

COMMONWEALTH OF PENNSYLVANIA



PATRICK M. CICERO
Consumer Advocate

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

 @pa_oca
 /pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

March 7, 2023

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-2023-3037933

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 on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Lauren E. Guerra
Lauren E. Guerra
Assistant Consumer Advocate
PA Attorney I.D. # 323192
E-Mail: LGuerra@paoca.org

Enclosures:

cc: The Honorable Charles E. Rainey, Jr. (**email only:** crainey@pa.gov)
Bureau of Technical Utility Services (**email only:** pdiskin@pa.gov)
Office of Special Assistants (**email only:** ra-OSA@pa.gov)
Certificate of Service

*342428

CERTIFICATE OF SERVICE

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

I hereby certify that I have this day served a true copy of the following document, 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 § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 7th day of March 2023.

SERVICE BY E-MAIL ONLY

Gina L. Miller, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
ginmiller@pa.gov
Counsel for I&E

Craig Berry, Esquire
Philadelphia Gas Works
800 W. Montgomery Ave.
Philadelphia, PA 19122
craig.berry@pgworks.com
Counsel for PGW

NazAarah Sabree, Small Business Advocate
Office of Small Business Advocate
555 Walnut Street
1st Floor, Forum Place
Harrisburg, PA 17101-1923
ra-sba@pa.gov
Counsel for OSBA

Daniel Clearfield, Esquire
Sarah Stoner, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
Harrisburg, PA 17101
dclearfield@eckertseamans.com
sstoner@eckertseamans.com
Counsel for PGW

SERVICE BY E-MAIL ONLY (continued)

Dennis A. Whitaker, Esquire
Kevin J. McKeon, Esquire
Todd S. Stewart, Esquire
Hawke McKeon & Sniscak LLP
100 N 10th Street
Harrisburg, PA 17101
dawhitaker@hmslegal.com
kjmckeon@hmslegal.com
tsstewart@hmslegal.com
*Counsel for Grays Ferry Cogeneration
Partnership and Vicinity Energy Philadelphia, Inc.*

/s/ Lauren E. Guerra
Lauren E. Guerra
Assistant Consumer Advocate
PA Attorney I.D. # 323192
E-Mail: LGuerra@paoca.org

David T. Evrard
Assistant Consumer Advocate
PA Attorney I.D. # 33870
E-Mail: DEvrard@paoca.org

Mackenzie C. Battle
Assistant Consumer Advocate
PA Attorney I.D. # 330879
E-Mail: MBattle@paoca.org

Darryl A. Lawrence
Senior Assistant Consumer Advocate
PA Attorney I.D. # 93682
E-Mail: DLawrence@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
Dated: March 7, 2023
*342474

FORMAL COMPLAINT
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

1. COMPLAINANT

Patrick M. Cicero, Consumer Advocate

555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Dauphin County

Phone: 717-783-5048

Fax: 717-783-7152

2. UTILITY NAME

Philadelphia Gas Works – Docket No. R-2023-3037933

3. TYPE OF UTILITY

Gas

4. COMPLAINT

A. On February 27, 2023, Philadelphia Gas Works (PGW) filed proposed Supplement No. 159 to its Gas Service Tariff – Pa. P.U.C. No. 2 (Supplement No. 159) requesting to increase rates by \$85.8 million, or 10.3%, effective April 28, 2023.

B. PGW provides gas service to approximately 518,000 residential, commercial and industrial gas customers in Philadelphia, and in this proceeding proposes to allocate \$68.09 million, or 79%, of the proposed increase to the residential class.

C. The Consumer Advocate is empowered to represent the interests of consumers before the Pennsylvania Public Utility Commission, pursuant to Act 161 of the Pennsylvania General Assembly, 71 P. S. §§ 309-1 *et seq*, as enacted July 9, 1976.

D. Prior to this rate increase request, PGW filed Supplement No. 152 to its Gas Service Tariff at Docket No. R-2022-3034229 and a Petition for approval of revisions to its Weather Normalization Adjustment at Docket No. P-2022-3034264 (WNA dockets). The Company filed testimony in those dockets on February 23, 2023. By letter dated February 14, 2023, and in the direct testimony of Denise Adamucci, the Company indicated that it intends to include supplemental testimony on the WNA as part of this base rate case on April 3, 2023. The Company states that it will also be seeking a motion to consolidate the WNA dockets with the rate case. The Company did not provide any supplemental testimony in its testimony filed with the rate case at this docket.

