



Via Electronic Filing

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 2020 Base Rate Case Filing / Docket No. R-2020-3017206

Dear Secretary Chiavetta,

Enclosed for filing in the above-referenced proceeding, please find the Motion to Dismiss Objections and to Compel Answers to the Environmental Stakeholders' Set I of Interrogatories Directed to Philadelphia Gas Works. As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document. If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

Docket No. R-2020-3017206

V.

:

Philadelphia Gas Works

.

MOTION TO DISMISS OBJECTIONS AND TO COMPEL ANSWERS TO THE ENVIRONMENTAL STAKEHOLDERS' SET I OF INTERROGATORIES DIRECTED TO PHILADELPHIA GAS WORKS

Pursuant to 52 Pa. Code § 5.342(g) and the Corrected Prehearing Order of May 15, 2020 ("Corrected Prehearing Order") in the above-captioned proceeding, the Sierra Club, PA Chapter and the Clean Air Council (the "Environmental Stakeholders") respectfully move to dismiss the objections (the "Objections") filed by Philadelphia Gas Works ("PGW") and to compel full and complete answers to the Environmental Stakeholders' Set I of Interrogatories Nos. 2-3, 4(a)-(c), 5, and 7-19. A copy of PGW's Objections, which set forth the relevant interrogatories, is attached as Exhibit A.

I. BACKGROUND

As offered in their petition to intervene on May 22, 2020, the Environmental Stakeholders engaged in this proceeding to help develop the record, ensuring that environmental and energy efficiency issues of significant public interest are adequately considered as the Commission weighs whether the proposed rates are just and reasonable. On June 1, 2020, the Administrative Law Judges ("ALJs") granted the Environmental Stakeholders' petition to

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 $^{^1}$ Environmental Stakeholders' Petition to Intervene, No. R-2020-3017206, \P 8 (May 22, 2020) ("Pet. To Intervene").

intervene, and on June 2, 2020, Clean Air Council, on behalf of the Environmental Stakeholders, served two sets of interrogatories on PGW in order to begin developing the record. On June 25, 2020, after the adjudication of PGW's objections to those interrogatories, PGW was ordered to provide further responses. PGW provided partial further responses on July 6, 2020, then completed those further responses on July 21, 2020.

On July 14, 2020, as part of their preparation for cross-examination of PGW's witnesses regarding their direct testimony at the upcoming evidentiary hearing on July 28–30, 2020, the Environmental Stakeholders served PGW with a further set of interrogatories (the "Interrogatories"). These discovery requests seek information related to specific statements and claims made by PGW's witnesses in direct testimony and elsewhere in order to ensure that the record is fully developed through cross-examination. Under the Corrected Prehearing Order, which provides for a respond period of ten calendar days, the due date for PGW's response to the Interrogatories would be July 24, 2020.

On July 16, 2020, PGW informed the Environmental Stakeholders of its intent to object to the Interrogatories. On July 17, 2020, counsel for the Environmental Stakeholders and PGW discussed PGW's issues by teleconference, but were unable to resolve them. On July 21, 2020, PGW served its written objections to interrogatories Nos. 2–3, 4(a)–(c), 5, and 7–19 of the Interrogatories (the "Contested Interrogatories"). Later that day, the ALJs issued an order by email making the following revisions to the discovery timeframes set out in the Corrected Prehearing Order of May 15, 2020:

² See Service Email from Environmental Stakeholders, attached hereto as Exhibit B. In its written Objections, PGW asserts that although "the discovery was served on July 14, 2020, PGW did not actually receive it until July 15, 2020." See Objections at 3. It is unclear why this would be the case, given that the interrogatories were properly served by email prior to the 4:30pm deadline on July 14, 2020. Regardless, the operative date under the Corrected Prehearing Order is the date of service. Corrected Prehearing Order at 5.

"Environmental Stakeholders must file any Motion in response to PGW's Objections no later than noon tomorrow, July 22, 2020. PGW will have until C.O.B. on tomorrow, July 22, 2020, to reply to the Motion. If it is determined that PGW must respond to the Interrogatories, the responses will be due Friday, July 24, 2020 C.O.B."³

Following the ALJs' email order, the Environmental Stakeholders reached out to PGW to discuss potential resolution of the Objections, but the parties were unable to agree on terms of resolution or when responses would be provided.

II. ARGUMENT

A. PGW's Objections Should Be Dismissed Because the Contested Interrogatories Are Relevant

The scope of discovery in formal proceedings before the Pennsylvania Public Utility

Commission (the "Commission") is purposefully broad. Under the Commission's regulations,

parties "may obtain discovery regarding *any matter, not privileged, which is relevant to the*subject matter involved in the pending action, whether it relates to the claim or defense of the

party seeking discovery or to the claim or defense of another party." Limited exceptions exist

for discovery requests made in bad faith, discovery requests that seek privileged material, and

discovery requests that impose "unreasonable annoyance, embarrassment, oppression, burden or

expense" or require "unreasonable investigation."

PGW claims that the information sought by the Contested Interrogatories is "arguably...irrelevant at this or any stage of the proceeding." It is telling that PGW felt the need to insert the caveat "arguably" into its argument, as if they did not have full confidence in their

³ *Id*.

⁴ 52 Pa. Code § 5.321(c) (emphasis added).

⁵ 52 Pa. Code § 5.361(a)(1).

⁶ 52 Pa. Code § 5.361(a)(3).

⁷ 52 Pa. Code § 5.361(a)(2),(4).

⁸ Objections at 2.

contention. Such reticence is warranted, because the claim that the information sought by the Contested Interrogatories is irrelevant is entirely unsupported.

