

PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120

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

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

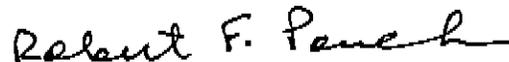
STATEMENT OF
CHAIRMAN ROBERT F. POWELSON

Before the Commission today for consideration is the Petition of PECO Energy Company (PECO or Company) for modification of its gas Long-Term Infrastructure Improvement Plan (LTIP). In its original LTIP filing, PECO had proposed replacing its targeted at-risk pipe in 34 years; PECO's proposed modification would reduce the replacement period to 20 years. PECO has listed three reasons for modifying its replacement schedule:

(1) To further enhance the safety and reliability of the Company's gas distribution system; (2) to address a recommendation in a recent Commission management and operations audit to accelerate the replacement rate of unprotected bare steel mains; and (3) to address recent revisions to . . . meter location regulations . . . which require the relocation of indoor meters to outdoor structures.¹

In order to achieve this acceleration PECO is increasing its annual spend from \$34 million annually to \$61 million annually in 2018, which will allow the company to increase its rate of replacement from 27 miles per year to 51 miles per year.

The data shows that this pipe only makes up 12% of PECO's system, yet it is responsible for 88% of all leaks. Removing at-risk pipeline at a faster rate greatly minimizes the risk of a catastrophic incident; I commend PECO for taking strong action to better protect their customers and urge other gas distribution utilities that have not accelerated at-risk pipeline replacement to follow PECO's lead.



ROBERT F. POWELSON
CHAIRMAN

DATE: May 7, 2015

¹ PECO Petition at 1-2.