

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 12, 2013

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-2008-2073938

Dear Secretary Chiavetta:

Enclosed please find the Office of Consumer Advocate's Prehearing Memorandum in the above referenced proceeding.

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Aron J. Beatty".

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625

Enclosures

cc: Honorable Christopher P. Pell
Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2008-2073938
	:	
Philadelphia Gas Works	:	
	:	

PREHEARING MEMORANDUM OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to Section 333 of the Public Utility Code, 66 Pa. C.S. §333, and in response to the Prehearing Conference Order issued in the above-captioned matter by Administrative Law Judge Christopher P. Pell on April 5, 2013, the Office of Consumer Advocate (OCA) provides the following information:

I. INTRODUCTION

The Office of Consumer Advocate has been an active participant in the PGW/Retail Supplier Collaborative that was ordered by the Commission as part of its Emergency Rate Relief decision. See, Pennsylvania Public Utility Commission v. Philadelphia Gas Works, Docket No. R-2008-2073938 (Order Entered December 19, 2008). The Commission directed a collaborative to examine the possibility of outsourcing the gas supply function of PGW's operations to third parties in order to reduce the overall cost to the Company, and ultimately, to PGW's ratepayers. See Order of December 19, 2008.

The Commission's Order specifically stated as follows:

That Philadelphia Gas Works shall convene, no later than sixty (60) days after the entry of this Opinion and Order, a collaborative process to explore options for transitioning some or all of its customers to an alternative default service supplier. The first sixty (60) days of the collaborative shall be devoted to the development of a proposal. At the end of the first sixty (60) day period, Philadelphia Gas Works shall submit a report to the Commission detailing the progress made and identify any areas of agreement or disagreement among the stakeholders. Participating stakeholders may submit an alternative report outlining a different course of action. The process will continue until the participants agree to submit a final action report unless the Commission orders otherwise.

Id. at Ordering Paragraph 6. The OCA was an active participant in the 2009 collaborative meetings that resulted from this Order. In addition, the OCA has participated in settlement discussions with parties during the intervening period.

II. ISSUES AND SUB-ISSUES

The OCA has participated in the Collaborative in order to review the proposals made by interested retail suppliers, and to ensure that PGW's ratepayers are better off under any proposed alternative. As a general matter, the OCA has maintained throughout this proceeding that PGW customers must have a reasonably stable gas cost rate that meets the statutory "least cost procurement" standard. See 66 Pa. C.S. §§ 1307(f), 1318.

The OCA reserves the right to raise additional issues as proposals are submitted.

III. WITNESSES

The OCA has not identified a witness at this time. The OCA specifically reserves the right to call witnesses, as necessary depending on the nature of any proposals put forth in this proceeding. If the OCA determines that an additional witness will be necessary for any portion of its case, all parties of record will be notified at that time.

IV. SERVICE ON THE OCA

The OCA will be represented in this case by Assistant Consumer Advocate Aron J. Beatty. Two copies of all documents should be served on the OCA as follows:

Aron J. Beatty
Assistant Consumer Advocate
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V. PROPOSED SCHEDULE

The OCA will work with the other parties to develop a schedule in this proceeding. As stated in the Settlement section of this Prehearing Memorandum, settlement discussions have progressed substantially as the April 16 Prehearing has approached. Given the recent movement of certain parties toward settlement the OCA supports the scheduling of an additional Prehearing Conference in the May 2013 timeframe in order to allow the recent negotiations to proceed among all interested parties.

VI. DISCOVERY

The OCA is not proposing any discovery modifications at this time.

VII. SETTLEMENT DISCUSSIONS

At present, the OCA is engaged in settlement discussions with multiple parties. The OCA will fully participate in any proposed settlement discussions with all interested parties throughout the course of this proceeding.

Respectfully Submitted,



Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625
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Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

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Dated: April 12, 2013

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CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission :
v. : Docket No. R-2008-2073938
Philadelphia Gas Works :

I hereby certify that I have this day served a true copy of the foregoing document, the Office of Consumer Advocate's Prehearing Memorandum, 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 12th day of April 2013.

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