E. Based on a preliminary review, the Office of Consumer Advocate (OCA) submits that the continued application of PGW's WNA, as filed in this base rate case, may result in unjust, unreasonable, and discriminatory rates for consumers and must be reviewed by the PUC.

F. Further, the OCA will address the reasonableness of PGW's proposal in its testimony to supplement the record in this base rate case, sometime in April, with testimony on the WNA.

G. Additionally, the Company proposes to collect a total of \$32.5 million in COVID deferred expenses to be amortized over three years, or \$10.8 million yearly, which is included in the Company's proposed total rate increase.

H. The OCA will examine PGW's request for recovery of these expenses as part of a regulatory asset to ensure any collection is only for prudently incurred expenses that are lawful, reasonable, and appropriate.

I. PGW also proposes tariff additions and modifications including a clarification on PGW's current practice regarding interest on deposits for temporary heat, a modification related to PGW's AC rider clarifying changes to PGW's internal processes, and a modification to PGW's gas supplier and gas service tariffs to permit interconnection from renewable natural gas (RNG) suppliers into the PGW distribution system.

J. The OCA will examine these proposed tariff changes to ensure that the changes are reasonable and in the consumer interest.

K. Based on a preliminary review of the filing, the OCA is concerned that the rates and tariff changes requested by PGW will not result in just or reasonable rates for consumers.

L. The Consumer Advocate files this Formal Complaint to ensure that the Company's requests are granted only to the extent they are found to be just and reasonable or otherwise compliant with applicable statutes, Commission regulations, or policy.

5. RELIEF

The Consumer Advocate respectfully requests that the Public Utility Commission:

A. Suspend and investigate the operation of the proposed tariff, pursuant to Section 1308(d) of the Public Utility Code, 66 Pa. C.S. § 1308(d);

B. Consolidate all complaints filed against Tariff Supplement No. 159;

C. Hold full evidentiary hearings examining the reasonableness of the Company's requests;

D. Hold public input hearings in the Company's service territory, by telephone, virtually, or in person as may be needed to provide its customers with an opportunity to be heard on the record, if consumer interest arises;

E. Modify or reject the proposed rate increase and tariff changes which cannot be fully justified by the Company and shown to be just and reasonable and in the public interest, or which are otherwise contrary to the Public Utility Code, sound ratemaking principles, and public policy; and

F. Grant any other relief deemed necessary.

6. VERIFICATION AND SIGNATURE

Verification:

I, Patrick M. Cicero, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

/s/ Patrick M. Cicero
(Signature)

March 7, 2023
(Date)

7. LEGAL REPRESENTATION

Darryl A. Lawrence
Senior Assistant Consumer Advocate
Pa. Attorney I.D. # 93682
DLawrence@paoca.org

David T. Evrard
Assistant Consumer Advocate
Pa. Attorney I.D. # 33870
DEvrard@paoca.org

Mackenzie C. Battle
Assistant Consumer Advocate
Pa. Attorney I.D. # 330879
MBattle@paoca.org

Lauren E. Guerra
Assistant Consumer Advocate
Pa. Attorney I.D. # 323192
LGuerra@paoca.org

Counsel for:

Patrick M. Cicero
Consumer Advocate

Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
717-783-5048

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 Consumer Advocate to represent the interests of consumers before the Pennsylvania Public Utility Commission (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 the current base rate filing made by Philadelphia Gas Works (PGW).

The objective of the Consumer Advocate in this matter is to protect the interests of PGW's customers. PGW makes various requests in this proceeding, including to file testimony on its weather normalization adjustment (WNA) at a later date as part of this base rate case, recovery of \$32.5 million in deferred COVID expenses, a proposed revenue increase of \$85.8 million and a number of tariff changes. The Consumer Advocate has filed this Complaint with the Commission to ensure that each aspect of PGW's request is scrutinized and not approved unless shown to be fully justified in law, and consistent with the Public Utility Code and sound public policy.