

COMMONWEALTH OF PENNSYLVANIA



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March 18, 2026

**Via Electronic Filing**

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

Re: Philadelphia Gas Works 2025-2026 Gas  
Cost Rate Filing 1307(f)  
Docket No. R-2026-3060186

Dear Secretary Homsher:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

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

Respectfully submitted,

/s/ Ryan Morden

Ryan Morden  
Assistant Consumer Advocate  
PA Attorney I.D. # 335679  
E-Mail: RMorden@paoca.org

Enclosures

cc: The Honorable Marta Guhl (**email only:** mguhl@pa.gov)  
Legal Assistant Eric Ball (**email only:** erball@pa.gov)  
Certificate of Service

CERTIFICATE OF SERVICE

Philadelphia Gas Works 2026-2027 Gas  
Cost Rate 1307 (f)

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Docket No. R-2026-3060186

I hereby certify that I have this day filed electronically on the Commission’s electronic filing system and served a true copy of the following document, the Office of Consumer Advocate’s Prehearing Conference Memorandum, 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.

Dated this 18th day of March 2026.

SERVICE BY E-MAIL ONLY

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PA Public Utility Commission  
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/s/ Ryan Morden

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Dated: March 18, 2026

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Counsel for:  
Darryl A. Lawrence  
Consumer Advocate

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2026-3060186
v.	:	
	:	
Philadelphia Gas Works	:	
	:	
	:	

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PREHEARING MEMORANDUM  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. Section 333, and in response to the Prehearing Conference Order issued in the above-captioned matter, the Office of Consumer Advocate (OCA) submits this prehearing conference memorandum.

**I. HISTORY OF THE PROCEEDING**

On January 30, 2026, Philadelphia Gas Works (PGW or the Company) submitted its purchased gas cost (PGC) pre-filing pursuant to 52 Pa. Code Sections 53.64, 53.65. On February 27, 2026, the Company submitted its definitive filing pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. Section 1307(f).

The Company’s filing was assigned to the Office of Administrative Law Judge and further assigned to Administrative Law Judge (ALJ) Marta Guhl for investigation and scheduling of hearings to determine whether PGW’s purchased gas costs comply with the standards set forth in the Public Utility Code.

On February 3, 2026, the OCA filed a Formal Complaint and Public Statement. On February 4, 2026, the Bureau of Investigation and Enforcement (I&E) filed its Notice of Appearance. On February 6, 2026, the Office of Small Business Advocate (OSBA) filed its Notice

of Appearance. On February 9, 2026, the Philadelphia Industrial and Commercial Gas Users Group (PICGUG) filed a Notice of Intervention. On March 9, 2026, OSBA filed a Formal Complaint and Public Statement.

On March 5, 2026, the OALJ issued a Notice setting the date and time for the Prehearing Conference in this matter for March 19, 2026, at 1:00 P.M. On March, 12, 2026, the ALJ issued a Prehearing Order that included a list of items that the parties should be prepared to discuss during the March 19, 2026, Prehearing Conference.

The OCA has filed two sets of discovery to date. As soon as the OCA has completed its review of the Company's filing and interrogatory responses, it is expected that informal discovery meetings may be scheduled. At those meetings, the OCA will be able to narrow the scope of additional information requests. After the discovery process has completed, the OCA will file its Direct Testimony, which will set forth the specific issues to be addressed in this proceeding. At that time, the OCA will also be able to make and to quantify specific recommendations.

## **II. ISSUES AND SUB-ISSUES**

Based upon a preliminary analysis of PGW's filing, the OCA has compiled a list of issues that it anticipates will be included in its investigation of the Company's proposed rate changes. It is anticipated that the OCA will identify additional issues upon further review of PGW's filing, and that other issues may arise and may be pursued after the answers to all of the OCA's interrogatories have been received and analyzed.

The following sets forth a more specific identification of the issues that the OCA will investigate and may raise, in addition to those discussed above:

- (1) Reasonableness and prudence of historic purchased gas costs, and assessment of compliance with Commission Orders in prior 1307(f) cases;

(2) Reasonableness and accuracy of estimating gas costs during the interim and prospective periods;

(3) Reasonableness and prudence of the Company's gas supply mix, including purchases of Pennsylvania-sourced gas supplies;

(4) Technical issues pertaining to the gas cost recovery mechanism, including computation of quarterly adjustments to purchased gas costs, treatment of supplier refunds, provision of carrying costs associated with gas in storage, interest on gas over-collections, and proper computation of the E-Factor;

(5) Reasonableness and prudence of the Company's mix of demand entitlements and storage, to include an assessment of the reasonableness of the Company's estimate of design day requirements;

