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July 31, 2017

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

Re: Petition of Philadelphia Gas Works for Approval of its Second Long-Term Infrastructure Improvement Plan for the Period Beginning September 1, 2017 and Ending August 31, 2022, Docket No. P-2017-2602315

Dear Secretary Chiavetta:

In response to PGW's submission of its Second Long Term Infrastructure Improvement Plan ("Second LTIP"), the Bureau of Investigation and Enforcement ("I&E") submitted Comments in response, dated June 2, 2017. In the Comments, I&E stated that it was in support of PGW's acceleration of pipeline replacement; however, it was concerned that PGW may not be allocating the replacement expenditures appropriately.¹ Specifically, I&E stated that it "would like to learn whether resources may be better spent on replacing additional smaller diameter cast iron pipe rather than larger low pressure cast iron pipe."² The Comments also stated that the Pipeline Safety Division³ anticipates that such inquiries will be addressed in PGW's DIMP audit and "[b]ased on the results obtained from the DIMP audit there is a potential that a revised LTIP may have to be filed if a major modification is found."⁴

On June 21, 2017, the Pipeline Safety division performed the aforementioned DIMP audit and determined that PGW's DIMP plan and the replacement expenditures allocation in its Second LTIP were satisfactory. PGW demonstrated that the replacement of larger diameter low pressure cast iron main is warranted due to its relative risk ranking position and leaks repaired per mile. The blend of asset replacement represented in PGW's Second LTIP allocates expenditures appropriately to mitigate those risks; therefore, no revisions to PGW's Second LTIP are required at this point.

¹ I&E Comments at 2.

² I&E Comments at 4.

³ The Pipeline Safety Division was formerly known as the Gas Safety division.

⁴ I&E Comments at 4.



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

As a result of the foregoing, PGW's Second LTIP is adequate and sufficient to ensure and maintain adequate, efficient, safe, reliable, and reasonable service. Accordingly, PGW respectfully requests the Commission to approve its Second LTIP as filed.

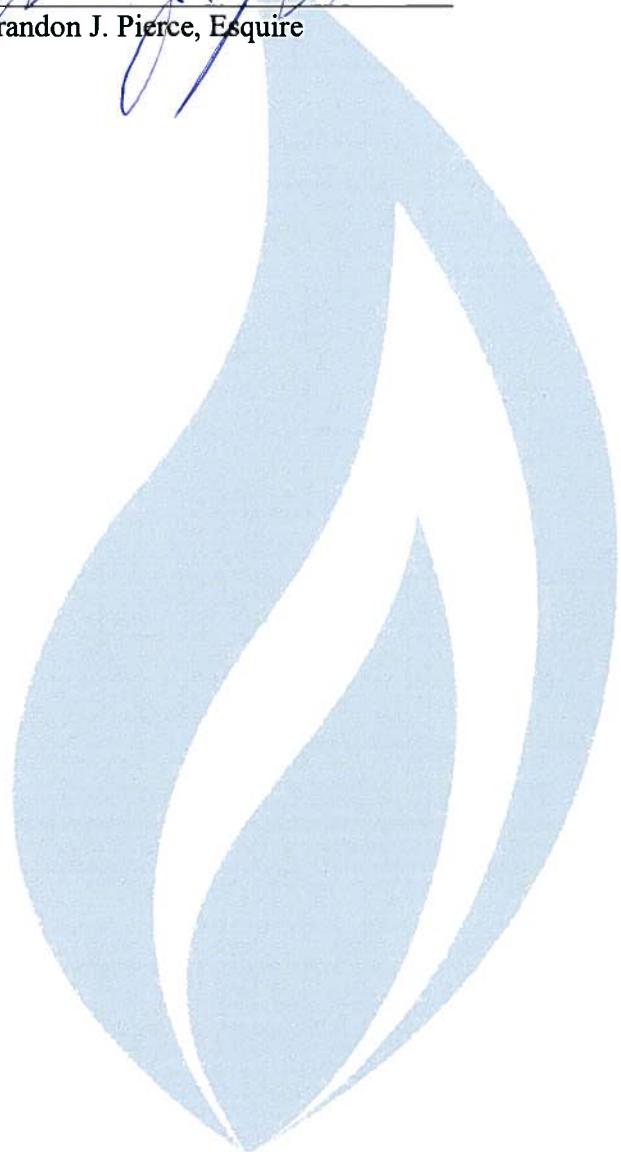
Respectfully,

A handwritten signature in blue ink, appearing to read 'Brandon J. Pierce', is written over a horizontal line. The signature is fluid and cursive.

Brandon J. Pierce, Esquire

Enclosure

cc: Cert. of Service w/enc.



CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Letter Regarding I&E's Comments to the Petition of Philadelphia Gas Works for Approval of its Second Long-Term Infrastructure Improvement Plan upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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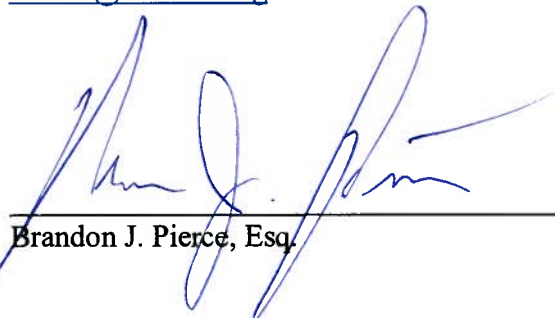
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DATED: July 31, 2017