers' ability to afford basic necessities. Low income customers need to retain every ability
15 to realize bill savings due to reduced usage, including reduced usage due to changing weather
16 patterns. As average temperatures rise, consumers already face rising costs for summer cooling
17 and should not be required to pay for gas they don't use in the winter due to warming temperatures.
18 This is especially true in what had been the traditional "shoulder" months such as April, May,
19 October, and November which PGW includes within its WNA period. Notably, none of these

¹⁸ United States Census Bureau, 2021 American Community Survey 1-Year Estimates, available at:
<https://data.census.gov/table?q=poverty+in+Philadelphia+city,+Pennsylvania&tid=ACSST1Y2021.S1701> .

¹⁹ United States Census Bureau, 2021 American Community Survey 1-Year Estimates, available at:
<https://data.census.gov/table?q=poverty+Pennsylvania> .

²⁰ United States Census Bureau, 2021 American Community Survey 1-Year Estimates, available at:
<https://data.census.gov/table?q=poverty+philadelphia+city> .

²¹ United States Energy Information Administration, 2020 Residential Energy Consumptions Survey, Table HC11.1 Household energy insecurity, 2020 available at:
<https://www.eia.gov/consumption/residential/data/2020/hc/pdf/HC%2011.1.pdf> .

1 months are included in the winter low income termination moratorium. As a result of consistent
2 warming trends, customers may now be faced with cooling costs on top of a WNA charge.
3 Warming trends also affect summer months.²² Although cooling costs run through the electric bill
4 and don't affect customers' PGW bill, hotter summers are causing consumers to shoulder greater
5 cooling costs over a longer period of months – which is in turn falling hardest on low income
6 households. As average temperatures continue to rise, low income customers are facing higher
7 bills due to both higher electric usage in summer and WNA charges in winter and shoulder months.
8 In short, PGW's WNA is serving to unjustly inflate combined household energy burdens,
9 exacerbating existing disparities in energy burdens experienced by low income communities and
10 communities of color.

11 Philadelphia is part of the warmest region in the state,²³ and residents are already
12 experiencing warming weather.²⁴ The hottest neighborhoods are more likely to be low-income
13 communities and communities of color.²⁵ Therefore, low income consumers in Philadelphia
14 already bear the burden of warming temperatures and increased summer cooling costs, which will
15 continue to rise substantially as warming trends continue.²⁶ Many low income communities
16 experience disproportionately warmer summer temperatures due to heat islands, further
17 exacerbating the compounding nature of the WNA with rising cooling costs. In Philadelphia, the
18 increase in average temperature is projected to raise annual air conditioning costs in the city by
19 \$1,000,000 annually.²⁷ These costs will not be incurred equally, with the electricity costs

²² See CAUSE-PA to PGW I-16, Attach.

²³ See Pennsylvania Low Income Home Energy Assistance Program, 2022 Proposed State Plan, Appendix A “Heating Region”.

²⁴ See Philadelphia Office of Sustainability, Climate Action Playbook at 10 (Jan. 2021), available at: <https://www.phila.gov/media/20210113125627/Philadelphia-Climate-Action-Playbook.pdf>.

²⁵ Id.

²⁶ Id.

²⁷ Id.

1 associated with more cooling needs burdening low income residents who spend a higher
2 percentage of their income on energy bills.²⁸

3 Low income customers simply cannot afford to pay for gas that they do not use, and it is
4 both unjust and unreasonable to assess a charge for gas that low income households are not using
5 as a result of warming temperatures. The additional WNA charge added to residential bills in
6 warmer than normal months can add substantial additional cost to residential bills, exacerbating
7 energy insecurity for thousands of low income families in PGW’s service territory. Even excluding
8 PGW’s May 2022 WNA rate spike, the average monthly residential WNA rate charge was
9 frequently between \$10-\$20,²⁹ and in some billing cycles reached more than \$100.³⁰ As stated
10 above, the average income for a PGW CRP customer is \$13,675 – or \$1,140 per month,³¹ meaning
11 these customers could pay 10% or more of their monthly income for the WNA charge alone.

12 On the rare occasion that the WNA results in credits for a customer, those credits are far
13 less in comparison to the charges levied in other months. During the 2021-2022 fiscal year, bill
14 credits were infrequent, and the highest average monthly residential WNA bill credit was just
15 (\$5.01).³²

16 The WNA also appears to have a perverse impact on energy efficiency and conservation
17 efforts – imposing larger WNA charges on consumers who are able to reduce consumption through
18 installation of energy efficiency measures.³³ This impact has a particularly unjust impact on
19 PGW’s low income customers who are able to substantially reduce high consumption through
20 participation in the Low Income Usage Reduction Program (LIURP). While a warmer than normal

²⁸ Id.

²⁹ OCA to PGW I-5, Attach.

³⁰ CAUSE-PA to PGW I-17, Attach.

³¹ CAUSE-PA to PGW I-6.

³² OCA to PGW I-5, Attach.

³³ CAUSE-PA to PGW I-19.

1 month may cause a customer to reduce their usage, a household may have additional reduced usage
2 due to recently adopted energy efficiency measures. PGW has not explained how or whether its
3 WNA mechanism accounts for consumer adoption of energy efficiency measures in assessing
4 WNA charges due to decreased usage, nor has it explained why its WNA results in
5 disproportionately higher charges for some consumers. I am concerned that PGW's WNA not only
6 erodes the bill savings achievable through careful energy efficiency and conservation, but may
7 also impose disproportionately high WNA charges for households that have significantly reduced
8 their consumption for reasons other than changing weather – such as installation of energy efficient
9 equipment. Assessing a higher WNA charge on customers that have expended time and resources
10 to adopt energy efficient appliances and home efficiency upgrades is fundamentally unfair and is
11 uniquely harmful to low income consumers who rely on the ability to reduce consumption as a
12 strategy to maintain service in their home.

13 The WNA falls consistently in favor of PGW at the expense of consumers, resulting in lost
14 savings from reduced consumption and undermining incentives for consumers to reduce gas
15 consumption through efficiency and conservation. Excessive charges levied through PGW's WNA
16 necessarily fall hardest on low income families – exacerbating existing disparities in payment
17 trouble and termination rates across low income customer groups. It is unjust and unreasonable
18 to require struggling low income customers to use their limited resources to pay for gas they did
19 not use.

20 **Q: Are Customer Responsibility Program (CRP) participants protected from the**
21 **additional cost of WNA charges?**

22 A: Some, yes, but many CRP customers are still assessed a WNA charge or a portion thereof.
23 PGW's CRP program bills customers two ways. Some CRP customers are charged a fixed amount

1 each month, based on a percentage of their income, while others pay according to their average
2 bill amount.³⁴ CRP customers who pay according to a percentage of income are insulated from the
3 cost of the WNA (although that cost is passed on through the universal service rider and born by
4 other ratepayers on top of their own WNA charges).³⁵ CRP customers who pay according to their
5 average bill are charged the full WNA. Notably, PGW does not adjust CRP rates each month to
6 ensure it is charging CRP participants the most advantageous rate. As such, WNA charges can
7 cause CRP customers with the average bill rate to be charged rates in excess of the maximum
8 energy burden standards established in PGW's most recently approved Universal Service and
9 Energy Conservation Plan (USECP).

10 In 2024, PGW will implement a quarterly CRP rate adjustment process, assessing whether
11 the percentage of income or average bill rate is more advantageous and adjusting the rate
12 accordingly.³⁶ If the WNA were assessed during PGW's quarterly CRP rate reassessment, the
13 WNA could cause the CRP participant to pay a higher rate for several months until the next
14 quarterly adjustment. Application of the WNA in this way results in patently unjust and
15 unreasonable rates for PGW's low income customers and could contribute to inflated universal
16 service costs borne by other residential ratepayers.

17 **IV. MAY 2022 WNA RATE SPIKE**

18 **Q: What happened regarding PGW's WNA in May 2022?**

19 A: In May 2022, a warm weather event caused PGW's WNA to levy excessively high charges
20 on residential customers amounting to over \$12.6 million in WNA charges billed in a single

³⁴ CAUSE-PA to PGW I-21.

³⁵ PGW Tariff at 81.

³⁶ Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2023-2027, M-2021-3029323, Order on Reconsideration at 5-8 (Entered March 16, 2023).

1 month.³⁷ The average WNA charge assessed was \$21.68,³⁸ and 25,392 customers were assessed
2 WNA charges over \$100.³⁹ PGW subsequently filed an Emergency Petition requesting to reverse
3 the WNA charges for May 2022 and return \$12,645,000 to customers, which the Commission
4 approved.⁴⁰ In its Emergency Order, the Commission ordered PGW to investigate the WNA
5 formula, the inputs, and current information about weather trends affecting May, and required
6 PGW to file a report with the Commission detailing the results of its investigation.⁴¹ In its
7 subsequent report, PGW asserted that the WNA was operating as intended; that the excessive
8 charges levied in the May 2022 occurred as a result of warmer than normal weather; and that the
9 charges were correctly calculated under the WNA.⁴² In other words: The excessive charges which
10 appeared on PGW's mid to late May 2022 bills were caused by the rate mechanism operating
11 according to its terms. This suggests that there is a structural flaw in PGW's WNA that must be
12 addressed to ensure customers do not see excessive charges in the future.

13 **Q: Aside from the reversal of charges approved through the Emergency Order, what**
14 **corrective measures has PGW proposed?**

15 A: In the current proceeding, PGW proposes to address the issue by imposing a cap on the
16 WNA that would limit WNA credits and charges to 25% of a customer's "total delivery charges."⁴³
17 Total delivery charges, include the Customer Charge plus the Distribution Charge, (including the
18 Distribution System Improvement Charge), and if applicable, the Gas Adjustment Charge
19 (including the Interruptible Revenue Credit).⁴⁴ Under PGW's proposed cap, a customer with a

³⁷ PGW St. 1 at 10-11.

³⁸ OCA to PGW I-5, Ex.

³⁹ CAUSE-PA to PGW I-17.

⁴⁰ See Petition of PGW for Emergency Order, P-2022-3033477, Ratification Order at 1-3 ("Emergency Order").

⁴¹ Emergency Order at 2-3.

⁴² PGW St. 1 at 10; see also PGW WNA Report at 14.

⁴³ PGW St. 1 at 11-12.

⁴⁴ Id.

1 “total Bill Charge” (excluding WNA) of just \$36.96 would still face a maximum WNA charge of
2 \$9.24 – an increase over actual, usage-based charges of 25%. (PGW Report at 12-13).

3 **Q: Is PGW’s proposal sufficient to protect customers from adverse consequences of the**
4 **WNA?**

5 A: No. PGW’s proposed 25% cap on WNA charges does not remediate the financial strain or
6 inherent inequity created by the WNA, as it will still result in significant additional charges for
7 residential low income consumers – and may result in disproportionately higher charges for those
8 who reduce their usage through comprehensive energy efficiency and conservation. Other than
9 simplicity, PGW has failed to provide any rationale for implementation of the 25% cap.⁴⁵ PGW
10 has failed to produce any data demonstrating how its proposed 25% cap will impact customers at
11 various usage levels, so I am not able to fully assess the scope of ongoing financial harm.
12 However, I am able to conclude that PGW’s WNA results in the imposition of inequitable and,
13 thus, unjust and unreasonable rates – especially as applied to low income consumers.

14 In her direct testimony, PGW witness Denise Adamucci acknowledged that the 25% CAP
15 is only proposed as an interim measure to prevent rate shock while the larger issues are worked
16 out, but PGW has failed to offer an equitable solution, despite having over a year to develop a
17 meaningful solution.⁴⁶ I understand from counsel that PGW has indicated that it may propose
18 additional remedial measures as part of its pending base rate case.⁴⁷ However, in the meantime,
19 PGW’s WNA will continue to operate in an unjust, unreasonable, and inequitable manner –
20 exacerbating financial hardship for low income consumers, undermining energy efficiency, and
21 causing consumers to bear the full risk of warming weather. The Commission should not allow

⁴⁵ PGW St. 1 at 13-14.

⁴⁶ PGW St. 1 at 12-14.

⁴⁷ See PGW 2023 Rate Case, R-2023-3037933.

1 PGW to continue to utilize a mechanism which results in unjust and unreasonable rates and is
2 unaffordable for its low income customers. The Commission should act now to cease operation of
3 the WNA until PGW can develop a WNA that produces just, reasonable, and equitable results.

4 **Q: What do you recommend should be done to address the issues that you explained**
5 **regarding its WNA?**

6 A: I recommend that the Commission order PGW to cease operation of its WNA . In my view,
7 the increasingly and consistently warmer weather that has led to the millions of dollars in WNA
8 charges each year should not be viewed as “abnormal” or an “anomaly.” PGW’s WNA, as
9 constructed, is one-sided in favor of PGW and does not produce equitable results for PGW’s
10 customers. The WNA produces an undue additional financial burden on low income customers,
11 which they cannot afford to shoulder and from which they should be shielded.

12 PGW has failed to provide substantial evidence that its proposed 25% cap will produce just
13 and reasonable rates. Until and unless PGW can produce a WNA formula that is balanced and
14 equitable to customers, the WNA should be discontinued. PGW should be required to withdraw
15 its current WNA and, if desired, propose a new, more equitable WNA for Commission approval.
16 In evaluating any future proposal, the Commission should take a close look at the application of
17 PGW’s WNA (as well as WNAs of other NGDCs) to identify the projected rate impacts associated
18 with this rate mechanism and determine whether the convention will achieve the appropriate
19 balance of interests between consumers and utilities – without undermining rate affordability and
20 critically important conservation and efficiency goals.

21 **V. CONCLUSION**

22 **Q: Does this conclude your direct testimony?**

23 A: Yes.

**THE COALITION FOR AFFORDABLE UTILITY SERVICE AND ENERGY
EFFICIENCY IN PENNSYLVANIA**

APPENDIX A

RESUME OF HARRY S. GELLER

RESUME OF HARRY S. GELLER

EDUCATIONAL BACKGROUND:

Harpur College, State University of New York at Binghamton, B.A. 1966

Washington College of Law, American University, J.D. 1969

New York University Law School, courses in Urban Affairs and Poverty Law, as part of
Volunteers in Service to America (VISTA) Program 1969-1971

EMPLOYMENT:

1988 – 2015 Executive Director, Pennsylvania Utility Law Project (PULP), a project of the civil non-profit Pennsylvania Legal Aid Network. PULP is dedicated to providing technical support, information sharing, and representation to low-income individuals and organizations, assisting and advocating for the low income in utility and energy matters. Responsibilities include project oversight, case consultation, co-counseling, and participation on task forces, work groups and advisory panels, community education and training in utility and energy matters affecting the low income.

While at PULP, served in the following capacities:

- Chairman, Low-Income Home Energy Assistance Program (LIHEAP) Advisory Committee to the Secretary, Pennsylvania Department of Human Services
- Member, Pennsylvania Public Utility Commission, Consumer Advisory Council Coordinator, Pennsylvania Legal Services Utility/Energy Work Groups
- Member, Weatherization Policy Advisory Committee to the Department of Community and Economic Development
- Member, PECO Universal Service Advisory Committee and LIURP Subcommittee

1974-1987 Staff Attorney, Managing Attorney and ultimately, Executive Director of Legal Services, Incorporated (LSI), a civil legal services program serving Adams, Cumberland, Franklin and Fulton Counties. Through a restructuring with other legal services programs, LSI became part of what is now known as MidPenn Legal Services and Franklin County Legal Services.

1971-1972 Staff Attorney, New York City Legal Aid Society, Criminal Court and Supreme Court Branches, New York County.

1969-1971 Volunteer in Service to America (VISTA) assigned to the New York University Law School Project on Urban Affairs and Poverty Law.

BAR ADMISSIONS

New York State

Commonwealth of Pennsylvania

United States District Court, Middle District of Pennsylvania

Cases in which Harry S. Geller has participated as a witness before the Pennsylvania Public Utility Commission since July 1, 2015

- Pennsylvania Public Utility Commission v. National Fuel Gas Distribution Corporation, R-2022-3035730
- Pennsylvania Public Utility Commission v. Columbia Gas of Pa., Docket No. R-2022-3031211
- Pennsylvania Public Utility Commission v. Pa. American Water Co., Docket Nos. R-2022-3031672 & -3031673
- Pennsylvania Public Utility Commission v. UGI Utilities, Inc. – Gas Division, R-2021- 3030218.
- Joint Petition of MetEd, Penelec, Penn Power, and West Penn Power for Approval of their Default Service Programs for the Period Commencing June 1, 2023 through May 31, 2027, Docket Nos. P-2021-3030012, -13, -14, -21
- Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc., Docket Nos. R-2021-3027385, R- 2021-3027386.
- Pennsylvania Public Utility Commission v. Pittsburgh Water and Sewer Authority, R-2021-3024773, R-2021-3024774, R-2021-3024779.
- Pennsylvania Public Utility Commission v. Duquesne Light Company, R-2021- 3024750.
- Pennsylvania Public Utility Commission v. PECO Energy – Electric Division, R-2021-3024601.
- Pennsylvania Public Utility Commission v. Columbia Gas of Pennsylvania, Inc., R-2021-3024296.
- Tenant Union Representative Network v. PECO Energy Company, C-2020-3021557
- Pennsylvania Public Utility Commission v. Philadelphia Gas Works, R-2020-3017206.
- Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program for the Period of June 1, 2021 through May 31 , 2025, Docket No. P-2020-3019356.
- Petition of PECO Energy Company for Approval of Its Default Service Program for the Period from June 1, 2021 through May 31, 2025, Docket No. P-2020-3019290.
- Petition of Duquesne Light Company For Approval of Default Service Plan For The Period June 1, 2021 Through May 31, 2025, Docket No. P-2020-3019522.
- Joint Application of Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC and Peoples Gas Company LLC for all of the Authority and Necessary Certificates of Public Convenience to Approve a Change in Control of Peoples Natural Gas Company LLC, and Peoples Gas Company LLC by way of the Purchase of all of LDC Funding LLC's Membership Interests by Aqua America, Inc., Docket Nos. A-2018-3006061, A-2018-3006062, A-2018-3006063.
- Pennsylvania Public Utility Commission v. Aqua Pennsylvania, Inc. et al. Docket Nos. R2018-3003558 et seq.
- Pennsylvania Public Utility Commission v. Duquesne Light Company, Docket No. R-2018-3000124.

- Pennsylvania Public Utility Commission v. PECO Energy Company- Electric Division, Docket No. R-2018-3000164.
- Joint Petition of MetEd, Penelec, Penn Power, and West Penn Power for Approval of their Default Service Programs for the period commencing June 1, 2019 through May 31, 2023, Docket Nos. P-2017-2637855, P-2017-2637857, P-2017-2637858; P-2017-2637866.
- Pennsylvania Public Utility Commission et al. v. Philadelphia Gas Works, Docket No. R-2017-2586783.
- PECO Energy Company's Pilot Plan for an Advance Payments Program and Petition for Temporary Waiver of Portions of the Commission's Regulations with Respect to that Plan, Docket No. P-2016-2573023.
- Petition of PECO Energy Company for Approval of a Default Service Program for the Period of June 1, 2017 through May 31, 2019, Docket No. P-2016-2534980.
- Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period of June 1, 2017 through May 31, 2021, Docket No. P-2016-2526627.
- Petition of Duquesne Light Company for Approval of a Default Service Program for the Period of June 1, 2017 through May 31, 2021, Docket No. P-2016-2543140.
- Pennsylvania Public Utility Commission et al. v. Columbia Gas of Pennsylvania, Inc., Docket No. R-2016-2529660.
- Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company,
- Pennsylvania Power Company, and West Penn Power Company for Approval of their Default Service Programs for the period commencing June 1, 2017 through May 31, 2019, Docket Nos. P-2015-2511333, P-2015-25113351, P-2015-2511355, P-2015-2511356.
- Petition of PPL Electric Utilities Corporation for Approval of its Energy Efficiency and Conservation Plan, Docket No. M-2015-2515642.

**THE COALITION FOR AFFORDABLE UTILITY SERVICE AND ENERGY
EFFICIENCY IN PENNSYLVANIA**

APPENDIX B

CITED DISCOVERY RESPONSES

Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania (CAUSE-PA) to Philadelphia Gas Works (PGW)

- CAUSE-PA to PGW I-1, with attachment.
- CAUSE-PA to PGW I-2, with attachment.
- CAUSE-PA to PGW I-3, with attachment.
- CAUSE-PA to PGW I-5.
- CAUSE-PA to PGW I-6.
- CAUSE-PA to PGW I-7, with attachment.
- CAUSE-PA to PGW I-9, with attachment.
- CAUSE-PA to PGW I-10, with attachment.
- CAUSE-PA to PGW I-11, with attachment.
- CAUSE-PA to PGW I-12.
- CAUSE-PA to PGW I-14, with attachments.
- CAUSE-PA to PGW I-16, with attachment.
- CAUSE-PA to PGW I-17, with attachment.
- CAUSE-PA to PGW I-19.
- CAUSE-PA to PGW I-21.

Office of Consumer Advocate (OCA) to PGW

- OCA to PGW I-5, with attachment.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-1
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

From January 2019 to the most recent available date, disaggregated by month (as of the last day of each month), how many residential customers did PGW have? Please explain how PGW arrived at these figures and include citation and/or copies of any and all workpapers used to perform the calculation.

Attachments: 1

CAUSE-PA_Set_I_1_CAUSE-PA I-1.xlsx

Response:

Please see the attached exhibit which provides, by month, the number of PGW's residential customers. This data is provided in a manner consistent with the data provided to the PUC.

Philadelphia Gas Works
Docket Nos. R-2022-3034229
P- 2022-3034264
Exhibit CAUSE-PA I-1
Page 1 of 1**Total Number of Residential Customers**

Line	Year	Month	Number of Residential Customers
1	2019	January	483,529
2	2019	February	484,590
3	2019	March	483,524
4	2019	April	481,223
5	2019	May	478,873
6	2019	June	477,291
7	2019	July	476,064
8	2019	August	475,358
9	2019	September	476,233
10	2019	October	479,563
11	2019	November	482,976
12	2019	December	484,937
13	2020	January	486,411
14	2020	February	487,332
15	2020	March	487,412
16	2020	April	487,133
17	2020	May	486,867
18	2020	June	486,630
19	2020	July	486,132
20	2020	August	485,550
21	2020	September	485,409
22	2020	October	486,498
23	2020	November	487,926
24	2020	December	489,910
25	2021	January	491,240
26	2021	February	492,091
27	2021	March	492,165
28	2021	April	491,834
29	2021	May	490,327
30	2021	June	488,191
31	2021	July	487,321
32	2021	August	485,542
33	2021	September	484,769

34	2021	October	485,271
35	2021	November	487,640
36	2021	December	489,414

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-2
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

From January 2019 to the most recent available date, how many estimated low-income customers reside within PGW service territory? Please explain how PGW arrived at its estimated figures and include citation and/or copies of all workpapers used to perform the estimation.

Attachments: 1

CAUSE-PA_Set_I_2_CAUSE-PA I-2.xlsx

Response:

Please see the attached exhibit which provides the number of estimated low-income customers within PGW's service territory. This data is defined and provided by the PUC for its Universal Service Program & Collections Performance report. It is believed the PUC data is designed to capture all Philadelphia residents regardless of whether they have gas service or not.

Philadelphia Gas Works
Docket Nos. R-2022-3034229
P- 2022-3034264
Exhibit CAUSE-PA I-2
Page 1 of 1

Total Number of Estimated Low-Income Customers

Line	Year	Number of Estimated Low Income Customers
1	2019	197,855
2	2020	195,215
3	2021	187,901

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-3
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

From January 2019 to the most recent available date, disaggregated by month (as of the last day of each month), how many of PGW customers were/are categorized as “confirmed low income”? Please explain how PGW categorizes customers as confirmed low income and include citation and/or copies of all workpapers used to perform the calculation.

Attachments: 1

CAUSE-PA_Set_I_3_CAUSE-PA I-3.xlsx

Response:

Please see the attached exhibit which provides, by month, the number of PGW customers who were categorized as confirmed low income. This data is provided in a manner consistent with the data provided for the PUC’s Universal Service Program & Collections Performance reporting.

These customers have some indicia of low-income status within past 2 years. The low-income status is determined if a customer is: participating in CRP, received a LIHEAP or Crisis grant, or has a low-income payment arrangement. However, income is not verified for a low-income payment arrangement.

Philadelphia Gas Works
Docket Nos. R-2022-3034229
P- 2022-3034264
Exhibit CAUSE-PA I-3
Page 1 of 1**Total Confirmed Low Income Customers**

Line	Year	Month	Number of Confirmed Low Income Customers
1	2019	January	135,342
2	2019	February	136,730
3	2019	March	139,864
4	2019	April	143,507
5	2019	May	145,769
6	2019	June	147,166
7	2019	July	148,659
8	2019	August	150,970
9	2019	September	152,486
10	2019	October	153,714
11	2019	November	154,883
12	2019	December	155,073
13	2020	January	129,162
14	2020	February	131,187
15	2020	March	132,454
16	2020	April	133,332
17	2020	May	133,654
18	2020	June	133,945
19	2020	July	134,390
20	2020	August	134,982
21	2020	September	135,232
22	2020	October	135,510
23	2020	November	136,064
24	2020	December	135,509
25	2021	January	104,318
26	2021	February	105,298
27	2021	March	108,066
28	2021	April	108,934
29	2021	May	109,009
30	2021	June	108,789
31	2021	July	109,539
32	2021	August	110,348
33	2021	September	111,887

34	2021	October	113,847
35	2021	November	116,549
36	2021	December	117,782

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-5
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

s of February 28, 2023, what is the average annual income of PGW's confirmed low income customers?

Attachments: 0

Response:

PGW does not have annual income for all confirmed low income customers. See also PGW's response to CAUSE-PA I-3.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-6
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

As of February 28, 2023, what is the average annual income of PGW's currently enrolled CAP customers?

Attachments: 0

Response:

As of February 28, 2023, the average annualized income of PGW's currently enrolled CAP customer is \$13,675.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-7
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

As of February 28, 2023, please provide the number of PGW's payment troubled customers in the following groups:

- a. All Residential
- b. Confirmed Low Income
- c. Residential excluding Confirmed Low Income

Attachments: 1

CAUSE-PA_Set_I_7_CAUSE-PA I-7.xlsx

Response:

Please see the attached exhibit which provides, by month, the number of PGW's payment troubled customers broken out between: All Residential, Confirmed Low Income, and Residential excluding Confirmed Low Income. This data is provided in a manner consistent with the data provided for the PUC's Universal Service Program & Collections Performance reporting.

**Total PGW's payment troubled customers in the following groups: All Reside
Confirmed Low Income**

Line	Year	Month	All Residential
1	2019	January	48,372
2	2019	February	48,099
3	2019	March	48,123
4	2019	April	48,178
5	2019	May	47,853
6	2019	June	46,747
7	2019	July	45,837
8	2019	August	45,284
9	2019	September	44,305
10	2019	October	43,056
11	2019	November	41,938
12	2019	December	41,171
13	2020	January	40,952
14	2020	February	40,786
15	2020	March	40,708
16	2020	April	40,309
17	2020	May	39,138
18	2020	June	36,344
19	2020	July	33,106
20	2020	August	29,518
21	2020	September	26,971
22	2020	October	23,799
23	2020	November	20,910
24	2020	December	18,635
25	2021	January	16,518
26	2021	February	15,257
27	2021	March	14,629
28	2021	April	14,588
29	2021	May	14,060
30	2021	June	14,048
31	2021	July	16,303
32	2021	August	19,498

33	2021	September	21,870
34	2021	October	24,777
35	2021	November	27,226
36	2021	December	29,399

Philadelphia Gas Works
Docket Nos. R-2022-3034229
P- 2022-3034264
Exhibit CAUSE-PA I-7
Page 1 of 1

ntial, Confirmed Low Income, Residential excluding

Confirmed Low Income	Residential excluding Confirmed Low Income Customers
41,146	7,226
40,820	7,279
40,765	7,358
40,734	7,444
40,271	7,582
39,203	7,544
38,294	7,543
37,625	7,659
36,745	7,560
35,692	7,364
34,752	7,186
34,054	7,117
34,109	6,843
33,949	6,837
33,814	6,894
33,507	6,802
32,540	6,598
30,281	6,063
27,688	5,418
24,804	4,714
22,783	4,188
20,246	3,553
17,818	3,092
15,855	2,780
14,176	2,342
13,045	2,212
12,401	2,228
12,124	2,464
11,509	2,551
11,341	2,707
12,411	3,892
13,828	5,670

14,585	7,285
15,699	9,078
16,654	10,572
17,691	11,708

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-9
Date of Response: 3/27/2023
Response Provided By: Joseph Greenberg

Question:

From January 2019 to February 28, 2023, disaggregated by month (as of the last day of each month), what was PGW's residential termination rate?

Attachments: 1

CAUSE-PA_Set_I_9_CAUSE-PA I-9.xlsx

Response:

PGW tracks non-payment residential terminations. Please see the attached exhibit which provides, by month, PGW's residential non-payment terminations. This data is provided in a manner consistent with the data provided for the PUC's Universal Service Program & Collections Performance reporting.

Philadelphia Gas Works
Docket Nos. R-2022-3034229
P- 2022-3034264
Exhibit CAUSE-PA I-9
Page 1 of 1**Total Residential Terminations**

Line	Year	Month	Number of Residential Terminations
1	2019	January	0
2	2019	February	0
3	2019	March	3
4	2019	April	7,110
5	2019	May	6,314
6	2019	June	4,294
7	2019	July	3,603
8	2019	August	3,314
9	2019	September	2,925
10	2019	October	1,227
11	2019	November	257
12	2019	December	1
13	2020	January	0
14	2020	February	0
15	2020	March	0
16	2020	April	0
17	2020	May	0
18	2020	June	0
19	2020	July	0
20	2020	August	0
21	2020	September	0
22	2020	October	0
23	2020	November	0
24	2020	December	0
25	2021	January	0
26	2021	February	0
27	2021	March	0
28	2021	April	0
29	2021	May	828
30	2021	June	3,492
31	2021	July	685
32	2021	August	3,649
33	2021	September	3,417

34	2021	October	2,841
35	2021	November	757
36	2021	December	0

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-10
Date of Response: 3/27/2023
Response Provided By: Joseph Greenberg

Question:

From January 2019 to February 28, 2023, disaggregated by month (as of the last day of each month), what was PGW's confirmed low income termination rate?

Attachments: 1

CAUSE-PA_Set_I_10_CAUSE-PA I-10.xlsx

Response:

PGW tracks non-payment terminations. Please see the attached exhibit which provides, by month, PGW's confirmed low income non-payment terminations. This data is provided in a manner consistent with the data provided for the PUC's Universal Service Program & Collections Performance reporting.

Philadelphia Gas Works
Docket Nos. R-2022-3034229
P- 2022-3034264
Exhibit CAUSE-PA I-10
Page 1 of 1**Total Low Income Terminations**

Line	Year	Month	Number of Low Income Terminations
1	2019	January	0
2	2019	February	0
3	2019	March	2
4	2019	April	4,453
5	2019	May	3,992
6	2019	June	2,868
7	2019	July	2,592
8	2019	August	2,510
9	2019	September	2,307
10	2019	October	1,000
11	2019	November	225
12	2019	December	0
13	2020	January	0
14	2020	February	0
15	2020	March	0
16	2020	April	0
17	2020	May	0
18	2020	June	0
19	2020	July	0
20	2020	August	0
21	2020	September	0
22	2020	October	0
23	2020	November	0
24	2020	December	0
25	2021	January	0
26	2021	February	0
27	2021	March	0
28	2021	April	0
29	2021	May	332
30	2021	June	1,379
31	2021	July	153
32	2021	August	1,272
33	2021	September	2,081
34	2021	October	1,858

35	2021	November	408
36	2021	December	0

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-11
Date of Response: 3/27/2023
Response Provided By: Joseph Greenberg

Question:

From January 2019 to February 28, 2023, disaggregated by month (as of the last day of each month), what was PGW's CAP customer termination rate?

Attachments: 1

CAUSE-PA_Set_I_11_CAUSE-PA I-11.xlsx

Response:

PGW tracks non-payment terminations. Please see the attached exhibit which provides, by month, PGW's CAP customer non-payment terminations.

Philadelphia Gas Works
Docket Nos. R-2022-3034229
P- 2022-3034264
Exhibit CAUSE-PA I-11
Page 1 of 1**Total CAP Customer Terminations**

Line	Year	Month	Number of CAP Terminations
1	2019	January	0
2	2019	February	0
3	2019	March	0
4	2019	April	533
5	2019	May	1,035
6	2019	June	377
7	2019	July	757
8	2019	August	409
9	2019	September	441
10	2019	October	270
11	2019	November	42
12	2019	December	0
13	2020	January	0
14	2020	February	0
15	2020	March	0
16	2020	April	0
17	2020	May	0
18	2020	June	0
19	2020	July	0
20	2020	August	0
21	2020	September	0
22	2020	October	0
23	2020	November	0
24	2020	December	0
25	2021	January	0
26	2021	February	0
27	2021	March	0
28	2021	April	0
29	2021	May	0
30	2021	June	0
31	2021	July	0
32	2021	August	205
33	2021	September	1,277
34	2021	October	896

35	2021	November	86
36	2021	December	0

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-12
Date of Response: 3/27/2023
Response Provided By: Joseph Greenberg

Question:

From January 2019 to February 28, 2023, disaggregated by month (as of the last day of each month), how many customers were terminated for non-payment in the following

- a. All Residential categories:
b. Residential, excluding Confirmed Low Income customers and CAP/CRP participants
c. Confirmed low income, excluding CAP/CRP participants
d. CAP/CRP participants

Attachments: 0

Response:

Please see PGW's response to CAUSE-PA I-9 for non-payment residential terminations. Please see PGW's response to CAUSE-PA I-10 for non-payment confirmed low income terminations. Please see PGW's response to CAUSE-PA I-11 for non-payment CRP terminations.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-14
Date of Response: 3/27/2023
Response Provided By: Dan Furtek

Question:

For each billing cycle for the past 10 years, what was the total WNA charge or credit to residential customers?

Attachments: 5

CAUSE-PA_Set_I_14_PGW WNA Annual Report - FY2018 - As Filed 01-10-19.pdf
CAUSE-PA_Set_I_14_PGW WNA Annual Report - FY2019 - As Filed 12-30-20.pdf
CAUSE-PA_Set_I_14_PGW WNA Annual Report - FY2020.pdf
CAUSE-PA_Set_I_14_PGW WNA Report for FY 2021 filed on 01-04-2022.pdf
CAUSE-PA_Set_I_14_PGW WNA Report for FY 2022 filed on 01-10-2023.pdf

Response:

PGW does not have this data broken out by billing cycle going back 10 years. Please see PGW's annual Weather Normalization Adjustment Report for Fiscal Years 2018 through 2022 which were posted to Docket No. R-2017-2586783.



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

Brandon J. Pierce, Esq.
Senior Attorney | Legal Department
Direct Dial: 215-684-6219
E-mail: Brandon.Pierce@pgworks.com

January 10, 2019

VIA E-FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

**Re: Pa. Public Utility Commission v. Philadelphia Gas Works
Docket No. R-2017-2586783**

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW"), enclosed please find PGW's annual Weather Normalization Adjustment ("WNA") Report for Fiscal Year 2018 (September 1, 2017 through August 31, 2018). This report is being filed as part of the parties' agreement to the Joint Petition for Partial Settlement, as approved without modification by the Commission on November 8, 2017. Please contact me with any questions.

Respectfully,



Brandon J. Pierce, Esquire

Enclosures

cc: Cert. of Service w/enc

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Weather Normalization Adjustment Report upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

VIA FIRST CLASS MAIL and EMAIL

Carrie Wright, Esq.
Erika L. McLain, Esq.
Bureau of Investigation and Enforcement
PA Public Utility Commission
Commonwealth Keystone Building
PO Box 3265
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265
carwright@pa.gov
ermclain@pa.gov

Harrison Breitman, Esq.
Darryl Lawrence, Esq.
Christy Appleby, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
hbreitman@paoca.org
dlawrence@paoca.org
cappleby@paoca.org

Sharon Webb, Esq.
Office of Small Business Advocate
Commerce Building
300 North Second Street, Suite 202
Harrisburg, PA 17101
swebb@pa.gov

Todd S. Stewart, Esq.
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
tsstewart@hmslegal.com

Patrick M. Cicero, Esq.
Elizabeth R. Marx, Esq.
Joline Price, Esq.
The Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net

Josie B. H. Pickens, Esq.
Robert W. Ballenger, Esq.
Jennifer Collins, Esq.
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102
jpickens@clsphila.org
rballenger@clsphila.org
jcollins@clsphila.org

Charis Mincavage, Esq.
Adeolu A. Bakare, Esq.
Alessandra L. Hylander, Esq.
McNees Wallace & Nurick, LLC
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166
cmincavage@mcneeslaw.com
abakare@mcneeslaw.com
ahylander@mcneeslaw.com



Brandon J. Pierce, Esquire

Dated: January 10, 2019

PGW Weather Normalization Adjustment (WNA) Annual Report

Docket No. R-2017-2586783

Fiscal Year 2018

	<u>Total WNA Charge (Credit)</u>	<u>Actual Heating Degree Days (Philadelphia International Airport)</u>
Fiscal Year 2018 (September 1, 2017 - August 31, 2018)*	(\$3,805,873.56)	4405

**PGW's new rates went into effect on December 1, 2017.*



Eckert Seamans Cherin & Mellott, LLC
213 Market Street
8th Floor
Harrisburg, PA 17101

TEL 717 237 6000
FAX 717 237 6019
www.eckertseamans.com

Daniel Clearfield
717.237.7173
dclearfield@eckertseamans.com

December 30, 2019

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: PA Public Utility Commission v. Philadelphia Gas Works - R-2017-2586783

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Philadelphia Gas Works' ("PGW") annual Weather Normalization Adjustment ("WNA") Report for Fiscal year 2019 (September 1, 2018 – August 31, 2019). This report is being filed pursuant to Paragraph 16 of the Joint Petition for Partial Settlement filed in the above-captioned docket, which was approved without modification by the Commission by Order entered on November 8, 2017. Copies of the filing are being served in accordance with the attached Certificate of Service.

