



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

BUREAU OF
INVESTIGATION
&
ENFORCEMENT

April 4, 2025

Via Electronic Filing

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
Docket No. R-2025-3053112
I&E Prehearing Memorandum

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Prehearing Memorandum of the Bureau of Investigation and Enforcement (I&E) 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 grey ink that reads 'Michael Podskoch'.

Michael A. Podskoch, Jr.
Prosecutor
Bureau of Investigation and Enforcement
PA Attorney ID No. 330132
(717) 783-6151
mpodskoch@pa.gov

CBW/ac
Enclosures

cc: Administrative Law Judge Eranda Vero (*via email* – evero@pa.gov)
Per Certificate of Service

I. INTRODUCTION

On February 27, 2025, Philadelphia Gas Works (“PGW” or “Company”) filed proposed Supplement No. 176 to PGW Gas Service Tariff – Pa. P.U.C. No. 2 (“Supplement No. 176”) and proposed Supplement No. 119 to PGW Supplier Tariff – Pa. P.U.C. No. 1 (“Supplement No. 119”) with proposed effective dates of April 28, 2025. The rates set forth therein, if approved by the Commission, would increase PGW’s annual jurisdictional revenues by \$105 million, or 15.7%. That same day, PGW filed a 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”) at Docket No. P-2025-3053659. On March 3, 2025, PGW filed a Motion to Consolidate requesting that the Commission consolidate PGW’s DSIC Petition with its base rate proceeding.¹

On March 10, 2025, I&E filed its Notice of Appearance. That same day, the Office of Consumer Advocate (“OCA”) filed a Formal Complaint and Public Statement. On March 11, 2025, the Office of Small Business Advocate (“OSBA”) filed its Notice of Appearance. On March 14, 2025, OCA filed its Notice of Appearance. That same day, OSBA filed its Formal Complaint and Public Statement. On March 26, 2025, the Philadelphia Industrial and Commercial Gas Users Group (“PICGUG”) filed a Formal Complaint. On March 27, 2025, the Tenant Union Representative Network (“TURN”)

¹ On March 19, 2025, I&E filed an Answer to PGW’s DSIC Petition requesting that the Commission grant PGW’s request to consolidate the DSIC proceeding with its base rate proceeding. That same day, OCA filed Answers to PGW’s DSIC Petition and Motion to Consolidate also requesting that the Commission grant PGW’s consolidation request.

and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”) filed a Petition to Intervene. On April 3, 2025, POWER Interfaith, Sierra Club, Physicians for Social Responsibility Pennsylvania, Clean Air Council, Vote Solar, PennEnvironment, and the Pennsylvania Public Interest Research Group (collectively the “Energy Justice Advocates”) filed a Petition to Intervene. Additionally, various individuals have filed oppositions to PGW’s proposed rate increase.

On March 27, 2025, the Commission entered an Order pursuant to Section 1308(d) of the Public Utility Code suspending the implementation of the proposed rates by operation of law until November 28, 2025, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein. The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

Pursuant to the Prehearing Conference Order issued on March 28, 2025, a telephonic Prehearing Conference is scheduled on April 7, 2025 at 10:00 a.m. before Administrative Law Judge (“ALJ”) Eranda Vero.

II. ISSUES

The following list represents I&E’s preliminary determination of the potential issues in this proceeding:

1. Rate Case Expense
2. Payroll Expense
3. Taxes other than income
4. Lobbying Expense
5. Marketing Expense

6. Uncollectible Expense
7. Pension and OPEBS
8. Health and Safety Program Initiative
9. Efficient Home Program
10. Appliance Repair Program
11. Other O&M Expenses
12. Proxy Group Selection
13. Financial Metrics Comparison
14. Credit Ratings
15. Debt Service Coverage Ratio
16. Number of Days Cash on Hand
17. Debt Capitalization Ratio
18. Internally Generated Fund (IGF)
19. Capital Expenditure Financing
20. Reporting Requirements
21. Revenue Normalization Adjustment Propoosal
22. Weather Normalization Adjustment
23. Proposed Tariff Changes
24. Cost of Service
25. Present Revenue
26. Proposed Revenue
27. Customer Cost Analysis
28. Customer Charges
29. Scale Back
30. Smart Methane Detection Program

The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues as it deems appropriate if any such relevant issues arise.

III. WITNESSES

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

1. Vanessa Okum, Fixed Utility Financial Analyst (Issues 1-11)
2. D. C. Patel, Fixed Utility Financial Analyst (Issues 12-19)
3. Esyan Sakaya, Fixed Utility Valuation Engineer (Issues 20-29)
4. Alex Pankiw, Fixed Utility Valuation Engineer (Issue 30)

The I&E witnesses may be contacted through the information listed above for Ms. Wright and Mr. Podskoch. The witness list is provided without the benefit of complete discovery or analysis of the positions of the other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

IV. EVIDENCE

I&E expects to present all written direct, rebuttal, and surrebuttal testimony and accompanying exhibits at the evidentiary hearings. Moreover, I&E intends to rely on the Company's filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources, and other public documents and reports. However, there may be issues of law or Commission policy that are not properly the subject of testimony or factual issues that are clear on the record and need not be supported by testimony. I&E thereby reserves the right to dispense with testimony when, in its opinion, an issue can be adequately addressed through briefing.

V. DISCOVERY

Discovery in this matter has begun and is ongoing. I&E has not proposed any discovery modifications. I&E will work with the parties to determine the appropriate discovery modifications in this proceeding.

VI. SCHEDULE

I&E will work with the parties and the ALJ to develop a mutually agreeable litigation schedule in this proceeding. As of this date, the parties have not yet finalized a schedule. I&E supports the following litigation schedule as proposed by PGW and OCA:

Non-Company Direct Testimony	May 21, 2025
Rebuttal Testimony	June 20, 2025
Surrebuttal Testimony	July 2, 2025
Rejoinder Outlines and Witness Cross-Examination Matrix	July 11, 2025
Hearings	July 15-17, 2025
Main Briefs	July 30, 2025
Reply Briefs	August 8, 2025

I&E proposes the use of telephonic evidentiary hearings in this proceeding in order to save the Commission the expense of sending the I&E prosecutors and witnesses to out-of-town hearings.

VII. PUBLIC INPUT HEARINGS

I&E proposes the use of telephonic public input hearings to encourage increased participation by ratepayers.

VIII. SERVICE OF DOCUMENTS

I&E requests that all documents in this proceeding be served on:

Carrie B. Wright, Esq.
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mpodskoch@pa.gov

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony, briefs, and other documents during this proceeding, and consistent with Commission regulations and policy, I&E proposes to both only serve and accept electronic delivery of documents.

IX. SETTLEMENT

I&E will maintain an open dialogue and is willing to make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully submitted,



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

Pennsylvania Public Utility Commission
Bureau of Investigation and Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dated: April 4, 2025

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-3053112
	:	
Philadelphia Gas Works	:	

CERTIFICATE OF SERVICE

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated April 4, 2025, in the manner and upon the persons listed below.

Served via Electronic Mail Only

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