

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

Petition of PECO Energy Company
for Approval of Its Modified Gas
Long-Term Infrastructure
Improvement Plan

Public Meeting: May 7, 2015
2347340-TUS
Docket No. P-2013-2347340

STATEMENT OF COMMISSIONER JAMES H. CAWLEY

Before the Commission for consideration is the Petition for approval of the Modified Gas Long-Term Infrastructure Improvement Plan (LTIIIP) of PECO Energy Company (PECO). Under the company's previous LTIIIP approved by the Commission by Order entered May 9, 2013, PECO planned to replace cast iron and bare steel mains at an average rate of 27 miles per year and replace bare steel service lines at a rate of 3,950 per year. In this Modified LTIIIP, PECO has determined that its schedule for replacement of these mains and services should be accelerated to 51 miles of main per year, while maintaining a similar level of service line replacement at 3,850 per year. Further, PECO plans to replace all of its targeted at-risk pipe within 20 years, a marked acceleration from its previous 34-year plan. PECO proposes to replace all of its oldest, high-risk cast iron mains and all of its bare steel services in approximately 8 years (by 2023) and replace all of the cast iron and bare steel mains in its system in approximately 20 years (by 2035).

PECO also proposes a plan to ensure compliance with the new meter regulations at 52 Pa. Code § 59.18, promulgated by Commission Order entered May 22, 2014. Among other things, these new regulations require that all inside meter sets (except those excluded by the regulations) be relocated to the exterior of the structure by September 13, 2034. PECO's Modified LTIIIP addresses this by proposing to relocate its approximately 69,000 affected meters by 2034.

PECO plans to increase its spending levels from \$34 million per year to an annual spending commitment of \$61 million per year in 2018. This level of infrastructure improvement would be maintained by adding additional inflation adjustments for each year thereafter.

I express my support for this proposed acceleration of necessary infrastructure replacement that clearly enhances reliability and safety of our natural gas infrastructure. I strongly encourage other utilities to join PECO and Columbia Gas of Pennsylvania* in such strong commitments to these investments.

DATE: May 7, 2015


James H. Cawley, Commissioner

* Columbia Gas of Pennsylvania has increased capital spending from \$45.1 million in 2006 to \$194.9 million in 2014, and increased pipe replacement capital spending from \$20.4 million to \$148.2 million during that same period.