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June 4, 2021

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Philadelphia Gas Works 2021-2022 1307(f) Gas Cost Rate Filing  
Docket No. R-2021-3023970, C-2021-3024126 and C-2021-3024293

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Philadelphia Gas Works' ("PGW") Reply Brief in the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

*Kristine E. Marsilio*

Kristine E. Marsilio

KEM/lww

Enclosure

cc: Hon. Darlene Heep w/o enc.  
Cert. of Service w/o enc.

## CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Reply Brief 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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Dated: June 4, 2021

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket No. R-2021- 3023970
	:	
	:	
Office of Consumer Advocate	:	Docket No. C-2021-3024126
Office of Small Business Advocate	:	Docket No. C-2021-3024293
	:	
v.	:	
	:	
Philadelphia Gas Works	:	

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**REPLY BRIEF  
OF PHILADELPHIA GAS WORKS**

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## **I. INTRODUCTION & STATEMENT OF THE CASE**

The Main Briefs (“MBs”) of the Commission’s Bureau of Investigation and Enforcement (“I&E”) and the Office of Small Business Advocate (“OSBA”) contain a number of unfounded arguments as to why the Pennsylvania Public Utility Commission (“Commission”) should deny PGW’s Renewable Natural Gas (“RNG”) pilot program proposal. Significantly, the arguments of I&E and the OSBA disregard the important legal mandate that PGW must pursue a least cost fuel procurement policy, consistent with its “obligation to provide safe, adequate and reliable service to its customers.”<sup>1</sup> As the Office of Consumer Advocate (“OCA”) noted in its Main Brief: “The RNG pilot program will afford PGW an important opportunity to explore the renewable natural gas markets with limited risk to ratepayers in order to potentially protect the long-term interests of ratepayers.”<sup>2</sup>

In contrast, I&E and the OSBA fail to recognize, or give due consideration, to important aspects of PGW’s RNG proposal, such as the fact that this program is a pilot, designed to gather information and to evaluate whether the program should be continued on a permanent basis, and the \$500,000 spending cap that will keep prices down and protect ratepayers. I&E also, unfortunately, does not accurately characterize recent Commission orders involving the COVID-19 pandemic and PGW’s most recent base rate case.

Contrary to claims made by I&E and the OSBA, PGW has met its burden of demonstrating that the RNG pilot program proposal will help PGW achieve its goals and meet the legal mandate of providing safe, adequate, and reliable service to its customers. As demonstrated by the record in this proceeding, the RNG supply market could become an

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<sup>1</sup> 66 Pa.C.S. §§ 1317 and 1318.

<sup>2</sup> OCA MB at 9.

increasingly important source of gas supply in the years ahead. Including RNG in PGW's gas mix now is a prudent step that will enable PGW to better diversify its supply portfolio into the future, thus improving the long-range safety, adequacy and reliability of its gas supply.

For the reasons discussed below and in PGW's Main Brief, PGW respectfully request that the Commission: (1) conclude that PGW's RNG pilot program proposal, as modified by the Joint Stipulation of PGW and OCA filed in the above-captioned proceeding on May 13, 2021, is consistent with the Company's obligations under Sections 1317 and 1318 of the Public Utility Code, 66 Pa.C.S. §§ 1317 and 1318; and (2) approve PGW's RNG pilot program proposal, as modified by the Joint Stipulation of PGW and the OCA.<sup>3</sup>

**II. PROCEDURAL HISTORY**

PGW incorporates the Procedural History from its Main Brief herein.<sup>4</sup>

**III. BURDEN OF PROOF & APPLICABLE LEGAL STANDARDS**

PGW incorporates the Burden of Proof & Applicable Legal Standards from its Main Brief herein.<sup>5</sup>

**IV. STATEMENT OF QUESTIONS PRESENTED**

PGW incorporates the Statement of Questions Presented from its Main Brief herein.<sup>6</sup>

**V. ARGUMENT**

**PGW RESPONSES TO I&E MAIN BRIEF**

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<sup>3</sup> All other issues in the proceeding will be reflected in the Joint Petition for Settlement ("Settlement"), which the parties intend to file no later than June 4, 2021. PGW and the other Parties also intend to submit Statements in Support of the Settlement, setting forth why the Settlement is in the public interest and should be approved by the Administrative Law Judge and the Commission.