On the contrary, the Contested Interrogatories seek information that is directly relevant to this rate case proceeding. As PGW itself acknowledges, all but two of the Contested Interrogatories directly reference portions of its witnesses' direct testimony, and the other two "seek information related to PGW's case-in-chief." Just as PGW's witnesses' testimony and case-in-chief are relevant, so too are Environmental Stakeholders' interrogatories probing that testimony and case-in-chief. PGW's argument that the Contested Interrogatories are irrelevant is tantamount to calling PGW's direct testimony irrelevant.

More broadly, the Contested Interrogatories are relevant to ensuring the full and fair development of the record. The development of the record includes cross-examination of PGW's witnesses on the basis of their pre-filed testimony, including their direct testimony. ¹⁰ It is axiomatic that cross-examination affords parties an opportunity to probe the credibility, accuracy, completeness, and value of assertions made in other parties' pre-filed testimony, including direct testimony. The mere fact that other testimony has been filed since PGW filed its direct testimony does not cut off other parties' right to cross-examine PGW witnesses on their direct testimony. ¹¹

By the same token, and consistent with due process, so long as the discovery period is open, parties may conduct discovery intended to assist in the preparation of cross-examination.¹² Indeed, doing so is critical to ensuring a focused and efficient hearing, and ultimately, a decision

⁹ Objections at 2.

¹⁰ 52 Pa. Code § 5.243(a) (providing that parties have the right of presentation of evidence, including cross-examination).

¹¹ *Id*.

¹² 52 Pa. Code § 5.321(c).

based on a robust evidentiary record. Through cross-examination, the presiding officers, and by extension the Commission, hear new information that helps to determine how much weight to accord to the pre-filed testimony. For these reasons, the Contested Interrogatories, which ask PGW to answer questions rooted in its own direct testimony and case-in-chief are relevant and appropriate discovery requests.

B. <u>PGW's Objections Should Be Dismissed Because the Contested Interrogatories Are Not Unreasonably Burdensome</u>

PGW's second objection—that the Contested Interrogatories present an unreasonable burden—also fails. The discovery process, including responding to interrogatories, inherently imposes some level of burden on utilities, but this is a burden that a utility that is seeking a rate increase voluntarily assumes. The key issue here is whether the burden of responding to the Contested Interrogatories is an "unreasonable" burden. ¹³ For the reasons explained below, it is not.

To start, PGW objects that the Contested Interrogatories are unreasonably burdensome because they were served "at this stage of the proceeding," as "[h]earings are scheduled to begin on July 28." This argument is unavailing because PGW was provided the same ten day period for responding to the Contested Interrogatories as any party in this proceeding has had to respond to any of the interrogatories exchanged thus far. The Contested Interrogatories were served on July 14, 2020, a date which allowed for PGW to have, prior to the evidentiary hearing, the full "ten (10) calendar days" for response provided for in the Corrected Prehearing Order. ¹⁵

¹³ 52 Pa. Code § 5.361(a).

¹⁴ Objections at 3.

¹⁵ Corrected Prehearing Order at 5.

As such, responding to interrogatories on a ten calendar day turnaround is an ordinary burden of a rate case, not an unreasonable one. The Environmental Stakeholders are simply asking PGW to abide by the same discovery rules as other parties. Under the Commission's regulations and the Corrected Prehearing Order, the discovery period, and the record, is still open, and parties have the right to serve and receive responses to interrogatories in compliance with those rules. PGW's attempt to rewrite these rules, without the permission of the Commission or the ALJs, should be rejected.

PGW also claims that it is an unreasonable burden to respond to the Contested Interrogatories because it "is in the process of preparing extensively for hearings in this matter." However, this argument also fails because responding to interrogatory requests that were served in compliance with Commission regulations and the Corrected Prehearing Order, while also ensuring that PGW is adequately prepared for the hearing, is an ordinary burden of participation in rate case, not an unreasonable one. Moreover, as PGW itself admits, the Contested Interrogatories relate to PGW's direct testimony and case-in-chief, and to the extent that PGW is "preparing extensively" for hearings at which PGW's direct testimony and case-in-chief will be subject to cross-examination, one would expect that PGW would have information relevant to those topics readily accessible.

Finally, PGW's unreasonable burden objection also fails because it is generalized, and fails to articulate or explain why any of the individual Contested Interrogatories represent an unreasonable burden. PGW does not discuss or analyze the specific burden of even a single one of the Contested Interrogatories, and thus completely fails to carry its burden of proof of showing that any of the Contested Interrogatories imposes an unreasonable burden. This is a fatal flaw,

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¹⁶ Objections at 3.

¹⁷ Id

and directly contravenes the Commission's regulations requiring specific rather than generalized objections. ¹⁸ Moreover, PGW may not attempt to cure this fatal flaw in its answer to this Motion, as its written Objections have already been submitted and PGW may not rewrite them retroactively in a manner that deprives the Environmental Stakeholders of the opportunity to address such arguments in a motion to dismiss.

Furthermore, PGW's generalized objections are themselves unconvincing. PGW complains that the Contested Interrogatories "contain numerous subsections," "seek detailed explanations and information," and "request the production of documents." All of this is completely ordinary fare for interrogatories, and does not amount to a showing of unreasonable burden. PGW tries to inflate its description of the allegedly unreasonable burden imposed by the Contested Interrogatories by naming different types of documents that various of the Contested Interrogatories request, but the bottom line is that the Contested Interrogatories simply "request the production of documents," a standard function of interrogatories.

