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October 30, 2025

VIA E-FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

RE: Philadelphia Gas Works (“PGW”) Annual Asset Optimization Plan for FY 2025
and FY 2026 (Projected); Docket No. M-2025-

Dear Secretary Homsher:

Enclosed for electronic filing please find Philadelphia Gas Works’ (“PGW”) Annual Asset Optimization Plan for FY 2025 and FY 2026 (Projected).

If you have any questions, please feel free to contact me at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Daniel Clearfield". The signature is written in a cursive, slightly slanted style.

Daniel Clearfield

DC/jls
Enclosure

cc: Certificate of Service (via email only)

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Annual Asset Optimization Plan FY 2025, upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email

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Date: October 30, 2025



Daniel Clearfield, Esquire

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Periodic Review of Philadelphia Gas Works' Long-Term Infrastructure Improvement Plan : Docket No. M-2025-
: :
: :
: :
: :

**PHILADELPHIA GAS WORKS
ANNUAL ASSET OPTIMIZATION PLAN
FY 2025 AND FY 2026 (PROJECTED)**

I. INTRODUCTION

In accordance with 52 Pa. Code § 121.6, Philadelphia Gas Works ("PGW") submits its Annual Asset Optimization Plan ("AAO Plan") for the LTIP period September 1, 2024 - August 31, 2025, and September 1, 2025 - August 31, 2026 (Projected).

PGW's current LTIP ("LTIP III") was approved by the Pennsylvania Public Utility Commission ("Commission") on August 25, 2022,¹ and covers the five-year period beginning September 1, 2022 through August 31, 2027 (PGW's fiscal years 2023 through 2027).

Previously, under PGW's first LTIP, on February 12, 2016, PGW filed a petition to modify the final year of the LTIP, consistent with the Commission's Order that approved an increase in PGW's Distribution System Improvement Charge ("DSIC") from 5% to 7.5%. The Commission approved PGW's requested LTIP modification by Order dated June 9, 2016.

¹ See Docket No. P-2022-3032303, Opinion and Order (Aug. 25, 2022).

The current LTIIIP (“LTIIIP III”) modified the cast iron removal categories in PGW’s Accelerated Replacement Program by combining 12” and Larger LP/IP and 12” and Larger HP into 12” and Larger All Pressures (LP/IP/HP) to allow for more flexibility in the design and conceptualization of main replacement projects. PGW continues to target the riskiest assets for replacement as identified by DNV’s Mains Replacement Prioritization software.

This is the twelfth AAO Plan submitted by PGW detailing its progress in removing at-risk main, which is financed by both PGW's current base rates and PGW's DSIC.

In FY 2025, PGW removed 33.82 miles of cast iron main from inventory, compared to the LTIIIP goal of 31.55 miles. Actual replacement in FY 2025 exceeded the FY 2025 LTIIIP goal by 2.27 miles. This includes 2.08 miles of cast iron replacement funded by the U.S.

Department of Transportation’s (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grant.

In FY 2026, PGW is projecting to replace 39.06 miles of at-risk main. This projection is 7.18 miles above the FY 2026 approved LTIIIP mileage of 31.65 miles. This includes 6.81 miles of cast iron replacement funded by the U.S. DOT PHMSA NGDISM grant.

II. MATERIAL REQUIRED BY 52 PA. CODE § 121.6

The Commission's regulations, at section 121.6,² require a utility's AAO Plan to provide a description of the eligible property repaired, improved, and replaced in the prior twelve-month period, as well as a description of the eligible property projected to be repaired, improved, and replaced in the upcoming twelve-month period, sufficient to show that the utility is in substantial

² 52 Pa. Code § 121.6.

compliance with its approved LTIP.

(1) Description of eligible property repaired, improved, and replaced in the prior twelve-month period (FY 2025) and projection of eligible property to be repaired, improved, and replaced in the upcoming twelve-month period (FY 2026):