<sup>4</sup> PGW MB at Section II

<sup>5</sup> PGW MB at Section III.

<sup>6</sup> PGW MB at Section IV.

**1. PGW's RNG Proposal is Consistent with Its Obligations Under Sections 1317 and 1318 of the Public Utility Code**

In its Main Brief, I&E argues that PGW's RNG proposal does not support a least cost fuel procurement policy, because: (1) PGW has failed to demonstrate that it will negotiate favorable RNG supply contracts; (2) PGW's proposal expressly rejects lower cost gas supplies; and (3) PGW has failed to demonstrate that its RNG proposal is essential to the provision of safe, adequate, and reliable service.<sup>7</sup> For the reasons explained below and in PGW's Main Brief, all of these arguments lack merit.

**A. PGW'S RNG Proposal Contains a Reasonable Level of Detail Sufficient for the Commission to Conclude that PGW has Met its Burden.**

I&E first argues that PGW's RNG proposal should be rejected because PGW has failed to demonstrate that it will negotiate favorable supply contracts.<sup>8</sup> In making this argument, I&E expressly (and ironically) acknowledges that it would not have been prudent for PGW to contractually commit to purchases, incur legal expenses, and use its resources prior to the Commission authorizing the project.<sup>9</sup> Nonetheless, I&E notes that the record is devoid of any actual or tentative contracts for review and lacks general RNG contract information necessary for the Commission to conclude that PGW has complied with its obligations under the Public Utility Code.<sup>10</sup>

Contrary to I&E's assertions, PGW's proposal contains a reasonable level of detail sufficient for the Commission to conclude that PGW has met its burden. PGW incorporates

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<sup>7</sup> I&E MB at Sections V.1.A. – V.1.C.

<sup>8</sup> I&E MB at Sections V.1.A.

<sup>9</sup> I&E MB at 15.

<sup>10</sup> I&E MB at 15-16.

herein Section V.E. of its Main Brief. Further, I&E is putting the cart before the horse. As PGW witness Mr. Greg Stunder explained, for PGW to have more detail regarding the procedure for obtaining RNG at this point would have required PGW to have negotiated and finalized an agreement or agreements with an RNG provider (actions of which I&E admits would have been imprudent).<sup>11</sup> Certainly, even if the Commission approves this proposal, PGW must continue to meet the criteria outlined in Section 1318 of the Public Utility Code, including negotiating favorable RNG gas supply contracts, and the parties reserve their rights to raise future challenges related thereto.<sup>12</sup> The fact that PGW has not prematurely started these negotiations, however, is not grounds for the Commission to deny this proposal.

Moreover, I&E's argument fails to recognize that this program is a pilot, designed to gather information and to evaluate whether the program should be continued on a permanent basis. Moreover, as a result of an agreement with the OCA, PGW has agreed to significant reporting requirements at the end of Year 1 that will serve as a basis to evaluate the success and

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<sup>11</sup> PGW St. 3-R at 2.

<sup>12</sup> Section 1318(1)-(4) of the Public Utility Code provides that, in determining whether PGW is pursuing a least cost fuel procurement policy, the Commission must find that:

- (1) The utility has fully and vigorously represented its ratepayers' interests before the Federal Energy Regulatory Commission.
- (2) The utility has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to the interests of the utility's ratepayers.
- (3) The utility has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies.
- (4) The utility has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

66 Pa.C.S. § 1318(a)(1)-(4). PGW satisfies all of these standards on an overall basis.

benefits of the program and provide valuable information that PGW would be unable to obtain if not for this pilot. These extensive reporting requirements include:

- (1) Reporting the daily quantities of RNG purchased;
- (2) Reporting prices PGW paid for RNG;
- (3) Identifying how those prices compare to other purchases;
- (4) Identifying the Gas Cost Rate (“GCR”) rate impact of its RNG purchases;
- (5) Identifying the BTU content of its RNG purchases, to the extent such data is available; and
- (6) Identifying the location of the facility producing the RNG and the type of facility (i.e. landfill, wastewater treatment plant, municipal solid waste, agricultural product, etc.).<sup>13</sup>

PGW will also identify whether its purchase of RNG will result in the monetization of any of the environmental benefits of the RNG project and how those benefits will be reflected in the price of the RNG it purchases.<sup>14</sup>

At the conclusion of the two-year pilot program, PGW will consider whether to propose the continuation of RNG purchases. If PGW decides to propose the continuation of RNG, PGW will submit testimony and data in its March 1, 2023 annual GCR filing, which will include information about PGW’s RNG purchasing (to date) and the specifics of the Company’s going forward proposal for the continuation of an RNG purchasing program.<sup>15</sup> At this time, the parties and the Commission will be in a better position to evaluate the program, identify concerns,

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<sup>13</sup> Joint Stipulation of PGW and OCA at ¶ (b).