By PGW's own words, they are in the midst of "preparing extensively" for cross-examination regarding their direct testimony and case-in-chief. Consequently, they should be familiar with the information in their possession related to their direct testimony and case-in-chief, and should be able to respond to the Contested Interrogatories by either providing the requested information, if it exists, or stating in a formal response that it does not exist.

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¹⁸ 52 Pa. Code § 5.342(c) (requiring that objections must state "the specific ground for the objection" to each interrogatory, including the "facts and circumstances purporting to justify the objection"); *Pa. PUC v. Pennsylvania American Water Co.*, Docket No. R-2011-2232243, 2011 Pa. PUC LEXIS 1523, *11–12 (July 21, 2011) (rejecting generalized objections that "lack the specificity required"); *See also In Re Kulp*, No. A-00119913, 2004 WL 1585300, at *3 (Apr. 8, 2004) ("[T]he Commission has previously noted that little tolerance is given for generallyworded protests that lack a factual basis and such generalized pleadings are not helpful to either the Commission or the public.").

¹⁹ Objections at 3.

²⁰ *Id*.

²¹ *Id*.

Environmental Stakeholders agree with PGW that it is essential not to "delay the orderly progress of the case." Ensuring the orderly progress of the case, however, requires protecting the right of parties to develop the evidentiary record in accordance with the timeframes and procedures set out in the Commission's regulations and the Corrected Prehearing Order. PGW may not claim the mantle of "orderly progress" as cover for seeking to unilaterally amend those discovery procedures in order to insulate its direct testimony from scrutiny.

C. PGW's Objections Should Be Dismissed Because Section 5.243(e) Is Inapplicable

Finally, PGW also claims that the Contested Interrogatories should be disallowed under Section 5.243(e) of the Commission's regulations.²³ Section 5.243(e) provides that "a Party is not permitted to introduce evidence during a rebuttal phase that should have been included in a party's case-in-chief."²⁴ This contention fails, because Section 5.243(e) is inapplicable for numerous reasons.

To start, Section 5.243(e) governs the introduction of evidence, not the proper scope of discovery. ²⁵ As such, any future issues that PGW may wish to raise with the introduction of evidence provided in response to the Contested Interrogatories are premature, unripe, and cannot form the basis for objections to the Contested Interrogatories.

Moreover, as the Commission's regulations provide, claims that information sought by interrogatories will be inadmissible cannot provide the basis for objection if the information sought "appears reasonably calculated to lead to the discovery of admissible evidence." Here,

²³ *Id.* at 2.

²² *Id*.

²⁴ 52 Pa. Code Section 5.243(e).

²⁵ Id

²⁶ 52 Pa. Code § 5.321.

as PGW itself admits, all of the Contested Interrogatories are related to PGW's direct testimony and case-in-chief.²⁷ The Contested Interrogatories seek information and documents regarding the basis for PGW's factual contentions in this proceeding, which would meet the required standards of relevance and materiality under the Commission's regulations. ²⁸ However, contrary to PGW's assertions, the ALJs are not required to make an advance ruling on the admissibility of evidence that has not yet been produced. The ALJs must only find that the Contested Interrogatories are "reasonably calculated to lead to the discovery of admissible evidence." ²⁹

The Contested Interrogatories meet this standard. In addition to being reasonably calculated to discover relevant and material information, the Contested Interrogatories are also reasonably calculated to discover information that is admissible under Section 5.243(e). Section 5.243(e) provides that a party may not introduce during the "rebuttal phase" information that "should have been included in the party's case-in-chief." Critically, the information that the Contested Interrogatories seek is the factual basis for PGW's own contentions in its direct testimony, and PGW does not and cannot explain why or how the Environmental Stakeholders "should" have included such information in their own direct testimony.³¹

The purpose and function of Section 5.243(e) is to prevent parties from presenting a "new claims in rebuttal that should have [been] presented in [their] case in chief."³² As such, Section 5.243(e) governs the proper "scope of rebuttal testimony." Accordingly, Section 5.243(e) does

²⁷ Objections at 2.

²⁸ 52 Pa. Code § 5.401.

²⁹ 52 Pa. Code § 5.321.

³⁰ 52 Pa. Code § 5.243(e).

³¹ Id.

³² Pennsylvania Pub. Util. Comm'n Office of Consumer Advocate, Docket No. R-00049862, 2007 WL 517134, at *8 (Jan. 31, 2007).

³³ Applications of Transource Pennsylvania, LLC for Approval of the Siting & Constr. of the 230 Kv Transmission Line Associated with the Indep. Energy Connection - E. & W. Projects in Portions of York & Franklin Ctys., Pennsylvania. Petitions of Transource Pennsylvania, LLC for A Finding That A Bldg. to Shelter Control Equip. at

not limit discovery or the admission of evidence concerning the factual basis for the claims that have already been made by other parties. Here, Section 5.243(e) does not affect the Contested Interrogatories, because they do not seek to add new claims for the Environmental Stakeholder's rebuttal testimony, but rather they seek to examine the factual basis for claims that PGW has already made.

PGW's novel theory is that Section 5.243(e) means that once parties to a rate case have submitted their direct testimony, and the rebuttal phase has begun, the utility is completely insulated from any further discovery relating to the factual contentions put forth in the utility's own direct testimony. This theory, while convenient for PGW, would eviscerate the due process rights of other parties to a rate case to develop the record regarding PGW's factual contentions and to prepare to cross-examine PGW's witnesses regarding their direct testimony. PGW's proffered theory directly contradicts the Commission's discovery regulations and the Corrected Prehearing Order, and it is unsurprising that PGW does not offer any authority in support of it.

