

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Harrisburg, Pennsylvania 17105-3265

Re: Pennsylvania Public Utility  
Commission, et al., v.  
Philadelphia Gas Works

Public Meeting: August 30, 2012  
2286447-ALJ  
Docket R-2012-2286447

STATEMENT OF COMMISSIONER CAWLEY

We have before us the 2012 annual purchase gas tariff filing of Philadelphia Gas Works (PGW), the Joint Petition for Settlement, and the Recommended Decision of Administrative Law Judge Christopher P. Pell dated July 5, 2012.

The record in this proceeding establishes that Lost and Unaccounted for Gas (LAUF) for the last three fiscal years has increased substantially from 3.7% in fiscal year 2008-2009, to 4.0% in fiscal year 2009-2010, and to 4.4% in fiscal year 2010-2011.<sup>1</sup> Such increases in LAUF are reflected in purchase gas costs that are higher than what they otherwise would be, since the losses are embedded in PGW's gas supply costs, and also embedded in the retainage rates of transportation customers. It is strongly recommended that PGW focus its efforts on reversing these negative trends, and reducing these losses, in order to avoid any potential future penalties for excess levels of LAUF.<sup>2</sup>

August 30, 2012



James H. Cawley  
Commissioner

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<sup>1</sup> I&E Exhibit No. 1, Schedule 1, p. 1 of 2.

<sup>2</sup> Docket No. L-2012-2294746, Proposed Rulemaking Order Establishing a Uniform Definition and Metrics for Unaccounted For Gas.