Sincerely,

A handwritten signature in cursive script that reads "Daniel Clearfield".

Daniel Clearfield
DC/lww

Enclosure

cc: Certificate of Service w/enc.

PGW Weather Normalization Adjustment (WNA) Annual Report
Docket No. R-2017-2586783
Fiscal Year 2019

	<u>Total WNA Charge (Credit)</u>	<u>Actual Heating Degree Days</u> <u>(Philadelphia International</u> <u>Airport)</u>
Fiscal Year 2019 (September 1, 2018 – August 31, 2019)	\$1,595,837	4,362

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing PGW's Weather Normalization Adjustment Report upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via First Class Mail and Email

Carrie Wright, Esq.
Erika L. McLain, Esq.
Bureau of Investigation and Enforcement
PA Public Utility Commission
Commonwealth Keystone Building
PO Box 3265
400 North Street, 2nd Floor West
Harrisburg, PA 17105-3265
carwright@pa.gov
ermclain@pa.gov

Harrison Breitman, Esq.
Darryl Lawrence, Esq.
Christy Appleby, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
hbreitman@paoca.org
dlawrence@paoca.org
cappleby@paoca.org

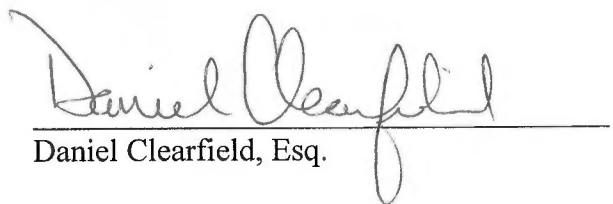
Sharon Webb, Esq.
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
swebb@pa.gov

Todd S. Stewart, Esq.
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
tsstewart@hmslegal.com

Elizabeth R. Marx, Esq.
Joline Price, Esq.
The Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net

Josie B. H. Pickens, Esq.
Robert W. Ballenger, Esq.
Jennifer Collins, Esq.
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102
jpickens@clsphila.org
rballenger@clsphila.org
jcollins@clsphila.org

Charis Mincavage, Esq.
Adelou A. Bakare, Esq.
McNees Wallace & Nurick, LLC
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166
cmincavage@mcneeslaw.com
abakare@mcneeslaw.com


Daniel Clearfield, Esq.

Dated: December 30, 2019



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

Craig Berry, Senior Attorney
Legal Department
Direct Dial: 215-684-6049
FAX: 215-684-6798
E-mail: craig.berry@pgworks.com

June 8, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

**Re: PA Public Utility Commission v. Philadelphia Gas Works,
Docket No. R-2017-2586783**

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works (“PGW”) enclosed please find PGW’s annual Weather Normalization Adjustment (“WNA”) Report for Fiscal Year 2020 (September 1, 2019 – August 31, 2020). This report is be filed in accordance with PGW Gas Service Tariff, Pa. P.U.C. No. 2. Due to an inadvertent administrative error it was not filed earlier. Please contact me if you have any questions.

Respectfully,

/s/ Craig W. Berry

Craig W. Berry, Esquire

Enclosure

cc: Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Weather Normalization Adjustment Report upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email

Carrie B. Wright, Esq.
Erika L. McLain, Esq.
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
400 North Street
Harrisburg, PA 17105-3265
carwright@pa.gov
ermclain@pa.gov

Harrison Breitman, Esq.
Daryl Lawrence, Esq.
Christy Appleby, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921
hbreitman@paoca.org
dlawrence@paoca.org
cappleby@paoca.org

Sharon Webb, Esq.
Office of Small Business Advocate
Forum Place Building
555 Walnut St., 1st Fl.
Harrisburg, PA 17101
swebb@pa.gov

Elizabeth R. Marx, Esq.
Joline Price, Esq.
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net

Josie B. H. Pickens, Esq.
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Jennifer Collins, Esq.
Community Legal Services, Inc.
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Philadelphia, PA 19140
jpickens@clsphila.org
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jcollins@clsphila.org

Charis Mincavage, Esq.
Adeolu Bakare, Esq.
McNees Wallace & Nurick
100 Pine Street
Harrisburg, PA 17101
cmincavage@mcneeslaw.com
abakare@mcneeslaw.com

Todd S. Stewart, Esq.
Hawke McKeon & Sniscak, LLP
100 North Tenth Street
Harrisburg, Pa 17101
tsstewart@hmslegal.com

Dated: June 8, 2021

/s/ Craig W. Berry
Craig W. Berry, Esq.

PGW Weather Normalization Adjustment (WNA) Annual Report

Docket No. R-2017-2586783

Fiscal Year 2020

	Total WNA Charge (Credit)	Actual Heating Degree Days (Philadelphia International Airport)
Fiscal Year 2020 (September 1, 2019 – August 31, 2020)	\$10,789,328	4,162



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

Craig Berry, Senior Attorney
Legal Department
Direct Dial: 215-684-6049
FAX: 215-684-6798
E-mail: craig.berry@pgworks.com

January 4, 2022

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: PA Public Utility Commission v. Philadelphia Gas Works, Docket No. R-2017-2586783

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works (“PGW”) enclosed please find PGW’s annual Weather Normalization Adjustment (“WNA”) Report for Fiscal Year 2021 (September 1, 2020 – August 31, 2021). This report is to be filed in accordance with PGW Gas Service Tariff, Pa. P.U.C. No. 2.

Please contact me if you have any questions.

Respectfully,

/s/ Craig W. Berry

Craig W. Berry, Esquire

Enclosure

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ermclain@pa.gov

Harrison Breitman, Esq.
Daryl Lawrence, Esq.
Christy Appleby, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921
hbreitman@paoca.org
dlawrence@paoca.org
cappleby@paoca.org

Sharon Webb, Esq.
Office of Small Business Advocate
Forum Place Building
555 Walnut St., 1st Fl.
Harrisburg, PA 17101
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118 Locust Street
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Dated: January 4, 2022

/s/ Craig W. Berry
Craig W. Berry, Esq.

PGW Weather Normalization Adjustment (WNA) Annual Report

Docket No. R-2017-2586783

Fiscal Year 2021

	Total WNA Charge (Credit)	Actual Heating Degree Days (Philadelphia International Airport)
Fiscal Year 2021 (September 1, 2020 – August 31, 2021)	\$11,761,938	4,108



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

Craig Berry, Senior Attorney
Legal Department
Direct Dial: 215-684-6049
FAX: 215-684-6798
E-mail: craig.berry@pgworks.com

January 10, 2023

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: PA Public Utility Commission v. Philadelphia Gas Works, Docket No. R-2017-2586783

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works (“PGW”) enclosed please find PGW’s annual Weather Normalization Adjustment (“WNA”) Report for Fiscal Year 2022 (September 1, 2021 – August 31, 2022). This report is to be filed in accordance with PGW Gas Service Tariff, Pa. P.U.C. No. 2.

Please contact me if you have any questions.

Respectfully,

/s/ Craig W. Berry

Craig W. Berry, Esquire

Enclosure

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Dated: January 10, 2023

/s/ Craig W. Berry
Craig W. Berry, Esq.

PGW Weather Normalization Adjustment (WNA) Annual Report

Docket No. R-2017-2586783

Fiscal Year 2022

	Total WNA Charge (Credit)	Actual Heating Degree Days (Philadelphia International Airport)
Fiscal Year 2022 (September 1, 2021 – August 31, 2022)	\$23,159,935	3,853

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-16
Date of Response: 3/27/2023
Response Provided By: Dan Furtek

Question:

From January 2019 to date, disaggregated by billing cycle, what was the average WNA charge or credit per customers bill?

Attachments: 1

CAUSE-PA_Set_I_16_Exhibit I-16.xlsx

Response:

Please see attachment I-16 which shows the average WNA charge for residential customers.

Revenue Month	Bill Cycle																						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
201901	\$6.32	\$3.89	\$3.03	\$4.98	\$7.34	\$8.60	\$8.34	\$9.12	\$7.67	\$8.47	\$8.61	\$7.51	\$5.93	\$5.54	\$6.49	\$7.34	\$5.09	\$5.11	\$5.07	\$2.37	\$3.69	\$6.47	\$16.75
201902	\$11.35	\$5.01	\$4.93	\$4.93	\$5.03	\$5.25	\$4.78	\$4.36	\$3.71	\$3.81	\$3.02	\$1.21	\$1.10	\$2.04	\$1.54	\$0.44	\$0.99	\$0.67	\$0.96	\$0.74	\$2.09		\$2.45
201903	\$8.83	\$2.79	\$2.47	\$1.87	\$2.16	\$1.89	\$1.86	\$1.93	\$1.73	\$1.83	\$1.91	\$2.04	\$2.75	\$1.66	\$1.32	\$1.50	\$1.46	\$1.92	\$1.85	\$2.07	\$1.02	\$0.30	
201904	\$6.39	\$1.22	\$1.70	\$0.67	\$0.83	\$2.06	\$3.27	\$3.46	\$3.48	\$4.04	\$4.95	\$5.48	\$5.24	\$7.27	\$10.03	\$10.93	\$10.20	\$13.12	\$12.60	\$13.18	\$12.44	\$3.44	\$38.77
201905	\$11.07	\$12.02	\$11.48	\$14.95	\$18.99	\$15.75	\$12.14	\$11.29	\$8.36	\$6.92	\$5.48	\$5.41	\$5.13	\$6.02	\$3.76	\$3.03	\$2.32	\$2.08	\$2.06	\$2.73	\$2.11	\$4.13	\$7.27
201906	\$16.13	\$1.66	\$1.63	\$0.96	\$0.89	\$0.87	\$0.47	\$19.89	\$3.92	\$8.69	\$20.27	\$16.35	\$12.64	\$6.69	\$3.85	\$2.62	\$1.51	\$1.07	\$1.81	\$5.26	\$5.89	\$10.59	\$9.33
201907	\$9.53	\$4.79	\$4.64	\$4.94	\$5.39	\$5.18	\$128.33	\$11.13	\$8.10	\$8.96	\$10.16	\$9.01	\$6.47	\$7.79	\$9.32	\$2.71	\$4.11	\$4.80	\$2.34	\$2.70	\$9.30		
201908	\$7.32	\$19.15	\$154.72	\$9.32	\$3.57	\$7.82	\$5.47	\$8.67	\$2.94	\$4.50	\$13.13	\$7.63	\$0.90	\$4.20	\$3.05	\$3.06	\$7.05	\$1.06	\$0.70	\$10.82	\$2.20		
201909	\$8.96	\$1.73	\$4.78	\$8.23	\$5.81	\$3.95	\$3.54	\$5.75	\$5.29	\$6.81	\$2.10	\$1.78	\$2.83		\$25.47		\$9.75	\$6.20		\$3.39			
201910	\$8.51	\$0.27	\$0.70	\$0.39	\$0.50	\$0.47	\$0.23	\$0.33	\$0.38	\$0.70	\$0.94	\$0.82	\$0.61	\$0.75	\$0.63	\$1.02	\$1.22	\$1.62	\$1.49	\$3.08	\$3.47	\$0.64	\$16.18
201911	\$4.57	\$3.72	\$2.99	\$2.87	\$3.27	\$3.14	\$3.18	\$1.71	\$0.26	\$2.01	\$2.22	\$2.46	\$2.21	\$2.13	\$2.86	\$3.39	\$2.70	\$3.11	\$3.53	\$3.29	\$2.62		
201912	\$4.50	\$2.87	\$2.04	\$2.95	\$1.21	\$2.35	\$1.18	\$1.55	\$1.96	\$2.54	\$1.11	\$0.96	\$0.39	\$0.55	\$0.54	\$2.02	\$4.21	\$0.42	\$1.08	\$1.83	\$1.58		
202001	\$5.81	\$0.06	\$1.75	\$2.62	\$3.05	\$2.06	\$2.15	\$5.17	\$6.24	\$8.82	\$9.86	\$8.35	\$7.59	\$9.21	\$10.70	\$12.66	\$15.28	\$17.56	\$16.41	\$15.53	\$15.03	\$7.34	\$71.57
202002	\$11.72	\$13.92	\$13.39	\$16.19	\$19.03	\$21.88	\$20.83	\$16.43	\$16.58	\$16.06	\$17.89	\$18.21	\$16.55	\$17.21	\$17.59	\$17.81	\$15.28	\$15.58	\$14.63	\$13.78	\$14.15	\$13.74	\$71.93
202003	\$12.71	\$9.92	\$9.61	\$10.52	\$11.36	\$11.09	\$9.24	\$8.37	\$9.26	\$10.73	\$10.00	\$9.28	\$9.25	\$13.06	\$11.40	\$11.57	\$9.78	\$10.79	\$11.38	\$13.05	\$10.97	\$8.59	\$51.76
202004	\$10.44	\$7.50	\$7.11	\$10.00	\$10.15	\$10.10	\$9.19	\$7.72	\$5.85	\$5.14	\$3.99	\$2.25	\$5.13	\$6.54	\$5.95	\$5.88	\$6.04	\$5.28	\$5.15	\$5.54	\$4.91	\$4.05	
202005	\$8.65	\$4.68	\$4.52	\$4.19	\$5.81	\$5.66	\$3.48	\$3.58	\$4.96	\$3.01	\$2.31	\$5.07	\$2.84	\$1.91	\$9.44	\$3.31	\$1.01	\$1.49	\$0.94	\$1.38	\$2.97		
202006	\$5.38	\$1.24	\$5.11	\$3.17	\$4.16	\$3.59	\$5.63	\$2.92	\$2.10	\$0.06	\$0.09	\$0.75	\$1.18	\$0.51	\$0.84	\$0.80	\$0.24	\$0.43	\$0.38	\$0.42	\$0.68		\$1.17
202007	\$5.73	\$0.42	\$0.74	\$0.51	\$1.50	\$1.75	\$0.72	\$0.55	\$1.62	\$1.05	\$0.95	\$0.87	\$1.07	\$1.17	\$2.19	\$0.32	\$14.74	\$1.98	\$0.20	\$6.91	\$2.02		
202008	\$4.29	\$9.19		\$0.91	\$9.93	\$1.85	\$6.89	\$7.35		\$0.16	\$4.55	\$3.18	\$1.14		\$3.35			\$6.59		\$2.00			
202009	\$9.72	\$63.64	\$1.34	\$18.46		\$0.02		\$6.79		\$3.14	\$4.03	\$16.24	\$11.94			\$0.67	\$18.99		\$1.48				
202010	\$7.51	\$0.31	\$0.13	\$0.04	\$0.33	\$0.95	\$0.21	\$0.78	\$0.58	\$0.88	\$2.38	\$1.64	\$0.65	\$0.95	\$1.76	\$2.44	\$2.71	\$3.17	\$3.43	\$4.50	\$4.73		\$146.76
202011	\$6.04	\$1.85	\$2.16	\$2.86	\$3.26	\$4.07	\$6.07	\$7.43	\$8.19	\$8.34	\$7.58	\$6.41	\$6.76	\$6.46	\$7.92	\$6.27	\$7.52	\$8.45	\$9.91	\$9.20	\$5.31	\$140.85	
202012	\$6.66	\$9.69	\$9.85	\$10.76	\$11.38	\$10.81	\$7.33	\$6.29	\$6.05	\$5.85	\$5.04	\$4.14	\$3.92	\$4.07	\$3.55	\$1.25	\$1.82	\$1.05	\$2.17	\$4.34	\$4.99	\$4.55	\$26.14
202101	\$5.90	\$4.02	\$2.48	\$0.80	\$0.83	\$0.67	\$2.12	\$2.12	\$2.51	\$2.51	\$3.69	\$4.44	\$5.18	\$7.38	\$7.01	\$8.00	\$7.43	\$8.29	\$7.52	\$5.45	\$4.05		\$27.49
202102	\$5.94	\$2.84	\$3.10	\$2.28	\$2.39	\$2.41	\$2.16	\$1.51	\$0.26	\$2.95	\$2.63	\$3.11	\$2.38	\$2.71	\$2.97	\$6.82	\$3.12	\$2.37	\$2.38	\$2.33	\$2.42	\$0.12	
202103	\$5.12	\$2.70	\$1.81	\$2.05	\$1.90	\$1.69	\$2.91	\$2.76	\$2.43	\$2.66	\$1.56	\$0.06	\$3.10	\$4.01	\$4.14	\$5.03	\$6.16	\$8.00	\$8.46	\$9.79	\$8.49		\$31.89
202104	\$9.83	\$7.67	\$9.53	\$11.26	\$11.91	\$11.14	\$8.64	\$9.11	\$9.36	\$9.59	\$9.28	\$9.26	\$7.28	\$6.60	\$5.25	\$4.25	\$2.97	\$2.04	\$2.39	\$1.51	\$2.00	\$7.89	\$15.05
202105	\$7.39	\$2.04	\$1.28	\$0.84	\$2.77	\$3.72	\$4.65	\$3.54	\$2.98	\$2.47	\$2.41	\$2.15	\$2.44	\$0.80	\$1.92	\$2.85	\$2.07	\$1.58	\$0.75	\$0.94	\$0.86		\$11.42
202106	\$9.31	\$2.87	\$1.48	\$1.47	\$3.94	\$2.62	\$2.49	\$2.49	\$2.70	\$3.43	\$1.96	\$2.26	\$1.75	\$2.77	\$2.42	\$2.15	\$2.93	\$0.78	\$1.74	\$6.25	\$3.40		
202107	\$5.46	\$7.73	\$1.77	\$1.78	\$3.59	\$23.75	\$2.61	\$3.53	\$1.63	\$3.87	\$1.24	\$2.60	\$2.77	\$0.73	\$0.89	\$7.85	\$4.60	\$3.72	\$2.46	\$3.62			
202108	\$4.83	\$4.04	\$0.65	\$2.52	\$2.08	\$5.56	\$1.83	\$8.93	\$6.12	\$4.42		\$5.99	\$4.10	\$4.61	\$1.44	\$4.37	\$1.32	\$0.78	\$3.56	\$3.41	\$0.70		
202109	\$5.15	\$0.91	\$4.88	\$9.50	\$4.85	\$4.33	\$2.40	\$3.96	\$0.71	\$3.10	\$1.30	\$6.25	\$1.84	\$1.04	\$2.94	\$2.32	\$5.12	\$2.49		\$8.43	\$3.04		
202110	\$5.43	\$0.13	\$0.25	\$0.52	\$0.93	\$1.41	\$3.06	\$4.21	\$4.84	\$6.37	\$8.38	\$4.62	\$3.52	\$5.00	\$6.38	\$6.98	\$6.43	\$7.24	\$7.16	\$8.69	\$8.45	\$3.47	\$27.68
202111	\$7.64	\$6.15	\$5.11	\$5.90	\$6.04	\$5.79	\$4.87	\$4.50	\$4.98	\$4.52	\$3.66	\$3.20	\$3.72	\$3.37	\$2.45	\$1.93	\$0.42	\$3.34	\$1.38	\$3.23	\$2.94	\$3.88	\$8.09
202112	\$7.57	\$2.80	\$0.28	\$1.05	\$2.23	\$2.64	\$1.87	\$3.54	\$2.79	\$4.79	\$7.71	\$8.81	\$7.14	\$8.27	\$8.60	\$11.31	\$11.97	\$14.51	\$15.75	\$19.69	\$20.58	\$4.32	\$38.10
202201	\$10.72	\$15.51	\$14.08	\$16.30	\$16.95	\$16.46	\$14.12	\$11.05	\$10.68	\$11.13	\$10.43	\$8.04	\$6.03	\$6.40	\$6.78	\$4.34	\$2.90	\$1.73	\$4.07	\$8.27	\$6.84	\$10.50	\$11.98
202202	\$8.32	\$6.14	\$7.77	\$6.75	\$6.79	\$6.54	\$7.62	\$5.42	\$0.51	\$3.54	\$6.13	\$1.79	\$3.71	\$5.80	\$7.16	\$8.40	\$8.15	\$8.60	\$10.80	\$13.33	\$12.95		\$26.31
202203	\$11.47	\$12.85	\$12.18	\$14.96	\$16.10	\$15.91	\$11.53	\$10.56	\$10.80	\$13.78	\$15.92	\$16.84	\$15.15	\$15.80	\$13.91	\$15.80	\$12.01	\$11.27	\$10.49	\$11.30	\$11.19	\$11.47	\$44.29
202204	\$12.73	\$4.92	\$5.00	\$6.90	\$8.40	\$7.15	\$8.94	\$8.58	\$8.24	\$6.05	\$3.16	\$6.06	\$7.06	\$7.94	\$6.62	\$7.95	\$6.67	\$6.22	\$7.02	\$6.01	\$6.22	\$10.42	\$583.94
202205	\$44.36	\$3.29	\$4.53	\$4.99	\$4.34	\$6.26	\$8.35	\$5.15	\$17.59	\$11.89	\$9.68	\$6.40	\$0.77	\$0.94	\$2.17	\$1.41	\$2.41	\$4.42	\$5.73	\$6.20	\$15.43		\$19.40
202206	\$66.18	\$4.56	\$2.93	\$5.47	\$66.34	\$74.62	\$127.49	\$95.37	\$89.86	\$75.31	\$47.70	\$34.54	\$25.39	\$23.26	\$8.60	\$7.89	\$3.54	\$107.12	\$6.71	\$33.35	\$28.22	\$7.31	\$22.03
202207	\$77.70	\$30.03	\$30.08	\$26.00	\$42.28	\$128.92	\$37.93	\$42.45	\$23.72	\$26.03	\$20.54	\$17.31	\$17.07	\$7.14	\$8.09	\$6.95	\$3.97	\$10.54	\$12.69	\$49.75	\$13.77		
202208	\$12.36	\$29.65	\$59.69	\$2.93	\$19.89	\$25.08	\$9.95	\$37.54	\$16.60	\$7.83	\$9.57	\$44.89	\$63.55	\$92.27	\$16.65	\$9.85	\$65.37	\$1.32	\$7.45	\$8.73	\$25.29		
202209	\$24.75	\$1.70	\$0.20	\$13.28	\$33.04		\$21.94	\$7.36	\$1.03	\$6.16	\$13.55	\$0.79	\$1.96	\$8.64	\$333.12	\$18.30		\$1.54	\$15.04	\$6.66			
202210	\$12.68	\$2.40	\$43.71		\$0.81	\$4.47	\$6.65	\$27.15	\$1.75	\$2.44	\$1.83	\$1.37	\$0.90	\$0.08	\$8.33		\$0.44	\$1.41	\$3.38	\$2.19	\$1.64		
202211	\$8.67	\$0.40	\$1.77	\$2.79	\$3.16	\$3.68	\$7.93	\$7.16	\$6.92	\$7.78	\$11.21	\$8.48	\$8.13	\$9.45	\$9.20	\$7.71	\$6.69	\$6.46	\$5.92	\$6.87	\$6.44	\$10.58	\$19.77
202212	\$8.96	\$4.95	\$3.49	\$3.14	\$3.30	\$2.96	\$0.31	\$1.09	\$1.33	\$0.36	\$2.85	\$3.42	\$2.96	\$2.98	\$2.39	\$2.07	\$1.68	\$1.74	\$2.07	\$3.17	\$1.66		
202301	\$9.33	\$1.58	\$0.24	\$3.03	\$5.03	\$5.75	\$5.47	\$4.31	\$4.14	\$5.91	\$7.69	\$9.54	\$10.41	\$11.53	\$12.80	\$16.46	\$17.33	\$19.98	\$25.97	\$29.34	\$31.45	\$8.56	\$71.12
202302	\$20.43	\$25.69	\$21.01	\$22.73	\$21.81	\$21.31	\$18.24	\$18.40	\$19.53	\$22.00	\$25.03	\$23.34	\$21.70	\$24.94	\$24.78	\$25.09	\$23.86	\$23.91	\$22.83	\$23.95	\$19.22	\$26.61	\$59.09
202303	\$21.82	\$16.73	\$16.77	\$22.86	\$25.72	\$25.36	\$23.11	\$20.40	\$17.71	\$16.82	\$14.00	\$12.12	\$10.04	\$8.10	\$6.52						\$10.54		

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-17
Date of Response: 3/27/2023
Response Provided By: Dan Furtek

Question:

From January 2019 to date, disaggregated by billing cycle, how many customers received a WNA charge at the following levels?

- a. \$0-20
- b. \$20-40
- c. \$40-60
- d. \$60-80
- e. \$80-100
- f. over \$100

Attachments: 1

CAUSE-PA_Set_I_17_Exhibit I-17.xlsx

Response:

Please see attachment I-17 which shows the amount of residential customers who received a WNA charge at the respective levels.

Revenue Month	Charge						Credit					
	\$0-20	\$20-40	\$40-60	\$60-80	\$80-100	over \$100	\$0-20	\$20-40	\$40-60	\$60-80	\$80-100	over \$100
201901	369,090	6,899	272	35	9	17	5,443	270	26	6	2	1
201902	190,271	72	9	4	4	13	154,652	199	10	4		5
201903	46,869	19	6	2	1	5	341,268	1,666	83	26	11	25
201904	298,597	19,762	2,308	481	136	155	80,174	114	12	3	2	4
201905	340,533	23,602	4,959	1,385	451	410	1,157	5	3			2
201906	234,792	9,813	2,546	848	403	578	47,646	17	4	1		3
201907	2,037	126	34	11	7	16	767	7				1
201908	362	26	10		1	5	99	4	1			
201909	165	8	3	6	1	2	50			1		3
201910	302,177	492	47	11	2	24	176	4	2		1	
201911	147,208	797	60	7	1	13	250,783	3,239	229	46	18	13
201912	1,130	15	3		4		403,272	17,067	1,003	116	26	28
202001	377,006	38,521	3,502	633	164	120	4,687	52	5	2		1
202002	299,608	111,511	14,131	2,410	547	257	324			1		
202003	384,649	41,123	3,042	435	96	97	253	1	2			1
202004	218,146	9,849	612	79	19	21	166,773	2,625	172	40	8	13
202005	1,476	56	9	5	3	4	368,906	37,756	4,803	936	238	142
202006	85,062	49	9	3	2	8	235,694	1,704	143	29	10	15
202007	922	33	4		1	2	1,686	10	2			3
202008	141	15	2	2			156	1		1		1
202009	83	9	5			5	81	6			1	
202010	157,269	1,991	212	52	17	39	189,476	11	4	8	2	12
202011	413,165	17,752	1,438	266	59	70	1,247	1	2			
202012	361,255	12,763	919	144	27	30	27,519	3				1
202101	308,751	4,051	200	37	14	25	25,829	2				1
202102	178,329	248	51	14	4	10	254,423	2,602	94	11	9	12
202103	228,244	5,333	383	93	24	32	172,069	341	11	1	3	8
202104	419,795	23,394	1,965	311	61	114	1,252	3				1
202105	183,307	302	37	7	10	37	228,934	139	14	8	6	26
202106	2,461	73	40	16	3	11	310,635	146	9	12	9	39
202107	384	32	3	3		4	2,481	4		1		3
202108	284	23	6	1	3	1	236	1				
202109	174	18	4	1		2	119					1
202110	305,882	10,987	2,257	721	296	384	376	1				
202111	329,600	5,175	529	101	35	46	74,008	28		1		2
202112	377,350	40,697	4,660	960	350	246	28,388	4				1
202201	335,256	42,497	4,041	641	149	95	74,974	308	19			4
202202	249,576	12,517	1,008	200	76	59	106,905	108	1	3	1	2
202203	368,934	78,850	8,160	1,419	346	202	963					
202204	213,569	7,046	418	72	22	27	227,520	105	4	7	3	8
202205	191,267	1,198	197	67	42	118	211,496	589	26	13	3	17
202206	162,449	32,692	19,423	12,310	8,647	25,392	1,196	2		1		
202207	1,512	283	137	83	67	175	143	2				
202208	299	43	24	23	4	21	57					
202209	175	35	11	8	4	13	52					
202210	865	36	14	5	4	11	384,379	730	35	9	3	27
202211	402,122	21,215	2,403	459	94	104	4,563	11	3			5
202212	262,410	614	72	21	6	15	145,284	521	33	7		3
202301	341,207	64,994	15,961	3,633	1,183	1,076	29,569	52	3			2
202302	234,626	167,761	41,624	8,963	2,512	1,628	337				1	
202303	216,482	73,654	15,930	3,327	864	477	602					

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-19
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

Please explain what effect, if any, the WNA affects the volumetric charge assessed to customers

Attachments: 0

Response:

A customer's WNA charge is affected by their usage. Please see PGW's WNA formula, where Total Usage is a component of the WNA calculation.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set I-21
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

Please explain what effect, if any, the WNA has on the amount charged to CAP customers?

Attachments: 0


Response:

CAP customers are charged a fixed amount each month, based on their income. Customers pay a specific energy burden identified by the PUC as affordable, or, if their average bill is lower than the energy budget, they pay that average amount. The average amount would include WNA charges.

VERIFICATION

I, Denise Adamucci, hereby state that: (1) I am the Senior Vice President for Customer & Regulatory Affairs for Philadelphia Gas Works (“PGW”); (2) the facts set forth in the attached discovery responses which I am sponsoring are true and correct to the best of my knowledge, information and belief; and (3) I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: March 27, 2023



Denise Adamucci
Senior Vice President for Customer & Regulatory Affairs
Philadelphia Gas Works

Philadelphia Gas Works
PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264
Response to Discovery Request: OCA Set I-5
Response Provided By: Michael Artuso
Date of Response: 3/14/23

Supplement No. 152 to Gas Service Tariff- Pa. P.U.C. of Philadelphia Gas Works Docket No. R-2022-3034229 Petition of Philadelphia Gas Works for Approval on Less than Statutory Notice Of Tariff Supplement Revising Weather Normalization Adjustment Docket No. P-2022-3034264

QUESTION:

Reference the Table on p.3 of Petition of Philadelphia Gas Works for Emergency Order. Provide the same information for all of the Company's billing cycles in Fiscal Year 2022, plus the number of customers (by tariff subdivision) on each cycle by start and end dates, and length of the billing cycle.

RESPONSE:

Please see the attached exhibit which expands upon the Table on p.3 of Petition of Philadelphia Gas Works for Emergency Order for all billing cycles in Fiscal Year 2022. The Table data in the Petition were approximate average impacts.

Due to data limitations, this response provides bill cycle dates. Customers within billing cycles may have various usage dates due to, for example but not limited to, make-up billing. Additionally, the WNA charges exclude certain bills, such as but not limited to cancelled bills.

Bill Cycle Schedule

1	2	3	4	5	6	7	8	9	10
9/3/2021	9/7/2021	9/8/2021	9/9/2021	9/10/2021	9/13/2021	9/14/2021	9/15/2021	9/16/2021	9/17/2021
10/5/2021	10/6/2021	10/7/2021	10/8/2021	10/11/2021	10/12/2021	10/13/2021	10/14/2021	10/15/2021	10/18/2021
11/3/2021	11/4/2021	11/5/2021	11/8/2021	11/9/2021	11/10/2021	11/12/2021	11/15/2021	11/16/2021	11/17/2021
12/6/2021	12/7/2021	12/8/2021	12/9/2021	12/10/2021	12/13/2021	12/14/2021	12/15/2021	12/16/2021	12/17/2021
1/6/2022	1/7/2022	1/10/2022	1/11/2022	1/12/2022	1/13/2022	1/14/2022	1/18/2022	1/19/2022	1/20/2022
2/4/2022	2/7/2022	2/8/2022	2/9/2022	2/10/2022	2/11/2022	2/14/2022	2/15/2022	2/16/2022	2/17/2022
3/8/2022	3/9/2022	3/10/2022	3/11/2022	3/14/2022	3/15/2022	3/16/2022	3/17/2022	3/18/2022	3/21/2022
4/6/2022	4/7/2022	4/8/2022	4/11/2022	4/12/2022	4/13/2022	4/14/2022	4/18/2022	4/19/2022	4/20/2022
5/5/2022	5/6/2022	5/9/2022	5/10/2022	5/11/2022	5/12/2022	5/13/2022	5/16/2022	5/17/2022	5/18/2022
6/6/2022	6/7/2022	6/8/2022	6/9/2022	6/10/2022	6/13/2022	6/14/2022	6/15/2022	6/16/2022	6/17/2022
7/6/2022	7/7/2022	7/8/2022	7/11/2022	7/12/2022	7/13/2022	7/14/2022	7/15/2022	7/18/2022	7/19/2022
8/4/2022	8/5/2022	8/8/2022	8/9/2022	8/10/2022	8/11/2022	8/12/2022	8/15/2022	8/16/2022	8/17/2022
11	12	13	14	15	16	17	18	19	20
9/20/2021	9/21/2021	9/22/2021	9/23/2021	9/24/2021	9/27/2021	9/28/2021	9/29/2021	9/30/2021	10/1/2021
10/19/2021	10/20/2021	10/21/2021	10/22/2021	10/25/2021	10/26/2021	10/27/2021	10/28/2021	10/29/2021	11/1/2021
11/18/2021	11/19/2021	11/22/2021	11/23/2021	11/24/2021	11/26/2021	11/29/2021	11/30/2021	12/1/2021	12/2/2021
12/20/2021	12/21/2021	12/22/2021	12/27/2021	12/28/2021	12/29/2021	12/30/2021	12/31/2021	1/4/2021	1/5/2021
1/21/2022	1/24/2022	1/25/2022	1/26/2022	1/27/2022	1/28/2022	1/31/2022	2/1/2022	2/2/2022	2/3/2022
2/18/2022	2/22/2022	2/23/2022	2/24/2022	2/25/2022	2/28/2022	3/1/2022	3/2/2022	3/3/2022	3/4/2022
3/22/2022	3/23/2022	3/24/2022	3/25/2022	3/28/2022	3/29/2022	3/30/2022	3/31/2022	4/1/2022	4/4/2022
4/21/2022	4/22/2022	4/25/2022	4/26/2022	4/27/2022	4/28/2022	4/29/2022	5/2/2022	5/3/2022	5/4/2022
5/19/2022	5/20/2022	5/23/2022	5/24/2022	5/25/2022	5/26/2022	5/27/2022	5/31/2022	6/1/2022	6/2/2022
6/20/2022	6/21/2022	6/22/2022	6/23/2022	6/24/2022	6/27/2022	6/28/2022	6/29/2022	6/30/2022	7/1/2022
7/20/2022	7/21/2022	7/22/2022	7/25/2022	7/26/2022	7/27/2022	7/28/2022	7/28/2022	8/1/2022	8/2/2022
8/18/2022	8/19/2022	8/22/2022	8/23/2022	8/24/2022	8/25/2022	8/26/2022	8/29/2022	8/30/2022	8/31/2022

Customer Class	Revenue Month	Bill Cycle	WNA Billings	Customer Service Agreements ("SA")	Average Impact per Customer SA
Commercial	September 2021	01	\$0	1,681	\$0.00
		02	\$0	1,158	\$0.00
		03	\$0	930	\$0.00
		04	\$0	634	\$0.00
		05	\$7	723	\$0.01
		06	\$0	1,186	\$0.00
		07	\$0	1,109	\$0.00
		08	\$0	686	\$0.00
		09	\$0	862	\$0.00
		10	\$0	1,085	\$0.00
		11	\$0	1,280	\$0.00
		12	\$1	1,046	\$0.00
		13	\$536	697	\$0.77
		14	\$0	917	\$0.00
		15	\$0	972	\$0.00
		16	\$0	828	\$0.00
		17	\$13	1,157	\$0.01
		18	\$0	1,318	\$0.00
		19	(\$0)	1,636	(\$0.00)
		20	\$6	1,288	\$0.00
		21	\$0	899	\$0.00
		22	\$476	2,685	\$0.18
		23	\$0	346	\$0.00
	October 2021	01	\$563	1,665	\$0.34
		02	\$4,790	1,130	\$4.24
		03	\$1,533	915	\$1.68
		04	\$1,113	640	\$1.74
		05	\$2,421	753	\$3.22
		06	\$8,909	1,197	\$7.44
		07	\$11,359	1,095	\$10.37
		08	\$4,672	673	\$6.94
		09	\$13,771	860	\$16.01
		10	\$19,069	1,092	\$17.46
		11	\$13,830	1,301	\$10.63
		12	\$7,560	1,033	\$7.32
		13	\$8,179	698	\$11.72
		14	\$17,368	909	\$19.11
		15	\$22,125	966	\$22.90
		16	\$15,970	840	\$19.01
		17	\$20,399	1,150	\$17.74
		18	\$21,626	1,332	\$16.24
		19	\$48,660	1,644	\$29.60
		20	\$64,147	1,299	\$49.38
21		\$47,252	900	\$52.50	
22		\$326,339	2,676	\$121.95	
23		\$1,350	331	\$4.08	
November 2021	01	\$37,517	1,668	\$22.49	
	02	\$17,301	1,163	\$14.88	
	03	\$12,024	906	\$13.27	
	04	\$5,482	630	\$8.70	
	05	\$8,085	761	\$10.62	
	06	\$10,387	1,190	\$8.73	
	07	\$9,157	1,099	\$8.33	
	08	\$5,752	676	\$8.51	
	09	\$8,043	872	\$9.22	
	10	\$7,467	1,093	\$6.83	
	11	\$8,490	1,287	\$6.60	
	12	\$6,337	1,043	\$6.08	
	13	\$4,284	690	\$6.21	
	14	\$3,748	911	\$4.11	
	15	\$4,195	1,006	\$4.17	
	16	\$602	829	\$0.73	
	17	\$386	1,151	\$0.34	