Notably, Section 5.243(e) follows Section 5.243(a), which provides that parties "have the right of presentation of evidence, cross-examination, objection, motion and argument."³⁴ It is a matter of "due process and…the principles of common fairness"³⁵ that parties have the right to discovery concerning the factual basis of PGW's own contentions throughout the discovery period, including for the purposes of preparing to cross-examine PGW's witnesses regarding those contentions. If PGW is going to request approval for a \$70 million annual rate increase, and in support of that request, PGW makes a series of factual contentions, it is only fair that parties to the rate case can scrutinize PGW's contentions and ensure the record relating to them

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the Rice Substation in Franklin Cty., Pennsylvania & the Furnace Run Substation in York Cty., Pennsylvania, Docket No. A-2017-2640195, 2019 WL 1506801, at *1 (Mar. 20, 2019).

³⁴ 52 Pa. Code § 5.243(a).

³⁵ Borough of Bridgewater v. Pennsylvania Pub. Util. Comm'n, 124 A.2d 165, 173 (Pa. Super. Ct. 1956).

is fully developed. The Commission's regulations and the Corrected Prehearing Order plainly allow for such a fair and equitable discovery process. PGW should not be permitted to rewrite those rules to radically restrict discovery concerning its own factual contentions.

IV. CONCLUSION

For the reasons discussed above, the Environmental Stakeholders respectfully request that the ALJs dismiss PGW's Objections and compel full and complete answers to the Contested Interrogatories by the close of business on Friday, July 24, 2020.

July 22, 2020

Respectfully submitted,

/s/

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/c/

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VERIFICATION

I hereby verify that the facts contained in the foregoing pleading are true and accurate to the best of my knowledge and that I am duly authorized to make this verification, and that I expect to be able to prove the same at any hearing held in this matter. I understand that the statements herein are made subject to penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: July 22, 2020

Devin McDougall Staff Attorney

Earthjustice 1617 John F. Kennedy Blvd., Suite 1130 Philadelphia, PA 19103 dmcdougall@earthjustice.org

CERTIFICATE OF SERVICE

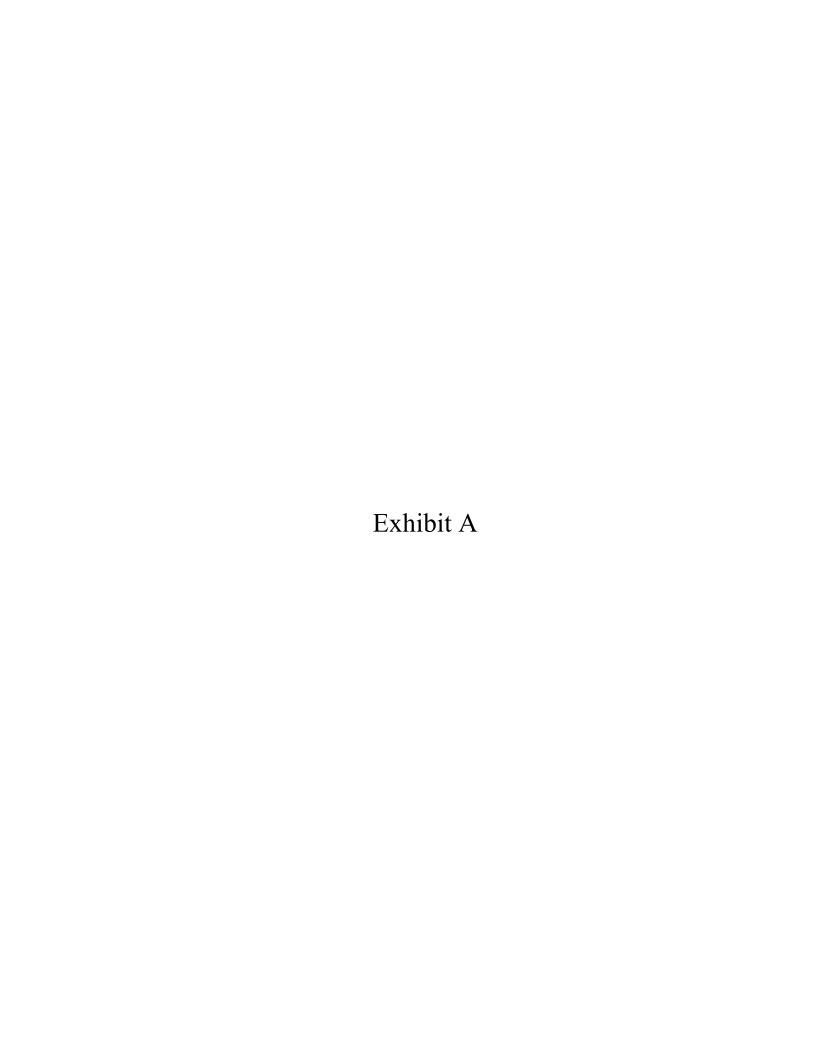
I hereby certify that I have this day served a true copy of this electronically-filed document upon the parties, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

| Carrie B. Wright, Esq. | Gregory J. Stunder, Esq. |
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Dated: July 22, 2020

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July 21, 2020

Via Email Only

Joseph Otis Minott, Esq. Ernest Logan Welde, Esq. Clean Air Council 135 S. 19th Street, Suite 300 Philadelphia, PA 19103

Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works;

Docket No. R-2020-3017206

Dear Counselors:

Enclosed please find Philadelphia Gas Works' ("PGW") Objections to Clean Air Council's Interrogatories, Set I, Nos. 2-3; 4(a)-(c); 5; and 7-19 in the above referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

Kristine E. Marsilio

Kristine E. Marsilio

KEM/lww

Enclosure

cc: Hon. Marta Guhl w/enc.

