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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  COMMONWEALTH KEYSTONE BUILDING  400 NORTH STREET, HARRISBURG, PA 17120 | **IN REPLY PLEASE REFER TO OUR FILE** |

September 20, 2018

Mr. Kevin O’Brien

Philadelphia Gas Works

800 W. Montgomery Avenue

Philadelphia, PA 19122

Re: Management Efficiency Investigation (MEI) of Philadelphia Gas Works,

D-2017-2627521

Dear Mr. O’Brien:

The Commission appreciates the cooperation extended by the officers and employees of Philadelphia Gas Works (PGW) to our audit staff during the recent Management Efficiency Investigation. We seek PGW’s further cooperation in implementing the recommendations cited in the MEI audit report.

At its Public Meeting of September 20, 2018, the Commission acknowledged receipt of PGW’s Implementation Plan submitted on August 28, 2018 and released it to the public, along with the Audit Staff’s MEI report. The Commission notes that the Company’s Implementation Plan indicates acceptance of 46 recommendations and rejection of one. Receipt of the Implementation Plan does not constitute acceptance by the Commission of the actions already taken, those to be taken, or the explanations and analysis provided. The Company’s implementation actions, together with any explanations and cost/benefit analyses, may be reviewed by the Commission at a later date. This review would be made to determine if the Company has effectively implemented the recommendations.

Accordingly, the Commission directs PGW to proceed with the August 28, 2018 Implementation Plan. The Commission’s direction to proceed with the Implementation Plan should not be construed as approval of the plan.

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Sincerely,

Rosemary Chiavetta

Secretary

Contact Person: John Clista

(717) 772-0317