	18	(\$1,475)	1,349	(\$1.09)
	19	(\$6,887)	1,649	(\$4.18)
	20	(\$9,745)	1,302	(\$7.48)
	21	\$39,310	895	\$43.92
	22	\$668	2,674	\$0.25
	23	\$0	332	\$0.00
December 2021	01	(\$4,500)	1,682	(\$2.68)
	02	\$742	1,179	\$0.63
	03	\$2,231	942	\$2.37
	04	\$2,237	655	\$3.42
	05	\$3,729	770	\$4.84
	06	\$4,718	1,212	\$3.89
	07	\$7,594	1,107	\$6.86
	08	\$3,001	686	\$4.37
	09	\$8,248	874	\$9.44
	10	\$13,864	1,118	\$12.40
	11	\$26,715	1,304	\$20.49
	12	\$11,720	1,059	\$11.07
	13	\$10,492	703	\$14.92
	14	\$13,861	923	\$15.02
	15	\$26,466	984	\$26.90
	16	\$20,435	848	\$24.10
	17	\$35,267	1,164	\$30.30
	18	\$37,454	1,353	\$27.68
	19	\$79,064	1,653	\$47.83
	20	\$83,675	1,298	\$64.46
	21	\$43,274	897	\$48.24
	22	\$337,356	2,687	\$125.55
	23	\$898	324	\$2.77
January 2022	01	\$73,501	1,697	\$43.31
	02	\$45,238	1,183	\$38.24
	03	\$38,555	934	\$41.28
	04	\$19,438	669	\$29.05
	05	\$25,922	776	\$33.40
	06	\$34,102	1,223	\$27.88
	07	\$23,750	1,115	\$21.30
	08	\$12,241	695	\$17.61
	09	\$20,588	875	\$23.53
	10	\$16,956	1,122	\$15.11
	11	\$25,535	1,319	\$19.36
	12	\$9,941	1,048	\$9.49
	13	\$8,731	711	\$12.28
	14	\$10,591	929	\$11.40
	15	\$9,311	988	\$9.42
	16	\$5,069	852	\$5.95
	17	\$3,918	1,174	\$3.34
	18	(\$1,093)	1,358	(\$0.80)
	19	(\$11,142)	1,662	(\$6.70)
	20	(\$21,849)	1,307	(\$16.72)
	21	\$106,364	897	\$118.58
	22	\$91,246	2,688	\$33.95
	23	\$426	334	\$1.28
February 2022	01	(\$15,878)	1,713	(\$9.27)
	02	(\$9,869)	1,191	(\$8.29)
	03	(\$10,377)	949	(\$10.93)
	04	(\$4,789)	666	(\$7.19)
	05	(\$2,682)	770	(\$3.48)
	06	\$280	1,229	\$0.23
	07	\$148	1,112	\$0.13
	08	\$436	695	\$0.63
	09	\$430	890	\$0.48
	10	(\$16)	1,118	(\$0.01)
	11	\$5,684	1,329	\$4.28
	12	\$6,079	1,059	\$5.74
	13	\$7,787	697	\$11.17

	14	\$11,084	933	\$11.88
	15	\$19,048	982	\$19.40
	16	\$13,490	843	\$16.00
	17	\$22,124	1,185	\$18.67
	18	\$24,575	1,355	\$18.14
	19	\$49,922	1,659	\$30.09
	20	\$58,153	1,304	\$44.60
	21	\$518	898	\$0.58
	22	\$211,666	2,691	\$78.66
	23	\$829	338	\$2.45
March 2022	01	\$61,340	1,711	\$35.85
	02	\$40,402	1,177	\$34.33
	03	\$37,196	936	\$39.74
	04	\$18,650	661	\$28.21
	05	\$24,182	768	\$31.49
	06	\$27,515	1,231	\$22.35
	07	\$23,239	1,120	\$20.75
	08	\$12,857	692	\$18.58
	09	\$25,703	895	\$28.72
	10	\$24,716	1,113	\$22.21
	11	\$56,447	1,329	\$42.47
	12	\$26,188	1,047	\$25.01
	13	\$21,893	709	\$30.88
	14	\$21,660	925	\$23.42
	15	\$37,955	979	\$38.77
	16	\$21,233	850	\$24.98
	17	\$29,611	1,171	\$25.29
	18	\$22,213	1,351	\$16.44
	19	\$43,853	1,669	\$26.27
	20	\$54,559	1,317	\$41.43
	21	\$108,631	896	\$121.24
	22	\$374,368	2,697	\$138.81
	23	\$1,383	340	\$4.07
April 2022	01	\$22,345	1,686	\$13.25
	02	\$18,636	1,179	\$15.81
	03	\$16,899	951	\$17.77
	04	\$9,646	666	\$14.48
	05	\$10,564	764	\$13.83
	06	\$22,005	1,252	\$17.58
	07	\$18,896	1,121	\$16.86
	08	\$10,019	697	\$14.38
	09	\$11,052	885	\$12.49
	10	\$4,846	1,123	\$4.31
	11	(\$4,212)	1,312	(\$3.21)
	12	(\$4,348)	1,053	(\$4.13)
	13	(\$3,636)	712	(\$5.11)
	14	(\$4,768)	937	(\$5.09)
	15	(\$8,352)	990	(\$8.44)
	16	(\$3,093)	842	(\$3.67)
	17	(\$2,169)	1,167	(\$1.86)
	18	(\$858)	1,346	(\$0.64)
	19	(\$6,874)	1,654	(\$4.16)
	20	(\$7,950)	1,307	(\$6.08)
	21	\$109,807	902	\$121.74
	22	(\$36,683)	2,666	(\$13.76)
	23	(\$127)	314	(\$0.41)
May 2022	01	(\$4,438)	1,721	(\$2.58)
	02	(\$3,026)	1,175	(\$2.58)
	03	(\$3,972)	920	(\$4.32)
	04	(\$4,870)	673	(\$7.24)
	05	(\$5,048)	757	(\$6.67)
	06	(\$7,754)	1,215	(\$6.38)
	07	(\$8,207)	1,103	(\$7.44)
	08	(\$4,619)	696	(\$6.64)
	09	(\$5,393)	867	(\$6.22)

		10	(\$2,021)	1,101	(\$1.84)
		11	(\$160)	1,295	(\$0.12)
		12	\$2,568	1,036	\$2.48
		13	\$1,131	703	\$1.61
		14	\$2,899	924	\$3.14
		15	\$4,160	967	\$4.30
		16	\$4,344	839	\$5.18
		17	\$11,751	1,169	\$10.05
		18	\$10,947	1,332	\$8.22
		19	\$30,203	1,660	\$18.19
		20	\$35,393	1,301	\$27.20
		21	(\$35,105)	904	(\$38.83)
		22	\$52,367	2,635	\$19.87
		23	\$67	318	\$0.21
	June 2022	01	\$19,957	1,704	\$11.71
		02	\$11,553	1,163	\$9.93
		03	\$9,855	927	\$10.63
		04	\$64,147	657	\$97.64
		05	\$125,098	750	\$166.80
		06	\$378,674	1,212	\$312.44
		07	\$234,287	1,118	\$209.56
		08	\$102,571	690	\$148.65
		09	\$226,615	865	\$261.98
		10	\$92,067	1,095	\$84.08
		11	\$112,733	1,286	\$87.66
		12	\$48,706	1,031	\$47.24
		13	\$29,568	715	\$41.35
		14	\$14,821	924	\$16.04
		15	\$29,437	973	\$30.25
		16	\$6,738	832	\$8.10
		17	\$1,286	1,170	\$1.10
		18	\$651	1,350	\$0.48
		19	\$341	1,649	\$0.21
		20	\$362	1,326	\$0.27
		21	\$495,273	901	\$549.69
		22	\$105,931	2,705	\$39.16
		23	\$386	331	\$1.17
Industrial	September 2021	01	\$0	16	\$0.00
		02	\$0	37	\$0.00
		03	\$0	20	\$0.00
		04	\$0	20	\$0.00
		05	\$0	13	\$0.00
		06	\$0	51	\$0.00
		07	\$0	38	\$0.00
		08	\$0	2	\$0.00
		09	\$0	5	\$0.00
		10	\$0	7	\$0.00
		11	\$0	29	\$0.00
		12	\$0	9	\$0.00
		13	\$0	11	\$0.00
		14	\$0	9	\$0.00
		15	\$0	8	\$0.00
		16	\$0	22	\$0.00
		17	\$0	33	\$0.00
		18	\$0	17	\$0.00
		19	\$0	8	\$0.00
		20	\$0	15	\$0.00
		21	\$0	5	\$0.00
		22	\$0	200	\$0.00
		23	\$0	61	\$0.00
	October 2021	01	\$40	17	\$2.37
		02	\$35	35	\$1.00
		03	\$109	21	\$5.17
		04	\$11	19	\$0.56
		05	\$6	12	\$0.54

	06	\$504	51	\$9.88
	07	\$93	38	\$2.44
	08	\$0	2	\$0.00
	09	\$29	5	\$5.75
	10	\$41	6	\$6.86
	11	\$1,449	29	\$49.98
	12	\$1	8	\$0.14
	13	\$17	11	\$1.50
	14	\$175	8	\$21.91
	15	\$4	7	\$0.50
	16	\$193	20	\$9.66
	17	\$1,066	36	\$29.62
	18	\$204	17	\$12.00
	19	\$34	9	\$3.80
	20	\$451	15	\$30.08
	21	\$148	5	\$29.65
	22	\$23,334	198	\$117.85
	23	\$203	59	\$3.43
November 2021	01	\$3,167	16	\$197.92
	02	\$590	38	\$15.53
	03	\$608	20	\$30.41
	04	\$51	19	\$2.71
	05	\$80	12	\$6.64
	06	\$818	51	\$16.03
	07	\$737	40	\$18.44
	08	\$3	2	\$1.70
	09	\$15	5	\$2.93
	10	\$28	7	\$3.95
	11	\$810	28	\$28.92
	12	\$147	8	\$18.34
	13	\$77	11	\$7.03
	14	\$81	8	\$10.14
	15	\$16	7	\$2.30
	16	\$21	21	\$0.98
	17	\$0	34	\$0.00
	18	(\$26)	17	(\$1.51)
	19	(\$76)	9	(\$8.49)
	20	(\$333)	15	(\$22.22)
	21	\$35	5	\$6.99
	22	\$0	196	\$0.00
	23	\$0	54	\$0.00
December 2021	01	(\$121)	16	(\$7.58)
	02	\$41	38	\$1.07
	03	\$84	19	\$4.43
	04	\$57	19	\$2.98
	05	\$67	12	\$5.55
	06	\$363	54	\$6.72
	07	\$642	39	\$16.45
	08	\$4	3	\$1.39
	09	\$42	5	\$8.38
	10	\$81	7	\$11.55
	11	\$2,414	28	\$86.23
	12	\$316	8	\$39.46
	13	\$457	11	\$41.51
	14	\$327	8	\$40.90
	15	\$181	7	\$25.80
	16	\$1,671	21	\$79.57
	17	\$1,287	34	\$37.84
	18	\$1,029	18	\$57.14
	19	\$417	8	\$52.08
	20	\$2,927	15	\$195.16
	21	\$2,563	5	\$512.54
	22	\$33,410	198	\$168.74
	23	\$31	56	\$0.55
January 2022	01	\$1,597	16	\$99.82

	02	\$2,733	38	\$71.92
	03	\$2,047	20	\$102.34
	04	\$635	20	\$31.76
	05	\$432	12	\$35.99
	06	\$3,710	55	\$67.45
	07	\$2,001	37	\$54.09
	08	\$19	2	\$9.61
	09	\$117	6	\$19.42
	10	\$109	7	\$15.61
	11	\$2,079	28	\$74.27
	12	\$193	8	\$24.13
	13	\$459	11	\$41.74
	14	\$200	8	\$24.94
	15	\$77	7	\$10.93
	16	\$368	21	\$17.54
	17	\$133	34	\$3.91
	18	(\$68)	18	(\$3.77)
	19	(\$60)	8	(\$7.55)
	20	(\$813)	15	(\$54.19)
	21	\$324	4	\$80.99
	22	\$12,031	198	\$60.76
	23	\$4	59	\$0.07
February 2022	01	(\$355)	17	(\$20.89)
	02	(\$575)	37	(\$15.55)
	03	(\$590)	21	(\$28.11)
	04	(\$224)	19	(\$11.81)
	05	(\$52)	12	(\$4.37)
	06	(\$50)	54	(\$0.93)
	07	\$0	36	\$0.00
	08	\$1	2	\$0.38
	09	\$0	6	\$0.00
	10	\$0	8	\$0.00
	11	\$449	28	\$16.05
	12	\$108	8	\$13.47
	13	\$411	11	\$37.39
	14	\$224	8	\$27.98
	15	\$144	7	\$20.58
	16	\$1,214	21	\$57.82
	17	\$823	35	\$23.50
	18	\$773	17	\$45.48
	19	\$400	8	\$49.98
	20	\$1,924	15	\$128.27
	21	\$0	6	\$0.00
	22	\$29,262	198	\$147.79
	23	\$28	60	\$0.47
March 2022	01	\$1,978	16	\$123.63
	02	\$2,339	38	\$61.55
	03	\$2,138	21	\$101.83
	04	\$674	19	\$35.45
	05	\$431	12	\$35.90
	06	\$2,904	54	\$53.77
	07	\$1,757	36	\$48.81
	08	\$16	2	\$8.18
	09	\$142	6	\$23.59
	10	\$377	8	\$47.18
	11	\$4,530	28	\$161.77
	12	\$533	8	\$66.60
	13	\$712	11	\$64.74
	14	\$406	8	\$50.75
	15	\$219	7	\$31.23
	16	\$1,561	21	\$74.34
	17	\$1,081	35	\$30.88
	18	\$479	16	\$29.93
	19	\$664	10	\$66.40
	20	\$1,493	15	\$99.56

	21	\$5,645	7	\$806.48
	22	\$49,292	197	\$250.21
	23	\$51	58	\$0.88
April 2022	01	\$893	16	\$55.79
	02	\$896	38	\$23.59
	03	\$945	20	\$47.23
	04	\$266	19	\$13.98
	05	\$176	13	\$13.53
	06	\$2,088	53	\$39.40
	07	\$1,530	37	\$41.36
	08	\$10	2	\$4.94
	09	\$50	6	\$8.36
	10	\$57	8	\$7.12
	11	(\$465)	28	(\$16.60)
	12	(\$111)	8	(\$13.88)
	13	(\$124)	11	(\$11.24)
	14	(\$91)	8	(\$11.39)
	15	(\$37)	8	(\$4.64)
	16	(\$130)	20	(\$6.48)
	17	(\$93)	34	(\$2.72)
	18	(\$23)	17	(\$1.38)
	19	(\$78)	10	(\$7.84)
	20	(\$235)	15	(\$15.65)
	21	\$8,397	7	\$1,199.56
	22	(\$4,615)	195	(\$23.67)
	23	(\$9)	58	(\$0.15)
May 2022	01	(\$250)	18	(\$13.89)
	02	(\$140)	38	(\$3.69)
	03	(\$168)	19	(\$8.83)
	04	(\$95)	20	(\$4.73)
	05	(\$80)	13	(\$6.16)
	06	(\$616)	52	(\$11.84)
	07	(\$541)	36	(\$15.04)
	08	(\$3)	2	(\$1.54)
	09	(\$13)	6	(\$2.09)
	10	(\$9)	8	(\$1.09)
	11	\$0	28	\$0.00
	12	\$51	8	\$6.41
	13	\$27	10	\$2.65
	14	\$66	9	\$7.31
	15	\$9	8	\$1.10
	16	\$190	21	\$9.03
	17	\$530	34	\$15.59
	18	\$95	17	\$5.58
	19	\$161	9	\$17.86
	20	\$476	15	\$31.75
	21	(\$1,256)	7	(\$179.49)
	22	\$4,742	185	\$25.63
	23	\$0	56	\$0.00
June 2022	01	\$1,738	16	\$108.60
	02	\$225	38	\$5.93
	03	\$365	19	\$19.23
	04	\$694	19	\$36.50
	05	\$978	13	\$75.26
	06	\$3,189	51	\$62.52
	07	\$1,142	36	\$31.73
	08	\$0	2	\$0.00
	09	\$2,446	6	\$407.67
	10	\$745	7	\$106.49
	11	\$6,465	28	\$230.90
	12	\$7,070	8	\$883.78
	13	\$1,044	11	\$94.95
	14	\$40	9	\$4.48
	15	\$20	8	\$2.49
	16	\$65	21	\$3.07

		17	\$0	34	\$0.00
		18	\$0	18	\$0.00
		19	\$0	9	\$0.00
		20	\$0	15	\$0.00
		21	\$30,412	6	\$5,068.71
		22	\$5,523	193	\$28.62
PHA	September 2021	23	\$8	61	\$0.13
		01	\$0	547	\$0.00
		02	\$0	292	\$0.00
		03	\$0	531	\$0.00
		04	\$0	244	\$0.00
		05	\$0	203	\$0.00
		06	\$0	303	\$0.00
		07	\$0	216	\$0.00
		08	\$0	200	\$0.00
		09	\$0	255	\$0.00
		10	\$0	60	\$0.00
		11	\$0	31	\$0.00
		12	(\$0)	111	(\$0.00)
		13	\$0	215	\$0.00
		14	\$0	141	\$0.00
		15	\$0	159	\$0.00
		16	\$0	412	\$0.00
		17	\$0	255	\$0.00
		18	\$0	182	\$0.00
		19	\$0	29	\$0.00
		20	\$0	47	\$0.00
		22	\$0	159	\$0.00
	October 2021	01	\$43	549	\$0.08
		02	\$83	283	\$0.29
		03	\$390	528	\$0.74
		04	\$216	241	\$0.90
		05	\$315	205	\$1.54
		06	\$769	305	\$2.52
		07	\$920	218	\$4.22
		08	\$3,384	201	\$16.83
		09	\$1,501	244	\$6.15
		10	\$553	61	\$9.07
		11	\$71	29	\$2.45
		12	\$715	110	\$6.50
		13	\$1,543	213	\$7.25
		14	\$1,407	137	\$10.27
		15	\$1,562	158	\$9.88
		16	\$4,550	414	\$10.99
		17	\$3,061	253	\$12.10
		18	\$2,168	188	\$11.53
		19	\$377	32	\$11.79
		20	\$370	41	\$9.02
		22	\$57,549	159	\$361.94
	November 2021	01	\$4,746	543	\$8.74
		02	\$5,806	292	\$19.89
		03	\$276,696	529	\$523.06
		04	\$1,774	237	\$7.48
		05	\$1,314	208	\$6.32
		06	\$1,746	299	\$5.84
		07	\$1,495	213	\$7.02
		08	\$1,871	200	\$9.35
		09	\$1,726	238	\$7.25
		10	\$302	62	\$4.87
		11	\$156	31	\$5.04
		12	\$630	107	\$5.89
		13	\$888	212	\$4.19
		14	\$698	137	\$5.10
		15	\$380	159	\$2.39
		16	\$132	408	\$0.32

	17	\$1	257	\$0.00
	18	(\$117)	180	(\$0.65)
	19	(\$62)	30	(\$2.06)
	20	(\$53)	40	(\$1.32)
	22	\$0	159	\$0.00
December 2021	01	(\$629)	545	(\$1.15)
	02	\$154	292	\$0.53
	03	\$675	532	\$1.27
	04	\$588	235	\$2.50
	05	\$556	209	\$2.66
	06	\$607	302	\$2.01
	07	\$967	217	\$4.46
	08	\$780	202	\$3.86
	09	\$1,636	236	\$6.93
	10	\$567	64	\$8.87
	11	\$329	31	\$10.62
	12	\$1,022	109	\$9.37
	13	\$1,973	212	\$9.31
	14	\$2,001	138	\$14.50
	15	\$2,147	158	\$13.59
	16	\$5,192	413	\$12.57
	17	\$4,410	258	\$17.09
	18	\$3,746	184	\$20.36
	19	\$619	29	\$21.36
	20	\$578	40	\$14.45
	22	\$39,325	159	\$247.32
January 2022	01	\$9,526	547	\$17.41
	02	\$8,796	290	\$30.33
	03	\$10,832	527	\$20.55
	04	\$4,444	241	\$18.44
	05	\$3,420	205	\$16.68
	06	\$4,740	303	\$15.64
	07	\$2,959	216	\$13.70
	08	\$2,948	208	\$14.17
	09	\$3,437	237	\$14.50
	10	\$718	63	\$11.40
	11	\$278	32	\$8.69
	12	\$780	108	\$7.23
	13	\$1,401	212	\$6.61
	14	\$1,428	135	\$10.58
	15	\$734	152	\$4.83
	16	\$1,131	416	\$2.72
	17	\$435	256	\$1.70
	18	(\$27)	178	(\$0.15)
	19	(\$96)	29	(\$3.30)
	20	(\$120)	40	(\$3.00)
	22	\$9,976	157	\$63.54
February 2022	01	(\$2,113)	548	(\$3.86)
	02	(\$1,435)	289	(\$4.97)
	03	(\$2,915)	531	(\$5.49)
	04	(\$1,055)	237	(\$4.45)
	05	(\$372)	205	(\$1.82)
	06	\$35	300	\$0.12
	07	\$14	214	\$0.06
	08	\$98	207	\$0.48
	09	\$7	237	\$0.03
	10	(\$8)	66	(\$0.11)
	11	\$61	30	\$2.05
	12	\$479	110	\$4.36
	13	\$1,356	213	\$6.37
	14	\$1,570	138	\$11.38
	15	\$1,546	153	\$10.11
	16	\$3,599	414	\$8.69
	17	\$2,445	259	\$9.44
	18	\$2,465	178	\$13.85

	19	\$421	29	\$14.52
	20	\$337	40	\$8.42
	22	\$27,768	158	\$175.75
March 2022	01	\$7,968	548	\$14.54
	02	\$7,199	291	\$24.74
	03	\$9,266	524	\$17.68
	04	\$4,303	238	\$18.08
	05	\$3,370	205	\$16.44
	06	\$3,873	301	\$12.87
	07	\$3,031	217	\$13.97
	08	\$3,068	210	\$14.61
	09	\$4,470	235	\$19.02
	10	\$1,224	66	\$18.54
	11	\$595	31	\$19.20
	12	\$2,127	110	\$19.34
	13	\$3,942	214	\$18.42
	14	\$3,399	137	\$24.81
	15	\$3,199	150	\$21.32
	16	\$5,196	414	\$12.55
	17	\$3,420	259	\$13.20
	18	\$2,200	179	\$12.29
	19	\$365	30	\$12.17
	20	\$347	40	\$8.68
	22	\$45,248	157	\$288.20
April 2022	01	\$3,060	545	\$5.61
	02	\$3,794	288	\$13.17
	03	\$4,524	532	\$8.50
	04	\$2,257	236	\$9.56
	05	\$1,544	205	\$7.53
	06	\$3,190	308	\$10.36
	07	\$2,579	216	\$11.94
	08	\$2,580	211	\$12.23
	09	\$2,117	239	\$8.86
	10	\$239	64	\$3.74
	11	(\$44)	29	(\$1.53)
	12	(\$367)	111	(\$3.31)
	13	(\$768)	211	(\$3.64)
	14	(\$758)	138	(\$5.50)
	15	(\$669)	152	(\$4.40)
	16	(\$766)	412	(\$1.86)
	17	(\$304)	260	(\$1.17)
	18	(\$145)	180	(\$0.81)
	19	(\$62)	31	(\$2.00)
	20	(\$54)	40	(\$1.35)
	22	(\$6,187)	158	(\$39.16)
May 2022	01	(\$728)	550	(\$1.32)
	02	(\$719)	291	(\$2.47)
	03	(\$1,252)	520	(\$2.41)
	04	(\$1,276)	244	(\$5.23)
	05	(\$859)	206	(\$4.17)
	06	(\$1,364)	298	(\$4.58)
	07	(\$1,251)	213	(\$5.87)
	08	(\$1,420)	211	(\$6.73)
	09	(\$1,131)	237	(\$4.77)
	10	(\$135)	70	(\$1.93)
	11	(\$2)	29	(\$0.08)
	12	\$99	106	\$0.93
	13	\$254	208	\$1.22
	14	\$451	136	\$3.32
	15	\$268	147	\$1.82
	16	\$1,088	407	\$2.67
	17	\$1,305	260	\$5.02
	18	\$1,074	176	\$6.11
	19	\$209	32	\$6.54
	20	\$150	39	\$3.84

		22	\$5,245	157	\$33.41
	June 2022	01	\$2,752	545	\$5.05
		02	\$1,461	291	\$5.02
		03	\$4,035	518	\$7.79
		04	\$14,971	236	\$63.43
		05	\$15,112	209	\$72.30
		06	\$34,667	299	\$115.94
		07	\$101,566	217	\$468.05
		08	\$20,146	204	\$98.76
		09	\$16,283	236	\$69.00
		10	\$2,218	62	\$35.77
		11	\$518	29	\$17.87
		12	\$2,815	114	\$24.69
		13	\$3,842	210	\$18.30
		14	\$1,172	136	\$8.62
		15	\$635	144	\$4.41
		16	\$1,281	407	\$3.15
		17	\$242	257	\$0.94
		18	\$188	177	\$1.06
		19	(\$0)	31	(\$0.00)
		20	\$0	39	\$0.00
		22	\$6,460	158	\$40.89
Residential	September 2021	01	(\$1)	27,470	(\$0.00)
		02	\$4	24,495	\$0.00
		03	\$27	22,011	\$0.00
		04	\$23	17,626	\$0.00
		05	\$13	18,341	\$0.00
		06	\$9	22,094	\$0.00
		07	\$11	26,323	\$0.00
		08	(\$4)	25,802	(\$0.00)
		09	\$8	25,521	\$0.00
		10	\$2	22,448	\$0.00
		11	\$6	25,443	\$0.00
		12	\$7	27,659	\$0.00
		13	(\$1)	24,605	(\$0.00)
		14	\$3	22,416	\$0.00
		15	\$10	23,080	\$0.00
		16	\$9	26,271	\$0.00
		17	\$0	20,661	\$0.00
		18	\$0	29,060	\$0.00
		19	\$13	27,817	\$0.00
		20	\$2	28,907	\$0.00
		21	\$0	6	\$0.00
		22	\$0	38	\$0.00
	October 2021	01	\$1,514	27,901	\$0.05
		02	\$2,924	24,024	\$0.12
		03	\$6,052	20,983	\$0.29
		04	\$9,119	17,896	\$0.51
		05	\$14,854	18,767	\$0.79
		06	\$38,578	22,470	\$1.72
		07	\$65,687	26,171	\$2.51
		08	\$77,693	26,001	\$2.99
		09	\$103,395	25,489	\$4.06
		10	\$117,124	22,224	\$5.27
		11	\$75,826	25,838	\$2.93
		12	\$65,449	27,285	\$2.40
		13	\$88,456	24,441	\$3.62
		14	\$106,437	22,297	\$4.77
		15	\$117,658	22,866	\$5.15
		16	\$130,596	26,692	\$4.89
		17	\$109,620	20,438	\$5.36
		18	\$163,524	29,104	\$5.62
		19	\$197,405	27,971	\$7.06
		20	\$192,060	28,493	\$6.74
		21	\$7	6	\$1.16

	22	\$418	36	\$11.60
November 2021	01	\$126,935	27,885	\$4.55
	02	\$97,497	24,685	\$3.95
	03	\$104,606	21,124	\$4.95
	04	\$89,675	17,248	\$5.20
	05	\$95,370	19,073	\$5.00
	06	\$92,939	22,081	\$4.21
	07	\$104,531	25,968	\$4.03
	08	\$113,795	25,802	\$4.41
	09	\$104,650	25,723	\$4.07
	10	\$72,165	22,169	\$3.26
	11	\$72,191	25,480	\$2.83
	12	\$90,724	27,062	\$3.35
	13	\$73,672	24,160	\$3.05
	14	\$48,858	22,203	\$2.20
	15	\$40,367	24,052	\$1.68
	16	\$9,777	26,209	\$0.37
	17	\$1,851	20,179	\$0.09
	18	(\$10,893)	29,343	(\$0.37)
	19	(\$46,828)	27,807	(\$1.68)
	20	(\$63,701)	28,379	(\$2.24)
		21	\$19	6
	22	\$8	38	\$0.21
December 2021	01	(\$24,641)	27,907	(\$0.88)
	02	\$5,523	24,574	\$0.22
	03	\$19,876	21,546	\$0.92
	04	\$35,820	17,542	\$2.04
	05	\$46,086	19,234	\$2.40
	06	\$37,442	22,019	\$1.70
	07	\$86,135	26,319	\$3.27
	08	\$66,506	26,085	\$2.55
	09	\$112,258	25,465	\$4.41
	10	\$158,291	22,460	\$7.05
	11	\$203,795	25,520	\$7.99
	12	\$179,676	27,630	\$6.50
	13	\$186,259	24,528	\$7.59
	14	\$176,468	22,485	\$7.85
	15	\$236,715	23,105	\$10.25
	16	\$297,406	26,589	\$11.19
	17	\$271,800	20,488	\$13.27
	18	\$430,787	29,236	\$14.73
	19	\$510,173	27,644	\$18.46
	20	\$551,038	28,535	\$19.31
		21	\$22	6
	22	\$993	38	\$26.13
January 2022	01	\$403,816	28,141	\$14.35
	02	\$323,287	24,635	\$13.12
	03	\$323,615	21,071	\$15.36
	04	\$290,436	18,433	\$15.76
	05	\$292,191	19,230	\$15.19
	06	\$291,023	22,301	\$13.05
	07	\$273,068	26,262	\$10.40
	08	\$260,368	26,234	\$9.92
	09	\$268,244	25,521	\$10.51
	10	\$216,561	22,422	\$9.66
	11	\$191,455	25,953	\$7.38
	12	\$152,195	27,252	\$5.58
	13	\$147,303	24,843	\$5.93
	14	\$141,247	22,516	\$6.27
	15	\$90,801	23,172	\$3.92
	16	\$72,831	26,659	\$2.73
	17	\$32,161	20,344	\$1.58
	18	\$2,833	29,223	\$0.10
	19	(\$75,402)	27,717	(\$2.72)
	20	(\$143,509)	28,619	(\$5.01)

	21	\$52	6	\$8.75
	22	\$275	37	\$7.43
February 2022	01	(\$91,203)	28,362	(\$3.22)
	02	(\$68,844)	24,728	(\$2.78)
	03	(\$90,555)	21,570	(\$4.20)
	04	(\$66,772)	17,807	(\$3.75)
	05	(\$30,818)	19,251	(\$1.60)
	06	\$295	22,312	\$0.01
	07	\$1,202	25,961	\$0.05
	08	\$10,653	26,481	\$0.40
	09	\$220	25,597	\$0.01
	10	\$1,126	22,431	\$0.05
	11	\$40,255	25,873	\$1.56
	12	\$92,049	27,592	\$3.34
	13	\$129,453	24,608	\$5.26
	14	\$146,584	22,588	\$6.49
	15	\$174,970	23,215	\$7.54
	16	\$201,869	26,516	\$7.61
	17	\$160,758	20,667	\$7.78
	18	\$291,754	28,967	\$10.07
	19	\$345,566	27,750	\$12.45
	20	\$346,378	28,573	\$12.12
	21	\$0	4	\$0.00
	22	\$649	38	\$17.08
March 2022	01	\$340,707	28,826	\$11.82
	02	\$283,467	24,855	\$11.40
	03	\$301,185	21,358	\$14.10
	04	\$268,751	17,859	\$15.05
	05	\$281,813	19,124	\$14.74
	06	\$240,211	22,534	\$10.66
	07	\$260,379	26,220	\$9.93
	08	\$264,139	26,227	\$10.07
	09	\$334,080	25,744	\$12.98
	10	\$330,368	22,426	\$14.73
	11	\$398,583	26,037	\$15.31
	12	\$386,925	27,541	\$14.05
	13	\$361,063	24,630	\$14.66
	14	\$288,663	22,629	\$12.76
	15	\$331,226	23,079	\$14.35
	16	\$301,647	26,887	\$11.22
	17	\$212,888	20,672	\$10.30
	18	\$285,456	29,171	\$9.79
	19	\$295,237	27,949	\$10.56
	20	\$299,183	28,606	\$10.46
	21	\$46	4	\$11.47
	22	\$1,124	38	\$29.59
April 2022	01	\$127,838	28,240	\$4.53
	02	\$114,457	24,759	\$4.62
	03	\$139,174	21,689	\$6.42
	04	\$138,254	17,720	\$7.80
	05	\$125,039	19,128	\$6.54
	06	\$184,141	22,761	\$8.09
	07	\$209,858	26,313	\$7.98
	08	\$198,822	26,212	\$7.59
	09	\$143,150	25,580	\$5.60
	10	\$64,216	22,593	\$2.84
	11	(\$29,827)	25,786	(\$1.16)
	12	(\$60,068)	27,577	(\$2.18)
	13	(\$67,387)	24,323	(\$2.77)
	14	(\$60,451)	22,876	(\$2.64)
	15	(\$68,085)	23,110	(\$2.95)
	16	(\$42,820)	26,655	(\$1.61)
	17	(\$16,652)	20,542	(\$0.81)
	18	(\$17,864)	28,388	(\$0.63)
	19	(\$42,317)	27,481	(\$1.54)

	20	(\$45,580)	28,452	(\$1.60)
	21	\$42	4	\$10.42
	22	\$535	37	\$14.45
May 2022	01	(\$23,241)	28,705	(\$0.81)
	02	(\$18,573)	24,961	(\$0.74)
	03	(\$31,830)	20,990	(\$1.52)
	04	(\$69,251)	17,819	(\$3.89)
	05	(\$62,246)	19,236	(\$3.24)
	06	(\$69,350)	22,220	(\$3.12)
	07	(\$90,640)	26,128	(\$3.47)
	08	(\$95,528)	25,926	(\$3.68)
	09	(\$67,166)	25,224	(\$2.66)
	10	(\$29,572)	22,786	(\$1.30)
	11	(\$898)	25,679	(\$0.03)
	12	\$15,748	27,545	\$0.57
	13	\$17,655	24,213	\$0.73
	14	\$38,521	22,807	\$1.69
	15	\$25,134	23,034	\$1.09
	16	\$53,315	26,681	\$2.00
	17	\$72,292	20,630	\$3.50
	18	\$137,534	28,932	\$4.75
	19	\$144,574	27,788	\$5.20
	20	\$364,289	28,492	\$12.79
	21	(\$16)	4	(\$3.99)
	22	\$543	38	\$14.30
June 2022	01	\$96,465	27,840	\$3.46
	02	\$54,988	24,570	\$2.24
	03	\$92,654	21,873	\$4.24
	04	\$841,082	17,656	\$47.64
	05	\$997,036	19,286	\$51.70
	06	\$1,854,460	22,221	\$83.46
	07	\$1,669,022	26,235	\$63.62
	08	\$1,543,453	26,192	\$58.93
	09	\$1,226,342	25,332	\$48.41
	10	\$651,424	22,476	\$28.98
	11	\$538,404	25,412	\$21.19
	12	\$434,050	27,880	\$15.57
	13	\$352,255	24,860	\$14.17
	14	\$118,395	22,591	\$5.24
	15	\$109,077	23,153	\$4.71
	16	\$57,972	26,341	\$2.20
	17	\$71,330	20,976	\$3.40
	18	\$16,036	28,902	\$0.55
	19	\$11,837	27,803	\$0.43
	20	\$10,806	28,839	\$0.37
	21	\$29	4	\$7.31
	22	\$353	39	\$9.04

VERIFICATION

I, Michael Artuso, hereby state that: (1) I am Director, Regulatory Strategy, for Philadelphia Gas Works (“PGW”); (2) the facts set forth in the attached discovery responses which I am sponsoring are true and correct to the best of my knowledge, information and belief; and (3) I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

March 14, 2023

Dated

/s/ Michael Artuso

Michael Artuso
Director, Regulatory Strategy
Philadelphia Gas Works

Attachment D

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

REBUTTAL TESTIMONY OF

Denise Adamucci

ON BEHALF OF
PHILADELPHIA GAS WORKS

Pa. Public Utility Commission v. Philadelphia Gas Works
Docket Nos. R-2022-3034229 and P-2022-3034264

May 2, 2023

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND CURRENT POSITION WITH PGW.**

3 A. My name is Denise Adamucci and I am the Senior Vice President for Customer &
4 Regulatory Affairs at Philadelphia Gas Works (“PGW” or “Company”).

5 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS**
6 **PROCEEDING?**

7 A. Yes. I submitted direct testimony on behalf of PGW on February 23, 2023. In my direct
8 testimony, I provided support for Supplement No. 152, which PGW filed on August 2,
9 2022 proposing to implement a 25 percent cap on charges and credits stemming from
10 application of the Weather Normalization Adjustment (“WNA”) clause in PGW’s Gas
11 Service Tariff (“Cap Petition”). I also offered direct testimony to demonstrate the value
12 of the WNA to PGW’s financial health and stability, which in turn benefits ratepayers.

13 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

14 A. The purpose of my rebuttal testimony is to respond to the direct testimony of Ron Nelson
15 submitted on behalf of the Office of Consumer Advocate (“OCA”)¹ and the direct
16 testimony of Harry Geller submitted on behalf of the Coalition for Affordable Utility
17 Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”)² on April 13, 2023.

18 **Q. HAS THE DIRECT TESTIMONY SUBMITTED BY OCA AND CAUSE-PA**
19 **ALTERED THE VIEWS SET FORTH IN YOUR DIRECT TESTIMONY?**

20 A. No. I continue to believe that the 25% cap on the WNA proposed by PGW on August 2,
21 2022 had merit and should have been promptly implemented at that time to protect
22 consumers from the potential for unusually large or unanticipated charges during the
23 current heating season, which started on October 1, 2022. Further, my views have not

¹ OCA Statement 1.

² CAUSE-PA Statement 1.

