

PENNSYLVANIA UTILITY LAW PROJECT

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February 13, 2015

VIA ELECTRONIC FILING (E-FILING)

Secretary Rosemary Chiavetta
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

**RE: Petition of Philadelphia Gas Works for :
Approval of Demand-Side Management :
Plan for FY 2016-2020, and Philadelphia : P-2014-2459362
Gas Works Universal Service and Energy :
Conservation Plan for 2014-2016, 52 Pa .Code :
§ 62.4 – Request for Waivers :**

Dear Secretary Chiavetta:

Please accept for filing the Prehearing Memorandum and Certificate of Service of CAUSE-PA in the above referenced proceedings.

All parties have received a copy of the prehearing memorandum via first class or electronic mail. A Certificate of Service is attached.

Please feel free to contact me directly should you have any questions.

Very truly yours,



Harry S. Geller, Esq.

Enclosure

cc: Hon. Christopher P. Pell, Administrative Law Judge
Hon. Marta Guhl, Administrative Law Judge
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Philadelphia Gas Works for	:	
Approval of Demand-Side Management	:	
Plan for FY 2016-2020, and Philadelphia	:	P-2014-2459362
Gas Works Universal Service and Energy	:	
Conservation Plan for 2014-2016, 52 Pa. Code	:	
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Prehearing Memorandum
of the
Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania

On February 5, 2015, a Prehearing Conference Order was issued by the Honorable Christopher P. Pell and Marta Guhl, Administrative Law Judges, Pennsylvania Public Utility Commission (Commission) setting a telephonic prehearing conference for Tuesday, February 17, 2015, at 10:00 a.m., and requiring the submission of prehearing conference memorandum on or before noon on Friday, February 13, 2015.

In response, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), through its counsel at the Pennsylvania Utility Law Project, hereby files this Prehearing Conference Memorandum.

I. Background

On December 23, 2014, Philadelphia Gas Works (PGW or respondent) filed its Petition of Philadelphia Gas Works for Approval of Demand-Side Management Plan (DSM) for FY 2016-2020 and Philadelphia Gas Works Universal Service and Energy Conservation Plan for 2014-2016, 52 Pa. Code § 62.4 – Request for Waivers. This Petition serves as a request to institute Phase II of PGW’s initial five-year DSM plan, which the Commission approved in

conjunction with a settlement of a base rate proceeding on July 29, 2010 (Docket Nos. P-2009-2097639 and R-2009-2139884). Phase I of PGW's DSM expires on August 31, 2015. PGW now seeks approval to implement Phase II of the DSM for a term of five years, beginning on September 1, 2015, and ending on August 31, 2020.

In its Petition PGW proposes to continue five DSM programs: CRP Home Comfort (formerly known as ELIRP), Residential Equipment Rebate Program, Efficient Buildings Grant Program, Commercial Equipment Rebate Program, and Efficient Construction grants.

PGW also requests waiver of six sections of Chapter 58: 52 Pa. Code § 58.4, 52 Pa. Code § 58.5, 52 Pa. Code § 58.10, 52 Pa. Code § 58.11, 52 Pa. Code § 58.14, and 52 Pa. Code § 58.16.

PGW is further requesting that the Commission approve a Cost Adjustment Mechanism ("CAM") and Realized Performance Incentives, and is proposing a new low income multifamily program.

The Company has proposed stakeholder collaborative meetings, a collaborative report by PGW with recommendations by March 6, 2015, and comments to the PUC regarding the report to be submitted by other parties by March 21, 2015. PGW requests a Commission Order by April 9, 2015.

On January 12, 2015, the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA), through its counsel, filed a Petition to Intervene and Answer to PGW's Petition.

On January 21, 2015, PGW convened its first collaborative meeting and, on January 30, 2015, conducted a telephonic walkthrough webinar of its Phase II workbook.