FY 2025 Annual Asset Optimization Plan				
<i>QUANTITIES in miles</i>	<u>FY 2025</u>		<u>FY 2026</u>	
	LTIP	Actual	LTIP	Projected
<u>BASELINE PROGRAM</u>				
8" & Smaller LP/IP	18.00	18.07	18.00	18.00
12" & Larger LP/IP	N/A	0.25	N/A	N/A
12" & Larger HP	N/A	0.00	N/A	N/A
Baseline Totals	18.00	18.32	18.00	18.00
<u>ACCELERATED PROGRAM</u>				
12" & Larger All Pressures	5.30	4.77	5.10	5.82
8" & Smaller LP/IP	8.25	8.66	8.25	8.43
Abandonment for Non-Use	N/A	N/A	N/A	N/A
ACCELERATED TOTALS	13.55	13.42	13.35	14.26
<u>NGDISM PHMSA*</u>				
8" & Smaller LP/IP	N/A	2.08	0.00	6.81
Yearly Totals	31.55	33.82	31.35	39.06

* PGW is expecting to incur some indirect costs that are not reimbursable through the NGDISM grant

(2) Detailed description of facilities repaired, improved, and replaced in FY 2025 (Accelerated):

^Final costs for some projects were estimated from Contractor invoices and have not been paid to date

Project Location	Projected Removal	Projected Cost	Low	All Pressures	Total Footage	Actual Cost
			10" and Smaller	12" and Larger		
1100 Lehigh, 2700-3000 N 12th, 1300 W Clearfield, 3100-3300 N Park, 1300 Allegheny	4,898	\$6,141,309	0	4,631	4,631	\$5,331,535
1400-1900 W Olney Ave	3,934	\$4,237,499	0	3,919	3,919	\$6,122,000
5500 N 11th St*	352	\$892,332	0	347	347	\$744,888
6900-7000 Stenton	1,046	\$456,117	827	210	1,037	\$397,803
1200 Pratt St, 5200 Sylvester St, 5200-5300 Oakland St.	2,254	\$514,836	2,262	0	2,262	\$625,099
1400-1500 Olney Ave, 1500 Chew St, 5600 Sydenham St, 5600 16th St	2,197	\$906,635	649	1,539	2,188	\$992,158
2600 Coral St, 2600 Amber St, 2700 Amber St	1,711	\$530,035	1,075	555	1,630	\$571,055
5400-5600 Wyalusing Ave, 5500 Poplar St, 5500 Harmer St, 600 N 54th St, 600 N 55th St, 600 N 56th St*	5,950	\$1,804,774	3,627	1,953	5,580	\$1,793,218
19-2000 N 33rd St*	567	\$319,943	25	539	564	\$353,728
6300-6400 Sprague St., 900 Cliveden St., 6400 Boyer St.	1,135	\$309,075	877	276	1,153	\$335,465
7900 Rising Sun Ave, 900-1000 Rhawn St, 900-1000 Ripley St	4,898	\$1,458,546	3,240	1,654	4,894	\$1,309,772
500 Hellerman/Levick Streets, 6400 Rising Sun Ave., 6400 Palmetto/Bingham Streets.	3,326	\$1,055,129	2,690	723	3,413	\$1,015,697
2100 Chestnut St	382	\$212,549	7	375	382	\$191,037
100-1300 W Olney, 5200-5500 N Mascher	8,411	\$9,774,634	9	8,445	8,454	\$10,400,500

Project Location	Projected Removal	Projected Cost	Low	All Pressures	Total Footage	Actual Cost
			10" and Smaller	12" and Larger		
7700-7900 Rugby St	3,180	\$713,829	3,223	0	3,223	\$679,654
7500-7600 Rugby St.	2,302	\$519,436	2,299	0	2,299	\$489,255
700-900 Glenview, 700-900 Longshore	7,880	\$1,497,544	7,986	0	7,986	\$1,394,968
6400-6600 Smedley St, 6400-6500 N 16th St, 1600 Cheltenham Ave, 1600 66th Ave*	4,307	\$901,848	4,331	0	4,331	\$1,070,909
1600 Filmore St., 1600 Harrison St., 4800 Darrah St., 4900 Frankford Ave., 1600 Allengrove St., 4900 Darrah St.	4,307	\$334,802	4,331	0	4,331	\$523,294
300-400 E. Vernon St	1,192	\$245,651	1,172	0	1,172	\$318,783
1400-1500 Butler St./1400-1600 Erie Ave./3700 Sydenham Ave./3700 N. 16th St./3800 N. 15th St./3700-3800 Germantown Ave.	5,305	\$1,593,355	5,220	0	5,220	\$1,218,519
400 Pensdale St, 400 Rector St, 4200 Pechin St	1,844	\$470,325	1,849	0	1,849	\$462,021
Total Cast Iron Main Footage Removed / Total Cost	72,621	37,135,767	45,699	26,404	72,103	36,341,358
Mileage	13.75		8.66	4.77	13.42	

*Projects were not scheduled for FY 2025 replacement at the time of PGW's FY 2024 AAOP submission

(3) Detailed description of facilities repaired, improved, and replaced in FY 2025 (Baseline):

^The paving restoration for some projects has not been completed at the time of this filing. The actual costs shown below will increase once the final paving restoration is completed for those projects. These projects are grouped at the end of the table shown below.