1 changed regarding the importance of the WNA to PGW's financial health and stability,
2 which in turn benefits ratepayers. Particularly given PGW's responsibility to safely and
3 adequately provide natural gas service to 500,000 customers, the Company needs the
4 financial certainty of collecting Commission-authorized revenues even when Philadelphia
5 experiences abnormally warmer weather. In view of how it fairly operates to both charge
6 and credit customers depending on the weather, and its importance to maintaining PGW's
7 financial stability, as well as the fact that several other natural gas distribution companies
8 have similar clauses, it would be grossly unreasonable and unworkable to eliminate or
9 suspend PGW's WNA as suggested by the opposing parties.

10 **II. WEATHER NORMALIZATION ADJUSTMENT CLAUSE**

11 **Q. WHAT IS A WNA CLAUSE?**

12 A. As I explained in my direct testimony, a WNA mechanism is one way in which to
13 balance out the effects of "abnormal" weather by permitting the utility to true-up its
14 revenues when experienced actual heating degree days ("AHDDs") in a given period vary
15 from the determined level of normal heating degree days ("NHDDs") used to determine
16 PGW's revenue requirement for base rate purposes. Accordingly, when experienced
17 AHDDs exceed NHDDs, the utility adjusts its charges to provide a credit to customers,
18 and when AHDDs are lower than NHDDs, customers' charges likewise reflect this
19 difference. Importantly, the WNA design does not result in a utility being able to bill
20 more revenues than have been authorized. Rather, the goal of the WNA design is to
21 merely permit the utility to bill its Commission-authorized level of revenues and, for a
22 cash flow regulated utility, the company's authorized level of cash and liquidity.

1 **Q. PLEASE DESCRIBE PGW'S WNA AND RECENT ACTIONS TAKEN**
2 **CONCERNING THIS MECHANISM.**

3 A. For over 20 years, PGW's Commission-approved WNA has been applied to customer
4 usage from October 1 through May 31 of each year. The Tariff pages addressing the
5 WNA were provided as PGW Exhibit DA-1, which accompanied my direct testimony.
6 Of note, on July 1, 2022, the Commission granted PGW's Petition for Emergency Order
7 that was filed on June 30, 2022, and authorized PGW to remove May 2022 usage from
8 the formula due to an anomaly with the extremely warm weather in the Philadelphia area
9 that resulted in unusually large WNA charges in June 2022 bills. This Tariff change
10 approved by the Commission resulted in a reversal of the charges imposed on June 2022
11 bills and in refunds by PGW to customers in the amount of approximately \$12.6 million.

12 On April 27, 2023, PGW proactively filed a Petition for Emergency Order at
13 Docket No. P-2023-3040233 proposing to exclude May 2023 usage from the WNA
14 formula. In support of this request for emergency relief, PGW referred to the May 2022
15 usage anomaly/June 2022 bills, as well as the findings of its consultant, Atrium
16 Economics, LLC ("Atrium") regarding May weather. Atrium's Report studying PGW's
17 WNA, which was submitted in the base rate proceeding at Docket No. R-2023-3037933,
18 generally found that the WNA was working as designed, but that there were concerns
19 about continuing its application in May, since temperatures for that month have become
20 unusually divergent from the current normal. Given the 2022 occurrence, along with
21 Atrium's observations concerning the month of May over the past 10 years, and the
22 recommendation of Atrium and PGW in the base rate case to remove May from the
23 WNA formula going forward, PGW sought to remove May 2023 from the formula this
24 year. PGW made this request to eliminate any risk that a significant weather variation

1 would again result in unexpected charges to customers this year. On April 28, 2023, Vice
 2 Chairman Stephen M. DeFrank signed an Emergency Order granting this request and
 3 authorizing PGW to submit a Tariff removing May 2023 from the WNA formula.
 4 Consistent with the regulations at 52 Pa. Code §3.3(a), PGW anticipates that the Vice
 5 Chairman's Emergency Order will be considered by the Commission for ratification or
 6 other action at the next scheduled Public Meeting on May 20, 2023.

7 **III. TESTIMONY RESPONDING TO OCA'S AND CAUSE-PA'S WITNESSES**

8 **Q. WHAT IS YOUR UNDERSTANDING OF THE OCA AND CAUSE-PA**
 9 **TESTIMONY?**

10 A. As part of this proceeding, OCA is proposing to suspend the WNA unless and until
 11 certain modifications are made to the clause to address concerns that it has raised, while
 12 OCA intends to address the continuation of the WNA in the base rate proceeding.³
 13 CAUSE-PA also advocates for elimination of the WNA in its entirety as part of this
 14 proceeding.⁴

15 **(A) PGW's Position on OCA and CAUSE-PA Proposals**

16 **Q. PLEASE DESCRIBE PGW'S POSITION WITH RESPECT TO THESE**
 17 **PROPOSALS.**

18 A. PGW has no interest in continuing litigation of the 25% cap on the WNA that is the basis
 19 of this proceeding. Notably, this proceeding was initiated by PGW in August 2022 for
 20 the limited, but important, purpose of protecting customers during the current heating
 21 season of the recurrence of an anomaly such as occurred when May 2022 usage, as
 22 reflected in June 2022 bills, resulted in unusually large charges from an application of the
 23 WNA. Rather than have customers subjected to the potential risk that similar results

³ OCA Statement 1 at 11-12, 20.

⁴ CAUSE-PA Statement 1 at 14-15.

1 would occur during this heating season, PGW filed the Cap Petition. Unfortunately,
2 OCA and CAUSE-PA immediately opposed the implementation of this consumer
3 protection. As the proposed cap was rendered moot by the Commission's suspension of
4 the filing for investigation, it did not go into effect to protect customers during the current
5 heating season, and PGW has sought to terminate the proceeding via a Petition for Leave
6 to Withdraw ("Withdrawal Petition") that is pending before the Commission. Indeed,
7 because the opposition of OCA and CAUSE-PA made it impossible to have in place the
8 protection that the Cap Petition would have afforded to customers this past season, PGW
9 has continued to work to protect its customers. Specifically, PGW and sought emergency
10 relief on April 27, 2023 to remove May 2023 from the WNA formula to protect
11 customers from a potential recurrence of the May 2022 usage/June 2022 bills. I&E was
12 the only party prior to the filing of the emergency request that provided its support for
13 this consumer protection, in conjunction with terminating the WNA proceeding. Simply,
14 the purpose of this proceeding, including the scope of the initial filing and the procedural
15 schedule that was developed, were not designed to comprehensively review PGW's
16 WNA. The sole issue in this case is whether the 25% cap should be implemented.

17 As to issues that have been raised by OCA and CAUSE-PA in this proceeding
18 that go beyond PGW's initial 25% cap, PGW opposes those recommendations and
19 believes that they are not appropriate for this proceeding. PGW's pending base rate case
20 is the appropriate forum to conduct a comprehensive review of the WNA, where the
21 impact of the WNA and any proposed modifications on PGW's revenues and its
22 customers' rates can be considered. In that proceeding, all information needed to
23 examine PGW's overall financial situation is readily available, and a determination can

1 be made based on record evidence as to whether the WNA should continue, and if so,
2 whether or how it should be modified. Of note, the base rate case is being separately
3 litigated at the same time – with a Commission order due less than two months after the
4 effective date of the proposed Tariff accompanying the Cap Petition. The express
5 purpose of the base rate case is to review PGW’s proposed rate increase to determine
6 whether it is just and reasonable, and therefore warranted to enable PGW to continue
7 providing safe and adequate natural gas utility service. A key part of that proceeding will
8 be a determination of what a “normal” level of revenues should be for the Fully Projected
9 Future Test Year (“FPFTY”). It is this “normal” level of revenues that will then be
10 subsequently reconciled through the WNA. In the base rate case, PGW proposed to
11 continue to use a twenty-year average of degree days to determine “normal” revenues. If
12 there is a change in that “normal level,” as the OCA witness has suggested in his
13 “alternative” recommendation in this case, that change has to occur both in PGW’s base
14 rate proceeding and in the WNA calculation. The only proceeding in which both changes
15 can be made is the base rate case. Therefore, a full review of the WNA provision in
16 PGW’s Tariff can only take place in the base rate case, and its continuation or
17 modifications unrelated to the 25% cap should not be entertained in this limited
18 proceeding.

19 **(B) General Observations about OCA and CAUSE-PA Witnesses’ Qualifications**

20 **Q. DO YOU HAVE ANY GENERAL OBSERVATIONS CONCERNING THE**
21 **QUALIFICATIONS OF THE WITNESSES PRESENTED BY OCA AND CAUSE-**
22 **PA?**

23 A. Yes. Based upon my review of their qualifications, it appears that neither of the
24 witnesses has any experience in evaluating a WNA, or any other type of decoupling

1 mechanism, for a municipal utility.⁵ While I respect their overall backgrounds, PGW is
 2 in a unique situation as a municipal utility, which both witnesses have failed to
 3 acknowledge in reviewing the WNA and offering recommendations. As a cash flow
 4 municipal utility, PGW does not have shareholders and relies on its ratepayers for the
 5 revenues needed to fund its natural gas operations. Of particular note, in the 2002 PGW
 6 rate proceeding that led to implementation of the WNA, the witness for then Office of
 7 Trial Staff (the predecessor of the Bureau of Investigation and Enforcement) agreed that a
 8 WNA clause would be reasonable since PGW's rates are established using the cash flow
 9 method of ratemaking.⁶ Similarly, OCA's witness in the 2002 case described PGW as
 10 being "unique" among NGDCs in Pennsylvania since it is a municipal utility and
 11 operates on a cash flow basis according to statute with no source of equity financing in
 12 the sense of a traditional investor-owned utility.⁷

13 ***(C) Shifting Risk from the Utility to the Customer***

14 **Q. PLEASE DESCRIBE THE FUNDAMENTAL PROBLEM THAT YOU HAVE**
 15 **IDENTIFIED WITH THE TESTIMONY SUBMITTED BY OCA AND CAUSE-**
 16 **PA.**

17 **A.** Both Witness Nelson for OCA and Witness Geller for CAUSE-PA have made
 18 fundamental errors in their testimony by inappropriately referring to PGW's WNA as
 19 involving a shifting of risk from the utility to consumers. For instance, Mr. Nelson
 20 testifies that "[u]nder any form of decoupling mechanism, regulators must carefully
 21 balance how risk shifts between utilities and ratepayers to ensure that ratepayers equally

⁵ OCA Statement 1 at 3-4, Schedule REN-1; OCA Response to PGW-I-2; CAUSE-PA Statement 1 at 1-2, Appendix A; CAUSE-PA Response to PGW-I-1.

⁶ *Pa. Public Utility Commission v. Philadelphia Gas Works*, Docket No. R-00017034 (Order entered August 8, 2002, Ordering Paragraph No. 5) ("2002 Base Rate Case"), OTS St. 4 at 10 (Direct Testimony of Paul Metro).

⁷ *2002 Base Rate Case*, OCA St. 3 at 3-4 (Direct Testimony of Thomas Catlin).

1 benefit.”⁸ Mr. Nelson also indicates that one questionable assumption in a mechanism
2 can shift excessive risk to ratepayers and may make the mechanism unreasonable.⁹
3 Similarly, Mr. Geller states his concern about “shifting the financial risk of warming
4 weather onto residential customers.”¹⁰ He further suggests that the WNA has worked to
5 the benefit of PGW and the detriment of customers.¹¹

6 Their testimony demonstrates a fundamental misunderstanding of PGW’s WNA,
7 which provides revenue neutrality and not increased profitability. As such, the WNA is
8 not enabling PGW to recover more revenues than was authorized in the last base rate case
9 by the Commission. Indeed, any reference to the shifting of risk willfully overlooks the
10 reality that PGW is a collection of assets owned by the City of Philadelphia and provides
11 public utility services as a city natural gas distribution operation¹² in the City of
12 Philadelphia.¹³ As a cash flow utility, PGW has no investors or shareholders and instead
13 relies on revenues received from consumers to sustain its natural gas operations.
14 Essentially, PGW’s ratepayers are its shareholders. This means that there is nowhere else
15 to go for the funds that are needed to perform its functions on a daily basis as a natural
16 gas public utility. Weather-related risks are either managed on the front end through a
17 WNA or on the back end through rate increases, including emergency rate relief. As a
18 result, the “shifting” of risk concept relied upon by Mr. Nelson and Mr. Geller is not
19 applicable to PGW and should be wholly disregarded.

8 OCA Statement 1 at 7.

9 OCA Statement 1 at 5.

10 CAUSE-PA Statement 1 at 3.

11 CAUSE-PA Statement 1 at 5.

12 66 Pa. C.S. § 102 (definitions).

13 66 Pa. C.S. § 2212.

1 The safe and adequate operation of a natural gas company for 500,000 customers
2 is a critical statutory function performed by PGW that requires a supporting level of
3 revenues as determined by the Commission. Once the Commission determines the
4 revenues that are needed and authorizes their collection through rates imposed on
5 customers (in a base rate case), it is imperative that PGW be given the opportunity to
6 collect this level of revenues so that it can fulfill the obligations of ensuring that
7 customers in Philadelphia continue to receive safe and adequate natural gas service.
8 When the weather significantly varies from the normal levels that the Commission has
9 used to calculate PGW's anticipated revenues and authorize a specific amount of rate
10 relief, the WNA properly adjusts the charges imposed by PGW to produce the revenue
11 levels determined by the Commission.

12 ***(D) Specific Responses to OCA's Witness***

13 **Q. WHAT DOES MR. NELSON SAY ABOUT THE ORIGIN OF PGW'S WNA?**

14 A. Mr. Nelson testifies that PGW's WNA has been in place since before the Company came
15 under the Commission's jurisdiction, implying that this mechanism was
16 "grandfathered."¹⁴ That is not correct. PGW came under the Commission's jurisdiction
17 in 2000 and the Commission originally authorized PGW's WNA in 2002, as a three-year
18 pilot in a settlement of the 2002 base rate case.¹⁵ Following that approval, the WNA was
19 implemented on December 1, 2002. As explained in my direct testimony, prior to
20 implementation of the WNA, PGW had experienced years in which warmer than normal
21 weather severely reduced the Company's cash flow and debt service coverages, which
22 negatively affected its bond rating and significantly threatened PGW's financial stability.

¹⁴ OCA Statement 1 at 7.

¹⁵ 2002 Base Rate Case, Ordering Paragraph No. 5; PGW St. No. 1 at 5-6.

1 It was those experiences that led to the WNA being proposed and approved in the 2002
2 base rate proceeding as a crucial requirement for PGW's financial health in the long term.
3 Over the past 20 years, PGW's WNA formula has essentially remained the same except
4 for the "normal" weather time period utilized in the formula.

5 **Q. WHAT IS OCA'S POSITION PROPOSAL REGARDING THE PROPOSED A**
6 **25% CAP IN THIS PROCEEDING?**

7 A. Mr. Nelson raises two criticisms about PGW's proposed 25% cap, as follows: (1) it is
8 inequitable that customers on different billing cycles faced much higher bills than others,
9 despite experiencing the same weather anomaly; and (2) it is inappropriate that there is no
10 consumer protection against such astronomical customer bill impacts.¹⁶

11 **Q. HOW DO YOU ADDRESS THESE CRITICISMS?**

12 A. At the outset, I note that neither of these criticisms is related to the proposed 25% cap,
13 except from Mr. Nelson's standpoint that it is too high of a cap and that a 5% cap should
14 be implemented, for which he provides no supporting data. Further, as previously
15 explained, PGW presented the 25% cap through its Cap Petition on August 2, 2022 as a
16 quick solution for the current heating season, which began on October 1, 2022. The
17 proposal was intended to protect customers from variances of greater than 25% resulting
18 from application of the WNA formula in the event that actual weather experienced in
19 Philadelphia in any given month significantly varied from the normal weather. Although
20 Mr. Nelson has characterized an alleged "increase" of 25% as "astronomical," he
21 acknowledged in discovery that PGW's proposal would have offered a level of protection
22 to consumers that currently does not exist.¹⁷

¹⁶ OCA Statement 1 at 12.

¹⁷ OCA Statement 1 at 12; OCA's Response to PGW-I-8.

1 Notably, when OCA and CAUSE-PA opposed the 25% cap proposed by PGW as
2 a consumer protection, and, as a result of that opposition, the Commission suspended it
3 for investigation at its Public Meeting on September 15, 2022, the PGW proposal was
4 rendered moot in that it was not implemented for the onset of the current heating season.
5 As a result, PGW filed a Withdrawal Petition, in which it committed to either file a base
6 rate case, which would address the WNA, or make a new, comprehensive WNA filing by
7 March 1, 2023. Administrative Law Judge (“ALJ”) Marta Guhl denied the Withdrawal
8 Petition by Interim Order issued on February 23, 2023, and this proceeding continues to
9 be litigated despite the fact that PGW has now comprehensively addressed the WNA in
10 its base rate case filed on February 27, 2023. In the base rate case, PGW has submitted a
11 report from its expert, Atrium, which contains extensive data, observations, findings, and
12 recommendations. Importantly, the base rate case proposes a level of normalized
13 revenues that the WNA would reconcile on a going forward basis, and also thoroughly
14 describes PGW’s financial situation, discussing the importance of stabilized cash flow,
15 PGW’s credit rating, debt service coverage, and PGW’s access to credit as needed to
16 support its operations as a natural gas utility for 500,000 customers. In that context, Mr.
17 Nelson’s concerns about the WNA’s disparate effects on customers in different billing
18 cycles can be effectively addressed. Given that the WNA has been charged on a bill
19 cycle basis since its implementation over 20 years ago, Mr. Nelson’s concerns seem
20 related to the original WNA formula and billing cycle approach, not the 25% cap
21 proposed herein. Indeed, Mr. Nelson’s direct testimony acknowledges that these issues
22 are in the base rate case and indicates that OCA will address in that proceeding whether

1 the WNA should continue, and if so, what modifications are needed.¹⁸ Such duplication is
 2 a waste of Commission and PGW resources.

3 **Q. WHAT IS MR. NELSON’S RECOMMENDATION IN THIS PROCEEDING?**

4 A. He summarily recommends that “the Commission suspend the WNA until or unless PGW
 5 comes up with a rate formula that corrects the [alleged] documented failures, does not
 6 discriminate against similarly situated customers, and does not result in unreasonable rate
 7 shock.”¹⁹ According to Mr. Nelson, “[t]he WNA, as currently allowed, even with the
 8 proposed 25% cap, cannot readily be considered a just and reasonable rate.”²⁰

9 **Q. PLEASE RESPOND.**

10 A. Mr. Nelson has not presented sufficient evidence to support suspension of the WNA,
 11 which has been in place for over twenty years with minimal changes. Further, he has not
 12 pointed to any differences between PGW’s WNA and the WNAs of other natural gas
 13 distribution companies that have been approved by the Commission or are currently
 14 pending before the Commission. Importantly, the Commission has been supportive of
 15 WNAs, most recently approving such a mechanism in September 2022, when Chairman
 16 Chairman Gladys Brown Dutrieuille issued a statement noting that the “decoupling of
 17 uncontrollable weather from revenues should stabilize UGI’s cashflow, and in turn, allow
 18 UGI to focus on operational items within its control, namely infrastructure upgrades and
 19 repairs.”²¹ In addition, OCA’s perfunctory proposal to suspend PGW’s WNA overlooks
 20 decades of the mechanism working largely as intended, for the important purpose of

¹⁸ OCA Statement 1 at 11.

¹⁹ OCA Statement 1 at 20.

²⁰ *Id.*

²¹ *Pa. Public Utility Commission v. UGI Utilities, Inc. – Gas Division*, Docket No. R-2021-3030218 (Order entered September 15, 2022; Brown Dutrieuille Statement).

1 ensuring that PGW collects the revenues that the Commission has determined in its base
2 rate case to be necessary to sustain its safe and reliable operation as a natural gas utility.
3 Particularly, in the absence of any specific recommendations for a rate formula that
4 corrects the Mr. Nelson's perceived failures of the WNA, OCA has not presented a basis
5 upon which PGW's WNA can be changed as part of this proceeding.

6 **Q. WHAT ARE MR. NELSON'S RECOMMENDATIONS FOR CHANGES TO THE**
7 **WNA IN THE EVENT THAT THE COMMISSION DETERMINES THAT IT**
8 **SHOULD CONTINUE?**

9 A. Mr. Nelson recommends that the Commission change the WNA adjustment from a
10 monthly reconciliation period to an annual reconciliation period. Additionally, he
11 recommends applying a 5% cap on WNA surcharges for under-recoveries, with any
12 Company over-recovery being fully refunded. Finally, he recommends that NHDD
13 averaging calculations use a 10-year weather average to better reflect climate trends that
14 the WNA is designed to address, noting that the formula currently uses a 20-year
15 average.²²

16 **Q. PLEASE RESPOND.**

17 A. OCA's recommendation to change the WNA adjustment from a monthly to an annual
18 reconciliation period would cause liquidity issues for PGW. Operating on a cash flow
19 basis requires PGW to continually have sufficient cash on hand throughout the year to
20 support the provision of safe and adequate natural gas service. A method that annually
21 reconciles PGW's revenues to reflect variations in weather from the normal patterns
22 would fail to recognize the ongoing need for cash to maintain these natural gas utility
23 operations. Of note, a justification offered by Mr. Nelson in support of this

²² OCA Statement 1 at 20-21.

1 recommendation is that “[e]xtending the true-up period to an annual reconciliation which
2 shift some customer risk to the utility and create a more equitable balance.”²³ Again, this
3 testimony is fundamentally flawed when applied to a municipal cash flow utility since no
4 shifting of risk can occur given the reality that the customers are effectively the
5 shareholders of the utility and will ultimately bear the consequences of any “risk
6 shifting.”

7 As to the suggestion for a 5% cap on the WNA, OCA has not presented data to
8 support this level of cap. To the extent that a cap continues to be considered as part of
9 the solution to protect consumers from unanticipated WNA charges caused by weather
10 variations, it is important that it be sufficiently high to ensure that PGW collects the level
11 of revenues that the Commission has determined are needed to support its operations. In
12 addition, no justification exists to use a method for recovery, as suggested by Mr. Nelson,
13 which is different than that used for refunds. As I have explained, the purpose of the
14 WNA is not for PGW to collect more money than the Commission has authorized, but
15 rather to ensure weather-sensitive revenue neutrality. Implementation of the WNA
16 should result in PGW billing the revenues that have been determined by the Commission
17 as necessary to provide safe and adequate operations as a natural gas utility – no more or
18 no less.

19 With respect to Mr. Nelson’s recommendation that the NHDD averaging
20 calculations use a 10-year weather average to better reflect climate trends that the WNA
21 is designed to address, rather than the 20-year average currently used by the formula, I
22 note that again, Mr. Nelson offers no statistical data in support of this proposal. The lack

²³ OCA Statement 1 at 21.

1 of data is particularly noteworthy given the agreement by OCA and other parties in the
2 2017 base rate proceeding to use 20-year average data, rather than the 30-year data that
3 was then in use (and the 10-year average originally proposed therein by PGW).²⁴ Indeed,
4 the consultants engaged by PGW to submit testimony in the current base rate case
5 observed that the use of a 10-year average would have resulted in higher WNA increases
6 than were experienced. I would further note that any change in the average data would
7 have to be applied both to the WNA calculation *and* the determination of PGW's average
8 FPFTY revenues, an issue that cannot be addressed in this proceeding.

9 **Q. ARE THERE OTHER PORTIONS OF OCA'S TESTIMONY THAT YOU WISH**
10 **TO ADDRESS?**

11 A. Yes. Mr. Nelson characterizes rate stability as an "illusory benefit," testifying that it
12 needs to be coupled with bill affordability for consumers.²⁵ I do not agree with this view
13 since decoupling and affordability are two separate issues. While a revenue decoupling
14 mechanism, such as PGW's WNA, is meant to provide the utility with the opportunity to
15 recover Commission-approved revenues, the adjustment has nothing to do with the
16 affordability of rates. Any efforts undertaken by the Commission to consider the
17 affordability of PGW's rates are /or done so in the context of its determination of the
18 overall revenue requirements in a rate case, and its review of customer assistance
19 programs in a Universal Service and Energy Conservation Plan. Once the level of
20 authorized revenues is determined by the Commission in a rate case, the WNA is
21 designed to ensure that the utility – in this case, PGW – collects the authorized amount of
22 revenues regardless of the actual weather that is experienced in its service territory.

²⁴ *Pa. Public Utility Commission v. Philadelphia Gas Works*, Docket No. R-2017-25867833 (Order entered November 8, 2017, at pages 17-18 and Ordering Paragraph No. 3) ("*2017 Base Rate Case*").

²⁵ OCA Statement 1 at 7.

1 **Q. DOES MR. NELSON ADDRESS PGW'S REASONS FOR NEEDING THE WNA?**

2 A. Yes. Mr. Nelson refers to PGW's August 12, 2022 WNA Report filed with the
3 Commission, which describes the WNA as stabilizing cash flow, reducing short-term
4 borrowing needs and costs, and lowering the need for weather-related rate proceedings.²⁶
5 He further discusses my direct testimony indicating that prior to implementation of the
6 WNA in 2002, abnormally warm weather negatively affected PGW's bond rating and
7 created a consistent need to request additional rate relief to stave off financial crisis.²⁷ In
8 this discussion, Mr. Nelson guesses that 20 years ago there were "potentially" other
9 factors affecting PGW's liquidity challenges at that time other than weather variations.

10 **Q. HOW DO YOU RESPOND?**

11 A. Mr. Nelson's speculation as to potential other factors that may have existed when the
12 WNA was first implemented is nothing but conjecture. He does not provide any support
13 for this statement or suggest what other factors besides weather variations may have been
14 affecting PGW's liquidity challenges. Regardless, it is not relevant here. The point of my
15 direct testimony is that PGW had no mechanism available to address abnormal weather,
16 short of submitting multiple weather-related rate cases, and that this structure negatively
17 affected PGW's bond rating, as well as its cash on hand and its debt service ratio. That
18 issue existed in 2002 when the WNA was approved by the Commission, and continues to
19 be a concern today.

²⁶ OCA Statement at 18.

²⁷ OCA Statement at 19.

1 **Q. DOES MR. NELSON ALSO REFER TO PGW’S NET INCOME AS A WAY OF**
2 **OPPOSING THE WNA?**

3 A. Yes. Mr. Nelson points to the Company posting a net income of \$220 million between
4 June 1, 2021 and May 31, 2022.

5 **Q. PLEASE RESPOND.**

6 A. In pointing to PGW’s net income, Mr. Nelson has selected an arbitrary number and an
7 arbitrary time period, without any context relating to the WNA’s critical role in PGW’s
8 overall financial situation.²⁸ PGW did not “earn” \$220 million, but rather had that level
9 of net revenues from operations, which were used to fund its operations and support other
10 cash requirements as a natural gas utility. These include but are not limited to: \$18
11 million City Payment, the internally generated funds (“IGF”) needed by PGW to continue
12 to meet its IGF goals to support capital investments, and to support working capital.
13 What is important concerning the WNA and the revenues that it produces is the effect
14 that it has on the number of days of cash on hand and the debt service ratio. For example,
15 I have consulted with Joseph F. Golden, Jr., who is PGW’s Executive Vice President and
16 Acting Chief Financial Officer, regarding these metrics, who advises that if we use
17 January 2021 through today, PGW has billed approximately \$60 million in WNA charges
18 since the last rate case. Without this revenue, PGW’s number of cash days on hand
19 would be down from 16.9 days at the end of the FPFTY to *negative* 14.8 days. This
20 would be a totally unacceptable financial result. In addition, in the pending base rate
21 case, PGW witness Lover explains the significance of these factors on the cost of
22 borrowing by PGW – a cost that is absorbed by its ratepayers – and its overall credit

²⁸ PGW’s “net income” is not even mentioned as a factor in determining a just and reasonable revenue requirement using the cash flow method of ratemaking, the method used to determine PGW’s required revenues. 69 Pa. Code § 69.2703.

1 rating. It bears reiterating that the WNA does not improve or reduce these key metrics
 2 compared to what the Commission determines are the reasonable levels in PGW's base
 3 rate case; it simply permits PGW to realize the levels that have already been approved.

4 ***(E) Specific Responses to CAUSE-PA's Witness***

5 **Q. DOES MR. GELLER ERR WHEN DISCUSSING THE EFFECT OF THE WNA**
 6 **ON CUSTOMERS WHO PARTICIPATE IN PGW'S CUSTOMER**
 7 **RESPONSIBILITY PROGRAM ("CRP").**

8 A. Yes. Referring to the average income for a PGW CRP customer, Mr. Geller claims that
 9 "these customers could pay 10% or more of their monthly income for the WNA charge
 10 alone."²⁹ This statement is factually incorrect. CRP customers are unaffected by the
 11 WNA because they pay PGW the lower of an affordable energy burden (as set by the
 12 Commission) under a Percentage of Income Payment Plan ("PIPP") or their average bill.
 13 The current Commission energy burdens for PGW's CRP customers are 4% and 6%.
 14 These energy burdens do not change with rate changes or WNA charges.

15 **Q. WHAT IS MR. GELLER'S CRITICISM OF THE PROPOSED 25% CAP?**

16 A. Mr. Geller presents a calculation of a customer's WNA charge, under the proposed 25%
 17 cap, showing that the customer with a total Bill Charge of \$36.96 would still face a
 18 maximum WNA charge of \$9.24 in a particular month.³⁰ If unadjusted, WNA charges
 19 exceeded the proposed cap.

20 **Q. PLEASE RESPOND.**

21 A. It is important to make a distinction between total "Bill Charges" and total "Delivery
 22 Charges" since the WNA only imposes charges in connection with the delivery of natural
 23 gas, not the cost of purchased gas. Essentially, Mr. Geller is complaining that the total

²⁹ CAUSE-PA Statement 1 at 10.

³⁰ CAUSE-PA Statement 1 at 13-14.

1 “Delivery Charges” contain too many components. However, all the components in
2 PGW’s WNA are related to usage and the result of weather-related variances. Thus, they
3 are properly included in the cap calculation.

4 **Q. PLEASE DESCRIBE MR. GELLER’S TESTIMONY CONCERNING THE**
5 **APPROPRIATE BALANCE BETWEEN CONSUMERS AND UTILITIES.**

6 A. Mr. Geller testifies that the Commission should evaluate future WNA proposals to
7 determine whether they “will achieve the appropriate balance of interests between
8 consumers and utilities – without undermining rate affordability and critically important
9 conservation and efficiency goals.”³¹

10 **Q. HOW DO YOU RESPOND?**

11 A. In this testimony, Mr. Geller is overlooking the fact that PGW’s WNA is designed only
12 to achieve revenue neutrality, meaning that PGW will have an opportunity to recover the
13 Commission-approved cost of service. Again, the WNA does not allow for over-
14 recovery of costs by PGW.

15 **(F) Overall Conclusions**

16 **Q. DO YOU HAVE ANY OTHER OBSERVATIONS REGARDING THE**
17 **TESTIMONY SUBMITTED BY OCA AND CAUSE -PA?**

18 A. Yes. I am concerned that in advancing proposals to suspend or eliminate the WNA –
19 because of one instance in 2022 when the mechanism did not operate as intended (in
20 comparison to a 20-year period in which it did operate as intended), which PGW
21 promptly identified and voluntarily rectified – OCA and CAUSE-PA are overlooking the
22 overall importance of PGW’s WNA to its operations, and attempting to insert into this
23 25% cap request proceeding their goal of abolishing all WNAs in Pennsylvania. As

³¹ CAUSE-PA Statement 1 at 15.

1 PGW stated over 20 years ago, and as still holds true today, the WNA: (i) stabilizes cash
2 flow from year-to-year; (ii) reduces the need for short-term borrowing from year-to-year;
3 (iii) positively affects PGW's credit rating; and (iv) reduces the need for costly base rate
4 proceedings (which could even include extraordinary rate requests if actual revenues
5 diverged dramatically and quickly from normal levels).³² As the other parties and the
6 Commission and the Pennsylvania General Assembly³³ have appropriately recognized in
7 the past, a WNA-type clause is particularly appropriate for a municipally owned utility
8 because under the cash flow method of ratemaking, ratepayers provide revenues to cover
9 the entire costs of service – but only the cost of service. The WNA minimizes the degree
10 to which shortfalls or windfalls occur. For a municipal utility that utilizes a WNA,
11 ratepayers are assigned the same responsibilities or obtain the same benefits that they
12 would without a WNA.

13 **Q. PLEASE DESCRIBE THE EFFECTS OF THE EXISTING WNA ON PGW'S**
14 **CREDIT RATING.**

15 A. Because the existing WNA has eliminated the effect of abnormal weather on revenues
16 and cash flow, it has had a very positive effect upon the way in which PGW has been
17 viewed by the financial community. Weather-related reductions in earnings and cash
18 flow prior to implementation of the WNA threatened PGW's ability to successfully issue
19 additional long-term debt, the Company's only available source of external capital. The
20 rating agencies have clearly indicated their reliance upon the WNA to operate as a risk-
21 mitigating tool, which has resulted in PGW achieving higher credit ratings.³⁴ Of note,

³² 2002 Base Rate Case, PGW St. 2 at 3 (Direct Testimony of Craig White).

³³ PGW St. No. 1 at 9.

³⁴ <https://www.fitchratings.com/research/us-public-finance/fitch-upgrades-philadelphia-pa-gas-works-revs-to-a-outlook-stable-17-02-2022>

1 absent the WNA, PGW would need to seek Commission approval for significantly higher
2 base rates to guard against financial risks that might occur due abnormal weather in its
3 service territory.

4 **IV. CONCLUSION**

5 **Q. DOES THAT COMPLETE YOUR TESTIMONY?**

6 **A.** Yes. However, I reserve the right to offer further testimony. Thank you.

VERIFICATION

I, Denise Adamucci, hereby state that: (1) I am the Senior Vice President for Customer & Regulatory Affairs for Philadelphia Gas Works (“PGW”); (2) I have reviewed the statements set forth in PGW’s Rebuttal Testimony as to their accuracy; and (3) the facts set forth therein are true and correct to the best of my knowledge, information and belief. I understand that statements herein are made subject subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 2, 2023

DA

Denise Adamucci
Senior Vice President for Customer & Regulatory Affairs
Philadelphia Gas Works

Attachment E

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION	:	
	:	DOCKET NOS. R-2022-3034229
V.	:	and P-2022-3034264
	:	
PHILADELPHIA GAS WORKS	:	
	:	

SURREBUTTAL TESTIMONY

OF

RON NELSON
SENIOR DIRECTOR
STRATEGEN CONSULTING

ON BEHALF OF
THE OFFICE OF CONSUMER ADVOCATE

May 12, 2023

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1 **I. INTRODUCTION**

2

3 **Q. Please state your name, business address, and occupation.**

4 A. My name is Ron Nelson. I am a Senior Director with Strategen Consulting. My
5 business address is 10265 Rockingham Dr., Suite #100-4061, Sacramento, CA
6 95827.

7 **Q. On whose behalf are you testifying in this proceeding?**

8 A. I am testifying on behalf of the Office of the Consumer Advocate.

9 **Q. Are you the same Ron Nelson who submitted direct testimony in this proceed-**
10 **ing?**

11 A. Yes.

12 **Q. What is the purpose of your surrebuttal testimony?**

13 A. I respond to the rebuttal testimony of Philadelphia Gas Works' ("PGW") Witness
14 Denise Adamucci (Statement No. 1-R) regarding PGW's Weather Normalization
15 Adjustment ("WNA").

16 **Q. PGW questions your qualifications to discuss how the WNA relates to a mu-**
17 **nicipality. How do you respond?**

18 A. There are two relevant aspects to reviewing the WNA as it relates to PGW. First
19 is the technical aspect. The WNA is an algebraic formula. I have a math degree
20 and graduate level statistics and am more than qualified to evaluate the technical
21 aspects of the WNA. The second aspect is how the WNA interacts with the
22 unique business model of PGW, a municipal utility. I have been working on per-

1 performance-based regulation for 10 years, including advising the Hawaii and Con-
2 necticut Commissions. I have also testified on decoupling mechanisms several
3 times for investor owned utilities. I have also testified in a case involving a Coop-
4 erative, albeit not on decoupling, but related areas of cost of service and rate de-
5 sign. I also have clients that are cooperatives. While the details of those engage-
6 ments are confidential, they involved DER strategies and rate design, and impli-
7 cate revenue erosions issues that decoupling is used to address. I am well versed
8 in different business and regulatory frameworks. Furthermore, PGW has not
9 pointed to other municipalities with WNAs, much less municipalities with simi-
10 larly designed WNAs. If PGW were aware of such municipalities, it would have
11 supported their case to point them out, so I assume there are few or none.

12
13 **II. RISK UNDER THE WNA**
14

15 **Q. Does PGW agree with your characterization of decoupling mechanisms as bal-**
16 **ancing how risk shifts between utilities and ratepayers?**

17 **A.** No. PGW asserts that I made a “fundamental error...by inappropriately referring
18 to PGW’s WNA as involving a shifting of risk from the utility to consumers.”¹ To
19 support this argument, PGW focuses on the fact that its WNA “provides revenue
20 neutrality and not increased profitability.”²

21

¹ Adamucci Rebuttal Testimony (Statement No. 1-R) at 7.

² Adamucci Rebuttal Testimony (Statement No. 1-R) at 8.

1 **Q. How do you respond?**

2 A. PGW has mischaracterized my testimony; I did not claim that the WNA enables
3 PGW to bill more revenues than have been authorized and I do agree that the
4 mechanism provides revenue neutrality.

5 However, it is clear that the WNA *does* shift risk because outcomes for cus-
6 tomers and for PGW will differ with and without the WNA. And when a WNA
7 is in place, outcomes will also differ for customers and for PGW depending on
8 how the WNA is designed. If under one WNA design (say, monthly reconcilia-
9 tion), customer bills vary radically as compared to another WNA design (say, an-
10 nual reconciliation), all else constant (e.g., no significant change in outcome for
11 PGW), the WNA with monthly reconciliation shifts more risk from PGW onto
12 consumers.

