

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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June 2, 2022

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

Re: Petition of Philadelphia Gas Works for Approval
of its Third Long-Term Infrastructure Improvement
Plan
Docket Nos. P-2012-2337737
P-2022-3032303

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Comments in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Erin L. Gannon
Erin L. Gannon
Senior Assistant Consumer Advocate
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Enclosures:

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Certificate of Service

*329895

CERTIFICATE OF SERVICE

Re: Petition of Philadelphia Gas Works : Docket Nos. P-2012-2337737
for Approval of its Third Long-Term : P-2022-3032303
Infrastructure Improvement Plan :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Comments, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 2nd day of June 2022.

SERVICE BY E-MAIL ONLY

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Dated: June 2, 2022
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Philadelphia Gas Works : Docket Nos. P-2012-2337737
for Approval of its Third Long-Term : P-2022-3032303
Infrastructure Improvement Plan :

COMMENTS OF THE
OFFICE OF CONSUMER ADVOCATE

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Dated: June 2, 2022

I. INTRODUCTION

In order to qualify for DSIC recovery, a utility must have an approved Long-Term Infrastructure Improvement Plan (LTIIIP) in place. *See* 66 Pa. C.S. § 1352. Philadelphia Gas Works (PGW or Company). The period of PGW’s current LTIIIP September 1, 2017 through August 31, 2022 (corresponding to PGW’s fiscal years 2018 through 2022) and was approved by Order entered August 31, 2017, in Docket No. P-2017-2602315. The Company filed Annual Asset Optimization Plans (AAOP) at the end of October for each year of its current LTIIIP. The AAOPs describe all eligible property improved in the preceding 12-month period pursuant to the LTIIIP and prior year’s AAOP and the facilities to be improved in the upcoming 12-month period. On May 3, 2022, PGW filed a Petition for Approval of its Third LTIIIP for the period September 1, 2022 through August 31, 2027.

Since 2017, PGW’s “at risk” mains have been reduced from 62% to 56% of its total mains. *See* Second LTIIIP Petition at 6; Third LTIIIP Petition at 6. The Company proposes to continue to replace approximately 31 miles of cast iron and unprotected steel main per year compared to its baseline of 18 miles. Third LTIIIP Petition at 7. PGW estimates that it will retire all of its cast iron mains in 40 years. *Id.* at 6. PGW’s estimated spending for the Third LTIIIP reflects the current DSIC cap of 7.5%, currently \$38.6 million annually. *Id.* This compares to spending in the Second LTIIIP, which was \$33 million annually based on the same DSIC cap of 7.5%. Second LTIIIP Petition at 6.

II. OCA COMMENTS

In Comments filed on previous PGW LTIIIP filings, the OCA recommended that PGW inform the Commission how it plans to replace service lines and other appurtenances in conjunction with main replacements to ensure the most cost-effective and timely deployment.

With regard to service lines, the OCA recommended that the Company provide information on the expected incidental reduction in bare steel service lines due to the acceleration of the smaller diameter cast iron main replacements.

Most recently, on April 25, 2016, PGW provided that information in response to a Commission Staff data request. *See* Appendix A, hereto. The OCA submits that the same supplemental information would assist the Commission and its staff in their review of PGW's Third LTIP.

III. CONCLUSION

The OCA submits that, while it is not requesting a hearing in this proceeding at this time, the Company should provide additional information with its filing to allow the Commission to determine if PGW's Third LTIP accelerates infrastructure repair and replacement in a cost effective manner as required by Act 11.

Respectfully submitted,

/s/ Erin L. Gannon
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**Response of Philadelphia Gas Works to the Data Request of the
Pennsylvania Public Utility Commission
Re: Long-Term Infrastructure Improvement Plan
Docket Nos. P-2012-2337737 & P-2015-2501500**

2. Please provide an estimate of the number of bare steel services to be replaced in 2016 and 2017, as well as the total inventory of bare steel service lines as of year-end 2015.

Response:

Service Renewals	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Main Replacement	1,097	942	937	898	968	861
Miscellaneous	396	352	446	353	407	386
New Business	1,151	93	247	229	407	429
Service Restoration	185	1,086	891	902	592	341
Trouble	2,889	3,525	2,933	2,953	3,002	2,306
TOTALS	5,718	5,998	5,454	5,335	5,376	4,323

**Miles of 8" and Smaller (LP / IP)
Cast Iron Abandoned** **18.01** **18.06** **18.21** **18.10** **22.68** **22.98**

Services per 500 LF **18** **17** **17** **17** **16** **17**

**% Renewals resulting from Main
Replacement** **32.5%** **29.4%** **29.1%** **27.2%** **24.9%** **21.4%**

**Projected Number of Additional Renewals resulting
from Accelerated Main Replacement** **281** **in FY 2016**

**Projected Number of Additional Renewals resulting
from Accelerated Main Replacement** **328** **in FY 2017**

Number of bare steel services at the end of CY 2015 – 93,694