Project Location	Projected Cost	Actual Cost	Projected Removal	Actual Removal
5700 Tackawanna, 5400 Valley, 4100-4200 E Cheltenham, 5700 Edrick	\$706,539	\$795,309	3131	3130
6400-6500 N 5th, 400 Acker, 500 W 65th Ave	\$638,299	\$588,082	1936	1902
1100-1200 Magee, 1100 Kerper	\$744,287	\$725,712	3824	3739
4800-4900 Pine St, 4800-4900 Osage Ave, 4900 Larchwood Ave, 300-500 S 49th St, 300 Saint Bernard St	\$1,146,247	\$916,477	4326	4401
5300-5400 Lansdowne, 1400-1500 Peach, 1400-1500 N 54th, 5300-5400 Master, 5400 Harlan, 5400 Media	\$1,428,442	\$1,336,770	4668	4666
900 Granite, 900 Marcella, 5000, 5500 Loretto, 900 Pratt, 900 Godfrey, 5000, 5500 Miriam	\$1,144,810	\$670,546	4993	4995
3400-3500 Ella, 200 Tioga, 3400-3500 Kip, 3500 B st, 200 Ontario	\$860,844	\$782,708	3333	3120
2900 Ogden St, 2700 Cambridge St, 2700 Harper St, 900 N 27th St, 900 N 28th St	\$453,513	\$736,891	1141	1145
6400-6600 N 17th St, 6500 Bouvier St, 1600 Cheltenham Ave, 1700 Colonial St, 1700 66th Ave	\$678,680	\$784,376	3051	3047
1800 S 2nd St, 200 McClellan St	\$303,331	\$377,568	998	1017
300-500 E Allens Ln.	\$760,074	\$729,040	3263	3287
5200 N Fairhill St, 5200 N 6th St, 5200 N Marshall St, 500-600 W Fisher Ave, 600 W Duncannon Ave	\$595,702	\$704,474	2315	2569
2500 Townsend St, 2400 E Norris St, 2300 Almond St, 2300 Mercer St	\$332,208	\$206,672	912	916
1900 56th St., 1800 56th St., 5600 Woodland Ave, 5500 Upland St.	\$469,186	\$478,683	1863	1883
100 W Tabor Rd., 5400 Tennis Ave.	\$264,110	\$278,377	842	835
2100 Green St.	\$181,649	\$185,298	731	769

Project Location	Projected Cost	Actual Cost	Projected Removal	Actual Removal
1600 W Dauphin St.	\$211,539	\$355,473	234	285
2500 Jasper St., 1800-1900 Sergeant St., 1900-2000 Firth St.	\$421,380	\$431,629	1616	1945
1800-2000 E Venango St, 3600 Emerald St, Helen St	\$1,197,004	\$1,033,581	1841	1847
1900 E Tioga St, 3400 Helen St, 3400 Joyce St, 2000 E Schiller St	\$397,347	\$378,293	1557	1571
200 Titan, 1200 American	\$61,315	\$124,150	237	245
2900 Mercer St, 2500 Ann St, 2600-2700 Birch St	\$247,917	\$342,268	892	868
7400 Rowland, 3300 Vista St	\$133,123	\$127,703	612	679
6000 Augusta St, 5900 Belden St, 5900 Shisler St	\$538,000	\$501,651	2240	2300
2900 Glenview St	\$239,988	\$262,645	1298	1298
500 N 65th St, 400 Daggett St, 6500 Haverford Ave, 500 Atwood St, 6500 W Girard Ave, 6500 Stiles St^	\$835,420	\$539,006	2481	2467
100 Nedro, 5700-5900 Mascher, 100 Grange, 5700-5800 Howard, 100 Chew, 5700-5800 Hope, 5700-5800 Front^	\$1,093,335	\$600,087	4795	4835
200, 300 Meehan St, 400, 6700 Pleasant St, 200, 300, 400, 6700 Boyer St, 200, 6800 Chew Ave^	\$808,812	\$521,942	3772	3749
200-600 W Olney Ave, 5200-5300 Mascher Ave, 100 W Delphine, 100 Fisher Ave, 5300 N Howard^	\$1,585,335	\$753,851	2240	2164
1500 E. Passyunk Ave, 1100 Greenwich St, 1100 Gerritt St, 1100 Wilder St, 1100 Linn St, 1500 S. 12th St.^	\$875,227	\$994,191	1626	1719
200 S 23rd St^	\$57,992	\$71,434	98	89
5200 Greenway Avenue, 1500-1600 S. 53rd Street, 5200-5300 Upland/Reinhard Street^	\$760,788	\$448,104	2903	2990
4600-4800 Sansom Street^	\$286,948	\$297,310	1287	1287
2200-2400 S 15th St, 2500 Carlisle St, 1400-1500 Porter St, 1400-1500 Wolf St^	\$919,720	\$534,535	3630	3621
9900 Bustleton Avenue^	\$410,987	\$294,423	771	769
2500-2600 S Chadwick St, 2500 S Bancroft St, 1600 Shunk St, 1600 Porter St^	\$500,505	\$246,210	1524	1481

