

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
800-684-6560

FAX (717) 783-7152
consumer@paoca.org

March 7, 2016

Rosemary Chiavetta, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission
v.
Philadelphia Gas Works
Docket No. R-2016-2526700

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Formal Complaint and Public Statement in the above-referenced proceeding.

Copies have been served per the attached Certificate of Service.

Respectfully submitted,

/s/ Christy M. Appleby
Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824

Attachment

cc: Honorable Marta Guhl, ALJ
Certificate of Service

218066

Pennsylvania Public Utility Commission

Formal Complaint Form

Please Print.

1. Your name, mailing address, telephone number and utility account number:

Name Tanya J. McCloskey, Acting Consumer Advocate

Street/P.O. Box 555 Walnut Street 5th Floor Forum Place Apt #

City Harrisburg State Pennsylvania Zip 17101-1923

County Dauphin

Area Code/Home Phone Area Code/Work Phone (717)783-5048

Utility Account Number

If the above mailing address differs from the address where the utility service is provided, list this information below.

Name

Street/P.O. Box

City State Zip

County

2. Name of utility company your complaint concerns: Philadelphia Gas Works, Docket No. R-2016-2526700

3. Type of Utility (circle one):

GAS

WATER

MOTOR CARRIER

STEAM HEAT

ELECTRIC

SEWER

TELEPHONE – (LOCAL OR LONG DISTANCE)

4. What is your complaint? (Use additional paper if you need more space and provide copies of any relevant documentation you believe will support your complaint).

- A. On January 29, 2016, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations, Philadelphia Gas Works (PGW or the Company) submitted pre-filed supporting information concerning its annual 2016-2017 Purchased Gas Cost (PGC) filing. On March 1, 2016, the Company made its definitive 1307(f) filing and stated that the proposed rate is to be effective September 1, 2016.
- B. PGW's most recent quarterly update to its PGC rate became effective on March 1, 2016. Relative to the current rate of \$3.4946/Mcf, the Company's definitive filing anticipates an increase of \$0.2913/Mcf, to a rate of \$3.7859/Mcf. This assumes that there are no further changes to the currently effective PGW rates. PGW may, however, file quarterly updates to take effect on June 1, 2016.
- C. PGW provides service to residential customers within the City of Philadelphia.
- D. The Public Utility Code provides that no rates of a natural gas distribution utility shall be deemed just and reasonable unless the Commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to customers. 66 Pa. C.S. § 1318. The Commission must find, among other things, that the utility has: (1) fully and vigorously represented ratepayer interests before the Federal Energy Regulatory Commission; (2) taken all prudent steps to negotiate favorable gas supply contracts and to relieve its obligations under contracts that may be adverse to ratepayer interests; (3) taken all reasonable steps to obtain lower cost gas supplies; and (4) not withhold or caused to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy.
- E. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. Stat. Ann. §§ 309-1 et seq. (Purdon's Supp. 1990).
- F. After the initial review of PGW's filing, the Acting Consumer Advocate files this Formal Complaint in order to ensure that the Company's proposed purchased gas cost rates are consistent with a least cost fuel procurement policy and do not result in rates and charges that are excessive, unjust or unreasonable, discriminatory, or otherwise contrary to Commission regulation or policy.

5. What do you want the Public Utility Commission to do about your complaint? (Use additional paper if you need more space).

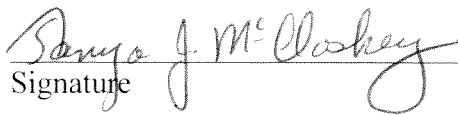
The Acting Consumer Advocate respectfully requests that the Public Utility Commission:

- 1. Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code;

2. Hold public input hearings in PGW's service territory, if consumer interest arises;
3. Deny any rate or tariff changes which are not the result of a least cost fuel procurement policy as defined by the standards set forth in Section 1318 of the Public Utility Code, and as defined by other applicable ratemaking standards;
4. Ensure that PGW's residential customers are not allocated any costs that should not be borne by them;
5. Deny any rate or tariff change that is unjust, unreasonable, unduly discriminatory, or contrary to sound ratemaking principles; and
6. Grant any other relief deemed appropriate.

