



PHILADELPHIA GAS WORKS

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February 14, 2017

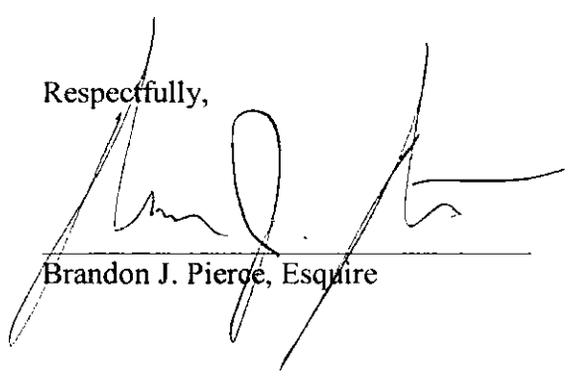
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

**Re: Philadelphia Gas Works Tariff Change as Part of Implementing 49 CFR 192.381, *et seq.*, Regarding Excess Flow Valves
Docket No. R-2017-XXXXXXX**

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW"), enclosed for filing is PGW's Gas Service Tariff, Pa. P.U.C. No. 2, Supplement No. 99. This Tariff Supplement is being filed as part of PGW's implementation of 49 CFR 192.381, *et seq.*, regarding excess flow valves. PGW's filing also includes a Statement of Reasons as required by 52 Pa. Code § 53.52. The Tariff Supplement is to become effective on sixty days' notice on April 15, 2017. Please contact me if you have any questions.

Respectfully,



Brandon J. Pierce, Esquire

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Enclosure

cc: Certificate of Service w/enc.
Marissa Boyle, Bureau of Technical Utility Services w/enc.

CERTIFICATE OF SERVICE

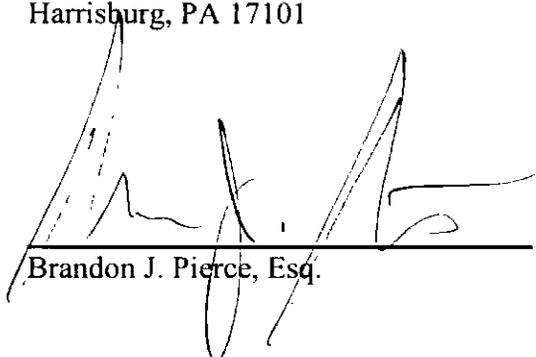
I hereby certify that this day I served a copy of PGW's Tariff Change as Part of Implementing 49 CFR 192.381, *et seq.*, regarding Excess Flow Valves upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Federal Express

Richard Kanaskie, Esq.
Bureau of Investigation & Enforcement
PA Public Utility Commission
Commonwealth Keystone Bldg.
400 North Street, 2nd Floor
Harrisburg, PA 17120

Aron Beatty, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921

Sharon Webb, Esq.
Office of Small Business Advocate
Commerce Building, Suite 202
300 North Second St.
Harrisburg, PA 17101



Brandon J. Pierce, Esq.

Dated: February 14, 2017

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**Philadelphia Gas Works Tariff Change as Part of Implementing 49 CFR 192.381, *et seq.*,
regarding Excess Flow Valves**

52 Pa. Code § 53.52

§ 53.52. Applicability; public utilities other than canal, turnpike, tunnel, bridge and wharf companies.

(a) Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

- (1) The specific reasons for each change.

RESPONSE: PGW is making this change as part of its implementation of the U.S. Department of Transportation, Pipeline and Hazardous Safety Administration's ("PHMSA") Final Rule "Pipeline Safety: Expanding the Use of Excess Flow Valves in Gas Distribution Systems to Applications Other Than Single-Family Residences," codified at 49 CFR § 192.381, *et seq.* ("EFV Regulations"). The new EFV Regulations make changes to part 192 to expand the use of excess flow valves ("EFV"), which are safety devices installed on distribution pipelines to reduce the risk of incidents and are required for new or replaced gas service lines servicing single-family residences. The new EFV Regulations are expanded to include new or replaced branched service lines servicing single-family residences, multi-family residences, and small commercial entities consuming gas volumes not exceeding 1,000 Standard Cubic Feet per Hour ("SCFH"). The new EFV Regulations also require the use of either manual service line shut-off valves (for example, curb valves) or EFVs (if appropriate), for new or replaced service lines with meter capacities exceeding 1,000 SCFH. Finally, the new EFV Regulations require utilities to notify customers of their right to request EFV installation on service lines that are not being newly installed or replaced, while leaving the question of who bears the cost of such installation to the utility's rate-setter.

