|  |  |  |
| --- | --- | --- |
| PUC logo | COMMONWEALTH OF PENNSYLVANIAPENNSYLVANIA PUBLIC UTILITY COMMISSION400 North StreetHARRISBURG, PA 17120 | **IN REPLY, PLEASE REFER TO DOCKETS:**P-2009-2097639P-2014-2459362 |

August 29, 2016

To All Parties:

RE: Philadelphia Gas Works (PGW)

P-2009-2097639 – PGW’s Phase I DSM Plan

P-2014-2459362 – PGW’s Phase II DSM Plan

 By order entered on July 29, 2010, the Commission approved a settlement in PGW’s base rate case at Docket No. R-2009-2139884 and in PGW’s *Revised Petition for Approval of Energy Conservation and Demand Side Management Plan* at Docket No. P‑2009-2097639. This resulted in the creation of PGW’s initial five-year Demand Side Management Plan (Phase I DSM Plan). The Phase I DSM Plan was to expire on August 31, 2015.

 On December 23, 2014, PGW filed a petition at Docket No. P-2014-2459362 seeking approval of its 2015-2020 DSM Plan (Phase II DSM Plan) to begin on September 1, 2015, and end on August 31, 2020. The Phase II DSM Plan was assigned to the Office of Administrative Law Judge (OALJ).

On May 7, 2015, because the Phase II DSM Plan was still in litigation, the Commission approved PGW’s DSM Bridge Plan extending the Phase I DSM Plan for an interim period effective September 1, 2015, through the earlier of either: (1) August 31, 2016; or, (2) the effective date of a Phase II compliance plan filed in response to a final Commission order at Docket No. P‑2014-2459362. The Phase II DSM Plan is still under consideration by the Commission.

Absent action from the Commission PGW’s Phase I DSM, which includes the company’s Low-Income Usage Reduction Program (LIURP), will sunset August 31, 2016. In the Commission’s judgment, it would be detrimental to allow PGW’s LIURP to terminate pending the resolution of the litigation of PGW’s proposed Phase II DSM Plan. See 66 Pa.C.S §2203(7)(8).

 Upon review of the record in this proceeding and the applicable law, the Commission tentatively directs PGW to extend the LIURP component of its Phase I DSM Plan until the effective date of a Phase II DSM compliance plan filed in response to a final Commission order at Docket No. P‑2014‑2459362. This is reasonable, appropriate under the circumstances, consistent with applicable statute and regulations, and in the public interest.[[1]](#footnote-1)

 Interested parties may file comments to this tentative directive by August 30th, 2016. In the absence of any adverse comments this Secretarial Letter shall become binding. Questions regarding this matter may be directed to Louise Fink Smith - finksmith@pa.gov 717-787-8866, or Sarah Dewey - sdewey@pa.gov 717-705-4029.

 Very truly yours,

 Rosemary Chiavetta

 Secretary

cc: Service Lists: P-2009-2097639 & P-2014-2459362

 Sarah Dewey, BCS

Louise Fink Smith, Law Bureau

1. See §2203(7) & (8) and §58.4(a) [↑](#footnote-ref-1)