Hon. Darlene Heep w/enc. Cert. of Service w/enc.

Rosemary Chiavetta, w/COS only

Graciela Christlieb, Senior Attorney, PGW (via email)

Craig Berry, Senior Attorney, PGW (via email)

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Objections to Clean Air Council's Interrogatories, Set I, Nos. 2-3; 4(a)-(c); 5; and 7-19 upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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Dated: July 21, 2020

Kristine E. Marsilio, Esq.

Kristine E. Marsilio

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY

COMMISSION : Docket No. R-2020-3017206

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v.

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PHILADELPHIA GAS WORKS

PHILADELPHIA GAS WORKS' OBJECTIONS TO THE INTERROGATORIES OF THE ENVIRONMENTAL STAKEHOLDERS, SET I, NOS. 2-3, 4(a)-(c), 5, AND 7-19

Philadelphia Gas Works ("PGW" or "the Company") hereby objects to the Interrogatories of Clean Air Council and Sierra Club/PA Chapter (collectively, the "Environmental Stakeholders"), Set I, Nos. 2-3, 4(a)-(c), 5, and 7-19. PGW previously communicated its objections to these interrogatories to the Environmental Stakeholders and attempted to reach a resolution regarding its objections, but the parties were unable to resolve these objections. The interrogatories that PGW is objecting to are set forth in Attachment A hereto. PGW objects to the Environmental Stakeholders' Set I, Nos. 2-3, 4(a)-(c), 5, and 7-19 on the following grounds:

1. Environmental Stakeholders' Set I, Nos. 2-3, 4(a)-(c), 5, and 7-19 seek information that is inadmissible at this stage of the proceeding, is not reasonably calculated to lead to the discovery of admissible evidence, and is unreasonably burdensome. 52 Pa. Code §§ 5.321(c), 5.361(a).

In proceedings before the Commission, "a party may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action." 52 Pa. Code § 5.321(c). It is not ground for objection that the information sought will be inadmissible at hearing **if** the information sought appears reasonably calculated to lead to the discovery of admissible evidence. *Id*. Most importantly, "a Party is not permitted to introduce evidence during a rebuttal phase that should have been included in the party's case-in-chief." 52

Pa. Code § 5.243(e)(2). Additionally, Section 5.361 of the Commission's regulations prohibits discovery that would cause unreasonable burden. 52 Pa. Code § 5.361(a).

The Environmental Stakeholders' Set I Interrogatories, Nos. 2-3, 4(a)-(c), 5, and 7-19 request information that is inadmissible at this stage of the proceeding and is not reasonably calculated to lead to the discovery of admissible evidence. Specifically, these discovery requests seek information that, at best, relates to PGW's case-in-chief and, certainly, does not relate to information presented by PGW in the rebuttal phase of this proceeding. In fact, with the exception of Nos. 4 and 7, each interrogatory specifically references the *Direct Testimony* of either PGW witness Stunder or Moser. PGW served its Direct Testimony in this proceeding on February 28, 2020. Using this requested data in this stage of this proceeding is barred by 52 Pa. Code § 5.243(e)(3) because the only thing that the Environmental Stakeholders can do with this information is to attempt to introduce it into the "rebuttal phase" of this proceeding – when PGW presents its rejoinder testimony.

Moreover, the Environmental Stakeholders served their Direct Testimony on June 15, 2020, wherein they had their opportunity to present testimony in response to PGW's case-inchief. While the information sought by the Environmental Stakeholders would, arguably, be irrelevant at any stage of the proceeding, it is clearly inadmissible at this stage of the proceeding after the Environmental Stakeholders have presented their case-in-chief. The Environmental Stakeholders had ample opportunity to submit discovery with respect to PGW's Direct Case (which, as a reminder was filed February 29, some 5 months ago). For this reason, the information is not reasonably calculated to lead to the discovery of admissible evidence.

While Nos. 4(a)-(c) and 7 do not specifically reference PGW's Direct Testimony, they, similarly, do not relate to any information presented by PGW in rebuttal and, at best, seek information related to PGW's case-in-chief.

Moreover, the information sought by the Environmental Stakeholders in Set I, Nos. 2-3, 4(a)-(c), 5, and 7-19 is unreasonably burdensome, particularly when sought at this stage of the proceeding. Almost all of the objectionable interrogatories contain numerous subsections. The interrogatories seek detailed explanations and information, and request the production of documents, analyses, backlogs, contracts (including amendments and supplements thereto) and arrangements, Company policies and guidelines, itemized lists, and supporting documentation and workpapers.

This information is clearly unreasonably burdensome, particularly when sought at this stage in the proceeding. Hearings in this case are scheduled to begin on July 28. As noted, the Environmental Stakeholders have had since February 28 to request information pertaining to PGW's case-in-chief. Yet, they waited until July 14, 2020² to serve their first set of discovery, ³ which, as discussed, includes extensive questions pertaining to PGW's direct testimony. It is unreasonable for the Environmental Stakeholders to wait until two weeks before the hearing to ask questions pertaining to information that was available since February 28. At this time, PGW is in the process of preparing extensively for hearings in this matter, and it would be unreasonably burdensome for PGW to be required to answer these lengthy and numerous interrogatories and requests for production of documents.

Moreover, when the Environmental Stakeholders intervened in this proceeding, they promised that the grant of intervention would not "delay the orderly progress of the case." ⁴ In granting the intervention of the Environmental Stakeholders, Administrative Law Judges Marta

While the discovery was served on July 14, 2020, PGW did not actually receive it until July 15, 2020.