6. You must sign and date your complaint below.

The information I have placed on this form is true and correct to the best of my knowledge. I understand that I could be punished under Pennsylvania State Law if I purposely give false information.


Signature

3/7/16
Date

7. If you are represented by a lawyer in this matter you must provide your lawyer's name, address and telephone number.

Lawyer's Names: Aron J. Beatty, (PA. Attorney I.D. 86625), Senior Assistant Consumer Advocate, and Christy M. Appleby (PA Attorney ID 85824), Assistant Consumer Advocate

Street: 555 Walnut Street, Forum Place 5th Floor

City: Harrisburg State: PA Zip: 17109

Area Code/Phone Number 717-783-5048

8. Mail to:

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

If you have additional questions about filling out this form, please contact the Secretary's Bureau at 717-772-7777.

PUBLIC STATEMENT OF THE OFFICE OF CONSUMER ADVOCATE
PURSUANT TO 71 P.S. SECTION 309-4(E)

Act 161 of the Pennsylvania General Assembly, 71 P.S. § 309-2, as enacted July 9, 1976, authorizes the Office of Consumer Advocate (OCA) to represent the interests of consumers before the Pennsylvania Public Utility Commission (PUC or the Commission). In accordance with Act 161, and for the following reasons, the Consumer Advocate determined to file a Formal Complaint and participate in proceedings before the Commission involving Philadelphia Gas Works (PGW or the Company) at Docket No. R-2016-2526700.

On January 29, 2016, PGW submitted pre-filed information in support of its annual reconciliation of its purchased gas cost rate (PGC) filing. On March 1, 2016, PGW submitted its definitive annual PGC filing to the Commission pursuant to Section 1307(f) of the Public Utility Code.

The Office of Consumer Advocate has filed this Formal Complaint with the Commission to ensure that PGW's PGC filing is examined and that any implemented PGC rate is consistent with the least cost fuel procurement obligation under the Public Utility Code. A thorough analysis and review are appropriate because Section 1318 of the Public Utility Code mandates that purchased gas costs cannot be determined to be just and reasonable unless such rates result from a least cost fuel procurement policy. The OCA will seek to ensure that only those purchased gas costs which meet the requirements of Section 1318 will be paid by PGW's ratepayers. The OCA also will seek to ensure that the rates approved by the Commission are otherwise just and reasonable.

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v. : Docket Nos. R-2016-2526700
Philadelphia Gas Works :

I hereby certify that I have this day served a true copy of the foregoing documents, the Office of Consumer Advocate's Formal Complaint and Public Statement, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 7th day of March 2016.

SERVICE BY HAND DELIVERY and FIRST CLASS MAIL

Gina L. Lauffer, Esquire
Bureau of Investigation & Enforcement
400 North Street
Harrisburg, PA 17120

SERVICE BY E-MAIL and FIRST CLASS MAIL

Daniel Clearfield, Esquire
Deanne M. O'Dell, Esquire
Eckert, Seaman, Cherin & Mellott, LLC
213 Market St., 8th Floor
Harrisburg, PA 17101
Philadelphia Gas Works

Shannon E. Webb, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Raquel Guzman, Esquire
Assistant General Counsel
Philadelphia Gas Works
800 West Montgomery Avenue
Philadelphia, PA 19122

Charis Mincavage, Esquire
Adeolu A. Bakare, Esquire
Alessandra L. Hylander, Esquire
McNees, Wallace & Nurick, LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
PICGUG

/s/ Christy M. Appleby
Christy M. Appleby
Assistant Consumer Advocate
PA Attorney I.D. # 85824
E-Mail: CAppleby@paoca.org

Counsel for
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
218058

Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-Mail: ABeatty@paoca.org