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December 5, 2022

**VIA ELECTRONIC FILING**

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

RE: Grays Ferry Cogeneration Partnership and Vicinity Energy Philadelphia, Inc. v.  
Philadelphia Gas Works; Docket No. C-2021-3029259; **SUBSTITUTE VERIFIED  
STATEMENT**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is the Verified Statement of James L. Crist to the Petition of Grays Ferry Cogeneration Partnership and Vicinity Energy Philadelphia, Inc. For Interim Emergency Relief in the above-captioned proceeding. This substitution does not change the content of the Verified Statement signed by Mr. Arendell, but rather is offered because Mr. Crist will be the witness available for the hearing scheduled for December 6, 2022. Copies of this Verified Statement have been served in accordance with the attached Certificate of Service.

Thank you for your attention to this matter. If you have any questions related to this filing, please do not hesitate to contact me.

Very truly yours,

Dennis A. Whitaker  
Kevin J. McKeon  
Todd S. Stewart

*Counsel for Grays Ferry Cogeneration  
Partnership and Vicinity Energy Philadelphia,  
Inc.*

TSS/jld  
Enclosure

cc: Administrative Law Judge Marta Guhl (via electronic mail – [mguhl@pa.gov](mailto:mguhl@pa.gov))  
Athena Delvillar, Legal Assistant (via electronic mail – [sdelvillar@pa.gov](mailto:sdelvillar@pa.gov))  
Per Certificate of Service

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party)

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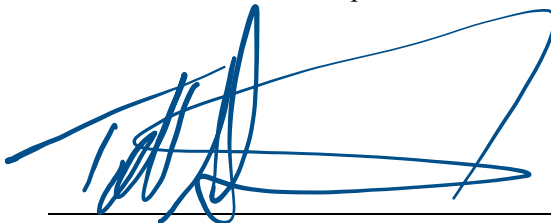
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Dennis A. Whitaker  
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DATED: December 5, 2022

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Grays Ferry Cogeneration Partnership and	:	
Vicinity Energy Philadelphia, Inc.,	:	
Complainants,	:	
	:	
v.	:	Docket No. C-2021-3029259
	:	
Philadelphia Gas Works,	:	
Respondent.	:	

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**VERIFIED STATEMENT**

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In January 1996, Grays Ferry Cogeneration Partnership (“Grays Ferry”) signed a Service Contract with the Philadelphia Authority for Industrial Development (“PAID”) – a City of Philadelphia entity capable of signing this long-term Contract on behalf of Philadelphia Gas Works (“PGW”), the City’s municipally owned gas utility (“Contract”). The Contract is an integral part of Grays Ferry’s natural gas transportation assets. The Contract has an expiration date of 12/31/2022 and due to considerable uncertainty about renewal prospects, and potentially long lead times needed for certain remedies, Vicinity initiated negotiations with PGW in 2017. Those discussions were not successful in resolving the critical issues and Grays Ferry found it necessary to file the subject complaint to address several components of the Contract and seek a Commission order requiring PGW to provide service at reasonable rates and contract terms.

The Contract was intended as a surrogate for Vicinity constructing and operating its own pipeline that would have bypassed PGW entirely and instead allowed Vicinity to take service directly from Texas Eastern Transportation Company’s (“TETCO”) Philadelphia Lateral. The

most significant issues the Contract addresses include: the service that PGW is obligated to provide, namely high pressure delivery of gas using a section of repurposed pipeline in conjunction with a newly constructed section; that Vicinity was obligated to pay for the construction of the new line and repurposing the existing line; that Vicinity would balance its deliveries with TETCO and would not be responsible for PGW's system lost or unaccounted for gas; capacity issues for moving gas on the Philadelphia Lateral, which is a segment of interstate pipeline owned and operated by TETCO that allows delivery of gas into South Philadelphia; and Vicinity's need in certain limited instances to purchase a bundled sales service. Several of the Contract services, such as the Alternate Receipt Service -- which is a volume swap arrangement that allows Vicinity to receive gas in the winter months through the Philadelphia Lateral and the dedicated pipeline, while simultaneously delivering the same quantity of gas for PGW's use to the Skippack Lateral -- are not typical public utility-type services but are necessary elements of the service PGW has provided under the Contract.

As the Contract was nearing its end, beginning in 2017 and again in 2021, Vicinity approached PGW regarding revised terms and conditions for renewal of the initial Contract. PGW failed to provide any firm proposal until October 2021. Once PGW did so, and it became clear that a meeting of the minds was improbable, Vicinity filed a Formal Complaint with the Commission, seeking assistance in attaining reasonable rates, or, alternatively, providing an irrefutable basis for Vicinity to renew its plans to bypass PGW. Vicinity is proceeding on both paths. Nonetheless, the primary request for relief in this matter is that the Commission revise or reform the existing Contract to reflect revised rates that are nonetheless reasonable and appropriate for the service provided. The authority to do so is found in Section 508 of the Public Utility Code. 66 Pa. C.S. § 508.

A revised contract that recognizes the unique status that Vicinity has attained on the PGW system is a must where: Vicinity is the largest customer; it takes service over a dedicated 4 mile pipeline constructed/refurbished for its use and for which it paid; and it balances its own load on the interstate pipeline and has an agreement with PGW that allows them to swap volumes; all of which point to the need for a customized flexible contract. Without the ability to employ section 508, the Commission's authority to address the various components of the Contract could be limited. These limitations could prevent Vicinity from continuing to receive the array of services it bargained for in 1996 that are critical to its business model that supports its own role as a public utility provider of thermal services to critical needs customers including hospitals and other institutions. Accordingly, the inability of the Commission to employ Section 508 will be disastrous for Vicinity and the harm irreparable.

With the Contract set to expire, and the likelihood of a Commission decision prior to December 31, 2022 high unlikely, Vicinity needs relief now, before the Contract expires, to extend the Contract beyond December 31, 2022 until such time as the Commission can rule on the merits of Vicinity's pending complaint. This brief extension of the Contract will assure that the Commission is able to give full consideration to the contract reformation relief Vicinity has requested and implement whatever relief the Commission finds it to be just and reasonable and in the public interest.

Critically, there is no harm to anyone if the Commission grants this request for interim emergency relief and extends the Contract until such time as the Commission can rule on the merits of Vicinity's pending complaint. Vicinity has agreed that any change in rates eventually ordered by the Commission should be effective as of January 1, 2023, thereby assuring that PGW and its other ratepayers will be made whole to the extent an increase in the existing rate is

ordered. There is no harm to the public at large and no harm to Vicinity’s customers, who would have otherwise been obliged to pay any new steam rate based upon a change to natural gas delivery rates, as approved by the Commission. In short, there is no downside to granting the extension of the Contract until such time as the Commission can rule on the merits of Vicinity’s pending complaint.

I, James L. Crist, certify that I am authorized to and do make this Verification on behalf of Vicinity Energy Philadelphia, Inc, (“VEPI”) and Grays Ferry Cogeneration Partnership, LLC (“Grays Ferry”), that the facts set forth in the foregoing document are true and correct to the best of my knowledge, information, and belief, and that I expect VEPI and Grays Ferry to be able to prove same at any hearing hereof. I understand that false statements made therein are made subject to the penalties in 18 Pa. C.S. §4904, relating to unsworn falsifications to authorities

DATED: 12/5/22

  
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James L. Crist