II. Issues to be Presented

CAUSE-PA preliminarily reviewed PGW's Petition and Plan and has identified a number of issues presented by the filing which potentially affect its members. CAUSE-PA anticipates that additional issues may arise as a more comprehensive review of the Petition and Plan is undertaken, stakeholder collaborative meetings continue, discovery is conducted, and testimony is provided and reviewed. However, among the issues identified by CAUSE-PA include:

1. A determination regarding the benefits and costs of each of the proposed programs, including those which may be modified by PGW during the collaborative process, to ensure that fair, effective and efficient energy usage reduction programs for PGW's low-income customers are established to assist those customers to conserve energy and reduce residential energy bills.
2. A thorough analysis and review of the waiver of regulations requested by the Company to determine the potential benefits and potential negative affects which these proposed waivers may have on PGW's economically vulnerable customers.
3. The development and extension of energy efficiency measures and services to multifamily housing serving low-income residents.
4. A determination as to whether a potential "on-bill payment program" poses significant dangers to residential customers regarding economic burden and loss of service, and whether it is contrary to Pennsylvania statutes, regulations, and public policy.

III. Witnesses and Testimony

CAUSE-PA reserves the right to present the following witness to testify in these matters and to call additional witnesses upon proper notice to Your Honors and the parties:

Mitchell Miller
Mitch Miller Consulting LLC
60 Geisel Road
Harrisburg, PA 17112
717-903-2196
Mitchmiller77@hotmail.com

Mr. Miller will address the issues identified above and any other issues that may arise in the course of this proceeding.

IV. Proposed Schedule

CAUSE-PA will work with the other parties to arrive at a schedule which suits the needs of all parties, witnesses, and the Commission. However, CAUSE-PA is concerned that the procedural schedule proposed by PGW in its Petition provides insufficient time for analysis by interested parties and the Commission. PGW's Plan is detailed and extensive. It encompasses significant data regarding the implementation of the proposed programs, projected energy savings, and costs. In addition, as noted, PGW is requesting waiver of 6 separate sections of Chapter 58 (Plan, Appendix A). Setting forth a procedural schedule which provides interested parties 15 days to respond to PGW's collaborative report, and for the Commission to issue its order only 15 days following receipt of those comments, appears to be overly ambitious and may compromise the ability of the Commission to provide a deliberative and thorough review. CAUSE-PA submits that a more extended procedural schedule, rather than the abbreviated and expedited process proposed by PGW, is in order and should be set forth by the Commission.

CAUSE-PA would be supportive of continuing all existing programs, pending a thorough and full opportunity to collaborate and, if necessary, conduct full and complete administrative proceedings consisting of discovery, submission of testimony of witnesses, conducting of hearings, and briefing.

V. Settlement

CAUSE-PA is willing and ready to engage in settlement discussions in an attempt to resolve or narrow the issues in this proceeding, with any and all parties, and encourages the parties to engage in settlement early in the process.

VI. Service on CAUSE-PA

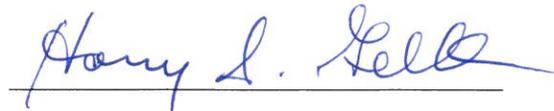
CAUSE-PA is represented by the attorneys at the Pennsylvania Utility Law Project. Electronic service and one hard copy of all documents should be served on CAUSE-PA as follows:

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WHEREFORE, CAUSE-PA respectfully submits this Prehearing Conference Memorandum.

Respectfully submitted,

PENNSYLVANIA UTILITY LAW PROJECT
Counsel for CAUSE-PA



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BEFORE THE PENNSYLVANIA PUBLIC UTILITIES COMMISSION

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CERTIFICATE OF SERVICE

I hereby certify that I, Harry S. Geller, have this day, February 13, 2015, served copies of the **Prehearing Memo of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (CAUSE-PA)** upon the following parties in the above captioned proceeding in accordance with the requirements of 52 Pa. Code § 1.54 in the manner and upon the persons listed below.

VIA EMAIL

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February 13, 2015



Harry S. Geller