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January 16, 2026

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;
Docket Nos. R-2023-3037933**

Dear Secretary Homsher:

Attached for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") in the above-referenced proceeding.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Charis Mincavage'.

Charis Mincavage
MCNEES WALLACE & NURICK LLC

Counsel to the Philadelphia Industrial and Commercial Gas Users Group

Enclosure

c: Administrative Law Judge Eranda Vero
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

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Certificate of Service

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Charis Mincavage

Counsel to the Philadelphia Industrial and
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Dated this 16th day of January, 2026, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2023-3037933
	:	
Philadelphia Gas Works	:	

**PREHEARING MEMORANDUM OF THE PHILADELPHIA INDUSTRIAL
AND COMMERCIAL GAS USERS GROUP**

As requested by Administrative Law Judge ("ALJ") Eranda Vero in her December 12, 2025, Prehearing Conference Order on Remand ("Prehearing Remand Order"), the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG") hereby submits this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On March 1, 2023, Philadelphia Gas Works ("PGW" or "Company") filed with the Pennsylvania Public Utility Commission ("Commission" or "PUC") Supplement No. 159 to Gas Service Tariff – Pa. P.U.C. No. 2 ("Supplement No. 159"), requesting a general rate increase of approximately \$85.8 million to become effective on April 28, 2023. In addition, PGW proposed to treat Rate IT – Interruptible Transportation customers as firm for purposes of the Company's Cost of Service Study ("COSS"), while still requiring Rate IT customers to maintain their interruptibility requirements pursuant to PGW's tariff.

Subsequently, in March of 2023, PICGUG filed a Complaint in this proceeding. A description of PICGUG was set forth in Paragraph 6 of PICGUG's Complaint. The Commission assigned this proceeding to ALJs Eranda Vero and Arlene D. Ashton. During the initial course

of this proceeding, the parties conducted discovery, submitted Direct, Rebuttal, and Surrebuttal Testimony, participated in evidentiary hearings, and filed Main and Reply Briefs.

On September 5, 2023, the ALJs issued a Recommended Decision, which did not recommend any changes to PGW's COSS or suggest any alterations to the terms under which Rate IT receives service from PGW. The Commission issued an Order on November 9, 2023, which reviewed the ALJs' recommendations, considered the parties' Exceptions and Reply Exceptions, and concluded that Rate IT should be treated as firm for purposes of the COSS but interruptible for purposes of PGW's tariff.

On February 14, 2024, PICGUG filed with the Commonwealth Court of Pennsylvania ("Commonwealth Court") an appeal of the Commission's Order,¹ arguing that the PUC erred in concluding that Rate IT should be treated as firm for purposes of the COSS but interruptible for purposes of PGW's tariff requirements. The Commonwealth Court issued an Opinion on August 1, 2025, vacating the PUC's Order, setting forth four questions regarding the issues underlying PICGUG's Petition, and remanding the proceeding to the Commission for further explanation and clarification of the issues raised in these questions.

On December 12, 2025, ALJ Vero issued a Prehearing Conference Order on Remand and directed the parties to this proceeding to file Prehearing Memoranda. In compliance with the ALJ's December 12, 2025, Order, PICGUG hereby submits this Prehearing Memorandum.

¹ On January 18, 2024, the Commission issued another Order addressing reconsideration and clarification requests unrelated to PICGUG's Petition. Accordingly, even though the issues raised in PICGUG's Petition for Review are found in the PUC's November 9, 2023, Order, the January 18 Order is the Commission's "Final Order" for purposes of the underlying proceeding.

II. SERVICE LIST

PICGUG is represented in this matter by:

Charis Mincavage (I.D. No. 82039)
Adeolu A. Bakare (I.D. No. 208541)
Brigid L. Khuri (I.D. No. 315274)
Victoria A. Geddis (I.D. No. 335500)
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For purposes of the Prehearing Conference, Charis Mincavage will speak as the lead attorney on behalf of PICGUG.

III. ANTICIPATED ISSUES AND SUB-ISSUES

As noted above, the Commonwealth Court's Order specifically remands this matter "to the Commission for further explanation and clarification regarding" four questions related to the PUC's finding that Rate IT customers should be treated as hybrid for purposes of rate allocation and conditions of service. These four questions were articulated by the Commonwealth Court as follows:

1. Whether treating Philadelphia Industrial Commercial and Gas Users Group as technically "Firm" for purposes of **rate allocation** while, at the same time, requiring it to adhere to the obligations of **interruptible** customers under Philadelphia Gas Work's (PGW) Tariff violates PGW's Tariff and, thus, Section 1303 of the PUC Code;
2. How, under a cost causation analysis, Rate IT customers **caused** PGW's distribution mains-related costs to be incurred;
3. Whether the Commission applied a new retrospective benefits or "value of service" principle to conclude that interruptible customers should pay for the benefits that they ultimately received from a utility service for

purposes of rate allocation, and if so, whether that principle is consistent with cost causation principles or whether it is a new ratemaking principle that should replace or supplement cost causation as the operative ratemaking rationale in this unique situation; and

4. Whether employing a benefits principle can be squared with the Commission's duty to impose only "just and reasonable" rates considering the interruptible nature of rate IT customers and their investment in systems to allow for interruptions in the event that PGW does call for a curtailment.

For purposes of this proceeding, PICGUG is concerned with addressing the Commonwealth Court's four questions, which PICGUG submits are narrow in nature. PICGUG also reserves the right to raise further issues as necessary and appropriate, as well as to respond to issues raised by other parties in this proceeding, inclusive of opposing issues raised outside the scope of this Remand.

IV. PROPOSED WITNESSES

PICGUG expects to sponsor testimony regarding the aforementioned issues by the following witness:

Billie S. LaConte
J. Pollock, Incorporated
14323 South Outer 40 Rd, Suite 206N
Town and Country, MO 63017-5734
Phone: (314) 878-5814
bsl@jpollockinc.com

PICGUG reserves the right to modify or supplement this witness list during the course of this proceeding. In the event that PICGUG decides to modify or supplement the witness list, it will inform the parties and the ALJ as soon as possible.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

PICGUG has been discussing a proposed procedural schedule and potential discovery rules with the parties, and PICGUG will continue to work with the parties in an effort to achieve

consensus prior to the Prehearing Conference. PICGUG intends to cooperate with the ALJ and the parties to finalize a procedural schedule that allows for the appropriate and timely submission and scheduling of testimony, hearings, and briefs, inclusive of parties' abilities to respond to other parties' testimony and briefs.

VI. POSSIBILITY OF SETTLEMENT

PICGUG is willing to participate in discussions with the other parties to determine whether the issues in this Remand can be resolved amicably.

Respectfully Submitted,

McNEES WALLACE & NURICK LLC

By 

Charis Mincavage (I.D. No. 82039)
Adeolu A. Bakare (I.D. No. 208541)
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Commercial Gas Users Group

Dated: January 16, 2026