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- (2) The total number of customers served by the utility.

RESPONSE: Approximately 500,000.

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- (3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

RESPONSE: No customer bills will be affected by this change. At such time as any of the 7,800 customers in the residential and small commercial classes that may be eligible for EFV installation elect to have an EFV installed prior to the Customer's service

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location being scheduled by the Company for a service line replacement or a new service, the Customer may be billed for the full cost of installation.

- (4) The effect of the change on the utility's customers.

RESPONSE: This change adds a provision that allows the utility to recover the costs of installing an EFV when it is requested by a customer if the Customer's service location had not been scheduled by the Company for a service line replacement or a new service line prior to the Customer's installation request.

- (5) The direct or indirect effect of the proposed change on the utility's revenue and expenses.

RESPONSE: The change will be revenue neutral.

- (6) The effect of the change on the service rendered by the utility.

RESPONSE: The change will have no effect on the service rendered by the utility.

- (7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).

RESPONSE: PGW made this change as part of its implementation of PHMSA's new EFV Regulations, as codified at 49 CFR § 192.381, *et seq.*

- (8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.

**Philadelphia Gas Works Tariff Change as Part of Implementing 49 CFR 192.381, *et seq.*,
regarding Excess Flow Valves**

52 Pa. Code § 53.52

RESPONSE: No studies have been undertaken; however, PGW has identified those customers affected by the change, as described in response to § 53.53(a)(3) above. By way of further response, PGW made this change as part of its implementation of PHMSA's new EFV Regulations, as codified at 49 CFR § 192.381, *et seq.*

- (9) Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

RESPONSE: No customer polls have been taken. PGW made this change as part of its implementation of PHMSA's new EFV Regulations, as codified at 49 CFR § 192.381, *et seq.*

- (10) Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

RESPONSE: PGW is complying with the Commission's Regulations at 52 Pa. Code § 53.1, *et seq.*, as well as the EFV Regulations promulgated by PHMSA at 49 CFR § 192.381, *et seq.* This includes notifying customers as provided for in the EFV Regulations.

- (11) FCC, FERC or Commission orders or rulings applicable to the filing.

RESPONSE: There are no FCC, FERC, or Commission orders or rulings applicable to this filing.

**Philadelphia Gas Works Tariff Change as Part of Implementing 49 CFR 192.381, et seq.,
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(b) Whenever a public utility other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (a), to the Commission, with the tariff, revision or supplement, statements showing the following:

- (1) The specific reasons for each increase or decrease.

RESPONSE: Section 53.52(b) is not is not applicable to this tariff change.

- (2) The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

RESPONSE: Section 53.52(b) is not is not applicable to this tariff change.

- (3) A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

RESPONSE: Section 53.52(b) is not is not applicable to this tariff change.

- (4) A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

RESPONSE: Section 53.52(b) is not is not applicable to this tariff change.

- (5) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

RESPONSE: Section 53.52(b) is not is not applicable to this tariff change.

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- (6) A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

RESPONSE: Section 53.52(b) is not is not applicable to this tariff change.

**Philadelphia Gas Works Tariff Change as Part of Implementing 49 CFR 192.381, et seq.,
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52 Pa. Code § 53.52

(c) If a public utility files a tariff, revision or supplement which it is calculated will increase the bills of a customer or a group of customers by an amount, when projected to an annual basis, exceeding 3% of the operating revenues of the utility—subsection (b)(4) divided by the operating revenues of the utility for a 12-month period as defined in subsection (b)(2)—or which it is calculated will increase the bills of 5% or more of the number of customers served by the utility—subsection (b)(3) divided by subsection (a)(2)—it shall submit to the Commission with the tariff, revision or supplement, in addition to the statements required by subsections (a) and (b), all of the following information:

- (1) A statement showing the utility's calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities)) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff, revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation. When an operating ratio is used in this calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).

RESPONSE: Section 53.52(c) is not is not applicable to this tariff change.

