



**PHILADELPHIA GAS WORKS**

800 West Montgomery Avenue • Philadelphia, PA 19122

Brandon J. Pierce, Esq.  
Senior Attorney | Legal Department  
Direct Dial: 215-684-6219  
E-mail: [Brandon.Pierce@pgworks.com](mailto:Brandon.Pierce@pgworks.com)

March 8, 2017

**VIA FEDERAL EXPRESS**

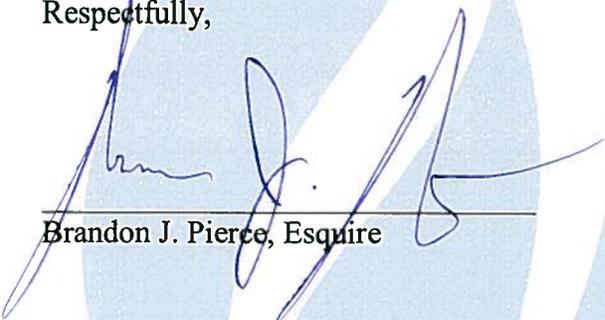
Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, 1 North  
400 North Street  
Harrisburg, PA 17120

**Re: Philadelphia Gas Works 2017-2018 Gas Cost Rate Filing  
Docket No. R-2017-2587526**

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW"), enclosed for filing is the Errata to the Direct Testimony of Raymond Snyder (PGW St. 2) in the above-referenced matter. Copies have been served in accordance with the attached Certificate of Service. A version of Mr. Snyder's statement (with these typographical errors corrected) will be offered into evidence at the hearing. Please replace the existing pages with these revised pages and contact me if you have any questions.

Respectfully,



Brandon J. Pierce, Esquire

Enclosure

cc: Certificate of Service w/ enc.  
Paul Diskin, Bureau of Technical Utility Services w/ enc.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of PGW's Errata Notice, upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

**VIA FIRST CLASS MAIL and EMAIL**

Aron J. Beatty, Esq.  
Christy M. Appleby, Esq.  
Harrison W. Breitman, Esq.  
Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place Bldg.  
555 Walnut Street  
Harrisburg, PA 17101-1921  
[abeatty@paoca.org](mailto:abeatty@paoca.org)  
[cappleby@paoca.org](mailto:cappleby@paoca.org)  
[hbreitman@paoca.org](mailto:hbreitman@paoca.org)

Sharon Webb, Esq.  
Office of Small Business Advocate  
Commerce Building, Suite 202  
300 North 2<sup>nd</sup> Street  
Harrisburg, PA 17101  
[swebb@pa.gov](mailto:swebb@pa.gov)

Gina Miller, Esq.  
Bureau of Investigation & Enforcement  
PA Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120  
[ginmiller@pa.gov](mailto:ginmiller@pa.gov)

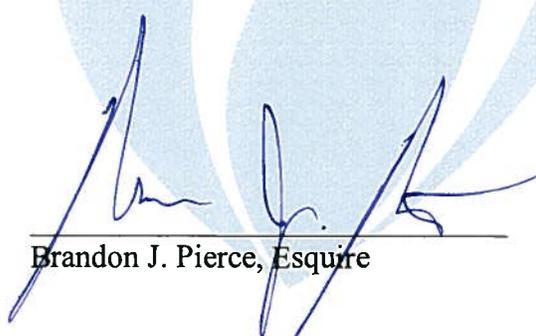
Robert W. Ballenger, Esq.  
Energy Unit  
Community Legal Services, Inc.  
1424 Chestnut Street  
Philadelphia, PA 19102  
[rballenger@clsphila.org](mailto:rballenger@clsphila.org)

Dated: March 8, 2017

Charis Mincavage, Esq.  
Adelou Bakare, Esq.  
Alessandra L. Hylander, Esq.  
McNEES, WALLACE, NURICK  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
[cmincavage@mwn.com](mailto:cmincavage@mwn.com)  
[ABakare@mwn.com](mailto:ABakare@mwn.com)  
[ahylander@mwn.com](mailto:ahylander@mwn.com)

Jerome D. Mierzwa  
Exeter Associates, Inc.  
10480 Little Patuxent Parkway  
Columbia, MD 21044  
[jmierzwa@exeterassociates.com](mailto:jmierzwa@exeterassociates.com)

Robert Knecht  
Industrial Economics, Incorporated  
2067 Massachusetts Ave.  
Cambridge MA 02140  
[rdk@indecon.com](mailto:rdk@indecon.com)



Brandon J. Pierce, Esquire

conditions of the ESS storage contract agreements. The Termination Notice applies to  
2 Contract No. 1039085 which terminated on 3/31/2016 and Contract No. 1010416 which  
3 terminated on 10/31/2016.

Contract No. 1039085 (Volumes)		Contract No. 1010416 (Volumes)	
Capacity	439,455	Capacity	323,416
Demand	52,077	Demand	38,327
Injection	4,346	Injection	3,198

9 Q. WHY DID PGW TERMINATE THE TRANSCO STORAGE CONTRACT?

10 A. PGW conducts annual reviews of pipeline and storage contracts to evaluate need with  
11 respect to supply security and cost. The two Transco ESS contracts are unbundled  
12 storages. The primary benefits of these contracts were for supply security in the event of  
13 supply interruptions due to hurricanes in the gulf producing region and second, for  
14 summer price advantages. Because of the shift in producing regions that now include  
15 proven supply from the Appalachia region, the risk of supply interruptions from gulf  
16 hurricanes has been mitigated .. Secondly, the ESS contracts had become PGW's highest  
17 unit cost storages, offsetting the summer price advantages.

18  
19 VIII. HAS PGW IMPLEMENTED A NEW INTEGRATED GAS MANAGEMENT  
20 SYSTEM (IGMS) THAT WILL IMPROVE INFORMATION AND FLEXIBILITY  
21 FOR THIRD PARTY SUPPLIERS, INCLUDING THE FUTURE POTENTIAL TO  
22 TRADE POOL IMBALANCES?

23 A. PGW is in the process of testing the retail operations module of the new IGMS. In service  
24 date is expected in the summer of 2017. The new application will have the ability, with some  
25 added configuration, to allow third party suppliers to trade pool imbalance.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

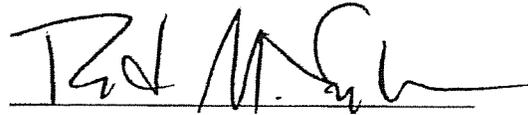
2 A. Yes.

**VERIFICATION**

I, Raymond M. Snyder, hereby state that I am the Sr. Vice President- Gas Management for Philadelphia Gas Works, I am authorized to make this verification its behalf, the facts above set forth in the foregoing document are true and correct (or are true and correct to the best of my knowledge, information and belief), and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18Pa. C.S. §4904 (relating to unsworn falsification to authorities).

3/17/2017

Dated

A handwritten signature in black ink, appearing to read 'Raymond M. Snyder', written over a horizontal line.

Raymond M. Snyder