



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

March 19, 2025

Via Electronic Filing

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

Re: 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
I&E Answer to PGW DSIC Petition

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Answer of the Bureau of
Investigation and Enforcement to Philadelphia Gas Works' Petition 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 Cap in
the above-captioned proceeding.

Copies are being served on parties per the attached Certificate of Service. Should
you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Carrie B. Wright'.

Carrie B. Wright
Deputy Chief Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 208185
(717) 783-6156
carwright@pa.gov

CBW/ac
Enclosures

cc: Per Certificate of Service

**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 :

**ANSWER OF
THE BUREAU OF INVESTIGATION AND ENFORCEMENT
TO PHILADELPHIA GAS WORKS'
PETITION 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 CAP**

I. INTRODUCTION

On February 27, 2025, Philadelphia Gas Works (“PGW”) filed a Petition to Modify the Definition of the Charges Subject to the Distribution System Improvement Charge (“DSIC”) Cap or, Alternatively, to Increase the Current DSIC Cap requesting that the Pennsylvania Public Utility Commission (“Commission”) (1) authorize the filing of the proposed tariff supplement clarifying that any DSIC undercollection is not constrained by the existing DSIC cap and can be charged in accordance with the procedures set forth therein; or alternatively (2) authorize the increase of PGW’s DSIC cap from its current 7.5% to a level that would permit PGW to collect its existing DSIC undercollection and to continue to collect the undercollection in the future.

Pursuant to 52 Pa. Code Section 5.61(a) and 5.61(e), the Bureau of Investigation and Enforcement (“I&E”) hereby files this timely Answer requesting that the Commission deny PGW’s Petition as filed and consolidate the instant Petition with PGW’s base rate case for a comprehensive analysis.

In further support of I&E’s Answer, I&E avers the following:

II. ANSWER

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted.
5. Admitted.

A. PGW’s Prior LTIP and DSIC Filings

6. Admitted.
7. Admitted.
8. Admitted in part, denied in part. It is admitted that PGW filed its DSIC Petition on January 18, 2013, that the DSIC was approved on May 9, 2013, and that Supplement No. 62 to Gas Service Tariff – Pa. P.U.C. No. 2 went into effect on June 1, 2013. To the extent that the remaining averments contained in Paragraph 8 are consistent with the Commission’s Final DSIC Order, they are admitted. To the extent that such averments are inconsistent with the Commission’s Final DSIC Order, they are denied.

9. Admitted in part, denied in part. It is admitted that PGW filed its DSIC Waiver Petition on September 1, 2015, that PGW’s request was granted in part and

denied in part on January 28, 2016, and that Supplement No. 89 to Gas Service Tariff – Pa. P.U.C. No. 2 went into effect on February 1, 2016. To the extent that the remaining averments contained in Paragraph 9 are consistent with the Commission’s Final DSIC Waiver Order, they are admitted. To the extent that such averments are inconsistent with the Commission’s Final DSIC Waiver Order, they are denied.

10. To the extent that averments contained in Paragraph 10 regarding PGW’s 2013 LTIP are consistent with such LTIP, they are admitted. To the extent that such averments are inconsistent with such LTIP, they are denied.

11. To the extent that averments contained in Paragraph 11 regarding the increase of PGW’s DSIC cap to 7.5% are consistent with such increase, they are admitted. To the extent that such averments are inconsistent with such increase, they are denied. By way of further response, after reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 11.

12. To the extent that the averments contained in Paragraph 12 regarding PGW’s DSIC surcharges are consistent with such surcharges, they are admitted. To the extent that such averments are inconsistent with such surcharges, they are denied. By way of further response, after reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 12.

13. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the averments contained in Paragraph 13.

14. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the averments contained in Paragraph 14.

15. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the averments contained in Paragraph 15.

16. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the averments contained in Paragraph 16.

17. Admitted in part, denied in part. It is admitted that in Paragraph 17, PGW includes a table that purports to show PGW's annual DSIC-eligible expenditures, its DSIC billings for that year and the ensuring shortfall. By way of further response, after reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 17.

18. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the averments contained in Paragraph 18.

19. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the averments contained in Paragraph 19.

20. To the extent that the averments contained in Paragraph 20 are consistent with PGW's 2015 Petition and the Commission's Final DSIC Waiver Order, they are admitted. To the extent that such averments are inconsistent with PGW's 2015 Petition and the Commission's Final DSIC Waiver Order, they are denied. The remaining averments contained in Paragraph 20 are PGW's conclusory opinion which require no response.

B. Legal Background

21. The averment contained in Paragraph 21 is a conclusion of law to which no response is required.

22. The averment contained in Paragraph 22 is a conclusion of law to which no response is required.

C. Support for Creating a Separate Over/Under-Collection Mechanism That Would Not Count Against the Existing DSIC Cap

23. The averments of Paragraph 23 contain both a conclusion of law, and PGW's conclusory opinion, neither of which require a response.

24. To the extent that the averments contained in Paragraph 24 are consistent with the Commission's Final DSIC Order, they are admitted. To the extent that such averments are inconsistent with Commission's Final DSIC Order, they are denied. The remaining averments contained in Paragraph 24 are a conclusion of law which require no response.

25. To the extent that the averments contained in Paragraph 25 are consistent with the Commission's Final DSIC Waiver Order, they are admitted. To the extent that such averments are inconsistent with the Commission's Final DSIC Waiver Order, they are denied. The remaining averments contained in Paragraph 25 contain both a conclusion of law, and PGW's conclusory opinion, neither of which require a response.

