

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17120

Pennsylvania Public Utility  
Commission  
Office of Consumer Advocate  
Office of Small Business Advocate

Public Meeting August 26, 2021  
3023970-OSA  
Docket No. R-2021-3023970

v.  
Philadelphia Gas Works

**STATEMENT OF VICE CHAIRMAN DAVID W. SWEET**

Before us are exceptions in Philadelphia Gas Works' (PGW) annual Gas Cost Rate (GCR) proceeding. PGW proposed a pilot in which it would include renewable natural gas (RNG) as part of its gas supplies. PGW and OCA agreed that PGW would purchase up to \$500,000 worth of RNG per year in fiscal years 2022 and 2023, with PGW including some reporting information in future GCR proceedings.

I support PGW's proposed RNG pilot. In general, pilots are an avenue to examine new ideas and practices to determine impacts and costs in a manner that includes guardrails to help limit the potential for negative impacts on customers. It is appropriate for PGW to utilize pilots to help it develop business practices that align with an ever-changing utility environment. In this pilot, \$500,000 per year is only 0.4% of PGW's annual projected cost of gas – an infinitesimal amount relative to its overall commodity dollar figure of nearly \$123 million.<sup>1</sup> While I do not take lightly the spending of ratepayer money, I find this amount to be reasonable in determining the impacts of new gas procurement strategies.

Additionally, as OCA notes,<sup>2</sup> Section 1318 of the Public Utility Code<sup>3</sup> does *not* require the purchase of the lowest cost supply resource available at any given time. It requires that the overall *portfolio* be least cost in providing safe, adequate and reliable service over the foreseeable time horizon. Allowing this pilot would not be flouting the requirements of Section 1318, as argued by some of the other parties.

Therefore, I will be voting no on the staff recommendation before us, as I find PGW and OCA's arguments in favor of the RNG pilot persuasive.

Date: August 26, 2021



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DAVID W. SWEET  
VICE CHAIRMAN

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<sup>1</sup> See Schedule 1 of PGW's Annual 1307(f) filing, submitted March 1, 2021.

<sup>2</sup> See OCA M.B. at 9.

<sup>3</sup> See 66 Pa. C.S. § 1318(a).