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November 27, 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
Docket Nos. R-2023-3037933; C-2023-3038846; C-2023-3038885; C-2023-3039059;
C-2023-3038727 and C-2023-3039130

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Philadelphia Gas Works' ("PGW") Petition for Reconsideration with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely



Daniel Clearfield

DC/lww

Enclosure

cc: Hon. Eranda Vero w/enc.
Hon. Arlene Ashton w/enc.
Office of Special Assistants (ra-OSA@pa.gov)
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Petition for Reconsideration, upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Date: November 27, 2023

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	R-2023-3037933
	:	
Office of Consumer Advocate	:	C-2023-3038846
Office of Small Business Advocate	:	C-2023-3038885
Philadelphia Industrial And Commercial Gas User Group	:	C-2023-3039059
	:	
Grays Ferry Cogeneration Partnership and Vicinity Energy Philadelphia, Inc.	:	C-2023-3038727
	:	
James M. Williford	:	C-2023-3039130
v.	:	
	:	
	:	
Philadelphia Gas Works	:	

**PETITION FOR RECONSIDERATION
OF PHILADELPHIA GAS WORKS**

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I. INTRODUCTION

Pursuant to Section 703 of the Public Utility Code¹ and Section 5.572 of the Regulations of the Pennsylvania Public Utility Commission (“Commission” or “PUC”),² Philadelphia Gas Works (“PGW” or “Company”) files this Petition for Reconsideration of portions of the Opinion and Order issued on November 9, 2023 (“Order”) in the above captioned base rate proceeding.

PGW respectfully requests that the Commission reconsider its Order regarding: (1) an error that twice removed \$17.08 million from PGW’s revenue requirement – for a total of \$34.16 million – when the intent of the Order was to make a single \$17.08 million adjustment to the allowance for internally generated funds (“IGF”) to reduce allowed capital expenditures; and (2) duplicative adjustments to several expense categories to both normalize the allowed amounts and then to further reduce those determined “normal” amounts to remove a proposed inflation factor.

PGW’s request for \$85.2 million in rate relief included a claim for IGF in the amount of \$53.2 million. While the Recommended Decision (“RD”) reduced PGW’s IGF claim by \$38.5 million, resulting in total rate relief of \$22.3 million, the Commission’s Order only reduced the IGF claim by \$17.08 million. All else being equal, which it very nearly was, this change in the RD should have resulted in a rate increase of \$21.4 million more than the amount recommended by the Administrative Law Judges (“ALJs”). Yet, due to the error in calculating the effect of the Commission’s decision to allow PGW \$36.1 million in IGF (rather than the \$14.7 million allowance recommended by the RD), the Order only increased the rate relief relative to the RD by \$3.9 million, or to \$26.2 million. The necessary correction of this calculation error alone will increase PGW’s rate award from \$26.2 million to approximately \$44 million. The Commission also incorrectly “double adjusted” seven PGW expense accounts to both “normalize” them and

¹ 66 Pa. C.S. § 703.

² 52 Pa. Code § 5.572.

then to additionally remove an inflation adjustment that resulted in an allowed level below the “normal” level that the PUC determined to be reasonable. Appendix “A” to this Petition shows the effect on PGW’s authorized rate increase of correcting these two errors. Page one of Appendix A summarizes the effect of making both corrections; pages two and three shows each correction separately.

II. LEGAL STANDARD FOR RECONSIDERATION

1. The Public Utility Code establishes a party’s right to seek relief following the issuance of a decision.³ Such requests for relief must be consistent with Section 5.572 of the Commission’s regulations and/or Section 703(g) of the Public Utility Code.⁴

2. It is well settled that petitions made pursuant to Section 703(g) may properly raise any matters designed to convince the Commission that it should exercise its discretion under the Public Utility Code to rescind or amend a prior order in whole or in part.⁵ The standard for granting a petition for reconsideration, modification or clarification were set forth in *Duick v. Pennsylvania Gas and Water Company*.⁶

3. What the Commission expects in petitions for reconsideration are new and novel arguments not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission. Additionally, a Petition for Reconsideration is properly before the Commission where it pleads newly discovered evidence, alleges errors of law, or a change in circumstances.⁷ The issues raised in this Petition for Reconsideration clearly meet these standards.