- (2) A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

RESPONSE: Section 53.52(c) is not is not applicable to this tariff change.

- (3) A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

RESPONSE: Section 53.52(c) is not is not applicable to this tariff change.

- (4) A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

RESPONSE: Section 53.52(c) is not is not applicable to this tariff change.

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- (5) A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).

RESPONSE: Section 53.52(c) is not is not applicable to this tariff change.

- (6) A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)—(5).

RESPONSE: Section 53.52(c) is not is not applicable to this tariff change.

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52 Pa. Code § 53.52

(d) If a utility renders more than one type of public service, such as electric and gas, information required by § § 53.51—53.53 (relating to information furnished with the filing of rate changes), except subsection (c)(2), relates solely to the kind of service to which the tariff or tariff supplement is applicable. In subsection (c)(2), the book value of property used in furnishing each type of public service, as well as the depreciation reserve applicable to the property, shall be shown separately.

RESPONSE: Section 53.52(d) is not applicable to PGW.

PGW

Gas Service Tariff

Pa. P.U.C. No. 2

Supplement No. 99

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Craig White
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

List of Changes Made by this Tariff Supplement

TABLE OF CONTENTS (Page Nos. 6-7)

Updated to reflect revised page numbers for each of the changes listed below on this page.

12. SERVICE CHARGES AND MISCELLANEOUS FEES AND PROVISIONS. (Page No. 57)

Section 12.7, Excess Flow Valves, has been added to address the cost of excess flow valve installation as part of the implementation of 49 CFR § 192.381, *et seq.*

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12. Service Charges and Miscellaneous Fees and Provisions.

12.1 CUSTOMER SERVICE CALL CHARGE. The following charge applies to Customers requesting service. Exempted from the Customer Service Call Charge will be calls for leaks and other safety related conditions, and all appliances covered under any currently effective Parts and Labor Plan contract.

Residential, Commercial and Industrial

\$72.05 plus \$8.53 for each additional 1/10 of an hour after the first 6 minutes.

12.2. CUSTOMER REQUESTED TURN ON TO A COMMERCIAL/INDUSTRIAL ACCOUNT WHERE GAS EQUIPMENT HAS NOT BEEN INSTALLED. PGW will turn on Gas Service for a Commercial or Industrial Applicant if all the Gas equipment has not been installed provided the Customer installs or pays PGW to install shut off valves that PGW can lock in place. PGW will return to remove the locks and inspect equipment. PGW will charge for materials required as well as assessing the Customer an amount equal to the Customer Service Call Charge for 1¹/₂ hours for services provided after the initial two visits.

12.3. INSPECTION OF GAS FUEL LINE FOR COMMERCIAL/INDUSTRIAL CUSTOMERS. PGW will inspect a new commercial/industrial Gas fuel line prior to turn on. The Customer will be assessed an amount equal to the Customer Service Call Charge for 1¹/₂ hours if more than one test is required.

12.4. GRATUITY TO EMPLOYEES. The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered by them while working for the Company on the Company's time.

12.5. OTHER CHARGES. Except as where otherwise provided in this Tariff, the Company may, where feasible, provide and charge for services requested by the Customer or his agent. The Company is not obligated to provide such services. The Company will, if possible, give the Customer an advance written estimate of the costs to provide the service.

12.6. NO PREJUDICE OF RIGHTS. The failure by the Company to enforce any of the terms of this Tariff shall not be deemed a waiver of its right to do so.

12.7. EXCESS FLOW VALVES. If a Customer requests that the Company install an excess flow valve at the Customer's service location, the Customer will be required to pay all costs associated with such installation if the Customer's service location had not been scheduled by the Company for a service line replacement or a new service line prior to the Customer's installation request. Installation will not be undertaken until the required payment has been made by the Customer. This section applies to Customers as detailed in 49 CFR § 192.381, *et seq.*

(C)

(C) – Change

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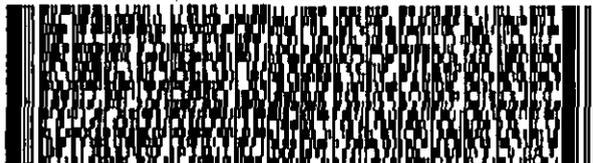
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