26. To the extent that the averments contained in Paragraph 26 are consistent with the Commission's Final DSIC Waiver Order, they are admitted. To the extent that

such averments are inconsistent with the Commission's Final DSIC Waiver Order, they are denied.

27. To the extent that the averments contained in Paragraph 27 are consistent with the Commission's Final DSIC Waiver Order, they are admitted. To the extent that such averments are inconsistent with the Commission's Final DSIC Waiver Order, they are denied.

28. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the averments contained in Paragraph 28. The remaining averments contained in Paragraph 28 are PGW's conclusory opinion, which require no response.

29. Admitted in part, denied in part. It is admitted that in Paragraph 29, PGW includes a table that purports to show PGW's experienced DSIC as a percentage of its distribution revenues prior to annualizing and levelizing its DSIC. By way of further response, after reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 29.

30. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 30.

31. To the extent that the averments contained in Paragraph 31 are consistent with the Commission's Report, they are admitted. To the extent that such averments are inconsistent with the Commission's Report, they are denied.

32. To the extent that the averments contained in Paragraph 32 are consistent with PGW's 2015 Petition and the Commission's Final DSIC Waiver Order, they are admitted. To the extent that such averments are inconsistent with PGW's 2015 Petition and the Commission's Final DSIC Waiver Order, they are denied. The remaining averments contained in Paragraph 32 are PGW's conclusory opinion which require no response.

33. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 33.

34. Admitted in part, denied in part. It is admitted that in Paragraph 29, PGW includes a table that purports to show PGW's experienced DSIC as a percentage of its distribution revenues prior to annualizing and levelizing its DSIC. By way of further response, after reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 34.

35. To the extent that the averments contained in Paragraph 35 are consistent with the Commission's Report, they are admitted. To the extent that such averments are inconsistent with the Commission's Report, they are denied. By way of further response, after reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 35.

36. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph

36. The remaining averments contained in Paragraph 36 are PGW's conclusory opinion, which require no response.

37. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph

37. The remaining averments contained in Paragraph 37 are PGW's conclusory opinion, which require no response.

38. It is admitted that PGW is requesting that the Commission reinterpret the application of the existing 7.5% cap and declare that the cap does not apply to the separate "undercollection factor" that already exists in PGW's DSIC formula. By way of further response, I&E avers that granting such a request would be contrary to the public interest.

39. To the extent that the averments contained in Paragraph 39 are consistent with the Commission's Final DSIC Waiver Order, they are admitted. To the extent that such averments are inconsistent with the Commission's Final DSIC Waiver Order, they are denied. The remaining averments contained in Paragraph 39 are a conclusion of law which require no response.

40. To the extent that the averments contained in Paragraph 40 are consistent with the respective authorities cited, they are admitted. To the extent that such averments are inconsistent with those respective authorities, they are denied.

41. To the extent that the averments contained in Paragraph 41 are consistent with the Commission's Final DSIC Waiver Order, they are admitted. To the extent that such averments are inconsistent with the Commission's Final DSIC Waiver Order, they

are denied. By way of further response, after reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 41.

42. To the extent that the averments contained in Paragraph 41 are consistent with the Commission's Final DSIC Waiver Order, they are admitted. To the extent that such averments are inconsistent with the Commission's Final DSIC Waiver Order, they are denied. By way of further response, after reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 42.

43. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 43. The remaining averments contained in Paragraph 43 are PGW's conclusory opinion, which require no response.

44. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 44. The remaining averments contained in Paragraph 44 are PGW's conclusory opinion, which require no response.

45. After reasonable investigation, I&E is without knowledge or information sufficient to form a belief as the truth of the remaining averments contained in Paragraph 45. The remaining averments contained in Paragraph 45 are PGW's conclusory opinion, which require no response.

D. Alternative Basis for Approval

46. The averments of Paragraph 46 contain both a conclusion of law, and PGW’s conclusory opinion, neither of which require a response.

47. The averments of Paragraph 47 contain both a conclusion of law, and PGW’s conclusory opinion, neither of which require a response.

E. Consolidation and Approval

48. Admitted in part, denied in part. It is admitted that PGW filed this Petition simultaneously with its base rate filing pursuant to 66 Pa.C.S. § 1308(d) at Docket No. R-2025-3053112. It is further admitted that PGW filed a Motion to Consolidate on March 3, 2025 requesting that investigation and resolution of this Petition be done in the context of PGW’s base rate proceeding. The remaining averments contained in Paragraph 48 are PGW’s conclusory opinion, which require no response.

I&E does not oppose PGW’s Motion to resolve this Petition as part of its base rate case filing and supports its inclusion in the base rate case as the most efficient and comprehensive manner in which to investigate the instant request.

49. Admitted.

III. CONCLUSION

WHEREFORE, in consideration of the averments set forth in this Answer, the Bureau of Investigation and Enforcement respectfully requests that the Commission deny PGW’s Petition to Modify the Definition of the Charges Subject to the Distribution System Improvement Charge Cap or, Alternatively, to Increase the Current DSIC Cap. I&E requests that PGW’s Motion to resolve this Petition as part of its base rate case filing be

granted and supports its inclusion in the base rate case as the most efficient and comprehensive manner in which to investigate the instant request.

Respectfully submitted,

A handwritten signature in grey ink that reads "Michael Podskoch". The signature is written in a cursive, slightly slanted style.

Michael A. Podskoch, Jr.
Prosecutor
PA Attorney ID No. 330132

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Dated: March 19, 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 :

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Answer to Petition** dated March 19, 2025, in the manner and upon the persons listed below.


Served via Electronic Mail Only

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