

PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105

Pennsylvania Public Utility Commission,
et al. v. Peoples Gas Company, LLC;
Purchase Gas Costs Tariff Filing

Public Meeting: August 29, 2019
3007613-ALJ
Docket No. R-2019-3007613 *et al.*

STATEMENT OF COMMISSIONER ANDREW G. PLACE

Before us is the Purchased Gas Costs (PGC) tariff filing pursuant to Section 1307(f) of the Public Utility Code, 66 Pa.C.S. § 1307(f), and the Joint Petition for Settlement of the Section 1307(f) Rate Investigation of Peoples Gas Company LLC (Peoples Gas or Company).

The parties in this case reached consensus on all issues, including continuation of a fuel retention charge on conventional gas producers connected directly to the Companies' gathering and distribution systems. I support the ALJ's Recommended Decision to approve this charge, believing that the Company carried its burden of proof. Most importantly, I believe that producers are the main beneficiaries of these low-pressure systems, especially in areas where delivery customer services are scarce. Going forward, I remain open to further arguments as to where on the system such retention charges should be imposed, and the amount of those charges.

However, I also want to emphasize that I remain very concerned about the level of gathering system lost and unaccounted for (LAUF) gas volumes for Peoples Gas. Despite Company efforts to reduce these losses, gathering system LAUF increased from 9.5% to 10.3% this year. This is disconcerting and in contradiction to Peoples Gas' agreement to a maximum 9.0% gathering system LAUF target for the 12-month period ending August 31, 2019 pursuant to the 2018 Section 1307(f) proceeding settlement terms. I remind the Company that exceedances of the gathering LAUF target, after application of certain credits, will create a rebuttable presumption that the excess is unreasonable in next year's 1307(f) filing. I strongly urge the Company to work assiduously to reduce these losses and look forward to reviewing more positive future results.

DATE: August 29, 2019



Andrew G. Place, Commissioner