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October 7, 2024

VIA E-FILING

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

**RE: Replacement Of Older Plastic Pipe in Natural Gas Distribution Systems
Docket No. M-2024-3050313**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission are the *Comments of PECO Energy Company to the Pennsylvania Public Utility Commission's Tentative Order regarding Replacement of Older Plastic Pipe in Natural Gas Distribution Systems.*

Thank you for your time and attention on this matter.

Very truly yours,

A handwritten signature in black ink that reads "Adesola K. Adegbesan". The signature is written in a cursive style and is positioned above a horizontal line.

Adesola K. Adegbesan
Assistant General Counsel, PECO Energy Company

AKA/ab
Enclosure

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

REPLACEMENT OF OLDER PLASTIC PIPE IN NATURAL GAS DISTRIBUTION SYSTEMS : Public Meeting held August 1, 2024
: M-2024-3050313
: Tentative Order

**Comments of PECO Energy Company to the Pennsylvania Public Utility Commission’s
Tentative Order regarding Replacement of Older Plastic Pipe in
Natural Gas Distribution Systems**

I. INTRODUCTION AND BACKGROUND

During a Public Meeting held on August 1, 2024, the Pennsylvania Public Utility Commission (the “Commission” or the “PUC”) adopted Chairman Stephen M. DeFrank’s Motion regarding the accelerated replacement of older plastic pipe by natural gas distribution companies (“NGDCs”). A Tentative Order, addressing the replacement of older plastic pipe, was issued on August 26, 2024. Citing Section 1501 of the Public Utility Code, which requires that every public utility shall furnish and maintain adequate, efficient, safe, and reasonable service and facilities, the Commission reasoned that Pennsylvania’s aging infrastructure, and the U.S. Department of Transportation’s advisory bulletins related to pre-1982 plastic pipe materials, have caused the Commission to address the safety and reliability of natural gas distribution system pipelines in the Commonwealth. As set forth in the Tentative Order, the Commission now seeks comments on the following proposals to accelerate the replacement of older plastic pipe:

1. Reimplementing a survey of older plastic pipe installed and operated in Pennsylvania’s Gas Distribution Systems via issuance of a data request;
2. Amending long-term infrastructure improvement plans (“LTIIPs”) to target the replacement of older plastic pipe; and

3. Implementing Pipeline Replacement Plans for gas utilities without a Distribution System Improvement Charge (“DSIC”).

PECO Energy Company (“PECO”) appreciates the opportunity to provide comments to the Commission regarding this important matter, including the proposals outlined in the Tentative Order.

II. COMMENTS

PECO acknowledges the importance of maintaining safe and reliable facilities, and also recognizes the benefits of repairing and replacing aging infrastructure. As such, PECO appreciates the Commission’s leadership and its concern involving the safety of the Commonwealth’s natural gas systems.

A. Survey of Older Plastic Pipe

On October 11, 2023, the Commission issued a data request to all jurisdictional natural gas public utilities to determine the approximate current mileage and number of service tees of the above-described older plastic pipe material installed and in operation in Pennsylvania. PECO responded to the Commission’s data request on October 31, 2023. Therefore, PECO has completed the necessary survey to provide the Commission with information regarding the presence of older plastic pipe materials in its natural gas distribution system.

B. Amending LTIIPs

As the Commission may be aware, PECO does not currently have a first-generation plastic pipe main replacement program as part of its LTIIP. However, PECO currently and actively replaces some aging plastic pipe on its distribution system every year. For example, all Aldyl-A service piping that is attached to main being replaced as part of a pipe replacement program, is also replaced as part of that project. Further, PECO relies on its Distribution Integrity Management

Plan (“DIMP”) to identify and prioritize risks, and PECO establishes plans to mitigate those risks in priority order based on the severity of the risk, time dependency, availability of qualified personnel, and financial resources.

Currently, plastic pipe ranks lower on that list, with cast iron, ductile iron, wrought iron, and bare steel ranking significantly higher. Based on different infrastructure material compositions across the various utilities, NGDCs should fully expect to see a difference in priority for older plastic replacement because the risk profile of plastic versus other on-system materials may differ for each utility. This is especially true considering that every business system’s transition will depend on each NGDC’s individualized risk assessment. For example, utilities with lesser amounts of other outmoded materials would likely have a higher risk associated with Aduyl-A pipe per their own DIMP model, and as such, replacement programs for aging plastic would rise to the top of their risk mitigation strategy.

Currently, other materials like cast iron, wrought iron, and bare steel have a significantly higher risk per mile than older plastic as determined by PECO’s DIMP. PECO’s LTIIP targets these materials for replacement since replacement of these materials provides the greatest overall risk reduction on a per mile and per dollar basis. As retirement of higher risk materials continues and those populations decrease, PECO could add older plastic to the LTIIP and begin proactive targeting for replacement. However, unless PECO’s DIMP indicates the risk per mile of older plastic has risen above the aforementioned iron and steel materials, targeting older plastic for main replacement would provide a lesser overall risk reduction when compared to the continued replacement of materials already included in the LTIIP. PECO’s DIMP will continue to evaluate the risk values of different materials to ensure the riskiest materials are being targeted for

replacement. However, PECO does not believe that it should proactively amend its current LTIP to prioritize the replacement of the older plastic pipe at this time.

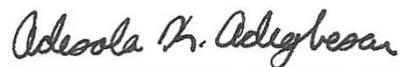
C. Pipeline Replacement Plans (Gas Utilities without a DSIC)

PECO currently utilizes a DSIC to accelerate the replacement of aging infrastructure. As such, PECO does not have any comments to provide regarding the implementation of Pipeline Replacement Plans for gas utilities without a DSIC.

III. CONCLUSION

PECO appreciates the opportunity to comment on this important matter and the Commission’s commitment to the replacement of aging infrastructure. In prioritizing the replacement of infrastructure, including plastic pipes, PECO believes the Commission should continue to permit PECO and other utilities to assess the risks of different infrastructure already in place on their systems and manage priorities for replacement.

Respectfully Submitted,



By: _____

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