Project Location	Projected Cost	Actual Cost	Projected Removal	Actual Removal
400-600 W Sedgwick St., 6900-7000 Greene St.^	\$523,000	\$529,085	2263	2279
5700 Greene St., 5900 Greene St, 0-200 W Rittenhouse Street^	\$785,070	\$423,944	3017	2953
400 W Carey, 400 W Butler, 400 W Pike, 400 Rising Sun Ave^	\$145,744	\$106,280	661	658
400 Livingston^	\$49,630	\$30,867	250	227
900 Harrison St, 900 Wakeling St^	\$174,187	\$166,679	806	834
400 Airdrie St, 3700 N Lawrence St^	\$59,789	\$59,430	317	318
2300-2400 Cecil B Moore Ave, 2300-2500 Nicholas St, 2300 Turner St^	\$608,537	\$355,922	2400	2399
2000 N 62nd St^	\$165,942	\$165,677	927	927
7300 Ryan Ave, 7300 Rowland Ave, 3300 Sackett St^	\$76,373	\$134,775	161	190
2700-2800 Jefferson St^	\$67,131	\$58,400	127	135
3100 N Bambrey St, 3100 N Stillman St^	\$277,330	\$174,671	1161	1160
1000-1200 W. Glenwood Ave, 2900 N Camac St, 2900 N 7th St, 600 W Cambria^	\$693,329	\$442,460	2933	2932
3500 N 21st St, 2000 W Atlantic St^	\$204,150	\$228,601	858	875
Miscellaneous Abandonment	\$3,118,500	\$3,194,294	1159	3202
Total Planned & Actual Expenditures / Total Planned & Actual Mileage	\$29,239,315	\$25,226,554	17.81	18.32

(4) Detailed description of facilities projected to be repaired, improved, replaced in FY 2026:

Project Location	Low	All Pressures	Projected Footage	Estimated Cost
	10" and Smaller	12" and Larger		
700 E Passyunk Ave, 300-400 Bainbridge St		1238	1,238	\$2,245,563
3500-3800 N 13th St, 1200 W Pike St		2,605	2,605	\$2,419,470
2400-2500 S 58th Street, 5800-5900 Lindbergh Boulevard		2,189	2,189	\$5,309,315
16" HP CI - 2000-2600 Cottman		3,810	3,810	\$3,531,870
3300-3500 Chestnut St		2,558	2,558	\$3,461,921
300-700 W Mermaid Ln, 7500-7600 McCallum St	1,080	1,342	2,422	\$669,912
0-300 N 63rd St, 1-200 Gross St, 200 N 64th St, 6200 Vine St, 6300 Race St	2,915	2,107	5,022	\$2,712,979
2900-3100 N 29th Street, 2800 W Cambria St	20	1,581	1,601	\$471,843
2300 W Montgomery Ave., 1800 Bucknell St., 1800 Judson St., 1800 Judson St., 1800 N 24th St.	1,649	1,412	3,061	\$1,626,407
5500 Westminster Ave, 500 N Allison St, 500 N Vogdes St, 500 N 54th St, 500 N 55th St, 500 N 56th St	2,584	391	2,975	\$1,589,925
300-600 E Gorgas Ln, 900, 1100-1200 E. Mt Pleasant Ave, 6800-7000 Stenton Ave	122	6,126	6,248	\$5,717,736
600-900 W Erie Avenue, 3700 N Darien/9th/8th Streets, 3600 N 11th/Warnock Streets, 1000 Pacific Street.	1,992	1,398	3,390	\$1,775,786
6300-6800 Stenton Ave	30	3,996	4,026	\$3,644,964
500 W Telner St, 7000 Huron St, 7000 Saint Martins Ln, 300 W Moreland ave	4,598		4,598	\$1,194,026
2100 Kinsey St., 4300-4500 Worth St.	2,052		2,052	\$423,844

