

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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February 11, 2019

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 1307(f)
Docket No. R-2019-3007636

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,

A handwritten signature in black ink, appearing to read "Harrison W Breitman".

Harrison W Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Attachment

cc: Office of Administrative Law Judge
Office of Special Assistants (e-mail only: ra-OSA@pa.gov)
Bureau of Technical Utility Services (email only)
Certificate of Service

*266339

CERTIFICATE OF SERVICE

Re: Pennsylvania Public Utility Commission :
v. : Docket No. R-2019-3007636
Philadelphia Gas Works 1307(f) :

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

Dated this 11th day of February 2019.

SERVICE BY E-MAIL AND INTER-OFFICE MAIL

Gina L. Miller, Esquire
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

SERVICE BY E-MAIL AND FIRST CLASS MAIL, POSTAGE PREPAID

Sharon Webb, Esquire
Office of Small Business Advocate
300 North Second Street
Commerce Building, Suite 202
Harrisburg, PA 17101

Brandon J. Pierce, Esquire
Philadelphia Gas Works
800 W. Montgomery Ave.
Philadelphia, PA 19122

Adelou Bakare, Esquire
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

/s/ Harrison W. Breitman
Harrison W. Breitman
Assistant Consumer Advocate
PA Attorney I.D. # 320580
E-Mail: HBreitman@paoca.org

Lauren M. Burge
Assistant Consumer Advocate
PA Attorney I.D.#311570
E-Mail: LBurge@paoca.org

Counsel for:
Tanya J. McCloskey
Office of Consumer Advocate
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152
#266341

Pennsylvania Public Utility Commission

Formal Complaint Form

1. COMPLAINANT

Tanya J. McCloskey, Acting Consumer Advocate

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

Phone: (717) 783-5048

Facsimile: (717) 783-7152

2. RESPONDENT

Philadelphia Gas Works, Docket No. R-2019-3007636

3. TYPE OF UTILITY

GAS

4. COMPLAINT

- A. On February 1, 2019, Philadelphia Gas Works (PGW or the Company) submitted its pre-filing information in support of its annual reconciliation of purchased gas cost (PGC) rates, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations.
- B. In its pre-filed material, PGW indicated that on or before March 1, 2019, the Company will make its definitive annual PGC filing pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. § 1307(f).
- C. PGW provides service to natural gas 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. 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 withheld or caused to be withheld gas supplies that should have been utilized as part of a least cost fuel procurement policy. 66 Pa. C.S. § 1318(a)(1-4).

- E. The Consumer Advocate is empowered to represent the interests of Pennsylvania consumers before the Pennsylvania Public Utility Commission (the Commission) pursuant to Act 1976-161 of the General Assembly, as amended, 71 Pa. Stat. Ann. §§309-1, *et seq.*
- F. After initial review of PGW's filing information, 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 or charges that are excessive, unjust or unreasonable, discriminatory or otherwise contrary to Commission regulations or policy.

5. RELIEF

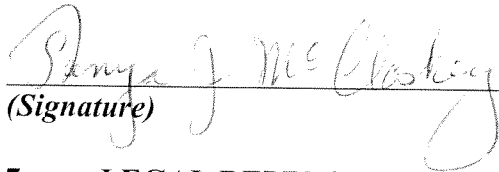
The Acting Consumer Advocate respectfully requests that the Public Utility Commission:

- A. Hold evidentiary hearings as mandated by Section 1307(f) of the Public Utility Code;
- B. Hold at least one public input hearing in the PGW service territory, if there is sufficient public interest in holding one;
- C. 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;
- D. Ensure that the Company's PGC customers are only allocated those costs which should be borne by them;
- E. Deny any rate or tariff that is unjust, unreasonable, unduly discriminatory or contrary to sound ratemaking principles; and;
- F. Grant such other relief that the Commission may deem to be necessary, just or proper.

6. VERIFICATION

Verification:

I, Tanya J. McCloskey, Acting Consumer Advocate, 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).


(Signature)

February 11, 2019
(Date)

7. LEGAL REPRESENTATION

Lauren M. Burge, Assistant Consumer Advocate, PA Bar No. 311570
Harrison W. Breitman, Assistant Consumer Advocate, PA Bar No. 320580

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
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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 Acting Consumer Advocate determined to file a Formal Complaint and participate in the proceedings before the Commission involving Philadelphia Gas Works' (PGW or the Company) annual purchased gas cost reconciliation at Docket No. R-2019-3007636.

On February 1, 2019, pursuant to Sections 53.64 and 53.65 of the Commission's Rules and Regulations, PGW submitted its pre-filing information in support of its annual purchased gas cost (PGC) filing. On or about March 1, 2019, PGW will submit its definitive annual PGC filing to the Commission pursuant to Section 1307(f) of the Public Utility Code. 66 Pa. C.S. § 1307(f).

The Office of Consumer Advocate has filed this Formal Complaint to ensure that each element of PGW's purchased gas cost rate is scrutinized. 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. 66 Pa. C.S. § 1318(a). 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 will also seek to ensure that the rates approved by the Commission are otherwise just and reasonable, and not unduly discriminatory or excessive.