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March 3, 2025

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

RE: Philadelphia Gas Works – Supporting Documentation for 2025 Base Rate Case  
Docket No. R-2025-3053112

Petition of Philadelphia Gas Works for Waiver of Provisions of Act 11 to Modify the  
Definition of the Charges Subject to the Distribution System Improvement Charge  
Cap or, Alternatively, to Increase the Current DSIC.  
Docket No. P-2025-3053659

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Philadelphia Gas Works' ("PGW") Motion to Consolidate DSIC Petition with Base Rate Case Filing. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Daniel Clearfield

DC/lww

Enclosures

cc: Cert. of Service w/enc

## CERTIFICATE OF SERVICE

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

### Via Email

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Date: February 27, 2025

*/s/ Daniel Clearfield*

Daniel Clearfield, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition Of Philadelphia Gas Works For :  
Waiver Of Provisions Of Act 11 To Modify :  
The Definition Of The Charges Subject To : Docket No. P-2025-3053659  
The Distribution System Improvement :  
Charge Cap Or, Alternatively, To Increase :  
The Current DSIC Cap :  
  
Pennsylvania Public Utility Commission :  
v. : Docket No. R-2025-3053112  
  
Philadelphia Gas Works :

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**NOTICE TO PLEAD**

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**To: Parties of Record**

You are hereby notified that an Answer to the enclosed **Motion to Consolidate** of the Philadelphia Gas Works must be filed within 20 days of the date of service. All pleadings, such as an Answer to Motion, must be filed with the Secretary of the Pennsylvania Public Utility Commission with a copy served to counsel for the Company and the Office of Administrative Law Judge.

**File with:**

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

**With a copy to:**

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Daniel Clearfield

*Counsel for Philadelphia Gas Works*

Date: March 3, 2025

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition Of Philadelphia Gas Works For	:	
Waiver Of Provisions Of Act 11 To Modify	:	
The Definition Of The Charges Subject To	:	Docket No. P-2025-3053659
The Distribution System Improvement	:	
Charge Cap Or, Alternatively, To Increase	:	
The Current DSIC Cap	:	
Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3053112
	:	
Philadelphia Gas Works	:	

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**PHILADELPHIA GAS WORKS’  
MOTION TO CONSOLIDATE  
DSIC PETITION WITH BASE RATE CASE FILING**

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Pursuant to Sections 5.81 and 5.103 of the regulations of the Pennsylvania Public Utility Commission (“Commission”), 52 Pa. Code §§ 5.81, 5.103, Philadelphia Gas Works (“PGW”) respectfully submits this Motion requesting that the Commission formally consolidate PGW’s Petition For Waiver Of Provisions Of Act 11 To Modify The Definition Of The Charges Subject To The Distribution System Improvement Charge (“DSIC”) Cap Or, Alternatively, To Increase The Current DSIC Cap (“DSIC Petition”) with its base rate case proceedings, which were simultaneously filed on February 27, 2025. The request for approval to modify or increase PGW’s DSIC cap is an integral component of the base rate increase request. All of the supporting factual basis and financial analysis related to PGW’s DSIC Petition have been included with PGW’s rate case filing made on February 27, 2025 so that the impacts of PGW’s proposal can be comprehensively considered within the context of its overall rate case proposals. As such, consolidating the dockets will enable interested stakeholders and the Commission to address these

closely related issues in one comprehensive proceeding. In support of this Motion, PGW states as follows:

## **I. BACKGROUND**

1. On February 27, 2025, PGW filed its DSIC Petition. The DSIC Petition requests that the Commission: (i) modify the rules associated with PGW’s Distribution System Improvement Charge (“DSIC”) so that its over/undercollection mechanism would be separate from and not subject to the existing 7.5% DSIC cap; or, alternatively, increase the current DSIC cap; (ii) waive or suspend any requirements of Act 11 of 2012<sup>1</sup> (“Act 11”) so as to permit PGW to bill its DSIC undercollection without reducing the amount of construction expenditures it is able to finance through the DSIC; and (iii) authorize the filing, on one day’s notice, of the attached proposed tariff supplement codifying these changes.

2. Since it was first approved by the Commission in 2013,<sup>2</sup> PGW has used the funds provided by the DSIC to replace over 374 miles of “at risk” distribution main, which includes cast iron and unprotected steel mains.<sup>3</sup> In January 2016, the Commission granted PGW’s request to increase the cap on the revenues to be billed from the DSIC from 5% to 7.5%, which has helped to further accelerate PGW’s at risk main removal. PGW’s current DSIC Petition is intended to address ongoing issues with the level of DSIC-financed cast iron main replacement it is undertaking and the current calculation of the DSIC cap, which have prevented PGW from recovering the undercollection in the subsequent year.

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<sup>1</sup> 2012, Feb. 14, P.L. 72, No. 11, § 6, effective in 60 days [April 16, 2012].

<sup>2</sup> *Petition of Philadelphia Gas Works for Approval of its Long-Term Infrastructure Improvement Plan*, PUC Docket No. P-2012-2337737, Opinion and Order entered on April 4, 2013 (“LTIIP DSIC Order”). In this Order, the PUC tentatively approved PGW’s DSIC but directed certain changes in the proposed tariff, which were subsequently approved. *Petition of Philadelphia Gas Works for Approval of a Distribution System Improvement Charge*, PUC Docket No. P-2012-2337737, Opinion and Order entered on May 9, 2013 (“First LTIIP Order”).

<sup>3</sup> *See, e.g., Petition of Philadelphia Gas Works for Approval of its Third Long-Term Infrastructure Improvement Plan for the Period Beginning September 1, 2022, and Ending August 31, 2027*, PUC Docket No. P-2022-3032303, Petition at ¶ 13, fn. 15.

