

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
	:	Docket No. P-2009-2097639
v.	:	
	:	
PHILADELPHIA GAS WORKS	:	
PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
	:	Docket No. R-2009-2139884
v.	:	
	:	
PHILADELPHIA GAS WORKS	:	

**MOTION OF PHILADELPHIA GAS WORKS
TO CONSOLIDATE PROCEEDINGS**

Philadelphia Gas Works (“PGW” or “Company”), pursuant to 52 Pa. Code §§ 5.81 and 5.103, submits this motion requesting the Commission to consolidate proceedings on PGW’s Five-Year Gas Demand-Side Management (“DSM”) Plan with PGW’s 2009 base rate filing. Consolidating these proceedings will formally recognize PGW’s inclusion of the proposed DSM Plan in PGW’s base rate filing, will promote the efficient use of the time and resources of the Commission and the parties, and enable timely disposition of all rate and other issues raised by PGW’s base rate filing. In specific support of this motion, PGW states as follows:

1. On March 26, 2009, PGW filed its DSM Plan in compliance with the Commission’s Order at Docket No. R-2008-2073938 granting PGW \$60 million in emergency/extraordinary rate relief.
2. The DSM Plan is one of four specific commitments PGW made in the 2008 rate proceeding to help reduce the Company’s future need for rate relief and to mitigate the effect of

that rate increase on the Company's customers, and complements PGW's other cost-containment, Business Transformation Initiative and efficiency initiative commitments.

3. On April 3, 2009, PGW petitioned to temporarily withdraw its DSM Plan filing to undertake additional discussions with interested parties to try to achieve greater clarity and consensus on certain aspects of the Plan.

4. On April 20, 2009, PGW submitted its revised DSM Plan filing in the 2008 rate relief docket and in Docket No. P-2009-2097639.

5. Timely answers to the revised DSM Plan filing were submitted by the Office of Trial Staff ("OTS"), the Office of Consumer Advocate ("OCA") and the Office of Small Business Advocate ("OSBA"), while petitions to intervene were filed by Tenant Union Representative Network and Action Alliance of Senior Citizens of Greater Philadelphia (collectively, "TURN et al.") and the Philadelphia Industrial and Commercial Gas Users Group ("PICGUG"). The revised DSM Plan filing proposed an expedited review process, which these parties opposed: a 60 day collaborative followed, if necessary, by a litigation process resulting in a recommended decision on contested issues within three months of initiation of the hearing process. Despite no formal action on PGW's proposal, PGW conducted informal discussions and discovery sessions as well as working group meetings with these parties with respect to the revised DSM plan filing. There have been no additional filings in the DSM Plan docket except for the Clean Air Council's petition to intervene filed on October 26, 2009.

6. Concurrent with this motion and as required by the Commission's order in the 2008 rate relief case, PGW is filing the instant base rate case at Docket No. R-2009-2139884.

7. The reason for PGW's filing is to comply with the Commission's directive in the emergency/extraordinary rate case as well as to request an additional increase to provide funding for PGW's accrued Other Post Employment Benefits ("OPEB") liability.

8. PGW's base rate filing also includes revisions and updates to the revised DSM Plan which address concerns raised and incorporate suggestions made during the collaborative process conducted by PGW after filing the revised DSM Plan. Moreover, PGW's base rate filing includes testimony describing the proposed DSM programs and demonstrating the cost-effectiveness of the programs as well as the justness and reasonableness of the proposed cost recovery methodology, and includes a proposed tariff with the necessary tariff changes.

9. As with the revised DSM Plan filing, the DSM Plan proposed in PGW's base rate filing requests approval for PGW to establish an automatic adjustment clause under Section 1307 of the Public Utility Code to recover the costs PGW will incur to implement and administer the proposed energy efficiency and conservation programs for non-low income customers, including actual lost revenues (limited to reductions in demand from the natural gas DSM projects undertaken pursuant to the Plan). PGW's base rate filing also proposes that costs associated with the DSM programs for low-income customers continue to be recovered through PGW's existing Universal Service and Energy Conservation Surcharge ("USC") imposed on all other firm customers.

10. Consolidating 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. The nine month deadline for disposition of PGW's base rate case will provide more time, as the statutory advocates requested, to address the DSM Plan issues included in the base rate filing.

11. This additional time should be more than sufficient to permit the parties to thoroughly examine the rate and other issues raised by the DSM Plan, as OTS, OCA and OSBA requested in the revised DSM Plan proceeding. The DSM Plan involves the same type of issues recently addressed by the Energy Efficiency and Conservation (“EE&C”) Plan filings by the electric distribution companies (“EDCs”) pursuant to Act 129 of 2008, such as: (i) examination of proposed programs; (ii) cost-effectiveness of the programs; (iii) tracking, measuring and verifying program cost-effectiveness; and (iv) cost recovery. The Act 129 EE&C Plan filings were adjudicated within 120 days as required by Act 129. There is no reason why these issues in the DSM Plan cannot be adequately addressed by the parties and resolved by the Commission within the much longer nine month period for adjudicating base rate filings.

12. Finally, pursuant to 66 Pa. C.S. § 315(a), PGW’s existing and proposed rates, terms and conditions of service will be at issue as a result of PGW’s base rate filing. PGW’s proposed tariff supplement includes a new, Section 1307(a) automatic adjustment clause to recover the costs of its proposed DSM program. Accordingly, the rate and other issues raised by the DSM Plan, are included in PGW’s filing and are properly considered in PGW’s base rate filing. Proceedings involving common questions of law or fact may be consolidated. 52 Pa. Code § 5.81.

13. PGW has been advised that OTS and Clean Air Council support this motion.

WHEREFORE, for all of the foregoing reasons, PGW respectfully requests that proceedings on its DSM Plan filing at Docket No. P-2009-2097639 be consolidated with its general rate filing at Docket No. R-2009-2139884 for hearing and disposition.

Respectfully submitted,



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