

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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January 7, 2010

James J. McNulty
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

RE: Petition of Philadelphia Gas Works for
Approval of Energy Conservation and
Demand-Side Management Plan
Docket No. P-2009-2097639

Pennsylvania Public Utility Commission

v

Philadelphia Gas Works
Docket No. R-2009-2139884

Dear Secretary McNulty:

Enclosed for filing is the Answer of the Office of Consumer Advocate to the Motion of Philadelphia Gas Works to Consolidate Proceedings, in the above-referenced proceeding.

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Christy M. Appleby".

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

Enclosures

cc: Administrative Law Judge
Office of Special Assistants

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,	:	
	:	
v.	:	Docket No. P-2009-2097639
	:	
Philadelphia Gas Works	:	
	:	
Pennsylvania Public Utility Commission,	:	
	:	
v.	:	Docket No. R-2009-2139884
	:	
Philadelphia Gas Works	:	

ANSWER OF THE
OFFICE OF CONSUMER ADVOCATE
TO MOTION OF PHILADELPHIA GAS WORKS
TO CONSOLIDATE PROCEEDINGS

On December 18, 2009, Philadelphia Gas Works (PGW) filed its Motion to Consolidate proceedings on PGW’s Five-Year Gas Demand-Side Management (DSM) Plan (DSM Plan or Plan) at Docket No. P-2009-2097639 with PGW’s 2009 base rate filing at Docket No. R-2009-2139884. The Office of Consumer Advocate (OCA) does not object to PGW’s Motion to Consolidate and submits the following Answer in response.

On March 26, 2009, PGW filed a Five Year Gas DSM Plan at Docket No. P-2009-2097639. Motion at ¶ 1. PGW avers that the DSM Plan was one of four commitments that PGW made in the Extraordinary Rate Proceeding at Docket No. R-2008-2073938. Motion at ¶ 2. On April 3, 2009, PGW petitioned to withdraw its DSM Plan in order to hold discussions with interested parties on the Plan. Motion at ¶ 3. On April 20, 2009, PGW submitted a revised

DSM Plan with the Commission. Id. at ¶ 4. On May 11, 2009, the OCA filed an Answer and Notice of Intervention in the DSM Plan case.

On December 18, 2009, PGW filed a base rate proceeding at Docket No. R-2009-2139884 in compliance with the Commission's directive in the Extraordinary Rate Proceeding. In its base rate filing, PGW requests an additional \$42.5 million in annual revenue to provide, among other things, funding for PGW's Other Post Employment Benefits (OPEB) liability. Id. at ¶¶ 6-7. With its base rate filing, PGW also filed revisions and updates to its DSM Plan, including additional testimony and a proposed tariff. Id. at ¶ 8. PGW has proposed an automatic adjustment clause under Section 1307 of the Public Utility Code for the recovery of the costs of the program and proposes to utilize its Universal Service Cost Rider (USC) to recover program costs for low-income customers. Id.

The OCA does not object to PGW's Motion to Consolidate the DSM Plan with PGW's base rate proceeding at Docket No. R-2009-2139884. The OCA would note, however, that PGW avers in its Motion that "[c]onsolidating the revised DSM Plan proceeding with PGW's base rate filing addresses the concerns expressed by OTS, OCA and OSBA with an expedited litigation process to address the rate and other issues raised by the revised DSM Plan." Id. at ¶ 10. The OCA does not agree that PGW's proposal to consolidate the DSM Plan with the base rate proceeding necessarily addresses either the OCA's concerns regarding PGW's DSM Plan or its concerns regarding the expedited litigation process.

Importantly, in its May 11, 2009 Answer in the DSM Plan docket, the OCA expressed concerns regarding both PGW's revised DSM Plan and its proposed expedited litigation schedule. In its Motion, PGW supports its proposal by noting that the Act 129 filings were adjudicated within 120 days. Motion at ¶ 11. The OCA does not agree that Act 129 provides a

relevant measure as to the timing of this case. Unlike with the Act 129 proceedings, the energy efficiency and demand response program is not the only issue to be adjudicated in PGW's base rate proceeding. As expressed in the OCA's May 11, 2009 Answer, adequate time is necessary to consider these issues whether it is in the base rate proceeding or a separate proceeding.

Respectfully submitted,


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DATE: January 7, 2010

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CERTIFICATE OF SERVICE

Petition of Philadelphia Gas Works for : Docket No. P-2009-2097639
Approval of Energy Conservation and :
Demand-Side Management Plan :

Pennsylvania Public Utility Commission :

v. :

Philadelphia Gas Works :

Docket No. R-2009-2139884

I hereby certify that I have this day served a true copy of the foregoing document, the Answer of the Office of Consumer Advocate to the Motion of Philadelphia Gas Works to Consolidate Proceedings, 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 January 2010.

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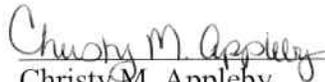
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