13 PGW's recent proposal to exclude May 2023 usage from the WNA
14 formula³ again demonstrates the WNA's risk to customers. The Company evi-
15 dently found the mechanism risky enough to customers to take this preventative
16 action – one which shifts the risk back to PGW during that month for the second
17 year in a row.

18 Another risk shift between utility and customers – one that is challenging
19 to equitably address – involves the potential of a warming climate. If warming
20 weather results in lower consumption and lower bills for consumers, but those

³ Adamucci Rebuttal Testimony (Statement No. 1-R) at 3.

1 customers have to continue paying the same level to the Company, that outcome
2 is not equitable. Under that structure, there also might be little incentive for the
3 company to address its falling sales, causing customers to continue to shoulder
4 the consequences of the weather abnormality.

5 **Q. Can you provide an example of the WNA shifting risk from PGW to its rate-**
6 **payers?**

7 A. Yes. This very proceeding is the result of an excessive risk shift from the Com-
8 pany to its customers. According to PGW, the mechanism worked as it was sup-
9 posed to when it levied extreme and inconsistent bill increases upon customers
10 after abnormally warm May 2022 weather. The risk of monthly bill volatility was
11 imposed upon customers in order to secure revenue stability for the Company.
12 As I demonstrated in my direct testimony, the extreme level of bill volatility
13 would not have occurred if the mechanism were reconciled annually. The way
14 the WNA is designed very clearly shifts financial risk from the Company to its
15 customers.

16
17 **III. SUPPORTING DATA**
18

19 **Q. How does PGW respond to your recommendation of a 5% rate cap on the**
20 **WNA bill increase?**

21 A. PGW claims that I provide “no supporting data” for a 5% cap.⁴
22

⁴ Adamucci Rebuttal Testimony (Statement No. 1-R) at 10.

1 **Q. How do you respond?**

2 A. I provided several examples of other utilities with similar caps in my direct testi-
3 mony⁵ and discovery responses,⁶ and I also analyzed the effects of my recom-
4 mended cap on PGW and its WNA.⁷In response to PGW's Set I, No. 6 to OCA, I
5 identified the following examples:

- 6 • In Minnesota Docket No. E-002/GR-15-826, the Commission approved the use
7 of a decoupling mechanism with a 3% hard cap.
- 8 • In Minnesota Docket No. E-002/GR-21-630, the administrative law judge has
9 recommended the Commission adopt a 3% hard cap. Order forthcoming.
- 10 • Otter Tail Power Company has a 4% hard cap, despite being the smallest IOU in
11 the country. See Docket No. 20-719.

12

13 **Q. Has PGW provided "supporting data" for its own proposals and claims?**

14 A. No. The Company has not provided any supporting data for its own 25% cap
15 proposal.

16

17 **IV. PROCEDURAL SCOPE**

18

19 **Q. Does PGW assert that your WNA recommendations are outside the scope of**
20 **the instant proceeding?**

21 A. Yes. PGW states that the "sole issue in this case is whether the 25% cap should be
22 implemented."⁸

23

⁵ OCA St. 1 at 18.

⁶ OCA's response to PGW 1-6.

⁷ OCA St. 1 at 21.

⁸ Adamucci Rebuttal Testimony (Statement No. 1-R) at 5.

1 **Q. Do you agree with the Company's position?**

2 A. No. I am not a lawyer, but it is my understanding that the Commission can adopt
3 changes beyond a cap for the WNA in this proceeding.⁹ In fact, PGW's own de-
4 scription of the proceeding elsewhere in rebuttal testimony broadens the scope
5 beyond the 25% cap: "this proceeding was initiated by PGW in August 2022 for
6 the limited, but important, purpose of protecting customers during the current
7 heating season."¹⁰ Indeed, my direct testimony recommendations serve the pur-
8 pose of protecting customers under the WNA.

9

10 **V. NET INCOME**

11 **Q. PGW criticizes your argument regarding the Company's net income. How do**
12 **you respond?**

13 A. PGW states that I "selected an arbitrary number and an arbitrary time period,"¹¹
14 but then provides its own analysis using a different arbitrary time period. The
15 additional analysis does not support PGW's proposed cap.

16

17

⁹ The Commission's Suspension Order for this case ordered that the investigation include consideration of the lawfulness, justness, and reasonableness of Philadelphia Gas Works' existing rates, rules, and regulations. *Pa. PUC v. Philadelphia Gas Works*, Docket Nos. R-2022-3034229, P-2022-3034264 (Order entered September 15, 2022) (*September 15 Order*).

¹⁰ Adamucci Rebuttal Testimony (Statement No. 1-R) at 4.

¹¹ Adamucci Rebuttal Testimony (Statement No. 1-R) at 17.

1 VI. CONCLUSION

2

3 Q. Based on PGW's rebuttal, would you like to change any of your recommenda-
4 tions from direct testimony?

5 A. No.

6 Q. Does this conclude your testimony?

7 A. Yes, this concludes my testimony.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2022-3034229
Supplement No. 152 to Gas Service Tariff –	:	
Pa. P.U.C. of Philadelphia Gas Works	:	
	:	
Petition of Philadelphia Gas Works for	:	
Approval on Less than Statutory Notice	:	Docket No. P-2022-3034264
of Tariff Supplement Revising Weather	:	
Normalization Adjustment	:	

VERIFICATION

I, Ron Nelson, hereby state that the facts set forth in my Surrebuttal Testimony, OCA Statement 1SR, are true and correct (or are true and correct to the best of my knowledge, information, and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: May 12, 2023
*345908

Signature: Ron Nelson
Ron Nelson

Consultant Address: Strategen Consulting
2150 Allston Way
Suite 400
Berkeley, CA 94704

Attachment F

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2022-3034229
	:		P- 2022-3034264
v.	:		
	:		
Philadelphia Gas Works	:		

SURREBUTTAL TESTIMONY OF HARRY S. GELLER, ESQ.

ON BEHALF OF

THE COALITION FOR AFFORDABLE UTILITY SERVICES AND
ENERGY EFFICIENCY IN PENNSYLVANIA (“CAUSE-PA”)

May 12, 2023

1 **PREPARED SURREBUTTAL TESTIMONY OF HARRY S. GELLER**

2 **Q: Please state your name, occupation, and business address.**

3 A: My name is Harry S. Geller. I am an attorney. I am retired as the Executive Director of the
4 Pennsylvania Utility Law Project (PULP), but have maintained an office at 118 Locust St.,
5 Harrisburg, PA 17101 for the purpose of providing consulting services and assistance to low
6 income individuals and the organizations which represent them in utility and energy matters.

7 **Q: Did you previously submit testimony in this proceeding?**

8 A: Yes. I submitted direct testimony on behalf of the Coalition for Affordability Utility
9 Services and Energy Efficiency in Pennsylvania (CAUSE-PA) pre-marked as CAUSE-PA
10 Statement 1. In my direct testimony, I explained that CAUSE-PA is concerned about the effects
11 of PGW’s WNA on its low income customers’ ability to maintain gas service by shifting the
12 financial risk of warming weather onto residential customers resulting in consistently and
13 increasingly higher charges for consumers.¹ I further explained that Philadelphia has a poverty rate
14 double that of Pennsylvania statewide and that PGW has confirmed that nearly one in four of its
15 customers are low income and estimates over one in three to be low income.² I explained that these
16 customers simply cannot afford the extra WNA charges, and it is both unjust and unreasonable to
17 assess a charge for gas that low income households are not using as a result of warming
18 temperatures because every dollar of added cost from the WNA disproportionately impacts low
19 income customers’ ability to afford basic necessities.³ I concluded that PGW has failed to provide
20 substantial evidence that its proposed 25% cap will produce just and reasonable rates.⁴

¹ CAUSE-PA St. 1 at 4.

² Id. at 6.

³ Id. at 7-11.

⁴ Id. at 15.

1 **Q: What is the purpose of your surrebuttal testimony?**

2 A: My surrebuttal testimony responds to the rebuttal testimony of Philadelphia Gas Works
3 Witness Denise Adamucci.⁵ Unless required for context in providing a further response to rebuttal
4 testimony, I will not reiterate the extensive arguments and evidence that I provided in direct
5 testimony and stand firmly on the evaluation, analysis, and recommendations contained therein.

6 **Q: Please summarize the rebuttal testimony to which your surrebuttal responds.**

7 A: In her rebuttal testimony, Ms. Adamucci attempts to distinguish PGW’s WNA from similar
8 mechanisms operated by other utilities by arguing that PGW’s WNA “provides revenue neutrality
9 and not increased profitability.”⁶ She claims that any reference to PGW shifting the risk of
10 warming climate onto its customers overlooks that PGW is owned by the City of Philadelphia.⁷
11 Furthermore, inappropriately and without basis, Ms. Adamucci asserts that I am attempting to
12 insert into this 25% cap request proceeding a goal of abolishing all WNAs in Pennsylvania.⁸

13 **Q: What is your response to Ms. Adamucci’s argument that by shifting the risk of**
14 **warming weather onto customers, PGW’s WNA “provides revenue neutrality and not**
15 **increased profitability” and that you overlook that the City of Philadelphia owns PGW?**

16 A: Regardless of its ownership, PGW has a duty to charge its customers just and reasonable
17 rates. The WNA violates this basic tenet because it charges residential customers more than they
18 should have to pay – with the disparate impacts of the additional cost falling hardest on low income
19 consumers. PGW’s argument that the WNA simply allows it to recover the level of revenue
20 authorized by the Commission focuses solely on the benefits of the WNA to PGW’s cash flow but

⁵ PGW St. 1-R.

⁶ Id. at 6-8.

⁷ Id. at 8.

⁸ Id. at 19.

1 ignores the disparate and detrimental impacts that the alternative rate mechanism has on consumers
2 and, specifically, its low income customers. The issue relevant to this matter is the design of
3 PGW's proposed alternative rate structure – and whether that rate structure is resulting in just and
4 reasonable rates for consumers. While revenue stability is a factor the Commission considers in
5 reviewing alternative rate design, there are a plethora of other explicit factors that the Commission
6 must also consider when reviewing and approving an alternative rate design proposal such as the
7 WNA, including its impact on low income consumers.⁹

8 The WNA consistently and increasingly levies substantial, unexpected charges on
9 residential customers that low income customers simply cannot afford. As explained in my direct
10 testimony, there is evidence that PGW's WNA punishes those who save energy through
11 conservation and efficiency, undermining critical efficiency goals and denying families the ability
12 to reduce energy costs through careful conservation and installation of efficiency measures.¹⁰ It is
13 clear from a review of the operation of PGW's WNA that it is not serving its intended purpose to
14 balance the risk of abnormal weather - and instead consistently produces higher bills for residential
15 customers without any articulable benefit. The disparate impact on consumers who use less gas
16 through conservation and efficiency will only get worse as the climate gets warmer, undermining
17 critical efficiency goals.

18 PGW's WNA fails to equitably balance the risks of abnormal weather without penalizing
19 consumers who are actively working to reduce their consumption.

⁹ 52 Pa. Code § 69.3302.

¹⁰ CAUSE-PA St. 1 at 10-11, 14-15.

1 **Q: What is your response to Ms. Adamucci’s claim that you are attempting to insert into**
2 **this proceeding a goal of abolishing all WNAs in Pennsylvania?**

3 A: This statement is inappropriate and without basis. I review all proposed rate mechanism
4 modifications to ensure that the protections, policies, and services provided to consumers are not
5 reduced and that low income consumers can afford utility services to their home.¹¹ My focus in
6 this case is the protection of PGW’s low income customers from inequitable rate mechanisms.

7 In launching the most recent statewide inquiry into alternative rate design, which
8 culminated in the adoption of formal Commission policy, then-Commissioner David W. Sweet
9 highlighted the critical importance of considering the rate impact on all consumers, “especially
10 those who are considered low-income or income challenged. Because these segments of the
11 population are most vulnerable and are affected by even the slightest of rate changes, a careful
12 approach must be taken in making any rate methodology changes.”¹²

13 **Q: Ms. Adamucci asserts that you made a factually incorrect statement in your direct**
14 **testimony regarding the impact of PGW’s Customer Assistance Program, known as CRP.¹³**
15 **How do you respond?**

16 A: I wish to clarify that passage of my direct testimony. As initially phrased, my statement
17 cited the average income of CRP customers and indicated that they could pay up to 10% of their
18 income toward WNA charges. I intended to note that low income customers at that level of income,

¹¹ Natural Gas Choice Act, § 2203. Standards for restructuring of natural gas utility industry

(7) The commission shall, at a minimum, continue the level and nature of the consumers protections, policies and services within its jurisdiction that are in existence as of the effective date of this chapter to assist low-income retail gas customers to afford natural gas services.

¹² Fixed Utility Distribution Rates Policy Statement, Docket M-2015-2518883, March 2, 2017, Stmt. of Comm’n Sweet at 1.

¹³ PGW St. 1R at 18:8-10.

1 *who are not enrolled in CRP*, could pay 10% or more of their income for the WNA charge alone.
2 I referenced the average income of CRP customers because PGW does not track income
3 information for its confirmed low income customers and was only able to provide average income
4 data for confirmed low income customers enrolled in CRP.¹⁴ Considering that 72% of PGW’s
5 estimated low income customers are not enrolled in CRP, this observation applies to a substantial
6 number of PGW’s low income customers.¹⁵ These customers have no protection from the unjust
7 and inequitable financial burden imposed by PGW’s WNA.

8 I also remain concerned about the impact of PGW’s WNA on CRP participants enrolled in
9 the average bill rate. Counsel for CAUSE-PA served discovery on May 3, 2023, further probing
10 this issue. Responses are due on May 15, 2023, after the deadline for surrebuttal to be served on
11 the parties.¹⁶ I reserve the right to amend my testimony pending review of PGW’s discovery
12 responses.

13 **Q: Ms. Adamucci points out that, in your direct testimony, you presented a calculation**
14 **of a customer’s WNA charge, under the proposed 25% and claims that you are “complaining**
15 **that the total ‘Delivery Charges’ contain too many components.”¹⁷ What is your response?**

16 A: That example was taken directly from PGW’s Weather Normalization Adjustment Report
17 to the Pennsylvania Public Utility Commission.¹⁸ My complaint is not about the number of

¹⁴ See CAUSE-PA St. 1 at 6, fn.11.
¹⁵ *Id.* at 9 (PGW has approximately 187,901 estimated low income customers).
¹⁶ Note that CAUSE-PA served its requests the day after service of rebuttal testimony, but the time frame between service of rebuttal testimony and surrebuttal testimony in this proceeding is only 10 days, while the turnaround time for discovery responses is also 10 days.
¹⁷ PGW St. 1R at 18:15-19:3.
¹⁸ See CAUSE-PA St. 1 at 13:19-14:2; see also PGW Weather Normalization Adjustment Report to the Pennsylvania Public Utility Commission, P-2022-3033477, at p. 13 (Aug. 12, 2022) (Explaining Example #1 in Section IV WNA Formula. “The total Bill Charge in this Example were \$143.25. Excluding the WNA of \$106.29, total charges were \$36.96. The 25% cap would be \$9.24.”).

1 components in the charge, but of the inequities caused by the application of the charge and the
2 effect of the increased cost on low income customers.¹⁹

3 **Q: Does this conclude your direct testimony?**

4 A: Yes.

¹⁹ CAUSE-PA St. 1 at 14.

Attachment G

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

REJOINDER TESTIMONY OF

Denise Adamucci

ON BEHALF OF
PHILADELPHIA GAS WORKS

Pa. Public Utility Commission v. Philadelphia Gas Works
Docket Nos. R-2022-3034229 and P-2022-3034264

May 19, 2023

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TABLE OF EXHIBITS

PGW Exh. DA-4	PGW’s Response to OCA-II-7
PGW Exh. DA-5	Analysis of Factors in Policy Statement at 52 Pa. Code § 69.3302

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND CURRENT POSITION WITH PGW.**

3 A. My name is Denise Adamucci and I am the Senior Vice President for Customer &
4 Regulatory Affairs at Philadelphia Gas Works (“PGW” or “Company”).

5 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS**
6 **PROCEEDING?**

7 A. Yes. I submitted direct testimony on February 23, 2023 supporting Supplement No. 152,
8 which PGW filed on August 2, 2022 to modify its Weather Normalization Adjustment
9 (“WNA”) clause in the Company’s Gas Service Tariff.¹ By Supplement No. 152, PGW
10 sought to implement a 25% cap on rate changes resulting from application of the WNA
11 during the current heating season. I also submitted rebuttal testimony on May 2, 2023 to
12 respond to the direct testimony offered by witness Ron Nelson on behalf of the Office of
13 Consumer Advocate (“OCA”) and the direct testimony presented by witness Harry S.
14 Geller on behalf of the Coalition for Affordable Utility Services and Energy Efficiency in
15 Pennsylvania (“CAUSE-PA”).² Both my direct and rebuttal testimony demonstrate the
16 importance of the WNA to PGW’s overall financial health and stability, which in turn
17 benefits ratepayers.

18 **Q. WHAT IS THE PURPOSE OF YOUR REJOINER TESTIMONY?**

19 A. The purpose of my rejoinder testimony is to respond to the surrebuttal testimony of Mr.
20 Nelson submitted by OCA³ and the surrebuttal testimony of Mr. Geller submitted by
21 CAUSE-PA⁴ on May 12, 2023.

1 PGW Statement No. 1.
2 PGW Statement No. 1-R.
3 OCA Statement 1-SR.
4 CAUSE-PA Statement 1-SR.

1 **Q. HAS THE SURREBUTTAL TESTIMONY SUBMITTED BY OCA AND CAUSE-**
2 **PA ALTERED THE VIEWS SET FORTH IN YOUR PRIOR TESTIMONY IN**
3 **THIS PROCEEDING?**

4 A. No. I continue to believe that the 25% cap on the WNA proposed by PGW on August 2,
5 2022 had merit and should have been promptly implemented at that time to protect
6 consumers from the potential for unusually large or unanticipated charges during the
7 current heating season, which started on October 1, 2022. Further, I have not altered my
8 views regarding the importance of the WNA to PGW's financial health and stability,
9 which in turn benefits ratepayers. Particularly given PGW's responsibility to provide
10 safe and adequate natural gas service to ~500,000 customers, the Company needs the
11 financial certainty of billing the level of revenues authorized by the Commission even
12 when Philadelphia experiences abnormally warmer weather during the heating season.

13 **II. OVERALL OBSERVATIONS OF SURREBUTTAL TESTIMONY**

14 **Q. DO YOU HAVE ANY OVERALL OBSERVATIONS ABOUT MR. NELSON'S**
15 **SURREBUTTAL TESTIMONY SUBMITTED BY OCA?**

16 A. Yes. Despite agreeing that the WNA mechanism provides revenue neutrality, in that it
17 does not enable PGW to bill more revenues than have been authorized by the
18 Commission,⁵ Mr. Nelson's surrebuttal testimony reflects a continued failure to
19 acknowledge that it is PGW's ratepayers who pay if the Company cannot meet its
20 financial obligations, and essentially proposes the elimination of PGW's WNA. For
21 instance, in his discussion of warming weather, Mr. Nelson suggests that the outcome of
22 the WNA is not equitable to customers because they continue to be billed the same level
23 of revenues despite their lower consumption.⁶ Of note, PGW's WNA only results in an

⁵ OCA Statement 1-SR at 4.

⁶ OCA Statement 1-SR at 4-5.

1 adjustment to rates if usage is reduced because of weather. However, if usage goes down
2 because the customer conserves, the customer gets the benefit of that conservation. The
3 whole point of a decoupling mechanism, such as PGW's WNA, is to ensure that the
4 Company is able to bill revenues at a level authorized by the Commission as being
5 necessary to sustain PGW's natural gas operations. Indeed, I am informed by counsel
6 that the legislature has recognized this value of this tool in directing the Commission to
7 authorize decoupling mechanisms that permit a utility to recover an authorized level of
8 revenues whether lower billed revenues are due to weather or conservation.⁷

9 If PGW were not able to adjust billings through the WNA to reflect warmer
10 weather during the heating season, its natural gas operations would be jeopardized,
11 directly harming customers. Also, PGW would be required to more frequently seek rate
12 relief from the Commission, potentially on an emergency basis, which again would need
13 to be paid by the Company's customers. Yet, Mr. Nelson's surrebuttal testimony
14 continues to ignore that PGW does not have access to funds other than those that are
15 provided by ratepayers. It is imperative for the Commission to recognize the
16 fundamental error in Mr. Nelson's assumption in this regard and to continue to support
17 the WNA as providing PGW a cash balance that is critical to the safe and adequate
18 provision of natural gas utility service to ~500,000 customers in Philadelphia.

19 **Q. DO YOU HAVE ANY OVERALL OBSERVATIONS ABOUT MR. GELLER'S**
20 **TESTIMONY SUBMITTED BY CAUSE-PA?**

21 A. Yes. By focusing on the impact of the WNA on low-income customers, Mr. Geller's
22 surrebuttal testimony seeks to portray this proceeding as having been initiated by PGW to

⁷ 66 Pa.C.S. § 1330.

1 increase rates. To the contrary, after obtaining PUC approval to refund a significant
2 amount to customers for a charge properly billed under its approved tariff, PGW filed a
3 consumer protection proposal seeking to cap the WNA at 25%. The WNA is a long-
4 standing, Commission-approved formula, and herein PGW proposed to limit its charges.
5 It is inappropriate for Mr. Geller to use this proceeding, which is focused on PGW trying
6 to protect customers, as a platform for arguing that the WNA – a single component of
7 PGW’s rates – is harmful to low-income customers. Mr. Geller has plenty of other
8 forums in which to advocate on behalf of low-income customers; a proceeding initiated
9 by PGW to protect all customers, including low-income customers, is not the appropriate
10 place.

11 Further, because PGW’s WNA is already in its Commission-approved Tariff, it is
12 the other parties’ burden to demonstrate that the Tariff provision is somehow
13 unreasonable – not PGW’s burden to justify its continued existence. Counsel advises that
14 Tariff provisions approved by the Commission are *prima facie* reasonable, and parties
15 challenging such provisions bear a heavy burden to prove that facts and circumstances
16 have changed drastically so as to render application of the Tariff provision unreasonable.⁸
17 Certainly, neither Mr. Geller nor Mr. Nelson has met that heavy burden; their argument
18 against the WNA is simply that it (sometimes) raises rates for customers. Importantly,
19 however, it was designed to not raise rates above the level that the Commission has
20 already approved. Moreover, the anomaly that occurred with the WNA in May 2022, and
21 the potential of which PGW avoided this year by seeking and receiving emergency relief
22 to exclude May 2023 usage from the formula, cannot be viewed as a “drastic” change

⁸ *Shenango Township Board of Supervisors v. Pa. PUC*, 686 A.2d 910, 914 (Pa. Cmwlth. 1996).

1 rendering application of the provision unreasonable, particularly since the WNA has not
2 been applied to customers in either year.

3 Of note, in the base rate case that is pending, PGW has sought to remove May
4 from the WNA formula so as to prevent any potential recurrence in the future. Through a
5 study performed by PGW's consultant in the rate case, it became clear that the exclusion
6 of May would address the warming weather trends in Philadelphia over recent years.⁹
7 Indeed, if any changes are made to the WNA in the context of this proceeding, the
8 removal of May from the formula makes sense since usage in this month has resulted in
9 the issuance of emergency orders by the Commission (at the request of PGW) in the last
10 two years.¹⁰ The evidence appears clear: to the extent that the WNA is producing
11 concerning results, those results are focused on May. Elimination of May in the formula,
12 therefore, would be reasonable. PGW would support an Order permanently removing
13 May from the formula in this proceeding.

14 **III. SPECIFIC RESPONSES TO SURREBUTTAL TESTIMONY**

15 **(A) Shifting of Risks**

16 **Q. DO THE WITNESSES FOR OCA AND CAUSE-PA CONTINUE TO CLAIM**
17 **THAT PGW'S WNA SHIFTS RISKS ASSOCIATED WITH THE WEATHER**
18 **FROM THE COMPANY TO CUSTOMERS?**

19 **A.** Yes. In his surrebuttal testimony for OCA, Mr. Nelson reiterates his view that PGW's
20 WNA shifts risks of the weather and its impact on PGW's revenues from the Company to
21 its customers. Indeed, he mischaracterizes this proceeding – one initiated by PGW to

⁹ *Pa. P.U.C. v. Philadelphia Gas Works*, Docket No. R-2023-3037933 (Supplemental Direct Testimony of Denise Adamucci, PGW St. No. 1-SD at 20-21, served on April 3, 2023).

¹⁰ *Petition of Philadelphia Gas Works for Emergency Order*, Docket No. P-2022-3033047 (Emergency Order entered July 1, 2022; Ratification Order entered July 14, 2022); *Petition of Philadelphia Gas Works for Emergency Order*, Docket No. P-2023-3040233 (Emergency Order entered April 28, 2023; Ratification Order entered May 18, 2023).

1 protect customers – as “the result of an excessive risk shift from the Company to its
 2 customers.”¹¹ Further, he testifies that “it is clear that the WNA *does* shift risk because
 3 outcomes for customers and for PGW will differ with and without the WNA. And when a
 4 WNA is in place, outcomes will also differ for customers and for PGW depending on
 5 how the WNA is designed.”¹²

6 Similarly, on behalf of CAUSE-PA, Mr. Geller again ignores the impact of the
 7 fact that PGW is owned by the City – more specifically, that the Company does not have
 8 investors to assume the financial risk associated with weather. Testifying that PGW’s
 9 WNA violates the “basic tenet” of just and reasonable rates “because it charges
 10 residential customers more than they should have to pay,”¹³ Mr. Geller rejects the
 11 fundamental importance of cash flow to a utility like PGW that operates on a cash flow
 12 basis, and legislative intent regarding decoupling mechanisms. He suggests that PGW is
 13 only concerned about its cash flow without considering the impact of the WNA on
 14 customers.

15 **Q. PLEASE ADDRESS THE CLAIMS OF THE WITNESSES THAT PGW IS**
 16 **SHIFTING RISK FROM THE COMPANY TO ITS CUSTOMERS.**

17 A. While Mr. Geller refers to the WNA as producing rates that are not just and reasonable,
 18 Mr. Nelson recognizes that the WNA is not enabling PGW to bill more revenues than the
 19 amount authorized in the last base rate case by the Commission. Yet, both witnesses, in
 20 claiming there is a shift of the risk from the Company to its customers, continue to
 21 overlook the reality that PGW is operating as a cash flow utility. In doing so, OCA and

¹¹ OCA Statement 1-SR at 5.

¹² OCA Statement 1-SR at 4.

¹³ CAUSE-PA Statement 1-SR at 2.

1 CAUSE-PA ignore the fact that if a year is colder than normal, the WNA is designed to
2 protect ratepayers from paying more. Moreover, with no investors or shareholders, PGW
3 relies on revenues received from customers – essentially the Company’s shareholders – to
4 sustain its natural gas operations. Simply, there is nowhere else to go besides rates for
5 the funds that are needed to perform its natural gas public utility functions.

6 As to Mr. Nelson’s comment about PGW’s request for emergency relief to
7 remove May 2023 usage from the WNA, that filing did not demonstrate the clause’s risk
8 to customers, as he suggests, but rather demonstrates PGW’s desire to protect consumers
9 from potential variances in May weather as well as its concerns regarding May weather.
10 Because of the warmer weather trends being experienced in Philadelphia in May, as well
11 as the way in which customers appear to respond to colder weather when it does occur,
12 and a recommendation offered by PGW’s consultant in the base rate case to remove May
13 from the WNA, PGW took the proactive measure of proposing its removal from the
14 formula this May. It is disingenuous for Mr. Nelson to suggest that a consumer
15 protection proposal filed by PGW somehow supports his criticisms of PGW’s WNA.

16 If PGW is unable to fulfill its critical statutory duties due to a shortage of cash, it
17 is the Company’s ratepayers who would be harmed. Therefore, in its efforts to ensure
18 sufficient revenues to support its day-to-day operations, not to mention the consumer
19 protection proposal the Company filed to initiate this proceeding and the emergency
20 relief request discussed above, PGW is completely focused on any potential negative
21 impact of the WNA on its customers. Weather-related risks are either managed on the
22 front end through a WNA or on the back end through rate increases, including emergency

1 or extraordinary rate relief.¹⁴ As I stated in my rebuttal testimony, the “shifting” of risk
 2 concept relied upon by Mr. Nelson and Mr. Geller is not applicable to PGW and should
 3 be wholly disregarded.

4 **Q. DO YOU HAVE ANY OTHER COMMENTS REGARDING THE**
 5 **PERSPECTIVES OF OCA AND CAUSE-PA ABOUT THE POTENTIAL**
 6 **IMPACT OF THE WNA ON CUSTOMER RATES?**

7 A. Yes. The witnesses for OCA and CAUSE-PA are reviewing the impact on customers of
 8 a single component of PGW’s rates. Rates are designed with fixed and variable
 9 components to address the fine balance of ensuring that the utility collects the cost of
 10 service but also aligns with customers’ usage patterns. The WNA is no different than
 11 other rates and surcharges, which are currently being examined in PGW’s base rate case.
 12 This singular focus on the WNA mechanism, particularly in a proceeding initiated to
 13 protect consumers, fails to look at PGW’s rates from the broader perspective that is
 14 necessary to consider the full impact on customers.

15 **(B) Monthly Reconciliation**

16 **Q. PLEASE DESCRIBE MR. NELSON’S TESTIMONY REGARDING MONTHLY**
 17 **VERSUS ANNUAL RECONCILIATION.**

18 A. Mr. Nelson testifies that under the WNA’s monthly reconciliation, bills vary radically as
 19 compared to annual reconciliation. He also suggests that the monthly reconciliation
 20 feature of PGW’s WNA “shifts more risk from PGW onto consumers.”¹⁵

¹⁴ It is worth noting that, because PGW is regulated on a cash flow basis, any significant reduction in PGW’s cash balances in one year would create a revenue requirement to repair that cash deficiency in a subsequent rate case.

¹⁵ OCA Statement 1-SR at 4.

1 **Q. PLEASE RESPOND.**

2 A. In criticizing the feature of PGW's WNA that involves monthly reconciliation, Mr.
3 Nelson fails to consider the effect of annual reconciliation on the Company's day-to-day
4 operations. As explained in my rebuttal testimony, OCA's recommendation to change
5 the WNA adjustment from a monthly to an annual reconciliation period would cause
6 major liquidity issues for PGW. Operating on a cash flow basis requires PGW to
7 continually have sufficient cash on hand throughout the year (not just at year-end) to
8 support the provision of safe and adequate natural gas service. A method that annually
9 reconciles PGW's revenues to reflect variations in weather from the normal patterns
10 would fail to recognize the ongoing need for cash to maintain these natural gas utility
11 operations.¹⁶

12 In reviewing financial statements and the historic annual WNA billings and
13 credits, PGW has determined that a hypothetical move from a monthly to an annual
14 reconciliation lends the potential for the Company's accounts receivable balance to grow
15 year after year in a warmer than normal year. This working capital increase would
16 require PGW to have additional funding available to support its growth. The increase in
17 accounts receivable would extend the days sales outstanding and decrease cash on hand,
18 which would likely be viewed negatively by the bond rating agencies. PGW would also
19 have to record an increase in its bad debt expense and reserve for uncollectible accounts,
20 thereby decreasing its net income, which would likewise likely be viewed negatively by
21 the bond rating agencies. In the end, PGW customers are the ones who would pay for
22 such results.

¹⁶ PGW Statement No. 1-R at 13-14.

1 **Q. DO YOU HAVE OTHER CONCERNS ABOUT A POTENTIAL MOVE FROM**
2 **MONTHLY TO ANNUAL RECONCILIATION?**

3 A. Yes. Although it is unclear exactly how the charge would be reconciled over time, any
4 annual reconciliation would shift the collection of WNA charges (or pass through of
5 credits) across a multi-year span. This outcome could have impacts on PGW rate case
6 filings, as well as customers paying a charge not linked to their billing cycle usage during
7 a current season. In suggesting a move to annual reconciliation, Mr. Nelson has failed to
8 acknowledge that customers could end up facing higher rates in a subsequent year due to
9 a large amount of weather-related reconciliation being necessary, coupled with colder
10 than normal weather which would require increased bills that are not reconciled until a
11 future period.

12 (C) *Supporting Data for Caps*

13 **Q. PLEASE DESCRIBE THE TESTIMONY OF MR. NELSON CONCERNING**
14 **SUPPORTING DATA FOR THE CAPS PROPOSED BY PGW AND OCA.**

15 A. Mr. Nelson responds to my rebuttal testimony regarding a lack of data offered by OCA to
16 support a 5% cap on rate increases due to application of the WNA. In responding, he
17 refers to examples of investor-owned public utilities in other jurisdictions, including
18 Minnesota, as supporting OCA's proposed 5% cap. Mr. Nelson also claims that PGW
19 has not provided support for its proposal to implement a 25% cap.¹⁷

20 **Q. PLEASE RESPOND.**

21 A. At the outset, as I explained in my rebuttal testimony, PGW no longer has an interest in
22 implementing a 25% cap since it was intended as a quick solution to protect customers
23 during the current heating season and has become moot. Nonetheless, PGW did offer

¹⁷ OCA Statement 1-SR at 6.

1 data in support of the proposed cap, which it shared with the parties through discovery in
2 response to OCA-II-7, which is attached as PGW Exhibit DA-4. Further, since originally
3 suggesting the 25% cap, PGW has engaged a consultant to review its WNA and has made
4 specific recommendations regarding this mechanism in testimony submitted in the
5 pending base rate case. A very low cap – essentially nullifying the financial benefit of a
6 WNA – is not among those recommendations. Indeed, in my direct testimony, I
7 acknowledged that to a degree, a cap is inconsistent with the whole purpose of the WNA.
8 For instance, without the 25% cap, the WNA would work as intended to provide revenue
9 neutrality and financial stability to PGW from the standpoint of weather trends in
10 Philadelphia that are beyond the control of the Company. Nonetheless, given the
11 anomaly that occurred with the May 2022 usage, PGW made a determination that having
12 a control in place is preferable for its customers as compared to the application of a
13 formula that does not consider the volume of charges or credits. Given the brief amount
14 of time between the unusually large increases based on May 2022 usage and the onset of
15 the 2022-2023 heating season on October 1, 2022, PGW selected this simple solution that
16 could be quickly implemented at the time to prevent a recurrence. The proposed 25% cap
17 was a straightforward solution to explain to customers and had the advantage of being
18 fairly simple to implement in PGW's then current billing system.

19 As to Mr. Nelson's claim that he has supported his proposed 5% cap, I note that
20 he has offered no financial analyses showing why that is the appropriate level. Examples
21 from other jurisdictions of investor-owned utilities are not relevant to a municipally-

1 owned utility like PGW.¹⁸ In addition, Mr. Nelson gives no information about the
2 context of these caps or how rates are otherwise determined or structured in other
3 jurisdictions. Importantly, placing a 5% cap on rate increases that may occur as a result
4 of application of the WNA would impact PGW's financial stability in much the same
5 way as would an elimination of the mechanism. My direct and rebuttal testimony
6 stressed the importance of keeping the WNA in place, even if it is slightly modified.
7 Specifically, the safe and adequate operation of a natural gas company for ~500,000
8 customers is a critical statutory function performed by PGW that requires a supporting
9 level of revenues as determined by the Commission. Once the Commission determines
10 the revenues that are needed and authorizes their collection through rates imposed on
11 customers (in a base rate case), it is imperative that PGW be given the opportunity to
12 collect this level of revenues so that it can fulfill the obligations of ensuring that
13 customers in Philadelphia continue to receive safe and adequate natural gas service.
14 When the weather significantly varies from the normal levels that the Commission has
15 used to calculate PGW's anticipated revenues and authorize a specific amount of rate
16 relief, the WNA properly adjusts the charges imposed by PGW to produce the revenue
17 levels determined by the Commission.

18 As PGW stated over 20 years ago, and as still holds true today, the WNA: (i)
19 stabilizes cash flow from year-to-year; (ii) reduces the need for short-term borrowing
20 from year-to-year; (iii) positively affects PGW's credit rating; and (iv) reduces the need

¹⁸ With respect to OCA's testimony noting that PGW has not pointed to other municipal utilities with similarly designed WNAs, I note that PGW is the only other natural gas municipal utility in Pennsylvania and one of the few regulated by a state public utility commission. Self-regulated municipal utilities can raise rates to meet downturns in revenues due to weather without going through the extensive, costly and time-consuming process of a base rate case.

1 for costly base rate proceedings (which could even include extraordinary rate requests if
 2 actual revenues diverged dramatically and quickly from normal levels). As the other
 3 parties and the Commission and the Pennsylvania General Assembly¹⁹ have appropriately
 4 recognized in the past, a WNA-type clause is particularly appropriate for a municipally
 5 owned utility because under the cash flow method of ratemaking, ratepayers provide
 6 revenues to cover the entire costs of service – but only the cost of service.²⁰

7 **(D) Low-Income Customers**

8 **Q. PLEASE DESCRIBE MR. GELLER’S TESTIMONY CONCERNING THE**
 9 **IMPACT OF THE WNA ON LOW-INCOME CUSTOMERS.**

10 A. Mr. Geller is concerned about the financial impact of the WNA on low-income customers
 11 who are not enrolled in the Customer Responsibility Program (“CRP”). In his surrebuttal
 12 testimony, he asserts that these customers have no protection from the financial burden
 13 imposed by the WNA.²¹

14 **Q. PLEASE RESPOND.**

15 A. PGW understands that its low-income customers, particularly those who are not in the
 16 CRP, face challenges paying their natural gas bills. For that reason, PGW has been
 17 committed to the implementation of a robust customer assistance program and adjusted
 18 the energy burdens in its program as immediately as possible when the Commission
 19 lowered those energy burdens. However, it is not appropriate to focus on the WNA
 20 component of PGW’s rates as causing specific harm to low-income customers since it is
 21 only designed to ensure that PGW has an opportunity to recover the level of revenues that
 22 was authorized by the Commission in the last base rate case. Whether warmer weather is

¹⁹ 66 Pa.C.S. § 1330.

