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April 12, 2013

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building 2nd Floor, 1 North 400 North Street Harrisburg, PA 17120

RE: PaPUC v. Philadelphia Gas Works - Docket No. R-2008-2073938

Dear Secretary Chiavetta,

On behalf of Philadelphia Gas Works, enclosed for filing are an original and three copies of its Prehearing Memorandum with regard to the above referenced matter. A copy has been served on the parties listed on the attached Certificate of Service.

Please contact me if you have any questions regarding this filing.

Respectfully submitted,

Gregory J. Stunde

Enclosure

cc:

All Parties of Record Hon. Christopher Pell

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,

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v. : Docket No. R-2008-2073938

:

Philadelphia Gas Works

PHILADELPHIA GAS WORK'S PREHEARING MEMORANDUM

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PA PUBLIC UTILITY COMMISSION SECRETARY'S BUREAU

I. <u>INTRODUCTION</u>

PGW submits this prehearing memo in anticipation of the prehearing conference on April 16, 2013. There has been significant and substantial progress towards a settlement in this matter. Furthermore, PGW reasonably anticipates reaching a settlement of all issues. As a result of the foregoing, PGW respectfully requests that a prehearing conference be scheduled in approximately 30 to 45 days.

II. PROCEDURAL HISTORY

On November 14, 2008, Philadelphia Gas Works (PGW) filed a Petition with the Pennsylvania Public Utility Commission (Commission) requesting emergency rate relief pursuant to 66 Pa. C.S.A. §§ 1308, 1308(e), 2212(c) and 52 Pa. Code § 5.41. Administrative Law Judge (ALJ) Marlane R. Chestnut conducted the evidentiary hearing on PGW's Petition on December 4, 2008. Following the submission of briefs by the parties, ALJ Chestnut certified the record to the Commission.

On December 19, 2008, the Commission issued an Order granting emergency rate relief to PGW in the amount of \$60 million effective on or after January 1, 2009. As part of the Order, the Commission directed PGW to establish the following collaborative process:

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.

The April 5, 2013 Prehearing Order in this matter provides a further procedural history of this collaborative process and sets forth the following for discussion during the prehearing conference:

- 1) A proposed plan and schedule of discovery;
- 2) Possibility of settlement;
- 3) Issues:
- 4) Amount of hearing time needed;
- 5) Witnesses;
- 6) Schedule for submission of testimony, hearings and briefs; and
- 7) any other appropriate matter.

III. <u>SERVICE OF DOCUMENTS</u>

Service of documents in this matter should be on the following counsel of record:

Gregory J. Stunder, Esq. Philadelphia Gas Works 800 West Montgomery Ave. Philadelphia, PA 19122 (215) 684-6878 (phone) (215) 684-6798 (fax) greg.stunder@pgworks.com

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IV. DISCOVERY and SCHEDULE

PGW respectfully submits that initiating discovery and setting a schedule at this time would divert the Parties' attention from settlement and redirect the Parties' resources towards discovery. Given that substantial progress has been made towards settlement, PGW respectfully requests the scheduling of a second prehearing conference.

V. SETTLEMENT

As discussed in the introduction above, there has been significant and substantial progress towards a settlement in this matter. Furthermore, PGW reasonably anticipates reaching a settlement of all issues.

VI. <u>ISSUES</u>

The issues in this matter are the enhancement of PGW's choice program (i.e. the implementation of a purchase of receivable program, billing system improvements and consumer education) and the related cost recovery.

VII. WITNESSES and EVIDENCE

PGW would support its position in this matter with the submission of testimony of at least one witness whom the Company has not yet identified.

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WHEREFORE, as a result of the foregoing, PGW respectfully requests that a second prehearing conference be scheduled approximately 30 to 45 days after the April 16, 2013 prehearing conference date.

Respectfully submitted,

Gregory J. Stunder, Esq.

Senior Attorney

Philadelphia Gas Works

800 West Montgomery Ave. Philadelphia, PA 19122

(215) 684-6878

Dated: April 12, 2013

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of §1.54 (relating to service by a participant).

VIA EMAIL and FIRST CLASS MAIL

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