Clean Air Council previously served two sets of discovery. The set of discovery that is the subject of these objections is the first served on behalf of both Clean Air Council and Sierra Club/PA Chapter, jointly.

⁴ Environmental Stakeholders' Petition to Intervene at ¶ 13.

Guhl and Darlene Heep (collectively, "the ALJs") held: "Environmental Stakeholders will have to enter and participate in the case as they find it and therefore intervention will cause no delay or otherwise disrupt the progress of these proceedings." As such, to impose an unreasonable burden upon PGW at this stage in the proceeding would be contrary to the ALJs' order requiring that the Environmental Stakeholders cause no delay or otherwise disrupt the progress of these proceedings.

For the reasons explained above, PGW objects to the Environmental Stakeholders' Set I, Nos. 2-3, 4(a)-(c), 5, and 7-19, as they seek information that is inadmissible at this stage of the proceeding, is not reasonably calculated to lead to the discovery of admissible evidence, and is unreasonably burdensome.

Respectfully submitted,

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Dated: July 21, 2020

Order Granting Petition to Intervene of Environmental Stakeholders at 2 (June 1, 2020).

Attachment A

Environmental Stakeholders' Interrogatories to PGW - Set I

ES-I-2 Please reference the Direct Testimony of Mr. Stunder, PGW ST. No. 1, p. 3, lines 10-14.

- a. Do PGW's plans for its infrastructure include the extension or expansion of that infrastructure?
 - i. If so, please describe any plans to extend or expand PGW's infrastructure during the next 30 years, and please provide all documents relating to any such plans.
 - ii. If so, has PGW evaluated whether there will be sufficient demand to justify any plans PGW has to extend or expand PGW's infrastructure during the next 30 years? If so, please provide all documents related to any such evaluation. If not, please explain why not.
 - iii. If so, has PGW evaluated whether increased use of energy efficiency measures could avoid the need for some or all of any plans PGW has to extend or expand PGW's infrastructure during the next 30 years?
- b. Does PGW's planned modernization of its infrastructure include any plans to increase the resilience of PGW's infrastructure to the effects of climate change and/or extreme weather events? If so, please describe any such plans, and please provide all documents relating to any such plans. If not, please explain why not.
- c. As part of PGW's planned modernization of its infrastructure, has PGW developed any projections of its ratepayers' natural gas demand over the next 30 years? If so, please provide all documents related to any such projection. If not, please explain why not.
- d. As part of PGW's planned modernization of its infrastructure, has PGW evaluated whether there will be sufficient demand for natural gas over the next 30 years to justify maintaining the current size and configuration of its infrastructure? If so, please provide all documents related to any such evaluation. If not, please explain why not.
- **ES-I-3** Please reference the Direct Testimony of Mr. Stunder, PGW ST. No. 1, p. 5, lines 1-6.
 - a. Has PGW's management evaluated the risk that future regulatory changes relating to greenhouse gases or fossil fuel use may pose to PGW's ability to implement its infrastructure plans or to obtain the full expected value from its planned

- infrastructure investments? If so, please provide all documents relating to any such evaluations. If not, please explain why not.
- b. Has PGW's management developed any plans to minimize the cost to ratepayers of its compliance with any future regulatory changes relating to greenhouse gases or fossil fuel use? If so, please provide all documents relating to any such plans. If not, please explain why not.
- c. Has PGW's management evaluated the risk that climate change may pose to PGW's ability to implement its infrastructure plans or to obtain the full expected value from its planned infrastructure investments? If so, please provide all documents relating to any such evaluations. If not, please explain why not.
- d. Has PGW's management developed any plans to minimize the cost to ratepayers of the adaptation of its infrastructure to climate change? If so, please provide all documents relating to any such plans. If not, please explain why not.
- **ES-I-4** Please reference the following statement from PGW's Corporate Social Responsibility Report, attached hereto as Exhibit B: "PGW has joined the city of Philadelphia in its commitment to combat global climate change."
 - a. Please provide all documents relating to PGW joining with or cooperating with the City of Philadelphia to combat global climate change.
 - b. Please provide all documents relating to any communications PGW has had with the City of Philadelphia relating to ways in which PGW could change its operations and/or infrastructure to be more consistent with the City of Philadelphia's clean energy objectives.
 - c. Please provide all documents relating to any planning, evaluation, or consideration by PGW relating to ways in which PGW could change its operations and/or infrastructure to be more consistent with the City of Philadelphia's clean energy objectives.
- **ES-I-5** Please reference the Direct Testimony of Douglas Moser, PGW ST. No. 7, p. 2, lines 11-22, which describes plans to replace cast iron natural gas mains ("cast iron mains") over a period of 34.6 years if PGW's proposed rate increase is approved.
 - a. Has PGW evaluated any alternatives to replacing the cast iron mains it is planning to replace? If so, please provide all documents relating to any such evaluations. If not, please explain why not.
 - b. Has PGW evaluated whether increased energy efficiency measures over the next 34.6 years (or any shorter period) could enable decommissioning some cast iron mains rather than replacing them? If so, please provide all documents relating to any such evaluations. If not, please explain why not.