³ 66 Pa. C.S. § 703(f) (relating to rehearings), and § 703(g) (relating to rescission, clarification and amendment of orders).

⁴ 52 Pa. Code § 5.572 (relation to petitions for relief following the issuance of a final decision).

⁵ *Duick v. Pennsylvania Gas and Water Co.*, Docket No. C-R0597001 *et al.*, 56 Pa. P.U.C. 553 (1982).

⁶ *Id.*

⁷ *Id.*

III. REQUEST FOR RECONSIDERATION

A. Error in Calculating Adjustment for IGF/Capital Spending Allowance

4. PGW requests reconsideration to correct an error that the Commission made in calculating PGW's allowed rate increase. In making a \$17.08 million adjustment to PGW's rate allowance for internally generated funds ("IGF") to reflect a lower construction budget allowance, the Commission mistakenly reduced PGW's allowed revenue requirement by \$34.16 million, or twice the \$17.08 million it intended.

5. PGW's request for rate relief, as modified during the proceeding, was for an increase in the amount of \$85.2 million.⁸ Included in this amount was a request for \$53.2 million in IGF to fund its construction budget.⁹

6. The RD recommended various adjustments to PGW's expense claims, with the single largest adjustment being a reduction to PGW's IGF request in the amount of \$38.5 million. Stated differently, the RD recommended a disallowance of \$38.5 million for IGF, thereby reducing IGF to \$14.7 million.¹⁰ When the ALJs' recommended IGF disallowance was combined with adjustments to operating expenses (and then adjusted for a lower uncollectible allowance), the RD recommended rate relief in the amount of \$22.3 million.

7. The RD and PGW's Exception No. 3 stated the relationship between IGF and the capital budget.¹¹ In the RD, there are numerous references accepting that reductions in IGF for construction purposes should be based on reductions in the construction expenditures.¹² It should, therefore, be clear that any reduction in construction expenditures should have been

⁸ Order at 1.

⁹ Order at 22, 43-44, 47-48, 52.

¹⁰ See RD at Table II, Line 29.

¹¹ See, e.g., PGW Exceptions at 14 and 18, fn. 74.

¹² See PGW Exceptions at 12 (bullet points). Note that neither OCA nor I&E in their Reply Exceptions disputed that a reduction to the Company's Construction Expenditures had to be manifested as a reduction to the IGF allowance in rates. See OCA Reply Exceptions at 4-5; I&E Reply Exceptions at 9-11.

reflected only as a reduction in IGF.¹³ The RD, however, did not make any reductions to construction expenses but reduced IGF by \$38.5 million.¹⁴ That inconsistency was highlighted in PGW’s Exceptions. In the Order, the Commission reduced construction expenditures by \$17.108 million, but reduced IGF by \$34.216 million. That is also inconsistent (and not supported by the record), as will be discussed.

8. In reviewing PGW’s Exceptions, the Commission agreed with PGW that the ALJs had failed to offer any rationale for the sizeable disallowance of IGF – i.e., cash needed to fund (in part) the Company’s construction budget (the rest of the construction budget, as explained in greater detail below, being funded either through proceeds from the issuance of long-term debt or through PGW’s Distribution Service Improvement Charge (“DSIC”)). However, the Commission also declined to award PGW’s entire IGF claim of \$53.2 million. Instead, the Commission accepted the Office of Consumer Advocate’s (“OCA”) proposed \$17.1 million reduction in net construction expenditures as a way of reducing the IGF claim.

9. Specifically, the Commission concurred with the ALJs and other parties that “PGW’s IGF claim must be reduced” to strike what the Order characterized as an “appropriate balance” in the debt to total capital ratio.¹⁵ Therefore, the Commission adopted OCA’s proposal for a reduction in net construction expenditures by \$17.1 million.¹⁶ In granting PGW’s exception, in part, to the RD’s disallowance of \$38.5 million for the IGF request, the Commission reduced the IGF claim from \$53.2 million to \$36.1 million. The result of this adjustment was an allowance of \$36.1 million for IGF.¹⁷

¹³ *Id.*

¹⁴ *See* PGW Exceptions at 11-19.

¹⁵ Order at 52.

¹⁶ Order at 53.

¹⁷ Order at 53.