²⁰ PGW Statement No. 1 at 5-6 and 8-9.

²¹ CAUSE-PA Statement 1-SR at 4-5.

1 addressed by the WNA or through higher base rates, the reality is that preserving PGW's
 2 financial stability is imperative, which in turn, benefits ratepayers by having continued
 3 access to critical natural gas utility services. And, again, the WNA is not raising rates
 4 over the level *the Commission has already approved*. PGW's WNA, similar to
 5 mechanisms in use or under consideration by other natural utilities, allows the Company
 6 to focus on the infrastructure needed to maintain its operations. With investor-owned
 7 utilities having access to this tool, using WNAs that are very similar in design to PGW's,
 8 and with legislative intent clear regarding alternative ratemaking mechanisms,²² it is
 9 entirely inappropriate to single out PGW's WNA as a mechanism that is harming
 10 customers.

11 **Q. DO YOU HAVE ANY OTHER COMMENTS ABOUT THE IMPACT OF RATES**
 12 **ON LOW-INCOME CUSTOMERS?**

13 A. Yes. Mr. Geller has access to a variety of forums in which he can pursue any concerns he
 14 has about the impact of rates charged by public utilities on low-income customers. These
 15 broader issues need to be considered on a statewide basis. This proceeding, which PGW
 16 initiated to propose a WNA cap, is not the avenue to litigate CRP enrollment, outreach or
 17 other issues that Mr. Geller has raised in his surrebuttal testimony, including the effect of
 18 the WNA on energy efficiency measures taken by consumers.

19 **(E) Alternative Ratemaking Methods**

20 **Q. PLEASE DESCRIBE MR. GELLER'S TESTIMONY ABOUT ALTERNATIVE**
 21 **RATEMAKING METHODS.**

22 A. While Mr. Geller acknowledges that revenue stability is a factor that the Commission
 23 considers in reviewing alternative rate designs, he refers to other factors, such as impact

²² 66 Pa.C.S. § 1330.

1 on low-income customers, that the Commission’s regulations governing alternative
 2 ratemaking methods address.²³

3 **Q. HAS PGW REVIEWED THE OTHER FACTORS IDENTIFIED BY THE**
 4 **COMMISSION’S POLICY STATEMENT?**

5 A. Yes. On July 18, 2019, the Commission issued a Final Policy Statement Order to
 6 implement Section 1330 of the Public Utility Code, and identified factors that it would
 7 consider in determining just and reasonable distribution rates that promote the efficient
 8 use of electricity, natural gas or water, and the use of distributed energy resources, as well
 9 as reduce disincentives for such efficient use and resources and ensure adequate revenue
 10 to maintain the safe, secure and reliable operation of fixed utility distribution systems.
 11 One of the alternative ratemaking methodologies that Section 1330 specifically
 12 authorizes is a “decoupling mechanism,” which includes a weather normalization clause.
 13 At the same time, the Commission emphasized that an alternative rate design
 14 methodology should reflect the sound application of cost of service principles, establish a
 15 rate structure that is just and reasonable, and consider customer impacts. The factors set
 16 forth in the Final Policy Statement Order are set forth in the “Distribution Rates –
 17 Statement of Policy” at 52 Pa. Code § 69.3302 (“Policy Statement”).

18 **Q. DOES PGW’S WNA ALIGN WITH THE COMMISSION’S ALTERNATIVE**
 19 **RATEMAKING METHODOLOGIES POLICY STATEMENT?**

20 A. Yes. While PGW’s WNA was approved by the Commission prior to Section 1330 being
 21 added to the Public Utility Code, or the promulgation of this Statement of Policy, its clause
 22 is consistent with both. PGW Exhibit DA- 5, which is attached, examines each factor in

²³ CAUSE-PA Statement 1-SR at 3.

1 the Policy Statement and explains how PGW's WNA – current and proposed – aligns
2 with the applicable criteria.

3 **IV. CONCLUSION**

4 **Q. DOES THAT COMPLETE YOUR TESTIMONY?**

5 **A.** Yes. However, I reserve the right to offer further testimony. Thank you.

PGW Exhibit DA-4
Response to OCA-II-7

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: OCA Set II-7
Date of Response: 3/27/2023
Response Provided By: Denise Adamucci

Question:

Reference Adamucci Direct Section IV.B: Proposed 25 Percent Cap. Please answer the following questions:

- a. Is the Company aware of other regulated utilities with 25 percent or above caps on decoupling related adjustments? Please summarize the mechanisms the Company is aware of and provide commission orders, with line citations, that state the approved adjustment cap.
- b. Is the Company aware of decoupling related adjustment caps that are lower than 25 percent? Please summarize the mechanisms the Company is aware of and provide commission orders, with line citations, that state the approved adjustment cap.
- c. Did the Company do any analytics to support the 25 percent cap? For example, how frequently would the cap be reached based on historical data. Provide any and all analysis conducted by the Company.
- d. Did the Company consider modifying the WNA formula or mechanism in addition to, or as a substitute for, the 25 percent cap? If so, explain the modifications considered and provide any supporting analysis. If not, explain why not.

Where applicable, provide your response in live, unlocked Excel spreadsheets with all links and formula intact.

Attachments: 1

OCA_Set_II_7_Exhibit OCA II-7.xlsx

Response:

- a. No.
- b. See response to (a.) above.
- c. Yes, see the attached analytics. PGW reviewed what cap percentage would prevent a recurrence of the larger May 2022 WNA charges while minimizing the cash flow loss to PGW.

The proposed cap would be calculated and triggered on a service agreement level and would be reached monthly for some customers.

- d. PGW's analysis of alternatives is not yet completed.

WNA Cap Modeling by Fiscal Year and % Cap

Line	Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2022 (excl. May)
1	Actual WNA	\$1,592,512	\$10,339,902	\$11,668,061	\$34,373,495	\$23,084,787
	<u>Estimated Capped WNA</u>					
2	15% Cap	(\$1,445,321)	\$10,965,306	\$10,978,938	\$22,419,496	\$21,097,176
3	20% Cap	(\$628,428)	\$10,744,740	\$11,523,361	\$23,558,859	\$21,914,058
4	25% Cap	(\$48,055)	\$10,439,654	\$11,631,071	\$24,103,688	\$22,168,839
5	30% Cap	\$354,334	\$10,343,082	\$11,656,172	\$24,560,207	\$22,354,055
6	35% Cap	\$627,258	\$10,335,465	\$11,660,882	\$24,962,200	\$22,497,902
	<u>Estimated Variance</u>					
7	15% Cap	(\$3,037,833)	\$625,404	(\$689,123)	(\$11,953,999)	(\$1,987,611)
8	20% Cap	(\$2,220,940)	\$404,838	(\$144,700)	(\$10,814,636)	(\$1,170,729)
9	25% Cap	(\$1,640,567)	\$99,752	(\$36,990)	(\$10,269,807)	(\$915,948)
10	30% Cap	(\$1,238,178)	\$3,180	(\$11,889)	(\$9,813,288)	(\$730,732)
11	35% Cap	(\$965,254)	(\$4,437)	(\$7,179)	(\$9,411,295)	(\$586,885)

PGW Exhibit DA-5
Analysis of Policy Statement Factors
52 Pa. Code § 69.3302

Analysis of Factors Identified in Policy Statement

Each factor in the Policy Statement at 52 Pa. Code § 69.3302 is identified below, with an explanation of how PGW's WNA – current and proposed – aligns with the applicable criterion:

- (1) How the ratemaking mechanism and rate design align revenues with cost causation principles as to both fixed and variable costs.

PGW's WNA is designed to enable the recovery of revenues through volumetric distribution rates that reflect the cost-of-service requirements determined in a base rate proceeding. A significant portion of these revenues is caused by fixed costs, such as operation and maintenance expenses, administrative and general expenses, depreciation and certain taxes, which do not vary with the amount of gas that is delivered to customers. These costs also do not vary, in the short-term, with changes in the weather. In the absence of a rate design that affords PGW the opportunity to recover all fixed costs in a fixed monthly charge, the WNA mechanism better aligns distribution revenues with cost causation principles. The WNA accomplishes this result by allowing PGW to recover fixed costs through volumetric distribution rates by appropriately accounting for variation in usage due to weather.

- (2) How the ratemaking mechanism and rate design impact the fixed utility's capacity utilization.

PGW's WNA has no identifiable impact on its capacity utilization.

- (3) Whether the ratemaking mechanism and rate design reflect the level of demand associated with the customer's anticipated consumption levels.

The base load is determined separately for each individual customer and is revised annually to reflect the non-temperature sensitive usage of customers to which PGW's WNA adjustment applies reflected in the prior heating season's sales.

- (4) How the ratemaking mechanism and rate design limit or eliminate interclass and intraclass cost shifting.

Since the WNA mechanism applies rates that are based upon the specific revenue allocation and rate design approved by the Commission for heating customers, its continued implementation will mitigate the potential for interclass or intraclass cost shifting related to weather driven usage deviations from the weather assumptions used in establishing rates.

- (5) How the ratemaking mechanism and rate design limit or eliminate disincentives for the promotion of efficiency programs.

PGW remains committed to the successful implementation of its Universal Service and Energy Conservation Plan. The Company has also demonstrated its commitment to saving customers money and ensuring efficient energy use by implementing a Low Income Smart Thermostat Program as part of its Demand Side Management program in 2022. The WNA only addresses variations due to weather and does not negatively impact energy efficiency programs.

- (6) How the ratemaking mechanism and rate design impact customer incentives to employ efficiency measures and distributed energy resources.

Customers remain incentivized to employ efficiency measures and distributed energy resources that reduce their overall bill, and the portion of their bill that is subject to the WNA mechanism.

- (7) How the ratemaking mechanism and rate design impact low-income customers and support consumer assistance programs.

Customers participating in the Customer Responsibility Program and abiding by its terms are unaffected by the WNA as their energy burden will not exceed the level approved by the PUC. In stabilizing the recovery by PGW of the costs of delivering safe and reliable gas to customers, the WNA likewise reduces the variability of distribution rates that are paid by consumers.

- (8) How the ratemaking mechanism and rate design impact customer rate stability principles.

The WNA provides more stability for customers because it avoids the need for PGW to seek emergency rate relief, which would potentially result in greater increases.

- (9) How weather impacts utility revenue under the ratemaking mechanism and rate design.

With the WNA's purpose of achieving revenue neutrality, this mechanism reduces the impact of the weather when it varies from what is considered historically normal weather, on PGW's revenue. While the WNA does not ensure that PGW will recover 100% of its authorized distribution revenues, the clause reduces the amount of weather-related variation in both customer bills and associated utility distribution revenues. Without the WNA, PGW would be deprived of the opportunity to recover the Commission-approved distribution costs of service during times when warmer than normal weather occurs in its service territory and customers would not receive a

credit when it is colder than normal. The absence of a WNA would place PGW in a position of receiving a higher amount of revenues from customers when the weather is colder than normal. The WNA serves to avoid both scenarios by minimizing the impact of weather on PGW's revenues and customers' bills.

(10) How the ratemaking mechanism and rate design impact the frequency of rate case filings and affect regulatory lag.

Due to PGW's status as a municipal utility that operates under the cash flow method for ratemaking, the WNA has the potential to reduce the frequency of rate case filings and regulatory lag. When weather variations reduce PGW's opportunity to fully recover the fixed costs of operating the natural gas utility, its ability to continue providing safe and reliable natural gas service to consumers is jeopardized. To ensure that PGW has sufficient cash on hand to fulfill its obligations as a natural gas distribution company, the absence of a WNA to provide revenue neutrality would likely require the more frequent filing of rate cases, including requests for emergency relief.

(11) If or how the ratemaking mechanism and rate design interact with other revenue sources, such as Section 1307 automatic adjustment surcharges, 66 Pa.C.S. § 1307 (relating to sliding scale of rates; adjustments), riders such as 66 Pa.C.S. § 2804(9) (relating to standards for restructuring of electric industry) or system improvement charges, 66 Pa.C.S. § 1353 (relating to distribution system improvement charge).

The WNA only applies to distribution related charges - these are recovering the base distribution revenue requirement from applicable WNA customer classes for the heating season of October through May. The mechanism does not interact with other revenue sources.

(12) Whether the alternative ratemaking mechanism and rate design include appropriate consumer protections.

The WNA protects consumers from paying higher bills when the weather is colder than normal and benefits consumers by ensuring that their natural gas utility is financially strong and stable such that they continue to receive safe, secure and reliable natural gas service, regardless of variations in weather.

(13) Whether the alternative ratemaking mechanism and rate design are understandable to consumers.

The basic concept of the WNA is not difficult to convey to consumers, which is that the Commission has determined that PGW needs to recover a certain amount of revenues in order to continue operating as a natural gas utility and providing consumers with safe, secure and reliable natural gas service, regardless of how the weather varies from one heating season to another. In other words, once the Commission has identified a level of fixed costs that PGW incurs to operate the natural gas distribution system, it is important that PGW recover that level of costs – no less and no more. The WNA is a mechanism that is designed to ensure that outcome.


(14) How the ratemaking mechanism and rate design will support improvements in utility reliability.

The WNA supports improvements in utility reliability by ensuring that PGW is recovering the fixed costs associated with operating a natural gas utility and providing safe, secure and reliable natural gas service to the customers on its distribution system. These costs include maintenance of and upgrades to the infrastructure that is at the core of these operations. With the financial stability that the WNA affords PGW for an opportunity to recover its fixed costs, PGW is able to continue its capital improvement program that is designed to enhance the reliability of its natural gas service.

VERIFICATION

I, Denise Adamucci, hereby state that: (1) I am the Senior Vice President for Customer & Regulatory Affairs for Philadelphia Gas Works (“PGW”); (2) I have reviewed the statements set forth in PGW’s Rejoinder Testimony as to their accuracy; and (3) the facts set forth therein are true and correct to the best of my knowledge, information and belief. I understand that statements herein are made subject subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 19, 2023



Denise Adamucci
Senior Vice President for Customer & Regulatory Affairs
Philadelphia Gas Works

Attachment H

**COALITION FOR AFFORDABLE UTILITY SERVICES AND
ENERGY EFFICIENCY IN PENNSYLVANIA**

HEARING EXHIBIT 1

**PHILADELPHIA GAS WORKS' RESPONSES TO THE SET III
INTERROGATORIES OF THE COALITION FOR
AFFORDABLE UTILITY SERVICES AND ENERGY
EFFICIENCY IN PENNSYLVANIA**

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-1
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Does PGW exclude application of the WNA for CRP customers?

a. If so, please explain how this exclusion is implemented, and identify the language in PGW's WNA tariff that either requires or allows PGW to exclude WNA charges from CRP bill calculation.

Attachments: 0

Response:

No, the WNA is not excluded for CRP customers. However, CRP customers are charged their percentage of income or a fixed average bill rendering the WNA moot for these customers.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-2
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Does PGW exclude WNA charges in calculating a CRP customer's average bill rate? Please explain.

Attachments: 0

Response:

Please see response to CAUSE-PA-III-1.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-3
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Does PGW exclude WNA charges in calculating a CRP customer's PIPP bill rate? Please explain.

Attachments: 0

Response:

Please see response to CAUSE-PA-III-1.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-4
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Can WNA charges ever affect a CRP customer's billed rate? If so, please explain.

Attachments: 0

Response:

Yes. A CRP customer who reaches their annual consumption limit can be moved to a fixed average bill. However, based on PGW's proposal in its last Universal Service and Energy Conservation Plan, customers reaching their consumption limit will no longer be moved to the average bill in the future.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-5
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Can WNA charges ever affect a CRP customer's maximum CAP credit? If so, please explain.

Attachments: 0

Response:

Please see response to CAUSE-PA-III-4.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-6
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Does PGW exclude WNA charges from calculation of its CRP shortfall (e.g., the amount of dollars recovered from other residential ratepayers to pay for CRP)? Please explain why or why not, and how the exclusion is calculated.

Attachments: 0

Response:

No. Please see response to CAUSE-PA-III-1.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-7
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

If the answer to CAUSE-PA III-6 is no, for each month since January 2020, please identify the total dollar amount recovered through the CRP shortfall as a result of application of the WNA.

Attachments: 0

Response:

The CRP “shortfall”, also known as the CRP Discount, is not allocated to itemized components of a customer’s bill. Therefore, it cannot be determined how much of a customer’s CRP discount is applied against the WNA versus other rate components.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-10
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Does PGW exclude application of the WNA for non-CRP low income customers?

Attachments: 0

Response:

No.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-11
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Does PGW make any modification in its application of the WNA to the bill of non-CRP low income customers?

Attachments: 0

Response:

As modification is not defined, PGW assumes this is the same request as CAUSE III-10 and the response is no.

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-12
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Please provide the total WNA bill credits or charges for each billing cycle in April 2023.

Attachments: 1

CAUSE-PA_Set_III_12_Attachment CAUSE-PA III-12.pdf

Response:

Please see Attachment CAUSE-PA-III-12. The revenue month of April 2023 has not closed yet, so these numbers are estimates as of May 8th, 2023.

Bill Cycle	WNA Charges
01	\$49,197
02	\$37,178
03	\$4,756
04	\$22,971
05	\$60,667
06	\$52,607
07	\$77,654
08	\$120,090
09	\$173,307
10	\$184,552
11	\$261,124
12	\$210,958
13	\$225,402
14	\$209,151
15	\$238,871
16	\$245,576
17	\$177,592
18	\$190,178
19	\$203,380
20	\$193,188
21	\$86,228
22	\$283,577
23	\$595
	\$40,185
Total	\$3,348,982

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-13
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

Please reference PGW's response to CAUSE-PA I-14, which includes PGW's WNA Annual Reports from 2018-2022. For each year, please provide the amount of the Total WNA Charge or (Credit) that is attributable to the residential ratepayers.

Attachments: 1

CAUSE-PA_Set_III_13_Attachment CAUSE-PA III-13.pdf

Response:

Please see Attachment CAUSE-PA-III-13.

Fiscal Year	WNA Charges
2018	\$ 3,537,519
2019	\$ (1,137,619)
2020	\$ (8,762,824)
2021	\$ (9,622,165)
2022	\$ (18,872,535)
Total	\$ (34,857,624)

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-14
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

From October 2022 through April 2023, how many residential customer bills contained WNA charges that would have exceeded PGW's proposed 25% cap?

Attachments: 0

Response:

Please see the below table.

Month	# Service Agreements Affected	Dollars Affected
October 2022	130	\$4,252.76
November 2022	12,496	\$46,178.91
December 2022	532	\$9,993.76
January 2023	21,864	\$90,347.24
February 2023	9,984	\$55,758.68
March 2023	3,802	\$20,742.02
April 2023	1,229	\$33,484.28

Philadelphia Gas Works
Case Name: PGW WNA Cap Proceeding
Docket No(s): P-2022-3034264

Response to Discovery Request: CAUSE-PA Set III-15
Date of Response: 5/15/2023
Response Provided By: Denise Adamucci

Question:

See CAUSE-PA -14, for each bill that would have exceeded PGW's proposed 25% cap, please provide the amount of the WNA charge.

Attachments: 0


Response:

Please see response to CAUSE-PA-III-14.

VERIFICATION

I, Denise Adamucci, hereby state that: (1) I am the Senior Vice President for Customer & Regulatory Affairs for Philadelphia Gas Works (“PGW”); (2) the facts set forth in the attached discovery responses which I am sponsoring are true and correct to the best of my knowledge, information and belief; and (3) I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 15, 2023



Denise Adamucci
Senior Vice President for Customer & Regulatory Affairs
Philadelphia Gas Works

Philadelphia Gas Works
PGW WNA Cap Proceeding
Response to Discovery Request: CAUSE-PA Set III-9
Supplement No. 152 to Gas Service Tariff- Pa. P.U.C. of Philadelphia Gas Works and Petition of
Philadelphia Gas Works for Approval on Less than Statutory Notice Of Tariff Supplement
Revising Weather Normalization Adjustment
Docket Nos. P-2022-3034264 R-2022-3034229
Response Provided By: Denise Adamucci
5/19/2023

QUESTION:

Please provide a copy of a CRP bill for a PIPP rate CRP participant; a CRP bill for an average bill rate participant; and a CRP bill for a minimum bill rate CRP participant for each month from May 2022 through May 2023, redacting any personally identifying information.

RESPONSE:

Please see Attachments CAUSE-PA-III-9.

Attachment CAUSE-PA-III-9 - PIPP Bills

 **PHONE**

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

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[What are my charges?](#)

**See the PGW Gas Service tariff on pgworks.com for full details.*

Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

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Distribution System Improvement Charge (DSIC) - A charge approved by the Pennsylvania Public Utility Commission (PUC) for recovery of the reasonable and prudent costs incurred to repair, improve, or replace eligible distribution property. A DSIC provides PGW with the resources to accelerate the replacement of aging infrastructure.

Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

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[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 21 Ccf @ \$0.51603 \$10.84
Total Supply Charges \$10.84

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 21 Ccf @ \$0.92321 \$19.39
 Distribution System Improvement Charge 7.5% \$2.57
 Gas Cost Adjustment @ \$0.00338 \$0.07
 Weather Normalization Adjustment \$0.31

Total Delivery Charges \$37.24

CRP Reverse Discount \$15.28

Total CRP Charges \$63.36

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **6.00% OF INCOME**

METER DETAILS

Meter Number: 02233102
 Read Cycle: 02
 Read Dates: 04/03/2023 - 05/03/2023
 Starting Read: 1812 Actual
 Ending Read: 1833 Actual
 Usage in CCF: 21.00
 Conversion Factor: 1.0331 Therm = 1 Ccf
 Usage in Therms: 21.69
 Next Meter Read: 06/02/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$63.36

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$63.36

Total Adjustments \$0.00

THINK YOU SMELL GAS? It smells like rotten eggs. Leave the area and call (215) 235-1212. Our Emergency Hotline is available 24 hours a day, 7 days a week.

Attachment CAUSE-PA-III-9 - PIPP Bills

PGW Messages



Your estimated gas price to Compare (PTC) is \$0.52066 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
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[Other Helpful Terms](#)

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 23 Ccf @ \$0.51603	\$11.87
Total Supply Charges	\$11.87

Delivery Charges

Customer Charge @ \$14.90	\$14.90
Distribution Charge 23 Ccf @ \$0.92321	\$21.23
Distribution System Improvement Charge 7.5%	\$2.71
Gas Cost Adjustment @ \$0.00338	\$0.08
Weather Normalization Adjustment	\$0.06
Total Delivery Charges	\$38.98

CRP Reverse Discount	\$12.51
Total CRP Charges	\$63.36

CRP INFORMATION

CRP Agreement Status:	ACTIVE
CRP Agreement Type:	6.00% OF INCOME

METER DETAILS

Meter Number:	02233102
Read Cycle:	02
Read Dates:	03/03/2023 - 04/03/2023
Starting Read:	1789 Actual
Ending Read:	1812 Actual
Usage in CCF:	23.00
Conversion Factor:	1.0364 Therm = 1 Ccf
Usage in Therms:	23.83
Next Meter Read:	05/03/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:	
Service Point ID:	
Rate Class:	General Service Residential
Rate Schedule:	GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	-\$63.36
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Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	\$63.36
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Total Adjustments	\$0.00
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THINK YOU SMELL GAS?

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PHONE

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 24.3 Ccf @ \$0.82282	\$20.00
Total Supply Charges	\$20.00

Delivery Charges

Customer Charge @ \$14.90	\$13.41
Distribution Charge 24.3 Ccf @ \$0.94223	\$22.90
Distribution System Improvement Charge 7.5%	\$2.72
Gas Cost Adjustment @ \$0.01265	\$0.31
Weather Normalization Adjustment	\$1.58
Total Delivery Charges	\$40.92
CRP Discount	-\$3.90

Supply Charges

Commodity Charge 2.7 Ccf @ \$0.51603	\$1.39
Total Supply Charges	\$1.39

Delivery Charges

Customer Charge @ \$14.90	\$1.49
Distribution Charge 2.7 Ccf @ \$0.92321	\$2.49
Distribution System Improvement Charge 7.5%	\$0.30
Gas Cost Adjustment @ \$0.00338	\$0.01
Weather Normalization Adjustment	\$0.18
Total Delivery Charges	\$4.47
CRP Reverse Discount	\$0.48

Total CRP Charges	\$63.36
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PAYMENTS RECEIVED

03/01/2023 LIHEAP	\$150.00
Total Payments	\$150.00

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	-\$63.36
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Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	\$63.36
---	---------

Total Adjustments	\$0.00
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CRP INFORMATION

CRP Agreement Status:	ACTIVE
CRP Agreement Type:	6.00% OF INCOME

METER DETAILS

Meter Number:	02233102
Read Cycle:	02
Read Dates:	02/01/2023 - 03/03/2023
Starting Read:	1762 Actual
Ending Read:	1789 Actual
Usage in CCF:	27.00
Conversion Factor:	1.0369 Therm = 1 Ccf
Usage in Therms:	27.99
Next Meter Read:	04/03/2023

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It smells
like rotten
eggs



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PGW Messages

- ✉ March 1, 2023 Commodity Charge decreased to 0.51603 per CCF. Gas Cost Adjustment decreased to \$0.00338. Distribution Charge decreased to \$0.92321. The changes will decrease the typical residential heating bill by about \$238.92 a year.
- ✉ Your estimated gas price to Compare (PTC) is \$0.52066 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 26 Ccf @ \$0.82282	\$21.39
Total Supply Charges	\$21.39

Delivery Charges

Customer Charge @ \$14.90	\$14.90
Distribution Charge 26 Ccf @ \$0.94223	\$24.50
Distribution System Improvement Charge 7.5%	\$2.96
Gas Cost Adjustment @ \$0.01265	\$0.33
Weather Normalization Adjustment	\$2.12
Total Delivery Charges	\$44.81
CRP Discount	-\$2.84

Total CRP Charges	\$63.36
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CRP INFORMATION

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CRP Agreement Type:	6.00% OF INCOME

METER DETAILS

Meter Number:	02233102
Read Cycle:	02
Read Dates:	01/03/2023 - 02/01/2023
Starting Read:	1736 Actual
Ending Read:	1762 Actual
Usage in CCF:	26.00
Conversion Factor:	1.038 Therm = 1 Ccf
Usage in Therms:	26.98
Next Meter Read:	03/03/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:	
Service Point ID:	
Rate Class:	General Service Residential
Rate Schedule:	GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	-\$63.36
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Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	\$63.36
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Total Adjustments	\$0.00
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THINK YOU
SMELL GAS?

**Leave the area and call
(215) 235-1212.**

Our Emergency Hotline is available
24 hours a day, 7 days a week.

Attachment CAUSE-PA-III-9 - PIPP Bills

PGW Messages



Your estimated gas price to Compare (PTC) is \$0.83648 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

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Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

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Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

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[Other Helpful Terms](#)

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PAY WITH CASH **POSTS SAME DAY AND FREE.**

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 34 Ccf @ \$0.82282 \$27.98
Total Supply Charges \$27.98

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 34 Ccf @ \$0.94223 \$32.04
 Distribution System Improvement Charge 7.5% \$3.52
 Gas Cost Adjustment @ \$0.01265 \$0.43
 Weather Normalization Adjustment \$0.02

Total Delivery Charges \$50.91

CRP Discount -\$15.53

Total CRP Charges \$63.36

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **6.00% OF INCOME**

METER DETAILS

Meter Number: 02233102
 Read Cycle: 02
 Read Dates: 12/01/2022 - 01/03/2023
 Starting Read: 1702 Actual
 Ending Read: 1736 Actual
 Usage in CCF: 34.00
 Conversion Factor: 1.0385 Therm = 1 Ccf
 Usage in Therms: 35.30
 Next Meter Read: 02/01/2023

SHOPPING INFORMATION BOX

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PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$63.36

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$63.36

Total Adjustments \$0.00

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PGW Messages



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TERMS

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[Other Helpful Terms](#)

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PAY WITH CASH POSTS SAME DAY AND FREE.

◀ BRING THIS BARCODE TO ANY ▶

DOLLAR GENERAL **CVS**
FAMILY DOLLAR **Walmart** **Speedway** **7-ELEVEN**

Available at Service Desk or Money Center

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 24.17 Ccf @ \$0.88633 \$21.42
Total Supply Charges \$21.42

Delivery Charges

Customer Charge @ \$14.90 \$14.40
 Distribution Charge 24.17 Ccf @ \$0.95721 \$23.13
 Distribution System Improvement Charge 7.5% \$2.81
 Gas Cost Adjustment @ \$0.01265 \$0.31
 Weather Normalization Adjustment \$0.41
Total Delivery Charges \$41.06

CRP Discount -\$1.23

Supply Charges

Commodity Charge 0.83 Ccf @ \$0.82282 \$0.69
Total Supply Charges \$0.69

Delivery Charges

Customer Charge @ \$14.90 \$0.50
 Distribution Charge 0.83 Ccf @ \$0.94223 \$0.79
 Distribution System Improvement Charge 7.5% \$0.10
 Gas Cost Adjustment @ \$0.01265 \$0.01
 Weather Normalization Adjustment \$0.01
Total Delivery Charges \$1.41

CRP Reverse Discount \$0.01

Total CRP Charges \$63.36

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$63.36

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$63.36

Total Adjustments \$0.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **6.00% OF INCOME**

METER DETAILS

Meter Number: 02233102
 Read Cycle: 02
 Read Dates: 11/01/2022 - 12/01/2022
 Starting Read: 1677 Actual
 Ending Read: 1702 Actual
 Usage in CCF: 25.00
 Conversion Factor: 1.034 Therm = 1 Ccf
 Usage in Therms: 25.85
 Next Meter Read: 01/03/2023

SHOPPING INFORMATION BOX

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PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

THINK YOU SMELL GAS?

It smells
like rotten
eggs



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24 hours a day, 7 days a week.

PGW Messages

- ✉ December 1, 2022 Commodity Charge decreased to \$0.82282 per CCF. Distribution Charge decreased to \$0.94223. The changes will decrease the typical residential heating bill by about \$56.53 a year.
- ✉ Your estimated gas price to Compare (PTC) is \$0.83648 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
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Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

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[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

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PAY WITH CASH POSTS SAME DAY AND FREE.

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 18 Ccf @ \$0.88633	\$15.95
Total Supply Charges	\$15.95

Delivery Charges

Customer Charge @ \$14.90	\$14.90
Distribution Charge 18 Ccf @ \$0.95721	\$17.23
Distribution System Improvement Charge 7.5%	\$2.41
Gas Cost Adjustment @ \$0.01265	\$0.23
Weather Normalization Adjustment	\$0.01
Total Delivery Charges	\$34.78

CRP Reverse Discount	\$12.63
Total CRP Charges	\$63.36

CRP INFORMATION

CRP Agreement Status:	ACTIVE
CRP Agreement Type:	6.00% OF INCOME

METER DETAILS

Meter Number:	02233102
Read Cycle:	02
Read Dates:	10/04/2022 - 11/01/2022
Starting Read:	1659 Actual
Ending Read:	1677 Actual
Usage in CCF:	18.00
Conversion Factor:	1.0335 Therm = 1 Ccf
Usage in Therms:	18.60
Next Meter Read:	12/02/2022

SHOPPING INFORMATION BOX

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PGW Account:	
Service Point ID:	
Rate Class:	General Service Residential
Rate Schedule:	GSR

If you are already shopping know your contract expiration date.

PAYMENTS RECEIVED

11/02/2022 LIHEAP	\$300.00
Total Payments	\$300.00

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	-\$63.36
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Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	\$63.36
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Total Adjustments	\$0.00
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GAS LEAK EMERGENCIES: (215) 235-1212

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Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 18 Ccf @ \$0.88633 \$15.95
Total Supply Charges \$15.95

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 18 Ccf @ \$0.95721 \$17.23
 Distribution System Improvement Charge 7.5% \$2.41
 Gas Cost Adjustment @ \$0.01265 \$0.23
Total Delivery Charges \$34.77
 CRP Reverse Discount \$12.64
Total CRP Charges \$63.36

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **6.00% OF INCOME**

METER DETAILS

Meter Number: 02233102
 Read Cycle: 02
 Read Dates: 09/02/2022 - 10/04/2022
 Starting Read: 1641 Actual
 Ending Read: 1659 Actual
 Usage in CCF: 18.00
 Conversion Factor: 1.0326 Therm = 1 Ccf
 Usage in Therms: 18.58
 Next Meter Read: 11/01/2022

SHOPPING INFORMATION BOX

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 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

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ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$63.36

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$63.36

Total Adjustments \$0.00

THINK YOU SMELL GAS? It smells like rotten eggs. Leave the area and call (215) 235-1212. Our Emergency Hotline is available 24 hours a day, 7 days a week.

Attachment CAUSE-PA-III-9 - PIPP Bills

PGW Messages



Your estimated gas price to Compare (PTC) is \$0.89999 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

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[Other Helpful Terms](#)

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FAMILY DOLLAR **Walmart** **Speedway** **7-ELEVEN**

Available at Service Desk or Money Center

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RIGHTS & OBLIGATIONS

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 14.9 Ccf @ \$0.95315 \$14.20
Total Supply Charges \$14.20

Delivery Charges

Customer Charge @ \$14.90 \$13.87
 Distribution Charge 14.9 Ccf @ \$0.9739 \$14.51
 Distribution System Improvement Charge 7.5% \$2.13
 Gas Cost Adjustment @ -\$0.01598 -\$0.24
Total Delivery Charges \$30.27
 CRP Reverse Discount \$14.52

Supply Charges

Commodity Charge 1.1 Ccf @ \$0.88633 \$0.98
Total Supply Charges \$0.98

Delivery Charges

Customer Charge @ \$14.90 \$1.03
 Distribution Charge 1.1 Ccf @ \$0.95721 \$1.06
 Distribution System Improvement Charge 7.5% \$0.16
 Gas Cost Adjustment @ \$0.01265 \$0.01
Total Delivery Charges \$2.26
 CRP Reverse Discount \$1.13

Total CRP Charges \$63.36

PAYMENTS RECEIVED

08/17/2022 LIHEAP \$250.00
Total Payments \$250.00

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$63.36

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$63.36

Total Adjustments \$0.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **6.00% OF INCOME**

METER DETAILS

Meter Number: 02233102
 Read Cycle: 02
 Read Dates: 08/04/2022 - 09/02/2022
 Starting Read: 1625 Actual
 Ending Read: 1641 Actual
 Usage in CCF: 16.00
 Conversion Factor: 1.0332 Therm = 1 Ccf
 Usage in Therms: 16.53
 Next Meter Read: 10/04/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

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It smells
like rotten
eggs



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PGW Messages

- ✉ September 1, 2022 Commodity Charge decreased to \$0.88633 per CCF. Gas Cost Adjustment increased to \$0.01265. Distribution Charge decreased to \$0.95721. The changes will decrease the typical residential heating bill by about \$39.85 a year.
- ✉ Your estimated gas price to Compare (PTC) is \$0.89999 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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PHONE

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Report Theft of Gas (24/7)	(215) 684-6383

TERMS

How's my gas measured?

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Other Helpful Terms

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What are my charges?

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 18 Ccf @ \$0.95315 \$17.16
Total Supply Charges \$17.16

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 18 Ccf @ \$0.9739 \$17.53
 Distribution System Improvement Charge 7.5% \$2.43
 Gas Cost Adjustment @ -\$0.01598 -\$0.29
Total Delivery Charges \$34.57

Total Billing Charges \$51.73

METER DETAILS

Meter Number: 02233102
 Read Cycle: 02
 Read Dates: 07/06/2022 - 08/04/2022
 Starting Read: 1607 Actual
 Ending Read: 1625 Actual
 Usage in CCF: 18.00
 Conversion Factor: 1.0337 Therm = 1 Ccf
 Usage in Therms: 18.60
 Next Meter Read: 09/02/2022

SHOPPING INFORMATION BOX

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PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$287.40
 WNA ADJ -\$1.29
 CRP Discount Cancelled \$1.29

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$287.40
Total Adjustments \$0.00

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Attachment CAUSE-PA-III-9 - PIPP Bills

PGW Messages

-  This bill provides a Weather Normalization Adjustment(WNA) credit for May 2022. If you are enrolled in PGW's CRP, the WNA credit was reversed to balance the account.
-  Your estimated gas price to Compare (PTC) is \$0.93810 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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TERMS

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 20 Ccf @ \$0.95315 \$19.06
Total Supply Charges \$19.06

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 20 Ccf @ \$0.9739 \$19.48
 Distribution System Improvement Charge 7.5% \$2.58
 Gas Cost Adjustment @ -\$0.01598 -\$0.32

Total Delivery Charges \$36.64

CRP Discount -\$9.44

Total CRP Charges \$46.26

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **6.00% OF INCOME**

METER DETAILS

Meter Number: 02233102
 Read Cycle: 02
 Read Dates: 06/06/2022 - 07/06/2022
 Starting Read: 1587 Actual
 Ending Read: 1607 Actual
 Usage in CCF: 20.00
 Conversion Factor: 1.0328 Therm = 1 Ccf
 Usage in Therms: 20.65
 Next Meter Read: 08/04/2022

SHOPPING INFORMATION BOX

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PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$46.26

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$46.26

Total Adjustments \$0.00

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FAMILY DOLLAR **Walmart** **Speedway** **7-ELEVEN**

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Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 18.69 Ccf @ \$0.60364	\$11.28
Total Supply Charges	\$11.28

Delivery Charges

Customer Charge @ \$14.90	\$12.11
Distribution Charge 18.69 Ccf @ \$0.92843	\$17.35
Distribution System Improvement Charge 7.5%	\$2.21
Gas Cost Adjustment @ -\$0.01809	-\$0.34
Weather Normalization Adjustment	\$1.29
Total Delivery Charges	\$32.62
CRP Discount	-\$6.31

Supply Charges

Commodity Charge 4.31 Ccf @ \$0.95315	\$4.11
Total Supply Charges	\$4.11

Delivery Charges

Customer Charge @ \$14.90	\$2.79
Distribution Charge 4.31 Ccf @ \$0.9739	\$4.20
Distribution System Improvement Charge 7.5%	\$0.52
Gas Cost Adjustment @ -\$0.01598	-\$0.07
Total Delivery Charges	\$7.44
CRP Discount	-\$2.88

Total CRP Charges	\$46.26
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ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	-\$46.26
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Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER	\$46.26
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Total Adjustments	\$0.00
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CRP INFORMATION

CRP Agreement Status:	ACTIVE
CRP Agreement Type:	6.00% OF INCOME

METER DETAILS

Meter Number:	02233102
Read Cycle:	02
Read Dates:	05/05/2022 - 06/06/2022
Starting Read:	1564 Actual
Ending Read:	1587 Actual
Usage in CCF:	23.00
Conversion Factor:	1.0315 Therm = 1 Ccf
Usage in Therms:	23.72
Next Meter Read:	07/06/2022

SHOPPING INFORMATION BOX

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Service Point ID:	
Rate Class:	General Service Residential
Rate Schedule:	GSR

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PGW Messages

- ✉ June 1, 2022 Commodity Charge increased to \$0.95315 per CCF. Gas Cost Adjustment increased to -\$0.01598. Distribution Charge increased to \$0.97390. The changes will increase the typical residential heating bill by about \$284.36 a year.
- ✉ Your estimated gas price to Compare (PTC) is \$0.93810 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

Service Centers (9AM TO 5PM)

	M	T	W	Th	F
Germantown 212 W. Cheltenham Ave.		✓	✓		✓
S. Philadelphia 1601 S. Broad St.	✓		✓	✓	
Frankford 4410 Frankford Ave.		✓		✓	✓
N. Philadelphia 1337 W. Erie Ave.	✓		✓	✓	
W. Philadelphia 5230 Chestnut St.	✓	✓	✓		✓

TERMS

How's my gas measured?