(6) Reasonableness and prudence of contracts with pipelines and suppliers, and in particular, long-term contracts that provide for special reservation charges, minimum take commitments or other fixed contract requirements;

(7) Reasonableness of the Company's allocation of purchased gas costs between customer classes and assessment of any unreasonable discrimination between customer classes;

(8) Reasonableness and prudence of the Company's use of capacity release, off-system sales and interruptible sales, and the crediting of such revenue to PGC ratepayers;

(9) Assessment of the value of any purchased gas cost incentive mechanism as components of a least cost fuel procurement policy;

(10) Reasonableness of the sales volumes projections; and,

(11) Reasonableness of the Company's compliance with the terms contained in the Settlement of PGW's 2025 1307(f) proceeding, docketed at R-2025-3053241.

The OCA will examine each of these and all other changes proposed in the Company's filing to ascertain if it complies with the terms and policies of the Public Utility Code, the Natural Gas Choice and Competition Act, and sound ratemaking and cost allocation principles.

### **III. WITNESSES**

The OCA intends to present the Direct, Rebuttal, and Surrebuttal Testimony, as may be necessary, of Jerome D. Mierzwa in this proceeding. To expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony and answers to interrogatories be e-mailed directly to OCA's counsel and Mr. Mierzwa at the following e-mail address: [OCAPGW1307f2026@paoca.org](mailto:OCAPGW1307f2026@paoca.org).

Mr. Mierzwa's additional contact information is as follows:

Jerome D. Mierzwa  
Exeter Associates, Inc.  
Suite 300  
10480 Little Patuxent Parkway  
Columbia, MD. 21044  
Telephone: (410) 992-7500  
Fax: (410) 992-3445

The OCA specifically reserves the right to call additional witnesses, as necessary. As soon as the OCA has determined whether an additional witness or witnesses will be necessary for any portion of its case, the Administrative Law Judge and all parties of record will be notified.

### **IV. SERVICE ON THE OCA**

The OCA will be represented in this case by Senior Assistant Consumer Advocate Harrison W. Breitman and Assistant Consumer Advocate Ryan Morden. The OCA only requires e-service at the following e-mail address: [OCAPGW1307f2026@paoca.org](mailto:OCAPGW1307f2026@paoca.org)

Harrison W. Breitman, Esq.  
Ryan Morden, Esq.  
Office of Consumer Advocate

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Mr. Morden will serve as the lead attorney for speaking purposes at the Prehearing Conference. The OCA reserves the right to request paper copies if necessary. The OCA asks that the electronic service to the parties and ALJ Guhl meet all service requirements so that paper copies are not required.

#### **V. PUBLIC INPUT HEARINGS**

At this time, the OCA is not aware of any Formal Complaints or letters in opposition to the Company's filing. If the OCA becomes aware of substantial public interest in a public input hearing, the OCA will promptly notify the ALJ and the parties and request that a public input hearing be scheduled.

#### **VI. DISCOVERY**

The OCA has issued two sets of interrogatories in this proceeding under the existing Commission regulatory timeframe. In order to effectively investigate and adequately develop a record on these issues, the OCA requests the following discovery modifications be approved for discovery from the date of this Prehearing Conference forward:

- A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing to the propounding party within five (5) calendar days of service of the interrogatories and/or requests for production.

- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within five (5) business days of service of written objections.
- D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.
- E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.
- G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After rebuttal is served, the OCA proposes that the deadlines should be reduced as follows:

- A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) calendar days of service of the interrogatories or requests for production.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) calendar days of service; unresolved objections shall be served on the propounding party in writing within three (3) calendar days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of written objections.

- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.
- E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

**VII. PROCEDURAL SCHEDULE**

The OCA continues to work with the Company and the parties on a procedural schedule that is a reasonable compromise of the parties’ competing interests within the time afforded for litigation of this matter. In consultation with other parties, the OCA proposes the following schedule:

<u><b>Date</b></u>	<u><b>Event</b></u>
Friday, March 27	Written Direct Testimony of All Non-Company Parties
Wednesday, April 1	Written Rebuttal Testimony of All Parties
Monday, April 6	Written Surrebuttal Testimony of All Parties
Thursday, April 9	Oral Rejoinder
Thursday, April 9	Evidentiary Hearing
Tuesday, April 28	Main Briefs Due
Wednesday, May 6	Reply Briefs Due

The OCA requests that the dates included in the schedule be considered “in-hand” dates and that electronic service on the due date will satisfy the “in-hand” requirement.

## VIII. SETTLEMENT

The OCA will participate in settlement discussions with the parties.

Respectfully Submitted,

/s/ Ryan Morden

Ryan Morden, Esq.

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Dated: March 18, 2026

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Counsel for:

Darryl A. Lawrence

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