10. All else being equal, this means that the Commission's rate relief should have been \$21.4 million higher than the increase recommended by the ALJs.¹⁸ Yet, the Order only increased the rate relief – relative to the RD – by \$3.9 million. Other changes the Commission made to the ALJ's revenue requirement recommendations were minimal – roughly in the amount of \$500,000 in reductions in net operating expenses from the amounts that would have been permitted by the RD. Thus, all else was very close to being equal, meaning that the stated increase of \$26.2 million cannot correctly reflect the Commission's adjustment to PGW's IGF claim.

11. With all else being very close to being equal (as shown above), the Commission's stated increase of \$26.2 million does not correctly reflect the Commission's changes to PGW's IGF claim. Implementation of the Commission's allowed IGF for construction should have resulted in a rate increase of approximately \$44 million, not \$26.2 million.

12. As shown in the table attached as Appendix A, and as discussed in greater detail below, the only explanation for the error is that the Commission's \$17.1 million IGF disallowance was erroneously deducted twice from PGW's overall revenue requirement. This double counting of the \$17.1 million adjustment is readily apparent from a review of the Rate Case Table I attached to the Order, which shows the Commission's adjustments. As that table shows, the Commission reduced through adjustments to PGW's revenue requirements both IGF and net construction expenditures by \$17.1 million each. The amount the Commission reduced revenue by on Table I and Table II, page 1 can only be arrived at by counting both instances of the \$17.1 million listed on Table II, page 2, when the \$17.1 million as a use of cash and revenue requirement is only counted once; the second instance of the \$17.1 million on Table II, page 2,

¹⁸ The difference between the RD's allowance for IGF and the Commission's allowance for IGF is \$21.4 million.

reflects the method of construction funding, as discussed further below, and is not in and of itself a separate use of cash/revenue requirement.

As can be seen in Appendix A, the Commission made a total of \$56.602 million¹⁹ in (net) adjustments. But the Commission only explained a total of \$39.494 million in adjustments: \$22.386 million in operating expenses and \$17.108 million in reduced construction. Thus, the Commission **incorrectly twice removed** the amount of \$17.108 million from PGW's revenue requirement.

13. Table I(B), which is the Cashflow Statement, correctly shows the \$17.1 million adjustment to PGW's cashflow only once through the reduction to the net construction expenditure.²⁰ Because the Commission reduced PGW's revenue requirement by reducing its net construction expenditures, this table also correctly reflects the \$17.1 million less in cash that PGW will collect under rates (a source of cash).

14. However, the Commission determined the allowed revenue requirement not from the cash flow tables but from the "Income Statement" Table, which is Table 1. The adjustments to PGW's claimed revenue requirements clearly show that, rather than making an adjustment to PGW's allowed IGF amount in order to effectuate a reduction in PGW construction expenditures, the PUC reduced PGW's revenue requirement to reduce its IGF allowance *and* reduced its revenue requirement to reduce its construction expenditures.

¹⁹ Commission Table I, Line 4 (Revenue Enhancement) plus Commission Table I, Line 7 (Appropriation for Uncollectible Reserve [(58,961) plus 2,358 equals (\$56,603)]).

²⁰ Table II, Page 3 also correctly shows the \$17.1 million adjustment to PGW's cash only once through the \$17.1 million adjustment to net construction expenditure. The IGF Line 29 on Table I(B) and Table II, Page 2 does not directly impact the cash flow or rate requirement. None of the lines 26 to 29, bolded and listed under Ending Cash on Table I(B) and under Cash Surplus (Shortfall) on Table II, Page 2, directly impact the cash flow or rate requirement. Not all of the lines listed in Table II would be directly added or subtracted to the revenue allowance. For example, any of the lines under Debt Service Coverage. Or for example, Line 26, Outstanding Commercial Paper, Line 27, Outstanding Commercial Paper – Capital, or, Line 29, Internally Generated Funds, which is included in the Net Construction Expenditure line above – as recognized by the Commission's adjustments on Table I(B).

15. The Commission may have failed to account for the nature of the construction budget for a cash flow company, such as PGW. The construction budget details all of PGW's planned construction. The construction budget shows how PGW will spend money on construction projects.²¹ It is a cash flow item. This means that the construction budget does not, in and of itself, directly correspond on a dollar-for-dollar basis to an item of revenue or expense. For example, the record shows that the construction budget for the FPFTY is \$206.959 million, which is more than double the entire revenue requirement requested by PGW (\$85.162 million). Rather than a dollar-for-dollar relationship, the cost/expense of construction projects is reflected in PGW's revenue requirements based on how the projects will be funded in the FPFTY.