<sup>14</sup> Joint Stipulation of PGW and OCA at ¶ (b).

<sup>15</sup> PGW St. 3 at 4-5.

and/or request further information. In other words, this pilot program is designed to provide PGW with valuable information – essentially the same data that I&E asserts is “missing” and which it claims must be submitted prior to implementing the program.

**B. PGW’s RNG Proposal is Reasonable, Even if it Produces Higher than the “Least Cost.”**

Next, I&E argues that PGW’s RNG proposal is not consistent with PGW’s obligation to pursue a least cost fuel procurement policy, because PGW’s proposal expressly rejects lower cost gas supplies.<sup>16</sup> In making this argument, I&E focuses on the cost of RNG compared to conventional natural gas and characterizes the RNG purchases as “exponentially more expensive.”<sup>17</sup> PGW submits that this argument is an inaccurate portrayal of the law and is internally inconsistent with I&E’s next argument — that PGW has failed to demonstrate that incorporating RNG into PGW’s gas supply portfolio will help PGW achieve its goals and legal mandate of providing safe, adequate, and reliable service to its customers.

Specifically, this argument completely ignores the important language in Sections 1317 and 1318 of the Public Utility Code that requires PGW to pursue a least cost fuel procurement policy consistent with its “obligation to provide safe, adequate and reliable service to its customers.” As discussed in Sections III and V.C. of PGW’s Main Brief, PGW is not obligated (nor is it permitted) to purchase the least expensive gas *without any further consideration*; rather, PGW must take steps to ensure that the cost is “as low as reasonably possible, consistent with its obligation to provide safe, reliable and adequate service.”<sup>18</sup> In other words, a purchasing

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<sup>16</sup> I&E MB at Section V.1.B.

<sup>17</sup> I&E MB at 16-19.

<sup>18</sup> *Pennsylvania Public Utility Commission v. Philadelphia Gas Works*, Docket Nos. R-00061931, *et. al.*, Opinion and Order (Sept. 28, 2007) (emphasis added).

strategy may be reasonable even if part of that strategy produces higher than the “least cost” if that strategy improves or maintains the safety, adequacy and reasonableness of the utility’s gas supply.<sup>19</sup> One can easily posit scenarios where I&E would, undoubtedly, agree that a gas utility was not obligated to restrict its natural gas supply from, for example, a single source where the risk of interruption was substantial (e.g., 100% foreign LNG purchases, or 100% purchases from a single supplier). Accordingly, PGW’s RNG proposal does not run afoul of any hard and fast legal prohibition. On the contrary, like all natural gas purchases, the Commission must consider the proposal under the conditions of the existing gas marketplace.<sup>20</sup> I&E’s argument that PGW’s RNG proposal must be rejected simply because there exists lower priced gas supplies completely ignores this important legal requirement.

It should also be noted that, while I&E tries to ignore this important legal standard, I&E also implicitly acknowledges this standard (and contradicts its own argument) when it makes the (unfounded) argument that PGW has failed to support a determination that its RNG pilot program will provide safe, adequate and reliable service.<sup>21</sup> If the *only* criteria by which the reasonableness of PGW’s gas supply portfolio is to be judged is whether each and every contract in the portfolio is the lowest price then there would be no need for the rest of the statutory sentence — requiring that a utility’s gas supply purchases be least cost consistent with the provision of safe, adequate and reasonable service.

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<sup>19</sup> Of note, OCA witness Mierzwa appears to accept that PGW’s proposal is consistent with this standard. OCA St. 1 at 11-12. Further, OSBA witness Knecht also appears to acknowledge this element of the standard when he claimed that PGW’s RNG pilot cannot be considered consistent with the least cost fuel procurement standard because it has not been shown that the proposed pilot is related to supply diversity or security of supply.