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

Dekatherms (DTH) - A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

MCF - 1,000 cubic feet of gas. This is a measure of gas usage.

What are my charges?

**See the PGW Gas Service tariff on pgworks.com for full details.*

Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

Distribution System Improvement Charge (DSIC) - A charge approved by the Pennsylvania Public Utility Commission (PUC) for recovery of the reasonable and prudent costs incurred to repair, improve, or replace eligible distribution property. A DSIC provides PGW with the resources to accelerate the replacement of aging infrastructure.

Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

Other Helpful Terms

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

Natural Gas Distribution Company (NGDC) – A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. PGW is a NGDC.

What is the Customer Responsibility Program (CRP)?

Customer Responsibility Program (CRP) – PGW's low income customer assistance program which provides a lower monthly bill and forgiveness of pre-program debt.

CRP Discount – The difference between the actual cost for gas and what CRP customers are asked to pay.

CRP Reverse Discount – During months in which the CRP amount is higher than the billing amount based on usage, the difference is expressed as CRP Reverse Discount. Please note that no matter the value of the CRP discount or CRP reverse discount, the monthly bill will be equal to the agreement amount.

CRP Forgiveness Amount – The amount by which a CRP customer's arrears is reduced each month they pay their CRP amount on time and in full.



PAY WITH CASH **POSTS SAME DAY AND FREE.**

◀ **BRING THIS BARCODE TO ANY** ▶



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RIGHTS & OBLIGATIONS

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SUPPLIER INFORMATION

If you have selected a Natural Gas Supplier other than PGW, the Natural Gas Supplier is responsible for the billing of Supplier Charges. PGW will bill for gas delivery according to the tariff for your rate class. Commodity prices and charges are set by the Natural Gas Supplier you have chosen. The Public Utility Commission regulates the distribution prices and services.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III.9 - PIPP Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 24 Ccf @ \$0.60364 \$14.49

Total Supply Charges \$14.49

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 24 Ccf @ \$0.92843 \$22.28

Distribution System Improvement Charge 7.5% \$2.79

Gas Cost Adjustment @ -\$0.01809 -\$0.43

Weather Normalization Adjustment -\$0.22

Total Delivery Charges \$39.32

CRP Discount -\$7.55

Total CRP Charges \$46.26

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **6.00% OF INCOME**

METER DETAILS

Meter Number: 02233102
 Read Cycle: 02
 Read Dates: 04/06/2022 - 05/05/2022
 Starting Read: 1540 Actual
 Ending Read: 1564 Actual
 Usage in CCF: 24.00
 Conversion Factor: 1.0329 Therm = 1 Ccf
 Usage in Therms: 24.78
 Next Meter Read: 06/06/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

PGW Messages

✉ Your estimated gas price to Compare (PTC) is \$0.58637 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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Attachment CAUSE-PA-III-9 - Average Bills



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)



Hello

Thank you for participating in the Customer Responsibility Program (CRP).

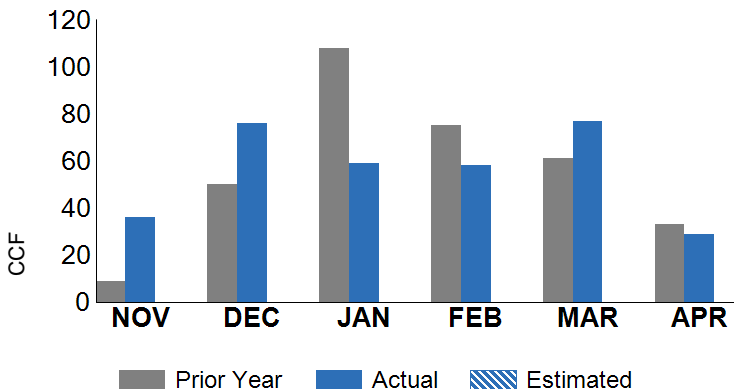
Account Number:



Please Pay **\$164.48**
Due By **05/23/2023**

Billing Date APR 29, 2023
Service From 03/28/2023 - 04/27/2023
Past Due CRP Charges \$112.48
Current CRP Charges \$52.00

ENERGY USAGE SNAPSHOT



Average Daily Cost	Average Daily Temperature
\$1.73	58° Current Month Compared to 53° prior year
Current Month	Usage Over Last Year
Compared to \$1.63 prior year	31 Ccf* Monthly Average 373 Ccf Total
	1 CCF = approx. 1 hour of heat
	*See terms on pg. 2

MESSAGE CENTER

Call 811 Before You Dig: Have a project that requires digging? Call 8-1-1 before you start so underground utility lines can be marked. Remember, it's the law and FREE!

Don't Miss Out on LIHEAP: Get up to \$1,000 to pay for your heating bill. Apply by April 28: PGWorks.com/LIHEAP

Do you or someone you know need assistance affording natural gas service? **We're here to help. Call us at 215-235-1000 or visit PGWorks.com/HELP**



Pay Online www.pgworks.com



Pay By Phone (215) 235-1000 (English & Español)
*a convenience fee of \$2.95 will be applied



Pay With Cash (See Back For Details)



Please return this portion with your payment. Write your account number on your check or money order made payable to Philadelphia Gas Works.

Please Pay \$164.48	Due By 05/23/2023
Account Number:	
\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

Thank you!



Philadelphia Gas Works
P.O. Box 11700
Newark, NJ 07101-4700

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

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[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 29 Ccf @ \$0.51603 \$14.96

Total Supply Charges \$14.96

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 29 Ccf @ \$0.92321 \$26.77

Distribution System Improvement Charge 7.5% \$3.13

Gas Cost Adjustment @ \$0.00338 \$0.10

Weather Normalization Adjustment \$5.49

Total Delivery Charges \$50.39

CRP Discount -\$13.35

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **DEFAULTED**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 03/28/2023 - 04/27/2023
 Starting Read: 2167 Actual
 Ending Read: 2196 Actual
 Usage in CCF: 29.00
 Conversion Factor: 1.0332 Therm = 1 Ccf
 Usage in Therms: 29.96
 Next Meter Read: 05/26/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ACCOUNT BALANCE INFORMATION

Your account balance is \$524.53, which will become due if you fail to meet the terms of your agreement.

THINK YOU SMELL GAS?

It smells like rotten eggs

Leave the area and call (215) 235-1212.

Our Emergency Hotline is available 24 hours a day, 7 days a week.

PGW Messages

✉ Your estimated gas price to Compare (PTC) is \$0.52066 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
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 **PHONE**

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

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[Other Helpful Terms](#)

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 9.63 Ccf @ \$0.82282 \$7.92
Total Supply Charges \$7.92

Delivery Charges

Customer Charge @ \$14.90 \$1.86
 Distribution Charge 9.63 Ccf @ \$0.94223 \$9.07
 Distribution System Improvement Charge 7.5% \$0.82
 Gas Cost Adjustment @ \$0.01265 \$0.12
 Weather Normalization Adjustment \$0.43
Total Delivery Charges \$12.30
 CRP Discount -\$13.72

Supply Charges

Commodity Charge 67.38 Ccf @ \$0.51603 \$34.76
Total Supply Charges \$34.76

Delivery Charges

Customer Charge @ \$14.90 \$13.04
 Distribution Charge 67.38 Ccf @ \$0.92321 \$62.20
 Distribution System Improvement Charge 7.5% \$5.64
 Gas Cost Adjustment @ \$0.00338 \$0.23
 Weather Normalization Adjustment \$2.99
Total Delivery Charges \$84.10
 CRP Discount -\$73.36

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 02/24/2023 - 03/28/2023
 Starting Read: 2090 Actual
 Ending Read: 2167 Actual
 Usage in CCF: 77.00
 Conversion Factor: 1.0366 Therm = 1 Ccf
 Usage in Therms: 79.81
 Next Meter Read: 04/27/2023

SHOPPING INFORMATION BOX

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PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ACCOUNT BALANCE INFORMATION

Your account balance is \$472.53, which will become due if you fail to meet the terms of your agreement.

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It smells like rotten eggs

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Attachment CAUSE-PA-III-9 Avg. Bills

PGW Messages

-  March 1, 2023 Commodity Charge decreased to 0.51603 per CCF. Gas Cost Adjustment decreased to \$0.00338. Distribution Charge decreased to \$0.92321. The changes will decrease the typical residential heating bill by about \$238.92 a year.
-  Your estimated gas price to Compare (PTC) is \$0.52066 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?

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PHONE

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 97 Ccf @ \$0.82282 \$79.81

Total Supply Charges \$79.81

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 97 Ccf @ \$0.94223 \$91.40

Distribution System Improvement Charge 7.5% \$7.97

Gas Cost Adjustment @ \$0.01265 \$1.23

Weather Normalization Adjustment \$4.11

Total Delivery Charges \$119.61

CRP Discount -\$138.42

Total CRP Charges \$61.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number: 01879665
 Read Cycle: 06
 Read Dates: 12/07/2022 - 01/09/2023
 Starting Read: 3559 Actual
 Ending Read: 3656 Actual
 Usage in CCF: 97.00
 Conversion Factor: 1.0388 Therm = 1 Ccf
 Usage in Therms: 100.76
 Next Meter Read: 02/07/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account: 0030993934
 Service Point ID: 9972149127
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

THINK YOU SMELL GAS?

It smells like rotten eggs

Leave the area and call (215) 235-1212.

Our Emergency Hotline is available 24 hours a day, 7 days a week.

PGW Messages

✉ Your estimated gas price to Compare (PTC) is \$0.83648 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
 Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

How's my gas measured?

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

Dekatherms (DTH) - A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

MCF - 1,000 cubic feet of gas. This is a measure of gas usage.

What are my charges?

**See the PGW Gas Service tariff on pgworks.com for full details.*

Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

Distribution System Improvement Charge (DSIC) - A charge approved by the Pennsylvania Public Utility Commission (PUC) for recovery of the reasonable and prudent costs incurred to repair, improve, or replace eligible distribution property. A DSIC provides PGW with the resources to accelerate the replacement of aging infrastructure.

Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

Other Helpful Terms

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

Natural Gas Distribution Company (NGDC) – A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. PGW is a NGDC.

What is the Customer Responsibility Program (CRP)?

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PAY WITH CASH **POSTS SAME DAY AND FREE.**

BRING THIS BARCODE TO ANY



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RIGHTS & OBLIGATIONS

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic BREAK

DOWN OF CHARGES

Supply Charges

Commodity Charge 20 Ccf @ \$0.82282 \$16.46
Total Supply Charges \$16.46

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 20 Ccf @ \$0.94223 \$18.84
 Distribution System Improvement Charge 7.5% \$2.53
 Gas Cost Adjustment @ \$0.01265 \$0.25
 Weather Normalization Adjustment \$3.13
Total Delivery Charges \$39.65
 CRP Discount -\$6.11

Total CRP Charges \$50.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number: 02270695
 Read Cycle: 18
 Read Dates: 01/26/2023 - 02/23/2023
 Starting Read: 784 Actual
 Ending Read: 804 Actual
 Usage in CCF: 20.00
 Conversion Factor: 1.0371 Therm = 1 Ccf
 Usage in Therms: 20.74
 Next Meter Read: 03/27/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account: 0026231382
 Service Point ID: 9972523207
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID # 8251629887

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$50.00

Adjustments for SA ID # 5278315422

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$50.00

Total Adjustments \$0.00

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Attachment CAUSE-PA-III-9 Avg. Bills

PGW Messages



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PHONE

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Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

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[What are my charges?](#)

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Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

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[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

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CRP Forgiveness Amount – The amount by which a CRP customer's arrears is reduced each month they pay their CRP amount on time and in full.

PAY WITH CASH POSTS SAME DAY AND FREE.

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DOLLAR GENERAL **CVS** **FAMILY DOLLAR** **Walmart** **Speedway** **7-ELEVEN**

Available at Service Desk or Money Center

By accepting or using this barcode to make a payment, you agree to the full terms and conditions, available at [VanillaDirect.com/terms](#). After successful payment using this barcode, you may retrieve your full detailed e-receipt at [VanillaDirect.com/Pay/ereceipt](#).

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RIGHTS & OBLIGATIONS

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SUPPLIER INFORMATION

If you have selected a Natural Gas Supplier other than PGW, the natural gas supplier is responsible for determining the rates billed for supplier charges. PGW will bill for gas delivery according to the tariff for your rate class. Commodity prices and charges are set by the Natural Gas Supplier you have chosen. The Public Utility Commission regulates the distribution prices and services.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 5.07 Ccf @ \$0.88633 \$4.49
Total Supply Charges \$4.49

Delivery Charges

Customer Charge @ \$14.90 \$0.99
 Distribution Charge 5.07 Ccf @ \$0.95721 \$4.85
 Distribution System Improvement Charge 7.5% \$0.44
 Gas Cost Adjustment @ \$0.01265 \$0.06
 Weather Normalization Adjustment -\$0.23
Total Delivery Charges \$6.11
 CRP Discount -\$7.13

Supply Charges

Commodity Charge 70.93 Ccf @ \$0.82282 \$58.36
Total Supply Charges \$58.36

Delivery Charges

Customer Charge @ \$14.90 \$13.91
 Distribution Charge 70.93 Ccf @ \$0.94223 \$66.84
 Distribution System Improvement Charge 7.5% \$6.06
 Gas Cost Adjustment @ \$0.01265 \$0.90
 Weather Normalization Adjustment -\$3.21
Total Delivery Charges \$84.50
 CRP Discount -\$94.33

Total CRP Charges \$52.00

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$21.52
 LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$30.48

Adjustments for SA ID #

CRP Forgiveness Amt -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$21.52
 LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$30.48
Total Adjustments -\$26.73

ACCOUNT BALANCE INFORMATION

Your account balance is \$343.26, which will become due if you fail to meet the terms of your agreement.

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number: 01947271
 Read Cycle: 19
 Read Dates: 11/28/2022 - 12/28/2022
 Starting Read: 1897 Actual
 Ending Read: 1973 Actual
 Usage in CCF: 76.00
 Conversion Factor: 1.0382 Therm = 1 Ccf
 Usage in Therms: 78.90
 Next Meter Read: 01/27/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

THINK YOU SMELL GAS?

It smells
like rotten
eggs



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(215) 235-1212.**

Our Emergency Hotline is available
24 hours a day, 7 days a week.

PGW Messages

- ✉ December 1, 2022 Commodity Charge decreased to \$0.82282 per CCF. Distribution Charge decreased to \$0.94223. The changes will decrease the typical residential heating bill by about \$56.53 a year.
- ✉ Your estimated gas price to Compare (PTC) is \$0.83648 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

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MCF - 1,000 cubic feet of gas. This is a measure of gas usage.

[What are my charges?](#)

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Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

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[What is the Customer Responsibility Program \(CRP\)?](#)

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CRP Forgiveness Amount – The amount by which a CRP customer's arrears is reduced each month they pay their CRP amount on time and in full.



PAY WITH CASH **POSTS SAME DAY AND FREE.**

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RIGHTS & OBLIGATIONS

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 36 Ccf @ \$0.88633 \$31.91

Total Supply Charges \$31.91

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 36 Ccf @ \$0.95721 \$34.46

Distribution System Improvement Charge 7.5% \$3.70

Gas Cost Adjustment @ \$0.01265 \$0.46

Weather Normalization Adjustment \$3.50

Total Delivery Charges \$57.02

CRP Discount -\$36.93

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 10/27/2022 - 11/28/2022
 Starting Read: 1861 Actual
 Ending Read: 1897 Actual
 Usage in CCF: 36.00
 Conversion Factor: 1.0337 Therm = 1 Ccf
 Usage in Therms: 37.21
 Next Meter Read: 12/28/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$21.52

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$30.48

Adjustments for SA ID #

CRP Forgiveness Amt -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$21.52

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$30.48

Total Adjustments -\$26.73

ACCOUNT BALANCE INFORMATION

Your account balance is \$317.99, which will become due if you fail to meet the terms of your agreement.

Attachment CAUSE-PA III 9 Avg. Bills

THINK YOU SMELL GAS?

It smells
like rotten
eggs



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PGW Messages

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 **PHONE**

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[Other Helpful Terms](#)

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 8 Ccf @ \$0.88633 \$7.09
Total Supply Charges \$7.09

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 8 Ccf @ \$0.95721 \$7.66
 Distribution System Improvement Charge 7.5% \$1.69
 Gas Cost Adjustment @ \$0.01265 \$0.10
 Weather Normalization Adjustment -\$0.21

Total Delivery Charges \$24.14

CRP Reverse Discount \$20.77

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 09/28/2022 - 10/27/2022
 Starting Read: 1853 Actual
 Ending Read: 1861 Actual
 Usage in CCF: 8.00
 Conversion Factor: 1.0335 Therm = 1 Ccf
 Usage in Therms: 8.26
 Next Meter Read: 11/28/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

Late Payment Charge Waive -\$21.52
 LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$21.52
 LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$30.48

Adjustments for SA ID #

CREDIT Dollars from Premise 2225 W CAMBRIA ST/PHIL -\$2.95
 CRP Forgiveness Amt -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$30.48
 LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$21.52

Adjustments for SA ID #

Transfer Balance \$2.95
 Late Payment Charge Waive -\$2.95

Total Adjustments -\$51.20

ACCOUNT BALANCE INFORMATION

Your account balance is \$292.72, which will become due if you fail to meet the terms of your agreement.

Attachment CAUSE-PA III 9 Avg. Bills

THINK YOU SMELL GAS?

It smells
like rotten
eggs



**Leave the area and call
(215) 235-1212.**

Our Emergency Hotline is available
24 hours a day, 7 days a week.

PGW Messages

- ✉ Your estimated gas price to Compare (PTC) is \$0.89999 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
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Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

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[What are my charges?](#)

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Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

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Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

Natural Gas Distribution Company (NGDC) – A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. PGW is a NGDC.

[What is the Customer Responsibility Program \(CRP\)?](#)

Customer Responsibility Program (CRP) – PGW's low income customer assistance program which provides a lower monthly bill and forgiveness of pre-program debt.

CRP Discount – The difference between the actual cost for gas and what CRP customers are asked to pay.

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PAY WITH CASH POSTS SAME DAY AND FREE.

◀ BRING THIS BARCODE TO ANY ▶

DOLLAR GENERAL **CVS**
FAMILY DOLLAR **Walmart** **Speedway** **7-ELEVEN**

Available at Service Desk or Money Center

By accepting or using this barcode to make a payment, you agree to the full terms and conditions, available at [VanillaDirect.com/terms](#). After successful payment using this barcode, you may retrieve your full detailed e-receipt at [VanillaDirect.com/Pay/ereceipt](#).

Five dollar (\$5.00) minimum payment required with barcode. Barcode must be presented at time of payment. Participating vendors will only accept cash with barcode. Payments made with barcode must be made before 4:00 p.m. in order to post to account the same day. Payments made with barcode while termination of service is in progress will not serve to stop termination of service. For eligible accounts only.

RIGHTS & OBLIGATIONS

A summary of your rights and obligations as a PGW customer will be made available upon request. A rate schedule and an explanation of how to verify the accuracy of a bill and an explanation of the various charges will be made available upon request.

SUPPLIER INFORMATION

If you have selected a Natural Gas Supplier other than PGW, the natural gas supplier is responsible for determining the rates billed for supplier charges. PGW will bill for gas delivery according to the tariff for your rate class. Commodity prices and charges are set by the Natural Gas Supplier you have chosen. The Public Utility Commission regulates the distribution prices and services.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 0.33 Ccf @ \$0.95315 \$0.32

Total Supply Charges \$0.32

Delivery Charges

Customer Charge @ \$14.90 \$0.99

Distribution Charge 0.33 Ccf @ \$0.9739 \$0.32

Distribution System Improvement Charge 7.5% \$0.10

Gas Cost Adjustment @ -\$0.01598 -\$0.01

Total Delivery Charges \$1.40

CRP Reverse Discount \$1.75

Supply Charges

Commodity Charge 4.67 Ccf @ \$0.88633 \$4.13

Total Supply Charges \$4.13

Delivery Charges

Customer Charge @ \$14.90 \$13.91

Distribution Charge 4.67 Ccf @ \$0.95721 \$4.47

Distribution System Improvement Charge 7.5% \$1.38

Gas Cost Adjustment @ \$0.01265 \$0.06

Total Delivery Charges \$19.82

CRP Reverse Discount \$24.58

Total CRP Charges \$52.00

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$52.00

Adjustments for SA ID #

CRP Forgiveness Amt -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$52.00

Total Adjustments -\$26.73

ACCOUNT BALANCE INFORMATION

Your account balance is \$291.92, which will become due if you fail to meet the terms of your agreement.

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 08/29/2022 - 09/28/2022
 Starting Read: 1848 Actual
 Ending Read: 1853 Actual
 Usage in CCF: 5.00
 Conversion Factor: 1.0326 Therm = 1 Ccf
 Usage in Therms: 5.16
 Next Meter Read: 10/27/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

Attachment CAUSE-PA III 9 Avg. Bills

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like rotten
eggs



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PGW Messages

- ✉ September 1, 2022 Commodity Charge decreased to \$0.88633 per CCF. Gas Cost Adjustment increased to \$0.01265. Distribution Charge decreased to \$0.95721. The changes will decrease the typical residential heating bill by about \$39.85 a year.
- ✉ Your estimated gas price to Compare (PTC) is \$0.89999 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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PHONE

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TERMS

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[Other Helpful Terms](#)

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PAY WITH CASH POSTS SAME DAY AND FREE.

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 7 Ccf @ \$0.95315 \$6.67

Total Supply Charges \$6.67

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 7 Ccf @ \$0.9739 \$6.82

Distribution System Improvement Charge 7.5% \$1.63

Gas Cost Adjustment @ -\$0.01598 -\$0.11

Total Delivery Charges \$23.24

CRP Reverse Discount \$22.09

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 07/29/2022 - 08/29/2022
 Starting Read: 1841 Actual
 Ending Read: 1848 Actual
 Usage in CCF: 7.00
 Conversion Factor: 1.0332 Therm = 1 Ccf
 Usage in Therms: 7.23
 Next Meter Read: 09/28/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

PAYMENTS RECEIVED

08/17/2022 LIHEAP \$250.00

Total Payments \$250.00

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$52.00

Adjustments for SA ID #

CRP Forgiveness Nbr Mnths 1 Per Mon Amt: 57.00 -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$52.00

Total Adjustments -\$26.73

ACCOUNT BALANCE INFORMATION

Your account balance is \$266.65, which will become due if you fail to meet the terms of your agreement.

Attachment CAUSE-PA III 9 Avg. Bills

THINK YOU SMELL GAS?

It smells
like rotten
eggs



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GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)



Hello ,

Thank you for participating in the Customer Responsibility Program (CRP).

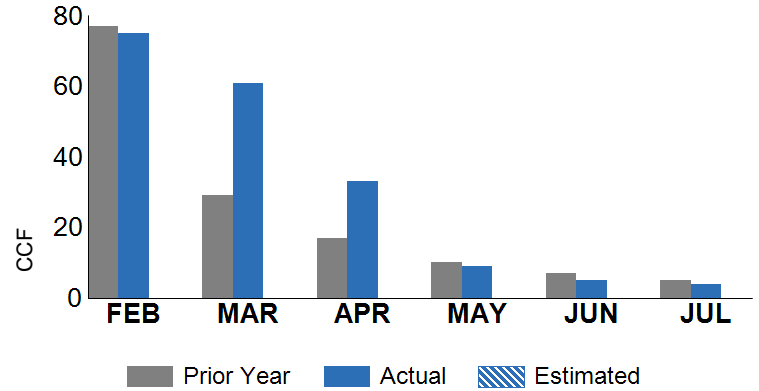
Account Number:



Please Pay **\$0.00**
Due By **08/25/2022**

Billing Date **AUG 02, 2022**
Service From **06/29/2022 - 07/29/2022**
Past Due CRP Charges **-\$84.00**
Current CRP Charges **\$52.00**

ENERGY USAGE SNAPSHOT



Average Daily Cost	Average Daily Temperature
\$1.73	82° Current Month Compared to 80° prior year
Current Month	Usage Over Last Year
Compared to \$1.73 prior year	31 Ccf* Monthly Average 371 Ccf Total
	1 CCF = approx. 1 hour of heat
	*See terms on pg. 2

MESSAGE CENTER

PGW filed a petition with the Public Utility Commission and was granted permission to reverse the unusually high Weather Normalization Adjustment (WNA) charges from May 2022.

If you were impacted, a **WNA credit will appear on your July or August bill. Sign up for PGW My Account (pgworks.com) to view and track the credit.**

We appreciate your patience.



Pay Online www.pgworks.com



Pay By Phone (215) 235-1000 (English & Español)
*a convenience fee of \$2.95 will be applied



Pay With Cash (See Back For Details)



Please return this portion with your payment. Write your account number on your check or money order made payable to Philadelphia Gas Works.

Please Pay \$0.00	Due By 08/25/2022
Account Number:	
\$ <input type="text"/> , <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	

Thank you!



Philadelphia Gas Works
P.O. Box 11700
Newark, NJ 07101-4700

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
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TERMS

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 4 Ccf @ \$0.95315 \$3.81
Total Supply Charges \$3.81

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 4 Ccf @ \$0.9739 \$3.90
 Distribution System Improvement Charge 7.5% \$1.41
 Gas Cost Adjustment @ -\$0.01598 -\$0.06

Total Delivery Charges \$20.15

CRP Reverse Discount \$28.04

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 06/29/2022 - 07/29/2022
 Starting Read: 1837 Actual
 Ending Read: 1841 Actual
 Usage in CCF: 4.00
 Conversion Factor: 1.0336 Therm = 1 Ccf
 Usage in Therms: 4.13
 Next Meter Read: 08/29/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$52.00

Adjustments for SA ID #

CRP Forgiveness Amt -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$52.00

Total Adjustments -\$26.73

ACCOUNT BALANCE INFORMATION

Your account balance is \$491.38, which will become due if you fail to meet the terms of your agreement.

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eggs



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PGW Messages

- ✉ Your estimated gas price to Compare (PTC) is \$0.93810 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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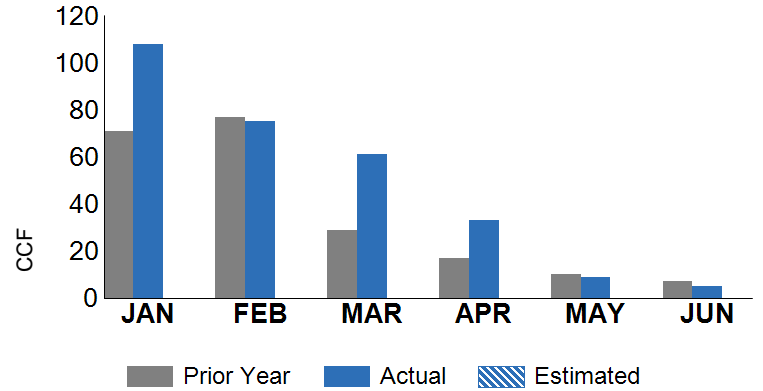
Account Number:



Please Pay **\$0.00**
Due By **07/27/2022**

Billing Date JUN 30, 2022
Service From 05/31/2022 - 06/29/2022
Past Due CRP Charges -\$136.00
Current CRP Charges \$52.00

ENERGY USAGE SNAPSHOT



Average Daily Cost \$1.79 Current Month Compared to \$1.86 prior year	Average Daily Temperature 74° Current Month Compared to 75° prior year Usage Over Last Year 31 Ccf* Monthly Average 372 Ccf Total 1 CCF = approx. 1 hour of heat <i>*See terms on pg. 2</i>
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MESSAGE CENTER

**Looking for in-person assistance?
We can help.**

Scan this QR code to find your nearest Neighborhood Energy Center

Pay Online www.pgworks.com

Pay By Phone (215) 235-1000 (English & Español)
**a convenience fee of \$2.95 will be applied*

Pay With Cash (See Back For Details)



Please return this portion with your payment.
Write your account number on your check or money order made payable to Philadelphia Gas Works.

Please Pay \$0.00	Due By 07/27/2022
Account Number:	
\$ <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>	

Thank you!



Philadelphia Gas Works
P.O. Box 11700
Newark, NJ 07101-4700

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Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

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Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

Natural Gas Distribution Company (NGDC) – A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. PGW is a NGDC.

[What is the Customer Responsibility Program \(CRP\)?](#)

Customer Responsibility Program (CRP) – PGW's low income customer assistance program which provides a lower monthly bill and forgiveness of pre-program debt.

CRP Discount – The difference between the actual cost for gas and what CRP customers are asked to pay.

CRP Reverse Discount – During months in which the CRP amount is higher than the billing amount based on usage, the difference is expressed as CRP Reverse Discount. Please note that no matter the value of the CRP discount or CRP reverse discount, the monthly bill will be equal to the agreement amount.

CRP Forgiveness Amount – The amount by which a CRP customer's arrears is reduced each month they pay their CRP amount on time and in full.

PAY WITH CASH POSTS SAME DAY AND FREE.

◀ BRING THIS BARCODE TO ANY ▶

DOLLAR GENERAL **CVS**
FAMILY DOLLAR **Walmart** **Speedway** **7-ELEVEN**

Available at Service Desk or Money Center

By accepting or using this barcode to make a payment, you agree to the full terms and conditions, available at [VanillaDirect.com/terms](#). After successful payment using this barcode, you may retrieve your full detailed e-receipt at [VanillaDirect.com/Pay/ereceipt](#).

Five dollar (\$5.00) minimum payment required with barcode. Barcode must be presented at time of payment. Participating vendors will only accept cash with barcode. Payments made with barcode must be made before 4:00 p.m. in order to post to account the same day. Payments made with barcode while termination of service is in progress will not serve to stop termination of service. For eligible accounts only.

RIGHTS & OBLIGATIONS

A summary of your rights and obligations as a PGW customer will be made available upon request. A rate schedule and an explanation of how to verify the accuracy of a bill and an explanation of the various charges will be made available upon request.

SUPPLIER INFORMATION

If you have selected a Natural Gas Supplier other than PGW, the natural gas supplier is responsible for determining the rates billed for supplier charges. PGW will bill for gas delivery according to the tariff for your rate class. Commodity prices and charges are set by the Natural Gas Supplier you have chosen. The Public Utility Commission regulates the distribution prices and services.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 5 Ccf @ \$0.95315 \$4.77

Total Supply Charges \$4.77

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 5 Ccf @ \$0.9739 \$4.87

Distribution System Improvement Charge 7.5% \$1.48

Gas Cost Adjustment @ -\$0.01598 -\$0.08

Total Delivery Charges \$21.17

CRP Reverse Discount \$26.06

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 05/31/2022 - 06/29/2022
 Starting Read: 1832 Actual
 Ending Read: 1837 Actual
 Usage in CCF: 5.00
 Conversion Factor: 1.0326 Therm = 1 Ccf
 Usage in Therms: 5.16
 Next Meter Read: 07/29/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$52.00

Adjustments for SA ID #

CRP Forgiveness Amt -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$52.00

Total Adjustments -\$26.73

ACCOUNT BALANCE INFORMATION

Your account balance is \$466.11, which will become due if you fail to meet the terms of your agreement.

Attachment CAUSE-PA III 9 Avg. Bills

THINK YOU SMELL GAS?

It smells
like rotten
eggs



**Leave the area and call
(215) 235-1212.**

Our Emergency Hotline is available
24 hours a day, 7 days a week.

PGW Messages

- ✉ June 1, 2022 Commodity Charge increased to \$0.95315 per CCF. Gas Cost Adjustment increased to -\$0.01598. Distribution Charge increased to \$0.97390. The changes will increase the typical residential heating bill by about \$284.36 a year.
- ✉ Your estimated gas price to Compare (PTC) is \$0.93810 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

 **PHONE**

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

Dekatherms (DTH) - A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

MCF - 1,000 cubic feet of gas. This is a measure of gas usage.

[What are my charges?](#)

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Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

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Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

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[What is the Customer Responsibility Program \(CRP\)?](#)

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CRP Discount – The difference between the actual cost for gas and what CRP customers are asked to pay.

CRP Reverse Discount – During months in which the CRP amount is higher than the billing amount based on usage, the difference is expressed as CRP Reverse Discount. Please note that no matter the value of the CRP discount or CRP reverse discount, the monthly bill will be equal to the agreement amount.

CRP Forgiveness Amount – The amount by which a CRP customer's arrears is reduced each month they pay their CRP amount on time and in full.



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RIGHTS & OBLIGATIONS

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 9 Ccf @ \$0.60364 \$5.43

Total Supply Charges \$5.43

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 9 Ccf @ \$0.92843 \$8.36

Distribution System Improvement Charge 7.5% \$1.74

Gas Cost Adjustment @ -\$0.01809 -\$0.16

Weather Normalization Adjustment \$1.90

Total Delivery Charges \$26.74

CRP Reverse Discount \$19.83

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 05/02/2022 - 05/31/2022
 Starting Read: 1823 Actual
 Ending Read: 1832 Actual
 Usage in CCF: 9.00
 Conversion Factor: 1.0313 Therm = 1 Ccf
 Usage in Therms: 9.28
 Next Meter Read: 06/29/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$52.00

Adjustments for SA ID #

CRP Forgiveness Amt -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$52.00

Total Adjustments -\$26.73

ACCOUNT BALANCE INFORMATION

Your account balance is \$440.84, which will become due if you fail to meet the terms of your agreement.

Attachment CAUSE-PA III 9 Avg. Bills

THINK YOU SMELL GAS?

It smells
like rotten
eggs



**Leave the area and call
(215) 235-1212.**

Our Emergency Hotline is available
24 hours a day, 7 days a week.

PGW Messages

- ✉ Your estimated gas price to Compare (PTC) is \$0.93810 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7) (215) 235-1212
 Residential Customer Service (8am to 6pm, M-F) (215) 235-1000
 Commercial Customer Service (8am to 4:30pm, M-F) (215) 235-7077
 Credit & Collections (8am to 4:30pm, M-F) (215) 235-1777
 Report Theft of Gas (24/7) (215) 684-6383

Service Centers (9AM TO 5PM)

	M	T	W	Th	F
Germantown 212 W. Cheltenham Ave.		✓	✓		✓
S. Philadelphia 1601 S. Broad St.	✓		✓	✓	
Frankford 4410 Frankford Ave.		✓		✓	✓
N. Philadelphia 1337 W. Erie Ave.	✓		✓	✓	
W. Philadelphia 5230 Chestnut St.	✓	✓	✓		✓

TERMS

How's my gas measured?

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

Dekatherms (DTH) - A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

MCF - 1,000 cubic feet of gas. This is a measure of gas usage.

What are my charges?

**See the PGW Gas Service tariff on pgworks.com for full details.*

Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

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Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

Other Helpful Terms

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

Natural Gas Distribution Company (NGDC) – A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. PGW is a NGDC.

What is the Customer Responsibility Program (CRP)?

Customer Responsibility Program (CRP) – PGW's low income customer assistance program which provides a lower monthly bill and forgiveness of pre-program debt.

CRP Discount – The difference between the actual cost for gas and what CRP customers are asked to pay.

CRP Reverse Discount – During months in which the CRP amount is higher than the billing amount based on usage, the difference is expressed as CRP Reverse Discount. Please note that no matter the value of the CRP discount or CRP reverse discount, the monthly bill will be equal to the agreement amount.

CRP Forgiveness Amount – The amount by which a CRP customer's arrears is reduced each month they pay their CRP amount on time and in full.

PAY WITH CASH **POSTS SAME DAY AND FREE.**

BRING THIS BARCODE TO ANY

DOLLAR GENERAL **FAMILY DOLLAR** **CVS** **Speedway** **ELEVEN**

By accepting or using this barcode to make a payment, you agree to the full terms and conditions, available at VanillaDirect.com/terms. After successful payment using this barcode, you may retrieve your full detailed e-receipt at VanillaDirect.com/Pay/ereceipt.