16. PGW's revenue requirement need and claim is derived from the financing used to pay for the construction expenditures – either debt service or internally generated funds. It is these expense or cash amounts which generate the revenue requirement. Projects shown in the construction budget are funded in one of three ways.²² First, by debt – long-term or short-term, or both. Projects funded by debt are the basis for an expense, debt service,²³ and a cash need: debt service coverage.²⁴ Second, by the DISC.²⁵ Projects funded by the DISC are the basis for a (restricted and reconcilable) cash need.²⁶ Third, by cash (known as internally-generated funds or IGF).²⁷ Projects funded by IGF are the basis for a (separate) cash need recovered in PGW's rates. Each of those cash needs is over and above PGW's operating expenses, which are shown on Rate

²¹ PGW St. No. 2-R at 12.

²² PGW St. No. 2-RJ at 3.

²³ PGW Exhibit JFG-2, Table I at Lines 42-44 (Interest).

²⁴ PGW Exhibit JFG-2, Table IA (Debt Service Coverage).

²⁵ PGW Exhibit JFG-2, Table IB, Line 28 (DSIC).

²⁶ “The incremental DSIC does not impact PGW's revenue requirement. Funds collected under the DSIC can only be used for DSIC purposes. The DSIC funds cannot be used to support O&M expenses or non-DSIC infrastructure projects.” PGW St. No. 2-R at 15-16.

²⁷ PGW Exhibit JFG-2, Table IB at Line 29 (IGF). IGF is a reasonable source of financing for PGW's construction program and in fact is a cheaper alternative for ratepayers; it should be encouraged and expanded, not opposed. See PGW St. No. 2-R at 10-11.

Case Table I, Lines 14-38. To be clear, “Construction Expenditures” – while they are a use of cash – are not a specific revenue requirement need or claim.

17. Thus, an adjustment to PGW’s projected level of Construction Expenditures must be manifested by either adjusting PGW’s allowed level of debt service (and debt service coverage – an adjustment that was not proposed by any Party) or its internally generated funds (i.e., cash from rates).

18. The Commission’s Table I clearly shows a reduction in revenue requirement and rate increase of \$34.2 million, rather than the \$17.08 million that the Commission determined to be reasonable. Had the Commission intended to reduce PGW’s overall claim by \$34.2 million, the Order would have stated as much. However, the Order contains no rationale to explain why a \$34.2 million disallowance of IGF would be more appropriate than the \$38.5 million disallowance recommended by the ALJs.

19. Discussion of the other parties’ positions about IGF further supports PGW’s Petition. For example, the Commission noted that I&E recognized that while the ALJs did not provide a detailed analysis of their recommended \$38.5 million reduction to IGF, three different (not cumulative) options existed in the record: (1) adopt I&E’s recommendation for disallowance of the entire \$53.2 million in IGF, which did not include any reduction in the construction budget, but rather envisioned PGW borrowing money to complete necessary projects; (2) adopt the OCA’s proposed reduction of \$17.1 million to the construction budget; or (3) award PGW the full claimed amount of IGF.²⁸

20. Additionally, OCA made it clear that its proposal related to PGW’s proposed construction *spend*, while I&E’s adjustment to IGF was related to how PGW *finances* its

²⁸ Order at 48.

construction spending.²⁹ The OCA's Brief explained that OCA witness Dr. Griffing testified that PGW's proposed construction spending should be reduced by \$17.108 million³⁰ and that "*the level of IGF for construction purposes is based on*" the construction budget.³¹ The Commission agreed with OCA and concluded, based on a historic trend, that PGW should spend \$17.108 million less for construction projects in the FPPTY.³² It directed a "corresponding" reduction in the IGF.³³ This meant that the \$17.108 million reduction was included as part of the Commission's total adjustments to PGW's revenue requirement.³⁴

21. The Order must be reconsidered and revised to increase PGW's allowed rate increase by \$17.108 million.³⁵ PGW accepts for the purposes of this exercise that the Commission has elected to make an adjustment to revenue requirement claim to reduce its allowed construction expenditures. This would reduce PGW's cash needs (IGF, -\$17.108) for construction projects. But, the Commission reduced PGW revenue requirement for both the expense (construction budget, -\$17,108) and the means to finance that cash need (IGF, -\$17.108) for construction projects. The Commission's implementation of two downward adjustments to the revenue requirement is in error.