<sup>20</sup> *Popowsky v. Pennsylvania PUC*, 676 A.2d 731, 735 (Pa. Cmwlth. 1996).

<sup>21</sup> I&E MB at Section V.1.C.

Further, I&E’s continued characterization of the cost of RNG as “expensive”<sup>22</sup> fails to recognize, or give due consideration, to the \$500,000 spending cap that will keep prices down and protect ratepayers.<sup>23</sup>

Finally, it is necessary to address I&E’s assertion that PGW’s “illusory promise” related to identifying the BTU content impact supports a rejection of PGW’s RNG proposal.<sup>24</sup> PGW, willingly, accepted all of the reporting requirements proposed by the OCA, except for the OCA’s proposal to identify the BTU content. In doing so, PGW explained that the source(s) of RNG will be off-system, and the RNG will be subject to specifications set forth by the pipeline that will be transporting the RNG. Additionally, RNG purchases could potentially be bundled from more than one RNG source, and therefore, PGW explained that it is uncertain if the BTU content will be available. Nonetheless, PGW agreed that, should PGW be able to identify the BTU content, PGW will provide it.<sup>25</sup> As such, PGW’s promise to provide the BTU content, if available, is reasonable and cannot serve as a basis for the Commission to deny PGW’s proposal.

For the reasons explained above and in Sections III and V.C. of PGW’s Main Brief, PGW’s RNG proposal is reasonable even if it produces higher than the “least cost,” and contrary to I&E’s claims,<sup>26</sup> this position **is** directly grounded in existing law.

**C. The Record Contains Substantial Evidence Demonstrating that Incorporating RNG into PGW’s Gas Supply Portfolio will Help PGW Achieve its Goals and Legal Mandate of Providing Safe, Adequate, and Reliable Service to its Customers.**

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<sup>22</sup> I&E MB at 2, 5, 14, 17, 23

<sup>23</sup> PGW St. 3 at 2; Joint Stipulation of PGW and OCA at ¶ (a).

<sup>24</sup> I&E MB at 18-19.

<sup>25</sup> PGW St. 3-R at 8.

<sup>26</sup> I&E MB at 19.

Next, I&E argues that the record fails to support a determination that PGW's RNG proposal is essential to the provision of safe, adequate, and reliable service.<sup>27</sup> Contrary to these claims, the record contains substantial evidence to demonstrate that incorporating RNG into PGW's gas supply portfolio will help PGW achieve its goals and legal mandate of providing safe, adequate, and reliable service to its customers. As the OCA noted in its Main Brief, "The RNG pilot program will afford PGW an important opportunity to explore the renewable natural gas markets with limited risk to ratepayers in order to potentially protect the long-term interests of ratepayers."<sup>28</sup> As demonstrated by the record in this proceeding and explained in Section V.C. of PGW's Main Brief, the RNG supply market could become an increasingly important source of gas supply in the years ahead. As Mr. Stunder explained, it is not hard to envision circumstances in the future in which having the ability to purchase RNG as opposed to gas sourced from the Gulf region of the U.S. or the Marcellus Shale regions could be important for PGW to maintain security and adequacy of supply. To be in a position to utilize this supply alternative in the future, PGW needs to gain experience with RNG procurement today. This experience will permit PGW to identify and start to address any contracting, delivery or approval issues.<sup>29</sup>

The record shows that including RNG in PGW's gas mix is a prudent step that will diversify PGW's supply portfolio.<sup>30</sup> Mr. Stunder testified: "This could have benefits if there are supply shortages or disruptions that reduce the ability of PGW's traditional gas supply sources to

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<sup>27</sup> I&E MB at Section V.1.C.

<sup>28</sup> OCA MB at 9.

<sup>29</sup> PGW St. 3 at 3-R at 3-4.

<sup>30</sup> PGW St. 3 at 4.

deliver adequate supply.”<sup>31</sup> Further, the evidence demonstrates that sourcing the RNG from local or regional producers (as PGW has proposed) provides a diversity of geographic supply, and diversity of supply supports reliability.<sup>32</sup>

As such, the record contains substantial evidence demonstrating that incorporating RNG into PGW’s supply portfolio will help PGW achieve its goals and legal mandate of providing safe, adequate, and reliable service to its customers.