- c. Has PGW evaluated whether increased energy efficiency measures over the next 34.6 years (or any shorter period) could reduce the size of mains or services needed to replace any existing mains or services? If so, please provide all documents relating to any such evaluations. If not, please explain why not.
- d. Has PGW evaluated whether warming weather over the next 34.6 years (or any shorter period) could, alone or in combination with other factors, reduce demand sufficiently to make it possible to decommission, rather than replace, any cast iron mains or services during that period? If so, please provide all documents relating to any such evaluations. If not, please explain why not.
- e. Has PGW evaluated whether regulatory actions over the next 34.6 years (or any shorter period) could, alone or in combination with other factors, reduce demand sufficiently to make it possible to decommission, rather than replace, any cast iron mains or services during that period? If so, please provide all documents relating to any such evaluations. If not, please explain why not.
- **ES-I-7** Please identify all mains or service lines that PGW has decommissioned (or otherwise removed from service) and has not replaced during the last 30 years. If not available for the last 30 years, please provide the requested information over whatever time period is available. For each main or service line so identified, please provide all documents relating to the reasons for decommissioning or otherwise removing the main or service line from service.
- **ES-I-8** Please reference the Direct Testimony of Mr. Moser, PGW ST. No. 7, p. 8, lines 8-10, which states that "PGW has as one of its key missions continually striving to provide safe, adequate, and reasonable service to its customers in the most efficient and cost effective manner possible."
 - a. Has PGW evaluated whether increased deployment of energy efficiency measures may be a cost-effective means of reducing the need to spend ratepayer funds on maintaining its distribution infrastructure at its current size? If so, please provide all documents and analyses relating to any such evaluation. If not, please explain why not.
 - b. Has PGW evaluated whether increased deployment of energy efficiency measures may be a cost-effective means of avoiding the need to spend ratepayer funds on expanding its existing distribution infrastructure? If so, please provide all documents and analyses relating to any such evaluation. If not, please explain why not.
 - c. Has PGW evaluated how it can minimize the costs to ratepayers of complying with regulatory requirements that may be imposed in the next 30 years requiring PGW to reduce its greenhouse gas emissions? If so, please provide all documents and analyses relating to any such evaluation. If not, please explain why not.
 - d. Has PGW evaluated how it can minimize the costs to ratepayers of complying with regulatory requirements that may be imposed in the next 30 years requiring

- PGW to reduce the volume of natural gas PGW distributes? If so, please provide all documents and analyses relating to any such evaluation. If not, please explain why not.
- e. Has PGW evaluated how it can minimize the costs to ratepayers of adapting its infrastructure and operations to climate change over the next 30 years? If so, please provide all documents relating to any such evaluation. If not, please explain why not.
- f. Has PGW evaluated how it can minimize the costs to ratepayers of maintaining its infrastructure despite any reductions in demand for natural gas due to warming winters that may occur over the next 30 years? If so, please provide all documents relating to any such evaluation. If not, please explain why not.
- **ES-I-9** Please reference the Direct Testimony of Mr. Moser, PGW ST. No. 7, p. 2, lines 11-22, which describes plans to replace cast iron natural gas mains over a period of 34.6 years if PGW's proposed rate increase is approved.
 - a. Mr. Moser's testimony states that when "\$70 million in rate relief is factored in" to planning assumptions about the replacement of cast iron mains, the time frame for replacement will be accelerated by 14%. Will the \$70 million increase in annual rates be used to expand the PGW's natural gas distribution network, including mains and service lines? If so, please explain in detail.
 - b. What plans, projections, or expectations, does PGW have for expanding its natural gas distribution network, including mains and service lines, over the next 30 years? Please provide all documents describing any such plans, projections, or expectations.
- **ES-I-10** Please reference the Direct Testimony of Mr. Moser, PGW ST. No. 7, p. 16, lines 8-14.
 - a. Please provide all documents and analyses substantiating the 2% increase in overall customer satisfaction described in the above-referenced line.
 - b. Has PGW conducted any survey of customer attitudes regarding PGW's actions to reduce its greenhouse gas emissions? If so, please provide all documents and analyses relating to any such survey. If not, please explain why not.
 - c. Has PGW conducted any survey of customer attitudes regarding PGW's actions to cooperate with the City of Philadelphia to help achieve the City's clean energy objectives? If so, please provide all documents and analyses relating to any such survey. If not, please explain why not.

ES-I-11 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7, page 5, lines 10–11.

- a. Please explain in detail how "prioritized selection" has contributed to the observed downward trend in the number of hazardous leaks encountered on the distribution system.
- b. Please explain in detail how "the accelerated pace of PGW's main replacement program" has contributed to the observed downward trend in the number of hazardous leaks encountered on the distribution system.
- c. Please explain in detail how "warmer than average winter seasons" have contributed to the observed downward trend in the number of hazardous leaks encountered on the distribution system.

ES-I-12 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7, page 6, lines 7–10.

- a. Other than replacing "all bare steel services encountered on main replacement projects regardless of condition," please explain in detail how PGW prioritizes repair and replacement of services?
- b. Are there any circumstances in which PGW would not automatically replace a bare steel service line encountered on a main replacement project?
 - i. If so, please provide an itemized list of the reasons PGW would not automatically replace a bare steel service line encountered on a main replacement project.
 - ii. If so, please identify each instance over the past five years when PGW did not replace a bare steel service line encountered on a main replacement project and identify the particular reason each such bare steel service line was not replaced.
- c. Before replacing a bare steel service line encountered on a main replacement project, does PGW evaluate whether it would be more cost-effective to remove that service line and subsidize a transition to from gas to electric for customer(s) previously serviced by that service line?
 - i. If yes, please explain how PGW conducts that cost analysis and provide any such documents or analyses from the past 5 years in native format with formulas intact.
 - ii. If not, please explain why not in detail.
- d. Before replacing a bare steel service line encountered on a main replacement project, does PGW ask the customer(s) served by that service line whether they would prefer to discontinue their reliance on gas? If so, please explain the process used by PGW to investigate customer preferences in this regard. If not, please explain why not in detail.

ES-I-13 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7, page 7.

a. Please provide the total backlog of open leaks.