Five dollar (\$5.00) minimum payment required with barcode. Barcode must be presented at time of payment. Participating vendors will only accept cash with barcode. Payments made with barcode must be made before 6:00 p.m. in order to post to account the same day. Payments made with barcode while termination of service is in progress will not serve to stop termination of service. For eligible accounts only.

RIGHTS & OBLIGATIONS

A summary of your rights and obligations as a PGW customer will be made available upon request. A rate schedule and an explanation of how to verify the accuracy of a bill and an explanation of the various charges will be made available upon request.

SUPPLIER INFORMATION

If you have selected a Natural Gas Supplier other than PGW, the Natural Gas Supplier is responsible for the billing of Supplier Charges. PGW will bill for gas delivery according to the tariff for your rate class. Commodity prices and charges are set by the Natural Gas Supplier you have chosen. The Public Utility Commission regulates the distribution prices and services.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 Avg. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 33 Ccf @ \$0.60364 \$19.92

Total Supply Charges \$19.92

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 33 Ccf @ \$0.92843 \$30.64

Distribution System Improvement Charge 7.5% \$3.42

Gas Cost Adjustment @ -\$0.01809 -\$0.60

Weather Normalization Adjustment -\$1.07

Total Delivery Charges \$47.29

CRP Discount -\$15.21

Total CRP Charges \$52.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **CRP AVG**

METER DETAILS

Meter Number:
 Read Cycle: 19
 Read Dates: 03/31/2022 - 05/02/2022
 Starting Read: 1790 Actual
 Ending Read: 1823 Actual
 Usage in CCF: 33.00
 Conversion Factor: 1.0337 Therm = 1 Ccf
 Usage in Therms: 34.11
 Next Meter Read: 05/31/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ADJUSTMENT DETAIL

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER -\$52.00

Adjustments for SA ID #

CRP Forgiveness Amt -\$26.73

Adjustments for SA ID #

LIHEAP CREDIT PAYMENT DISTRIBUTION TRANSFER \$52.00

Total Adjustments -\$26.73

ACCOUNT BALANCE INFORMATION

Your account balance is \$415.57, which will become due if you fail to meet the terms of your agreement.

Attachment CAUSE-PA III 9 Avg. Bills

THINK YOU SMELL GAS?

It smells
like rotten
eggs



**Leave the area and call
(215) 235-1212.**

Our Emergency Hotline is available
24 hours a day, 7 days a week.

PGW Messages

- ✉ Your estimated gas price to Compare (PTC) is \$0.58637 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

Attachment CAUSE-PA-III-9 - Minimum Bills



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)



Hello

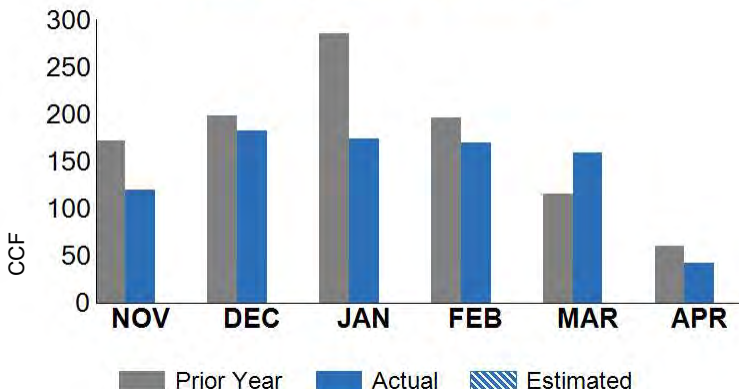
Thank you for participating in the Customer Responsibility Program (CRP).



Please Pay **\$50.00**
Due By **05/23/2023**

Billing Date APR 29, 2023
Service From 03/28/2023 - 04/27/2023
Past Due CRP Charges \$25.00
Current CRP Charges \$25.00

ENERGY USAGE SNAPSHOT



Average Daily Cost	Average Daily Temperature
\$0.83	58° Current Month Compared to 53° prior year
Current Month	Usage Over Last Year
Compared to \$0.78 prior year	86 Ccf* Monthly Average 1034 Ccf Total
	1 CCF = approx. 1 hour of heat
	*See terms on pg. 2

MESSAGE CENTER

Call 811 Before You Dig: Have a project that requires digging? Call 8-1-1 before you start so underground utility lines can be marked. Remember, it's the law and FREE!

Don't Miss Out on LIHEAP: Get up to \$1,000 to pay for your heating bill. Apply by April 28: PGWorks.com/LIHEAP

Do you or someone you know need assistance affording natural gas service? **We're here to help. Call us at 215-235-1000 or visit PGWorks.com/HELP**



Pay Online www.pgworks.com



Pay By Phone (215) 235-1000 (English & Español)
*a convenience fee of \$2.95 will be applied



Pay With Cash (See Back For Details)



Please return this portion with your payment. Write your account number on your check or money order made payable to Philadelphia Gas Works.

Please Pay \$50.00	Due By 05/23/2023
Account Number:	
\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

Thank you!



Philadelphia Gas Works
P.O. Box 11700
Newark, NJ 07101-4700

0000067671628000000000050000

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 42 Ccf @ \$0.51603 \$21.67

Total Supply Charges \$21.67

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 42 Ccf @ \$0.92321 \$38.77

Distribution System Improvement Charge 7.5% \$4.03

Gas Cost Adjustment @ \$0.00338 \$0.14

Weather Normalization Adjustment \$3.90

Total Delivery Charges \$61.74

CRP Discount -\$58.41

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number: 02059568
 Read Cycle: 19
 Read Dates: 03/28/2023 - 04/27/2023
 Starting Read: 4517 Actual
 Ending Read: 4559 Actual
 Usage in CCF: 42.00
 Conversion Factor: 1.0332 Therm = 1 Ccf
 Usage in Therms: 43.39
 Next Meter Read: 05/26/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

PGW Messages



Your estimated gas price to Compare (PTC) is \$0.52066 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
 Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

[How's my gas measured?](#)

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

Dekatherms (DTH) - A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

MCF - 1,000 cubic feet of gas. This is a measure of gas usage.

[What are my charges?](#)

**See the PGW Gas Service tariff on pgworks.com for full details.*

Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

Distribution System Improvement Charge (DSIC) - A charge approved by the Pennsylvania Public Utility Commission (PUC) for recovery of the reasonable and prudent costs incurred to repair, improve, or replace eligible distribution property. A DSIC provides PGW with the resources to accelerate the replacement of aging infrastructure.

Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

[Other Helpful Terms](#)

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

Natural Gas Distribution Company (NGDC) – A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. PGW is a NGDC.

[What is the Customer Responsibility Program \(CRP\)?](#)

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PAY WITH CASH POSTS SAME DAY AND FREE.

◀ BRING THIS BARCODE TO ANY ▶



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RIGHTS & OBLIGATIONS

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic **BREAK**

DOWN OF CHARGES

Supply Charges

Commodity Charge 20 Ccf @ \$0.95315 \$19.06

Total Supply Charges \$19.06

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 20 Ccf @ \$0.9739 \$19.48

Distribution System Improvement Charge 7.5% \$2.58

Gas Cost Adjustment @ -\$0.01598 -\$0.32

Total Delivery Charges \$36.64

CRP Discount -\$30.70

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number:
 Read Cycle: 04
 Read Dates: 07/08/2022 - 08/08/2022
 Starting Read: 4302 Actual
 Ending Read: 4322 Actual
 Usage in CCF: 20.00
 Conversion Factor: 1.0338 Therm = 1 Ccf
 Usage in Therms: 20.67
 Next Meter Read: 09/07/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ACCOUNT BALANCE INFORMATION

Your account balance is \$103.77, which will become due if you fail to meet the terms of your agreement.

PGW Messages



Your estimated gas price to Compare (PTC) is \$0.93810 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic **BREAK**

DOWN OF CHARGES

Supply Charges

Commodity Charge 72.56 Ccf @ \$0.88633 \$64.31
Total Supply Charges \$64.31

Delivery Charges

Customer Charge @ \$14.90 \$12.57
 Distribution Charge 72.56 Ccf @ \$0.95721 \$69.46
 Distribution System Improvement Charge 7.5% \$6.15
 Gas Cost Adjustment @ \$0.01265 \$0.92
 Weather Normalization Adjustment \$2.31
Total Delivery Charges \$91.41

CRP Discount -\$134.63

Supply Charges

Commodity Charge 13.44 Ccf @ \$0.82282 \$11.06
Total Supply Charges \$11.06

Delivery Charges

Customer Charge @ \$14.90 \$2.33
 Distribution Charge 13.44 Ccf @ \$0.94223 \$12.66
 Distribution System Improvement Charge 7.5% \$1.12
 Gas Cost Adjustment @ \$0.01265 \$0.17
 Weather Normalization Adjustment \$0.43
Total Delivery Charges \$16.71

CRP Discount -\$23.86

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **DEFAULTED**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number:
 Read Cycle: 04
 Read Dates: 11/03/2022 - 12/05/2022
 Starting Read: 4393 Actual
 Ending Read: 4479 Actual
 Usage in CCF: 86.00
 Conversion Factor: 1.0345 Therm = 1 Ccf
 Usage in Therms: 88.96
 Next Meter Read: 01/05/2023

SHOPPING INFORMATION BOX

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PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ACCOUNT BALANCE INFORMATION

Your account balance is \$133.59, which will become due if you fail to meet the terms of your agreement.

THINK YOU SMELL GAS?

It smells like rotten eggs

Leave the area and call (215) 235-1212.

Our Emergency Hotline is available 24 hours a day, 7 days a week.

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
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Other Helpful Terms

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PAY WITH CASH **POSTS SAME DAY AND FREE.**

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

SA ID: Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 25 Ccf @ \$0.82282 \$20.57
Total Supply Charges \$20.57

Delivery Charges

Customer Charge @ \$14.90 \$14.90
 Distribution Charge 25 Ccf @ \$0.94223 \$23.56
 Distribution System Improvement Charge 7.5% \$2.88
 Gas Cost Adjustment @ \$0.01265 \$0.32
 Weather Normalization Adjustment \$2.35
Total Delivery Charges \$44.01

CRP Discount -\$39.58
Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number: 01586625
 Read Cycle: 13
 Read Dates: 01/19/2023 - 02/16/2023
 Starting Read: 3644 Actual
 Ending Read: 3669 Actual
 Usage in CCF: 25.00
 Conversion Factor: 1.0376 Therm = 1 Ccf
 Usage in Therms: 25.94
 Next Meter Read: 03/20/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

PAYMENTS RECEIVED

02/06/2023 Check \$25.00
Total Payments \$25.00

PGW Messages

✉ Your estimated gas price to Compare (PTC) is \$0.83648 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

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GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)



Hello ,

Thank you for participating in the Customer Responsibility Program (CRP).

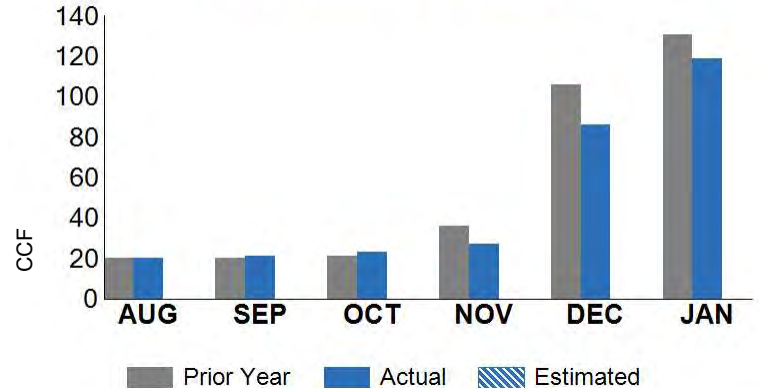
Account Number:



Please Pay **\$125.00**
 Due By **02/01/2023**

Billing Date **JAN 07, 2023**
 Service From **12/05/2022 - 01/05/2023**
 Past Due CRP Charges **\$100.00**
 Current CRP Charges **\$25.00**

ENERGY USAGE SNAPSHOT



Average Daily Cost
 \$0.81
 Current Month
 Compared to \$0.76 prior year

Average Daily Temperature
 40° Current Month | Compared to 44° prior year
 Usage Over Last Year
 64 Ccf* Monthly Average | 772 Ccf Total
 1 CCF = approx. 1 hour of heat
 *See terms on pg. 2

MESSAGE CENTER

ATTENTION: Any customer who submitted a Customer Responsibility Program (CRP) application or other correspondence to PGW Mailbox: PO Box 3529, Philadelphia that was returned as UNDELIVERABLE by the US Post Office – please resend via mail, apply online for CRP [pgworks.com/crp], or visit a Neighborhood Energy Center to apply in person.

What's That Smell? Natural gas has a rotten egg-like odor for easy detection. If you think you smell gas, leave the area immediately, then call PGW's Emergency Hotline at 215-235-1212.



Pay Online www.pgworks.com



Pay By Phone (215) 235-1000 (English & Español)
 *a convenience fee of \$2.95 will be applied



Pay With Cash (See Back For Details)

Please return this portion with your payment.
 Write your account number on your check or money order made payable to Philadelphia Gas Works.



Please Pay \$125.00	Due By 02/01/2023
Account Number:	
\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

Thank you!



Philadelphia Gas Works
 P.O. Box 11700
 Newark, NJ 07101-4700

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic **BREAK**

DOWN OF CHARGES

Supply Charges

Commodity Charge 119 Ccf @ \$0.82282 \$97.92

Total Supply Charges \$97.92

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 119 Ccf @ \$0.94223 \$112.13

Distribution System Improvement Charge 7.5% \$9.53

Gas Cost Adjustment @ \$0.01265 \$1.51

Weather Normalization Adjustment \$4.30

Total Delivery Charges \$142.37

CRP Discount -\$215.29

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **DEFAULTED**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number:
 Read Cycle: 04
 Read Dates: 12/05/2022 - 01/05/2023
 Starting Read: 4479 Actual
 Ending Read: 4598 Actual
 Usage in CCF: 119.00
 Conversion Factor: 1.0386 Therm = 1 Ccf
 Usage in Therms: 123.59
 Next Meter Read: 02/03/2023

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 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

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Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

How's my gas measured?

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

Dekatherms (DTH) - A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

MCF - 1,000 cubic feet of gas. This is a measure of gas usage.

What are my charges?

**See the PGW Gas Service tariff on pgworks.com for full details.*

Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

Distribution System Improvement Charge (DSIC) - A charge approved by the Pennsylvania Public Utility Commission (PUC) for recovery of the reasonable and prudent costs incurred to repair, improve, or replace eligible distribution property. A DSIC provides PGW with the resources to accelerate the replacement of aging infrastructure.

Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

Other Helpful Terms

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

Natural Gas Distribution Company (NGDC) – A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. PGW is a NGDC.

What is the Customer Responsibility Program (CRP)?

Customer Responsibility Program (CRP) – PGW's low income customer assistance program which provides a lower monthly bill and forgiveness of pre-program debt.

CRP Discount – The difference between the actual cost for gas and what CRP customers are asked to pay.

CRP Reverse Discount – During months in which the CRP amount is higher than the billing amount based on usage, the difference is expressed as CRP Reverse Discount. Please note that no matter the value of the CRP discount or CRP reverse discount, the monthly bill will be equal to the agreement amount.

CRP Forgiveness Amount – The amount by which a CRP customer's arrears is reduced each month they pay their CRP amount on time and in full.

PAY WITH CASH POSTS SAME DAY AND FREE.

◀ BRING THIS BARCODE TO ANY ▶



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SUPPLIER INFORMATION

If you have selected a Natural Gas Supplier other than PGW, the natural gas supplier is responsible for determining the rates billed for supplier charges. PGW will bill for gas delivery according to the tariff for your rate class. Commodity prices and charges are set by the Natural Gas Supplier you have chosen. The Public Utility Commission regulates the distribution prices and services.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic **BREAK**

DOWN OF CHARGES

Supply Charges

Commodity Charge 21 Ccf @ \$0.95315 \$20.02

Total Supply Charges \$20.02

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 21 Ccf @ \$0.9739 \$20.45

Distribution System Improvement Charge 7.5% \$2.65

Gas Cost Adjustment @ -\$0.01598 -\$0.34

Total Delivery Charges \$37.66

CRP Discount -\$32.68

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number:
 Read Cycle: 04
 Read Dates: 06/08/2022 - 07/08/2022
 Starting Read: 4281 Actual
 Ending Read: 4302 Actual
 Usage in CCF: 21.00
 Conversion Factor: 1.0329 Therm = 1 Ccf
 Usage in Therms: 21.69
 Next Meter Read: 08/08/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

PAYMENTS RECEIVED

06/27/2022 Check \$75.00

Total Payments \$75.00

ADJUSTMENT DETAIL

Payment Cancelled \$75.00

WNA ADJ -\$31.76

CRP Discount Cancelled \$31.76

Total Adjustments \$75.00

ACCOUNT BALANCE INFORMATION

Your account balance is \$78.77, which will become due if you fail to meet the terms of your agreement.

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 19.88 Ccf @ \$0.82282	\$16.35
Total Supply Charges	\$16.35

Delivery Charges

Customer Charge @ \$14.90	\$1.86
Distribution Charge 19.88 Ccf @ \$0.94223	\$18.73
Distribution System Improvement Charge 7.5%	\$1.54
Gas Cost Adjustment @ \$0.01265	\$0.25
Weather Normalization Adjustment	\$0.79
Total Delivery Charges	\$23.17
CRP Discount	-\$36.40

Supply Charges

Commodity Charge 139.13 Ccf @ \$0.51603	\$71.79
Total Supply Charges	\$71.79

Delivery Charges

Customer Charge @ \$14.90	\$13.04
Distribution Charge 139.13 Ccf @ \$0.92321	\$128.44
Distribution System Improvement Charge 7.5%	\$10.61
Gas Cost Adjustment @ \$0.00338	\$0.47
Weather Normalization Adjustment	\$5.56
Total Delivery Charges	\$158.12
CRP Discount	-\$208.03

Total CRP Charges	\$25.00
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PAYMENTS RECEIVED

03/17/2023 Cred Card	\$150.00
Total Payments	\$150.00

CRP INFORMATION

CRP Agreement Status:	ACTIVE
CRP Agreement Type:	\$25 MINIMUM

METER DETAILS

Meter Number:	02059568
Read Cycle:	19
Read Dates:	02/24/2023 - 03/28/2023
Starting Read:	4358 Actual
Ending Read:	4517 Actual
Usage in CCF:	159.00
Conversion Factor:	1.0366 Therm = 1 Ccf
Usage in Therms:	164.81
Next Meter Read:	04/27/2023

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:	
Service Point ID:	
Rate Class:	General Service Residential
Rate Schedule:	GSR

If you are already shopping know your contract expiration date.

THINK YOU SMELL GAS?

Leave the area and call (215) 235-1212.

Our Emergency Hotline is available 24 hours a day, 7 days a week.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)



Hello ,

Thank you for participating in the Customer Responsibility Program (CRP).

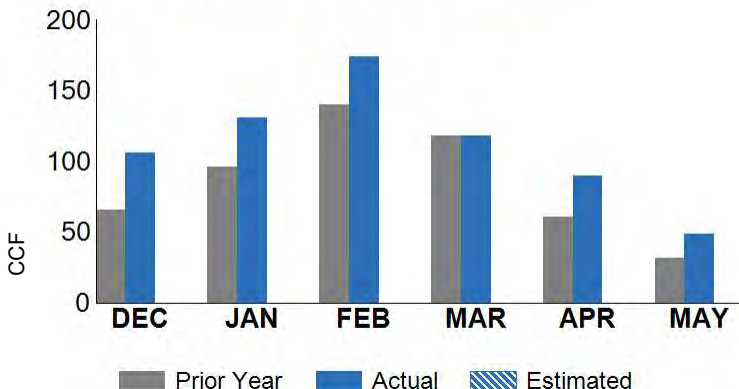
Account Number:



Please Pay **\$50.00**
Due By **06/06/2022**

Billing Date **MAY 11, 2022**
Service From **04/08/2022 - 05/09/2022**
Past Due CRP Charges **\$25.00**
Current CRP Charges **\$25.00**

ENERGY USAGE SNAPSHOT



Average Daily Cost	Average Daily Temperature
\$0.81	56° Current Month Compared to 58° prior year
Current Month	Usage Over Last Year
Compared to \$0.81 prior year	68 Ccf* Monthly Average 810 Ccf Total
	CCF = approx. 1 hour of heat
	*See terms on pg. 2

MESSAGE CENTER



Smart Thermostat Rebates

Use a mobile device to control energy costs while at home or on the go. Check eligibility requirements at PGW EnergySense.

Shop PGW Marketplace: PGWorks.com



Pay Online www.pgworks.com



Pay By Phone (215) 235-1000 (English & Español)
*a convenience fee of \$2.95 will be applied



Pay With Cash (See Back For Details)



Please return this portion with your payment. Write your account number on your check or money order made payable to Philadelphia Gas Works.

Please Pay \$50.00	Due By 06/06/2022
Account Number:	
\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

Thank you!



Philadelphia Gas Works
P.O. Box 11700
Newark, NJ 07101-4700

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

Service Centers (9AM TO 5PM)

	M	T	W	Th	F
Germantown 212 W. Cheltenham Ave.		✓	✓		✓
S. Philadelphia 1601 S. Broad St.	✓		✓	✓	
Frankford 4410 Frankford Ave.		✓		✓	✓
N. Philadelphia 1337 W. Erie Ave.	✓		✓	✓	
W. Philadelphia 5230 Chestnut St.	✓	✓	✓		✓

TERMS

How's my gas measured?

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RIGHTS & OBLIGATIONS

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SUPPLIER INFORMATION

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic **BREAK**

DOWN OF CHARGES

Supply Charges

Commodity Charge 49 Ccf @ \$0.60364 \$29.58

Total Supply Charges \$29.58

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 49 Ccf @ \$0.92843 \$45.49

Distribution System Improvement Charge 7.5% \$4.53

Gas Cost Adjustment @ -\$0.01809 -\$0.89

Weather Normalization Adjustment -\$3.33

Total Delivery Charges \$60.70

CRP Discount -\$65.28

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number:
 Read Cycle: 04
 Read Dates: 04/08/2022 - 05/09/2022
 Starting Read: 4208 Actual
 Ending Read: 4257 Actual
 Usage in CCF: 49.00
 Conversion Factor: 1.0327 Therm = 1 Ccf
 Usage in Therms: 50.60
 Next Meter Read: 06/08/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ACCOUNT BALANCE INFORMATION

Your account balance is \$103.77, which will become due if you fail to meet the terms of your agreement.

THINK YOU SMELL GAS?

It smells like rotten eggs

Leave the area and call (215) 235-1212.

Our Emergency Hotline is available 24 hours a day, 7 days a week.

PGW Messages



Your estimated gas price to Compare (PTC) is \$0.58637 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
 Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)



Hello ,

Thank you for participating in the Customer Responsibility Program (CRP).

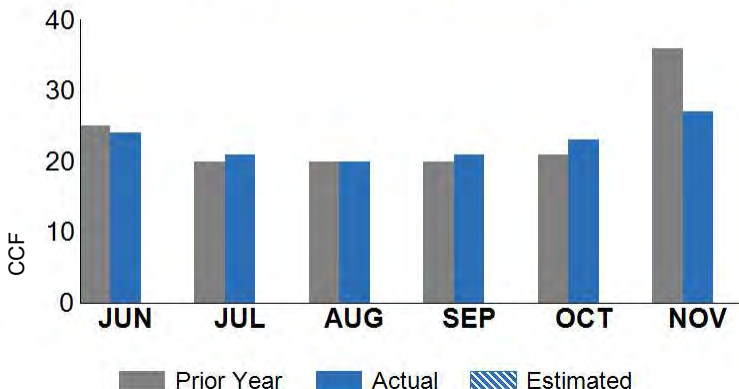
Account Number:



Please Pay **\$75.00**
Due By **12/01/2022**

Billing Date NOV 05, 2022
Service From 10/06/2022 - 11/03/2022
Past Due CRP Charges \$50.00
Current CRP Charges \$25.00

ENERGY USAGE SNAPSHOT



Average Daily Cost	Average Daily Temperature
\$0.89	58° Current Month Compared to 62° prior year
Current Month	Usage Over Last Year
Compared to \$0.86 prior year	67 Ccf* Monthly Average 804 Ccf Total
	1 CCF = approx. 1 hour of heat
	*See terms on pg. 2

MESSAGE CENTER

Get Up To \$1,000 To Pay Your Heating Bill – Apply for LIHEAP: PGWorks.com/LIHEAP

Access PGW My Account to obtain efficiency information and historic billing data on your PGW account. **Visit PGWorks.com**

Read Our Latest Message to Customers: PGW's Commitment to Ratepayer Equity at PGWorks.com



Pay Online www.pgworks.com



Pay By Phone (215) 235-1000 (English & Español)
*a convenience fee of \$2.95 will be applied



Pay With Cash (See Back For Details)



Please return this portion with your payment. Write your account number on your check or money order made payable to Philadelphia Gas Works.

Please Pay \$75.00	Due By 12/01/2022
Account Number:	
\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic

BREAK DOWN OF CHARGES

Supply Charges

Commodity Charge 27 Ccf @ \$0.88633 \$23.93

Total Supply Charges \$23.93

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 27 Ccf @ \$0.95721 \$25.84

Distribution System Improvement Charge 7.5% \$3.06

Gas Cost Adjustment @ \$0.01265 \$0.34

Weather Normalization Adjustment \$1.11

Total Delivery Charges \$45.25

CRP Discount -\$44.18

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **DEFAULTED**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number:
 Read Cycle: 04
 Read Dates: 10/06/2022 - 11/03/2022
 Starting Read: 4366 Actual
 Ending Read: 4393 Actual
 Usage in CCF: 27.00
 Conversion Factor: 1.0333 Therm = 1 Ccf
 Usage in Therms: 27.89
 Next Meter Read: 12/05/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ACCOUNT BALANCE INFORMATION

Your account balance is \$108.59, which will become due if you fail to meet the terms of your agreement.

THINK YOU SMELL GAS?

It smells like rotten eggs

Leave the area and call (215) 235-1212.

Our Emergency Hotline is available 24 hours a day, 7 days a week.

PGW Messages



Your estimated gas price to Compare (PTC) is \$0.89999 per CCF. This estimated PTC was calculated by averaging PGW's quarterly PTC over 12 months and is subject to change every quarter. For a more accurate PTC please visit pagasswitch.com

Questions or complaints about your bill?
 Please call us before the due date at (215) 235-1000, or write to: PGW P.O. Box 3500, Phila., PA 19122-0050

 **PHONE**

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
Credit & Collections (8am to 4:30pm, M-F)	(215) 235-1777
Report Theft of Gas (24/7)	(215) 684-6383

TERMS

How's my gas measured?

CCF - 100 cubic feet of gas. This is a measure of gas usage. One CCF is about the amount of gas used to run an average-sized house heater nonstop for one hour.

Dekatherms (DTH) - A measure of the heat content value of gas. Gas usage is determined by multiplying the MCF used by the heat content value of the gas.

MCF - 1,000 cubic feet of gas. This is a measure of gas usage.

What are my charges?

**See the PGW Gas Service tariff on pgworks.com for full details.*

Commodity Charges – The charge for basic gas supply service which is sold either by volume (ccf or mcf) or heating value (DTH). These charges are passed along to customers at the price PGW pays, with no markup.

Customer Charges – A monthly charge to cover NGDC costs such as maintaining the lines, meter reading and billing.

Distribution Charges – The charge for delivery of natural gas from the point of receipt by the NGDC to the customer.

Distribution System Improvement Charge (DSIC) - A charge approved by the Pennsylvania Public Utility Commission (PUC) for recovery of the reasonable and prudent costs incurred to repair, improve, or replace eligible distribution property. A DSIC provides PGW with the resources to accelerate the replacement of aging infrastructure.

Gas Cost Adjustments – Amount billed or credited each month to account for differences between projected and actual gas supply costs of the NGDC.

Weather Normalization Adjustment – An adjustment approved by the PUC as a way to help PGW stabilize its income and operate more efficiently within its budget during the heating season.

Other Helpful Terms

Budget Bill – An optional billing method which averages estimated service costs over a 12-month period.

Meter Reading Information – PGW uses its best effort to obtain an actual meter reading regularly, and at least every six months for customers without automatic meter reading devices. When the meter is not read, PGW estimates your gas use. To avoid estimates, you may read your own meter and call us with the reading. We also offer stamped, preaddressed postcards, which you can use to send us your meter reading by the specified date. To request a supply of these cards, call (215) 235-1000, or write us at P.O. Box 3500, Philadelphia, PA 19122.

Natural Gas Distribution Company (NGDC) – A state regulated natural gas utility which owns the gas lines and equipment necessary to deliver natural gas to the consumer. PGW is a NGDC.

What is the Customer Responsibility Program (CRP)?

Customer Responsibility Program (CRP) – PGW's low income customer assistance program which provides a lower monthly bill and forgiveness of pre-program debt.

CRP Discount – The difference between the actual cost for gas and what CRP customers are asked to pay.

CRP Reverse Discount – During months in which the CRP amount is higher than the billing amount based on usage, the difference is expressed as CRP Reverse Discount. Please note that no matter the value of the CRP discount or CRP reverse discount, the monthly bill will be equal to the agreement amount.

CRP Forgiveness Amount – The amount by which a CRP customer's arrears is reduced each month they pay their CRP amount on time and in full.



PAY WITH CASH POSTS SAME DAY AND FREE.

◀ BRING THIS BARCODE TO ANY ▶



DOLLAR GENERAL  **CVS**
FAMILY DOLLAR  **Walmart**  **Speedway**  **7-ELEVEN**

Available at Service Desk or Money Center

By accepting or using this barcode to make a payment, you agree to the full terms and conditions, available at VanillaDirect.com/terms. After successful payment using this barcode, you may retrieve your full detailed e-receipt at VanillaDirect.com/Pay/ereceipt.

Five dollar (\$5.00) minimum payment required with barcode. Barcode must be presented at time of payment. Participating vendors will only accept cash with barcode. Payments made with barcode must be made before 4:00 p.m. in order to post to account the same day. Payments made with barcode while termination of service is in progress will not serve to stop termination of service. For eligible accounts only.

RIGHTS & OBLIGATIONS

A summary of your rights and obligations as a PGW customer will be made available upon request. A rate schedule and an explanation of how to verify the accuracy of a bill and an explanation of the various charges will be made available upon request.

SUPPLIER INFORMATION

If you have selected a Natural Gas Supplier other than PGW, the natural gas supplier is responsible for determining the rates billed for supplier charges. PGW will bill for gas delivery according to the tariff for your rate class. Commodity prices and charges are set by the Natural Gas Supplier you have chosen. The Public Utility Commission regulates the distribution prices and services.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic **BREAK**

DOWN OF CHARGES

Supply Charges

Commodity Charge 23 Ccf @ \$0.88633 \$20.39

Total Supply Charges \$20.39

Delivery Charges

Customer Charge @ \$14.90 \$14.90

Distribution Charge 23 Ccf @ \$0.95721 \$22.02

Distribution System Improvement Charge 7.5% \$2.77

Gas Cost Adjustment @ \$0.01265 \$0.29

Weather Normalization Adjustment -\$0.38

Total Delivery Charges \$39.60

CRP Discount -\$34.99

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **ACTIVE**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number:
 Read Cycle: 04
 Read Dates: 09/07/2022 - 10/06/2022
 Starting Read: 4343 Actual
 Ending Read: 4366 Actual
 Usage in CCF: 23.00
 Conversion Factor: 1.0326 Therm = 1 Ccf
 Usage in Therms: 23.74
 Next Meter Read: 11/03/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

PAYMENTS RECEIVED

09/21/2022 Cred Card \$50.00

Total Payments \$50.00

ADJUSTMENT DETAIL

Adjustments for SA ID #

CRP Forgiveness Nbr Mnths 2 Per Mon Amt: 30.00 -\$20.18

Total Adjustments -\$20.18

ACCOUNT BALANCE INFORMATION

Your account balance is \$83.59, which will become due if you fail to meet the terms of your agreement.



PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)



Hello ,

Thank you for participating in the Customer Responsibility Program (CRP).

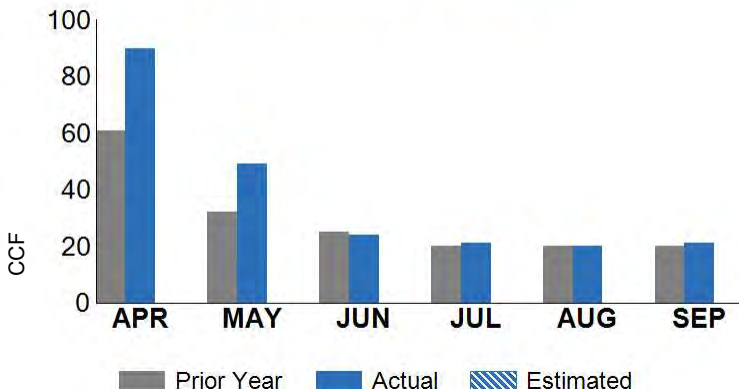
Account Number:



Please Pay **\$75.00**
Due By **10/04/2022**

Billing Date **SEP 09, 2022**
Service From **08/08/2022 - 09/07/2022**
Past Due CRP Charges **\$50.00**
Current CRP Charges **\$25.00**

ENERGY USAGE SNAPSHOT



Average Daily Cost \$0.83 Current Month Compared to \$0.76 prior year	Average Daily Temperature 80° Current Month Compared to 79° prior year Usage Over Last Year 68 Ccf* Monthly Average 811 Ccf Total 1 CCF = approx. 1 hour of heat <i>*See terms on pg. 2</i>
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MESSAGE CENTER

Sign up for a PGW My Account

PGWorks.com/MyAccount



Manage Your Account



Easy to Navigate Dashboards



Secure Billing & Payments



Rebates & Incentives

Available to all customers.



Pay Online www.pgworks.com



Pay By Phone (215) 235-1000 (English & Español)
**a convenience fee of \$2.95 will be applied*



Pay With Cash (See Back For Details)



Please return this portion with your payment.
Write your account number on your check or money order made payable to Philadelphia Gas Works.

Please Pay \$75.00	Due By 10/04/2022
Account Number:	
\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	

Thank you!



Philadelphia Gas Works
P.O. Box 11700
Newark, NJ 07101-4700

PHONE

Gas Leaks & Emergencies (24/7)	(215) 235-1212
Residential Customer Service (8am to 6pm, M-F)	(215) 235-1000
Commercial Customer Service (8am to 4:30pm, M-F)	(215) 235-7077
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◀ BRING THIS BARCODE TO ANY ▶



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Five dollar (\$5.00) minimum payment required with barcode. Barcode must be presented at time of payment. Participating vendors will only accept cash with barcode. Payments made with barcode must be made before 4:00 p.m. in order to post to account the same day. Payments made with barcode while termination of service is in progress will not serve to stop termination of service. For eligible accounts only.

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PHILADELPHIA GAS WORKS
GAS LEAK EMERGENCIES: (215) 235-1212

Attachment CAUSE-PA-III-9 - Min. Bills



Access Your Account Online www.pgworks.com



Billing & General Information (215) 235-1000 (English & Español)

| SA ID:

Residential Heat & Domestic **BREAK**

DOWN OF CHARGES

Supply Charges

Commodity Charge 16.1 Ccf @ \$0.95315 \$15.35

Total Supply Charges \$15.35

Delivery Charges

Customer Charge @ \$14.90 \$11.42

Distribution Charge 16.1 Ccf @ \$0.9739 \$15.68

Distribution System Improvement Charge 7.5% \$2.03

Gas Cost Adjustment @ -\$0.01598 -\$0.26

Total Delivery Charges \$28.87

CRP Discount -\$25.05

Supply Charges

Commodity Charge 4.9 Ccf @ \$0.88633 \$4.34

Total Supply Charges \$4.34

Delivery Charges

Customer Charge @ \$14.90 \$3.48

Distribution Charge 4.9 Ccf @ \$0.95721 \$4.69

Distribution System Improvement Charge 7.5% \$0.61

Gas Cost Adjustment @ \$0.01265 \$0.06

Total Delivery Charges \$8.84

CRP Discount -\$7.35

Total CRP Charges \$25.00

CRP INFORMATION

CRP Agreement Status: **DEFAULTED**
 CRP Agreement Type: **\$25 MINIMUM**

METER DETAILS

Meter Number:
 Read Cycle: 04
 Read Dates: 08/08/2022 - 09/07/2022
 Starting Read: 4322 Actual
 Ending Read: 4343 Actual
 Usage in CCF: 21.00
 Conversion Factor: 1.033 Therm = 1 Ccf
 Usage in Therms: 21.69
 Next Meter Read: 10/06/2022

SHOPPING INFORMATION BOX

When shopping for Natural Gas with a Natural Gas Supplier, please provide the following:

PGW Account:
 Service Point ID:
 Rate Class: General Service Residential
 Rate Schedule: GSR

If you are already shopping know your contract expiration date.

ACCOUNT BALANCE INFORMATION

Your account balance is \$128.77, which will become due if you fail to meet the terms of your agreement.

THINK YOU SMELL GAS?

It smells like rotten eggs


Leave the area and call (215) 235-1212.

Our Emergency Hotline is available 24 hours a day, 7 days a week.

VERIFICATION

I, Denise Adamucci, hereby state that: (1) I am the Senior Vice President for Customer & Regulatory Affairs for Philadelphia Gas Works (“PGW”); (2) the facts set forth in the attached discovery responses which I am sponsoring are true and correct to the best of my knowledge, information and belief; and (3) I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Date: May 19, 2023



Denise Adamucci
Senior Vice President for Customer & Regulatory Affairs
Philadelphia Gas Works