**i. Environmental Benefits Associated with RNG are Incidental.**

I&E asserts that the alleged emission benefits of PGW’s RNG proposal are unsupported.<sup>33</sup> First, PGW disagrees with this statement. Mr. Stunder provided substantial evidence to support a finding that RNG has emission reduction benefits.<sup>34</sup> Second and perhaps more important, I&E’s argument misses the point. While PGW’s RNG proposal will likely result in incidental environmental benefits, the environmental considerations are not the catalyst for this proposal. PGW’s proposal is a direct result of changing market conditions and an attempt to introduce and gain knowledge and experience with a new supply source, which PGW reasonably believes could produce safety and adequacy benefits in the future.<sup>35</sup> As such, PGW is seeking a ruling that its proposed purchases of RNG are consistent with its obligations under Sections 1317 and 1318 of the Public Utility Code. This issue is directly relevant to and appropriately addressed in a GCR proceeding.

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<sup>31</sup> PGW St. 3 at 4.

<sup>32</sup> PGW St. 3 at 4.

<sup>33</sup> I&E MB at Section V.1.C.i.

<sup>34</sup> PGW St. 3 at 2.

<sup>35</sup> *See* PGW MB at Section V.C.

**ii. I&E’s Reliance on the Commission’s Order in PGW’s 2020 Rate Case is Misplaced.**

I&E’s reliance on *Pa. PUC vs. Philadelphia Gas Works*, Docket No. R-2020-3017206, Opinion and Order (Nov. 19, 2020) (“*PGW Order*”) is misplaced.<sup>36</sup> The pertinent issue before the Commission in the *PGW Order* was whether the Commission had jurisdiction to require PGW to submit a Climate Business Plan, or information about warming climate trends and climate change impacts in its next base rate case.<sup>37</sup> The issue in the *PGW Order* did not involve a specific rate case adjustment or proposal. In fact, in concluding that the Commission lacked jurisdiction over this issue, the Commission held:

We want to be clear in stating here that we are not departing from our broad jurisdiction to regulate rates and determine the justness and reasonableness of same, including expense and revenue claims driven by weather patterns and customer usage. [...] We simply find that, at this time, mandating a Climate Business Plan is beyond our primary jurisdiction.<sup>38</sup>

The Commission further held that if environmental information does not serve to support a specific adjustment or proposal in a rate case, the information is not relevant and the Commission should not consider it.<sup>39</sup>

PGW is not pursuing an “environmental issue” in this case, and PGW is certainly not taking the position that the Commission has jurisdiction to mandate a Climate Business Plan. As discussed, PGW is seeking Commission approval to purchase a limited amount of RNG as a direct result of changing market conditions and an attempt to introduce and gain knowledge and

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<sup>36</sup> I&E MB at Section V.1.C.ii.

<sup>37</sup> *See PGW Order* at 90-95.

<sup>38</sup> *PGW Order* at 94.

<sup>39</sup> *PGW Order* at 92.

experience with a new supply source which appears likely to gain in importance and availability in the future. PGW reasonably believes that its RNG proposal could produce safety and adequacy benefits in the future.<sup>40</sup> As such, PGW is seeking a ruling that its proposed purchases of RNG are consistent with its obligations under Sections 1317 and 1318 of the Public Utility Code. These issues fall squarely within the Commission’s jurisdiction and authority to regulate rates and to regulate PGW’s GCR under Sections 1307(f), 1317, and 1318 of the Public Utility Code, 66 Pa.C.S. §§ 1307(f), 1317 and 1318.

## **2. PGW’s Proposed Cost of RNG Spending is Reasonable**

I&E next argues that PGW’s RNG proposal would result in unjust and unreasonable rates for PGW’s ratepayers.<sup>41</sup> PGW addressed this argument in detail in Section V.D. of its Main Brief and incorporates those arguments herein.

In this Section of its Main Brief, I&E also misstates the Commission’s decisions in *Pa. PUC v. Columbia Gas of Pennsylvania, Inc.*, Docket No. R-2020-3018835, Opinion and Order (Feb. 18, 2021) (“*Columbia Order*”).<sup>42</sup> While I&E asserts that the Commission mandated the consideration of the COVID-19 pandemic in setting just and reasonable rates, the *Columbia Order* actually *rejected* any general claim that a rate increase could be deemed unreasonable simply because customers were experiencing the COVID-19 pandemic.<sup>43</sup> Instead, the Commission held that it would consider the effects of the pandemic to the extent they impact the

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<sup>40</sup> See PGW MB at Section V.1.C.iii.