22. PGW should be authorized to revise its rates so as to recover an additional \$44 million, accounting for the required adjustment to PGW's provision for uncollectibles, and allocated to the various customer classes using the allocation methodology that was employed in

²⁹ Order at 49.

³⁰ OCA Reply Brief at 4, *citing*, OCA St. 2-SR at 2.

³¹ OCA Reply Brief at 7, *citing*, OCA St. 2-SR at 4-5 (emphasis added).

³² Order at 100-102.

³³ Commission Table I(B), Line 29 (IGF).

³⁴ Commission Table I, Line 4 (Revenue Enhancement).

³⁵ A corresponding adjustment to PGW's Allowance for Uncollectibles would also have to be made.

the Compliance Filing.³⁶ The calculation of this this adjustment is shown on Appendix A, page 2.

B. Double Adjustments to Seven Expense Categories

23. PGW requests reconsideration of the Commission’s decision to “double adjust” seven PGW expense categories (lines 18 through 23 of Rate Table I) where the Commission used a three-year average to come up with “normal” amounts for these items but then further reduced the three-year average to take out in inflation adjustment. This resulted in an additional \$2.8 million reduction to PGW’s revenue requirement claim.

24. In reviewing PGW’s claim for projected expenses in the FY 2024 FPFTY, the Commission made two significant adjustments to seven categories of operating expenses. First, with the purpose of removing “significant variations,”³⁷ the Commission “normalized” (using a 3-year average) various expenses, including the seven expense categories on lines 18 through 23 of Rate Table I. This adjustment removed \$4.228 million from said categories.³⁸ The Commission found that those revised amounts represented a more “normal” level, were reasonable and would prevent the burden of overcollection of expense costs on ratepayers.³⁹

25. But after determining a “normal” level for the FPFTY for these categories, the Commission made a further adjustment to remove an inflation adjustment for those seven expense categories. PGW’s inflation adjustment (of 4.63%) was intended to make PGW’s projections of FPFTY expenses more reflective of the level it would incur and was limited to

³⁶ In no event should this request or PUC action in response act to delay PGW’s ability to begin to bill the \$26.2 million rate increase originally determined to be authorized.

³⁷ Order at 91-93.

³⁸ Order at 95; Commission Rate Table I at Lines 18 to 24. Table 5 on page 91 shows six of the seven expense categories totaling a decrease of \$1,689,631. The remaining \$2,538,369 is a decrease to the seventh category, Administrative and General.

³⁹ Order at 95.

those seven expenses categories,⁴⁰ which were 20% (or \$62.5 million) of PGW's total O&M expenses (of \$308 million). The Commission made an adjustment to remove \$2.89 million from the seven categories.⁴¹

26. The Commission's double adjustment to the seven expenses categories is an error because the combined effect of the adjustments unreasonably reduces PGW's expense claims twice for the same purpose. The seven expense categories total \$62.5 million.⁴² The normalization adjustment reduced the total for the seven categories to \$58.272 million to come up with a reasonable "normal" level of allowance.⁴³ The additional adjustment, which is shown on a Rate Table I, Line 34, removes an additional \$2.89 million from the normalized amount.⁴⁴ This reduced the total to \$55.378 million, which is more than 11% lower than the original total.

27. If the purpose of the normalization adjustment was to determine a reasonable "normal" level for these expense categories, then to adjust them still further by an inflation factor that PGW only applied to its FPFTY projections reduced the allowed levels *below* the determined "normal" level. So, the combined impact of the two adjustments denies PGW the opportunity to recover the normalized amount of the seven categories.

28. Accordingly, the Commission should revise its allowed revenue requirement and rate increase to reflect the removal of the double-adjusting inflation adjustment and direct PGW to file a revised Tariff Supplement that permits the recovery of this additional amount (adjusted for a corresponding effect on PGW's uncollectible expense allowance.)

⁴⁰ PGW Exh. JFG-5.

⁴¹ Order at 72. *See also* Order at 70 ("\$62,500,000 x 4.63% = \$2,893,750").

⁴² PGW Exh. JFG-5.