- b. Please identify the number of miles and size of pipe within PGW's distribution system that are not typically monitored for leaks.
- c. Has PGW estimated the volume of gas lost to distribution system leaks on an hourly, daily, weekly, monthly, or annual basis? If yes, please provide each such estimate and supporting documentation.

ES-I-14 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7, page 8, lines 10–11, explaining that, "[a]s a municipally owned utility with no shareholders, it is well to recall that all such cost savings accrue to the benefit of PGW ratepayers."

- a. Please explain in detail who is responsible for PGW cost overruns.
- b. Please explain in detail the impact to ratepayers when a PGW asset suffers a premature write-down or devaluation.
- c. Please explain in detail the impact to the City of Philadelphia when a PGW asset suffers a premature write-down or devaluation.

ES-I-15 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7, page 12, lines 6–7.

- a. Please state whether PGW is currently involved in five or six prepaid gas arrangements.
- b. Please produce the written contract, and any amendments or supplements thereto, for each of the referenced prepaid gas arrangements.
- c. Please provide all written company policies or guidelines on gas procurement practices.

ES-I-16 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7, page 13, lines 3–4. In PGW's view, what percentage of PGW's supply needs over what time period would it be prudent to acquire through prepaid gas arrangements. Please explain your response in detail.

ES-I-17 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7, page 12, line 13. Please explain in detail how the current average discount of approximately thirty cents was calculated, and provide supporting documentation, if any, including workpapers in native format with formulas intact.

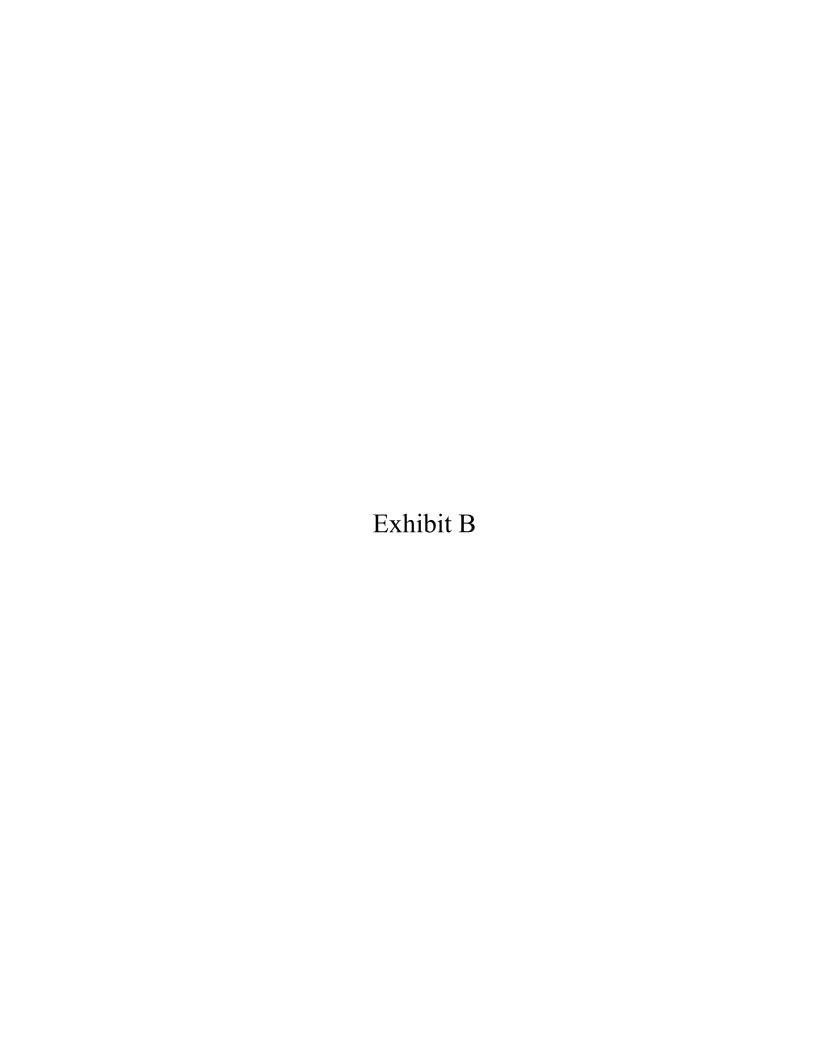
ES-I-18 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7, pages 11–12. Please explain in detail the volume of gas as a percentage of expected demand that PGW has already contractually committed to purchase in each of the following years:

- a. FY 2025
- b. FY 2030
- c. FY 2035
- d. FY 2040
- e. FY 2045

f. FY 2050

ES-I-19 Please reference the Direct Testimony of Mr. Moser, PGW St. No. 7 at 12, lines 19–22.

- a. Please explain in detail how the approximate savings for FY 2020 as a result of prepaid gas purchase arrangements was calculated, and provide supporting documentation, if any, including workpapers in native format with formulas intact.
- b. Please explain in detail how the approximate savings for FY 2021 as a result of prepaid gas purchase arrangements was calculated, and provide supporting documentation, if any, including workpapers in native format with formulas intact.



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Subject: RE: PGW 2020 BRC; PGW Interrogatories; Docket No. R-2020-3017206

Date: Tuesday, July 14, 2020 4:25:00 PM

Attachments: Cover Letter and COS.pdf

image001.png Exhibits.pdf

Environmental Stakeholders - Interrogatories - Set 1 - Final.pdf

Counselors,

Please find attached the First Set of Interrogatories of the Environmental Stakeholders.

Best,

Cc:

Devin

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Because the earth needs a good lawyer