

COMMONWEALTH OF PENNSYLVANIA



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March 1, 2024

Via Electronic Mail Only

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission
v.
Philadelphia Gas Works
1307(f) Proceeding
Docket No. R-2024-3045966

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in this matter.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/Christine Maloni Hoover
Christine Maloni Hoover
Deputy Consumer Advocate
PA Attorney I.D. # 50026
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Enclosures:

cc: The Honorable Charles E. Rainey, Jr. (email only)
Office of Special Assistants (**email only**: ra-OSA@pa.gov)
Paul Diskin, TUS (**email only**: pdiskin@pa.gov)
Certificate of Service
*4866-5896-3874

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v : Docket No. R-2024-3045966
Philadelphia Gas Works :
:

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate’s Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below. This document was filed electronically on the Commission’s electronic filing system.

Dated this 1st day of March 2024.

SERVICE BY E-MAIL ONLY

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Dated: March 1, 2024
*4880-7080-5922

Pennsylvania Public Utility Commission

Formal Complaint Form

1. COMPLAINANT

Patrick M. Cicero, Consumer Advocate

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Dauphin County

Phone: (717) 783-5048

Facsimile: (717) 783-7152

2. RESPONDENT

Philadelphia Gas Works, Docket No. R-2024-3045966

3. TYPE OF UTILITY

GAS

4. COMPLAINT

- A.** On February 1, 2024, Philadelphia Gas Works (PGW or the Company) submitted its pre-filing information in support of its annual reconciliation of purchased gas cost (PGC) rates, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations.
- B.** In its pre-filed material, PGW indicated that on or before March 1, 2024, the Company will make its definitive annual PGC filing pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f).
- C.** PGW provides service to natural gas customers within the City of Philadelphia.
- D.** The Public Utility Code provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and vigorously represented ratepayer interests before the Federal Energy Regulatory Commission; (2) taken all prudent steps to negotiate favorable gas supply contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas supplies; and (4) not withheld or caused

to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy. 66 Pa. C.S. § 1318(a)(1-4).

- E.** The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission (the Commission) pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. Stat. Ann. §§309-1, *et seq.*
- F.** The Consumer Advocate will investigate all aspects of PGW's filing, including compliance with the terms of the Settlement from PGW's 2023 PGC rate proceeding. See, Pa. PUC v. PGW, Docket No. R-2023-3038069. Of note, the OCA will review PGW's compliance with the 2023 PGC Settlement requirement that the Company prepare an expanded hedging program wherein PGW agreed to hedge 5% to 50% of its monthly baseload purchases as conditions permit.
- G.** After initial review of PGW's filing information, the Consumer Advocate files this Formal Complaint in order to ensure that the Company's proposed purchased gas cost rates are consistent with a least cost fuel procurement policy and do not result in rates or charges that are excessive, unjust or unreasonable, discriminatory or otherwise contrary to Commission regulations or policy.

5. RELIEF

The Consumer Advocate respectfully requests that the Public Utility Commission:

- A.** Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code;
- B.** Hold at least one public input hearing in the PGW service territory, if there is sufficient public interest in holding one;
- C.** Deny any rate or tariff changes which are not the result of a least cost fuel procurement policy as defined by the standards set forth in Section 1318 of the Public Utility Code, and as defined by other applicable ratemaking standards;
- D.** Ensure that the Company's PGC customers are only allocated those costs which should be borne by them;
- E.** Deny any rate or tariff that is unjust, unreasonable, unduly discriminatory or contrary to sound ratemaking principles; and;
- F.** Grant such other relief that the Commission may deem to be necessary, just or proper.

6. VERIFICATION

Verification:

I, Patrick M. Cicero, Consumer Advocate, hereby state that the facts above set forth 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).

/s/ Patrick M. Cicero

(Signature)

March 1, 2024
(Date)

7. LEGAL REPRESENTATION

Christine Maloni Hoover, Deputy Consumer Advocate PA Bar No. 50026
Melanie El Atieh, Senior Assistant Consumer Advocate, PA Bar No. 309232

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PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(e)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Formal Complaint and participate in the proceedings before the Commission involving Philadelphia Gas Works' (PGW or the Company) annual purchased gas cost reconciliation at Docket No. R-2024-3045966.

On February 1, 2024, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations, PGW submitted its pre-filing information in support of its annual purchased gas cost (PGC) filing. On or about March 1, 2024, PGW will submit its definitive annual PGC filing to the Commission pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. § 1307(f).

The Office of Consumer Advocate has filed this Formal Complaint to ensure that each element of PGW's purchased gas cost rate is scrutinized. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy. 66 Pa. C.S. § 1318(a). The OCA will seek to ensure that only those purchased gas costs which meet the requirements of Section 1318 will be paid by PGW's ratepayers. The OCA will also seek to ensure that the rates approved by the Commission are otherwise just and reasonable, and not unduly discriminatory or excessive.