3. Also on February 27, 2025, PGW filed its base rate request at Docket No. R-2025-3053112. The rate filing requests Commission approval of an increase in annual base rate operating revenues of \$105 million, or 15.73% on a total revenue basis. Consistent with PGW’s mandatory budget process, the base rate increase requested is based on a fully projected future test year (“FPFTY”) starting on September 1, 2025.

4. Taken together, these proposals are intended to ensure that PGW has sufficient revenue to fund its operations and provide safe and adequate service to customers, including by continuing to replace at-risk cast iron main throughout its system.

## II. REQUEST FOR CONSOLIDATION

5. For the reasons set forth herein, PGW requests that the above-captioned proceedings be formally consolidated into a single proceeding.

6. Section 5.81(a) of the Commission’s regulations states that “[t]he Commission or presiding officer, with or without motion, may order proceedings involving a common question of law or fact to be consolidated. The Commission or presiding officer [also] may make orders concerning the conduct of the proceeding as may avoid unnecessary costs or delay.” 52 Pa. Code § 5.81(a).<sup>4</sup>

7. Among the considerations for consolidation are: (a) whether additional issues exist that could cloud the determination of common issues; (b) whether consolidation will reduce litigation costs and decision-making for the parties and the Commission; (c) whether the issues in one proceeding go to the heart of an issue in the other proceeding; (d) whether consolidation will

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<sup>4</sup> See *PAPUC et al v. PWSA*, Docket No. R-2021-3024773 et al, Prehearing Order issued June 8, 2023 (Consolidating PWSA’s R-2021 Rate Case Proceedings). See e.g. additional cases that have been consolidated for adjudication, *Re Middletown Taxi Co.*, 50 Pa. PUC 263 (1976); for hearing, *City of York v. York Telephone and Telegraph Co.*, 43 Pa. PUC 240 (1967); for briefing, *Clepper Farms, Inc. v. Grantham Water Co.*, 41 Pa. PUC 749 (1965); or for all purposes, *Commonwealth of Pennsylvania et al. v. Respond Power LLC*, Docket No. C-2014-2427659 and *Pa. PUC v. Respond Power LLC*, Docket No. C-2014-2438640 (Interim Order dated October 28, 2014)

unduly protect a hearing or produce a disorderly or unwieldy record; (e) whether different statutory and legal issues are involved; (f) whether the party with the burden of proof differs in the proceedings; (g) whether consolidation will unduly delay the resolution of one of the proceedings; and (h) whether supporting data in both proceedings will be repetitive.<sup>5</sup> As the Commission has previously determined, no single consideration, nor group of these considerations, is dispositive of consolidation. Rather, all factors must be evaluated, and a balancing of those favoring and disfavoring consolidation is required.<sup>6</sup>

8. PGW's base rate filing and DSIC Petition are interrelated and raise common issues of law and fact. PGW's base rate filing comprehensively addresses the Company's overall revenues, which includes revenue received from base rates as well as from the DSIC. PGW's base rate filing presents a substantial amount of financial data in support of its requests and includes information about how its proposals will balance the Company's revenue needs – including the need to continue replacing at risk main – with the financial impacts on ratepayers.

9. The DSIC Petition explains that, due to the fact that the current application of the DSIC cap has prevented PGW from being able to recover a substantial DSIC undercollection, which PGW has had to fund from base rate revenues, thus reducing PGW's available cash and diminishing its financial position. Evidence of those facts can be seen in PGW's financial presentation.

10. Streamlining the review of all these issues in one proceeding is in the public interest because consolidation of the proceedings will ensure a more comprehensive record is

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<sup>5</sup> See *Pa. Pub. Util. Comm'n v. City of Lancaster Sewer Fund*, Docket No. R-2012-2310366, at p. 3-4 (Second Prehearing Order Nov. 26, 2012) (“*Lancaster Sewer Fund Prehearing Order*”).

<sup>6</sup> *Id.* at 3.

developed and will allow interested parties to concentrate resources in one proceeding rather than two separate but closely related proceedings.

11. As explained above, PGW's DSIC Petition is interrelated with its rate filing. Direct Testimony included with the Company's rate filing addresses PGW's DSIC as well as how the DSIC supports PGW's overall finances. Given the interrelatedness of these issues within PGW's overall rate filing, consolidating the DSIC Petition with the rate filing will offer the opportunity for a broader overview of how the DSIC and other proposals fit within PGW's overall revenue needs, to ensure that the Company has sufficient funding and cash reserves to continue to provide safe and adequate service to customers.

12. If consolidation were not to occur, then the DSIC Petition would likely be assigned to the Office of Administrative Law Judge for an on-the-record proceeding. Such an assignment would require the parties to essentially duplicate their efforts regarding the rate filing and then present the Commission with two separate dockets to decide the interrelated issues. Consolidation will avoid this duplication and potential confusion between two separate proceedings.

13. Consolidation will reduce litigation costs for the parties and streamline decision-making for the Commission. Further, consolidation will produce an orderly record that can be used to adjudicate all three proceedings; and consolidation will not unduly delay the resolution of the proceedings.

14. In summary, consolidating these proceedings for hearing and decision would promote judicial economy and conserve valuable resources for the parties and the Commission. Since the proceedings involve the same issues of fact and law, no reason exists to have them litigated on separate paths.

### III. CONCLUSION

WHEREFORE, on the basis of the foregoing, PGW respectfully requests that the Commission consolidate its rate filing at Docket No. R-2025-3053112 with its DSIC Petition at Docket No. P-2025-3053659.

Respectfully submitted,



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Dated: March 3, 2025

*Attorneys for Philadelphia Gas Works*