⁴³ *See* Order at 95 (reducing PGW's expense claims by \$4.229 million. PGW's claim of \$62.5 million minus the \$4.229 million adjustment equals approximately \$58.272 million).

⁴⁴ The inflation adjustment was not removed from PGW's expense claim before the three-year average was calculated.

IV. CONCLUSION

WHEREFORE, based on the foregoing, PGW respectfully requests that the Commission grant this Petition for Reconsideration and grant any other relief in favor of the Company as may be just and proper under the circumstances.

Respectfully submitted,



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Counsel for Philadelphia Gas Works

Dated: November 27, 2023

Correcting Both Adjustments

Summary of Commission Adjustments to PGW's Revenue Requirement (dollars in thousands)			
	PUC With Error	PUC As Corrected (Both A&B)	Difference
PGW Rate Request	\$85,162	\$85,162	-
Major Adjustments			
Operating Expenses	(\$22,386)	(\$19,493)	\$2,893
Reduced Construction (IGF)	(\$17,108)	(\$17,108)	\$0
Reduced Construction	(\$17,108)	-	\$17,108
Allocation for Uncollectible Reserve ⁴⁵	(\$2,359)	(\$1,525)	\$834
Subtotal	(\$56,602)	(\$38,126)	\$20,835
Total Revenue Enhancement (Rate Increase)			
	\$26,201	\$47,036	\$20,835
Other Adjustments			
Allocation for Uncollectible Reserve	\$2,359	\$1,525	(\$834)

⁴⁵ Line 7 of PGW Exhibit JFG-2 (Income Statement) is labeled "appropriation for uncollectible reserve." This line needs to be adjusted upon changes to PGW's allowed rate increase. The Commission applied PGW's 4% assumption.

Correcting ONLY for Error in Calculating Adjustment for IGF/Capital Spending Allowance

Summary of Commission Adjustments to PGW's Revenue Requirement (dollars in thousands)			
	PUC With Error	PUC As Corrected (Only A)	Difference
PGW Rate Request	\$85,162	\$85,162	-
Major Adjustments			
Operating Expenses	(\$22,386)	(\$22,386)	\$0
Reduced Construction (IGF)	(\$17,108)	(\$17,108)	\$0
Reduced Construction	(\$17,108)	-	\$17,108
Allocation for Uncollectible Reserve ⁴⁶	(\$2,359)	(\$1,646)	\$713
Subtotal	(\$58,961)	(\$41,140)	\$17,821
Total Revenue Enhancement (Rate Increase)			
	\$26,201	\$44,022	\$17,821
Other Adjustments			
Allocation for Uncollectible Reserve	\$2,359	\$1,646	(\$713)

⁴⁶ Line 7 of PGW Exhibit JFG-2 (Income Statement) is labeled "appropriation for uncollectible reserve." This line needs to be adjusted upon changes to PGW's allowed rate increase. The Commission applied PGW's 4% assumption.

Correcting ONLY for Double Adjustments to Seven Expense Categories

Summary of Commission Adjustments to PGW's Revenue Requirement (dollars in thousands)			
	PUC With Error	PUC As Corrected (Only B)	Difference
PGW Rate Request	\$85,162	\$85,162	-
Major Adjustments			
Operating Expenses	(\$22,386)	(\$19,493)	\$2,893
Reduced Construction (IGF)	(\$17,108)	(\$17,108)	\$0
Reduced Construction	(\$17,108)	(\$17,108)	\$0
Allocation for Uncollectible Reserve ⁴⁷	(\$2,359)	(\$2,238)	\$121
Subtotal	(\$58,961)	(\$55,947)	\$3,014
Total Revenue Enhancement (Rate Increase)	\$26,201	\$29,215	\$3,014
Other Adjustments			
Allocation for Uncollectible Reserve ⁴⁸	\$2,358	\$2,238	(\$121)

⁴⁷ Line 7 of PGW Exhibit JFG-2 (Income Statement) is labeled "appropriation for uncollectible reserve." This line needs to be adjusted upon changes to PGW's allowed rate increase. The Commission applied PGW's 4% assumption.

⁴⁸ Line 7 of PGW Exhibit JFG-2 (Income Statement) is labeled "appropriation for uncollectible reserve." This line needs to be adjusted upon changes to PGW's allowed rate increase. The Commission applied PGW's 4% assumption.