<sup>41</sup> I&E MB at Section V.2.

<sup>42</sup> See I&E MB at 23-32.

<sup>43</sup> *Columbia Order* at 50-51 (“[W]hile we acknowledge that the COVID-19 pandemic is a significant social-economic event, we disagree with the ALJ’s recommendation to completely deny Columbia’s requested rate relief due to the pandemic’s impact and to forgo a review of the case utilizing the traditional ratemaking methodologies.”).

traditional ratemaking methodologies and impact PGW’s cost of providing service.<sup>44</sup> So, for example, if the evidence in this case had demonstrated that the COVID-19 pandemic resulted in an increase in the cost of RNG, under the *Columbia Order*, the Commission could, arguably, consider this evidence in evaluating whether it was reasonable to implement PGW’s RNG proposal at this time. These are **not** the facts of this case. Contrary to I&E’s assertions, the *Columbia Order* supports the conclusion that the social-economic impact of the COVID-19 pandemic, alone, does not justify the denial of PGW’s RNG proposal.<sup>45</sup> This point is especially compelling here, where PGW’s RNG proposal contains a \$500,000 spending cap that will serve to protect ratepayers as the economy is recovering.<sup>46</sup>

It is also worth noting that there is no legal basis or Commission precedent to support I&E’s proposed adoption of the OSBA-created “reasonable probability” standard.<sup>47</sup> This standard, which would require PGW to demonstrate a “reasonable probability” that RNG would become a significant future supply source at a competitive price, was completely invented by OSBA witness Mr. Knecht.<sup>48</sup> There is no legal basis or Commission precedent to support this “reasonably probability” standard. As discussed, the legal standard requires that a natural gas utility must show that it “is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers.” As discussed, PGW has met its burden of demonstrating that PGW’s RNG pilot program proposal will help

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<sup>44</sup> *Columbia Order* at 51.

<sup>45</sup> *See Columbia Order* at 50-51.

<sup>46</sup> PGW St. 3 at 2; Joint Stipulation of PGW and OCA at ¶ (a).

<sup>47</sup> I&E MB at 26.

<sup>48</sup> PGW St. 3-RJ at 3.

PGW to maintain the safety, adequacy and reasonableness of the utility's gas supply. The two-year pilot program and required reporting requirements will help to ensure that this standard is met before this program is implemented on a permanent basis, and the \$500,000 spending cap will help to protect ratepayers in the interim.

### **PGW RESPONSES TO OSBA MAIN BRIEF**

In its page and a half of argument, the OSBA makes the following, unsupported assertions pertaining to PGW's RNG proposal: (1) Because of the increased cost of RNG, PGW's proposal should be rejected; (2) PGW's gas supply portfolio has been deemed safe, adequate, and reliable without RNG; and (3) PGW has not guaranteed environmental benefits.<sup>49</sup> PGW has fully addressed the claims regarding the increased cost of RNG and the environmental benefits of RNG in Sections V.1.B, V.1.C., and V.1.C.i. of this Reply Brief, and PGW incorporates those arguments herein.

The OSBA's argument that PGW's gas supply portfolio has been deemed safe, adequate, and reliable without RNG is focused too narrowly on short-term considerations. Again, it is worth emphasizing that PGW reasonably believes that RNG could be important for security and adequacy of supply in the future. To be in a position to utilize this supply alternative in the future, PGW needs to gain experience with RNG procurement today. PGW incorporates its discussions in Sections V.C. of its Main Brief and in Section C of its Reply Brief herein.

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<sup>49</sup> OSBA MB at 6.

**VI. CONCLUSION**

WHEREFORE, Philadelphia Gas Works respectfully request that the Commission:  
(1) conclude that PGW's Renewable Natural Gas pilot program proposal, as modified by the Joint Stipulation of PGW and the OCA, is consistent with the Company's obligations under Sections 1317 and 1318 of the Public Utility Code; and (2) approve PGW's RNG pilot program proposal, as modified by the Joint Stipulation of PGW and the OCA.

Respectfully submitted,

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