Project Location	Low	All Pressures	Projected Footage	Estimated Cost
	10" and Smaller	12" and Larger		
13000-13100 Bustleton Ave.	1,035		1,035	\$379,400
100 W. Westmoreland St, 3200 N. Howard St, 3200 N. Palethorp St, 3300 N. Hancock St	2,236		2,236	\$772,350
500- 300 N 41 Street, 400 Holly Street, 4100 Brandywine St, 500-300 42st Street	2,498		2,498	\$704,871
2400 Wharton St, 2400 Oakford St, 1300 S Taylor/Ringgold/24th St	1,552		1,552	\$476,418
5700 N HOWARD STREET, 100 CHEW AVENUE, 5700 N HOPE STREET, 5700 N FRONT STREET	3,308		3,308	\$714,356
5600- 5500 Elliott Street, 1100 South 56th Street, 5600 Thomas Ave, 1000 South Frazier Street	4,031		4,031	\$1,140,639
5200-5500 Webster St, 5400 Norfolk St, 700 S 54th St, 700 S 55th St	3,214		3,214	\$878,040
1100-1300 65th Ave, 6400 N. 13th St, 6400-6500 Camac St, 6400-6500 N. 12th St, 6500 N. 11th St, 800-1100 66th Ave.	4,783		4,783	\$1,276,410
2000-2100 W Estaugh St., 3300-3400 N 21st St., 1800-2100 W Ontario St., 3400 N 20th St.	2,533		2,533	\$683,733
1900-2000 S 5th St, 1900-2000 S 4th St	2,282		2,282	\$797,824
Total Cast Iron Main Footage Removed / Total Cost	44,514	30,753	75,267	44,619,602

Mileage **8.43** **5.82** **14.26**

III. CONCLUSION

This year PGW fell short of the 12” and Larger All Pressures projected at-risk main removal mileage set forth in the approved LTIIIP for FY 25 by .53 miles. The shortfall is primarily due to a 12-inch and larger project starting later than intended due to scheduling conflicts with the Penn Relays and UPenn commencement. In addition, PGW had 2 projects where Cast Iron abandonment was completed in FY 2025; however, they could not be claimed due to paving conflicts. Next year PGW plans to make up for that shortfall plus an additional .19 miles of 12” and Larger All Pressures at-risk main removal. PGW exceeded the total Baseline goal and Accelerated 8” and Smaller LP/IP goal by a combined .73 miles in FY 25 in addition to removing 2.08 miles funded by the PHMSA NGDISM grant which brings PGW’s cumulative at-risk main removal above the total projected mileage in the approved LTIIIP by 6.83 miles.

PGW spent \$2,404,122 less than the projected accelerated costs outlined in the LTIIIP for FY 25. This can be primarily attributed to not completing several large diameter projects in the FY. PGW fell short of the accelerated LTIIIP mileage goal by 0.13 miles; however, PGW plans to make up this shortfall in FY 2026.

For FY 2026, PGW is utilizing funding from the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) grant from the U.S. Department of Transportation’s (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) which will enable the replacement of an additional 6.81 miles of 8” & smaller cast iron main, in addition to PGW’s baseline and accelerated goals. To recap, the FY 2026 projection shows that PGW’s performance aligns well with the requirements outlined in 52 Pa. Code § 121.6. PGW has substantially adhered to the planned schedule for repairs, improvements, and replacements of

eligible properties as outlined in its current Long-Term Infrastructure Improvement Plan (LTIIIP) over the corresponding twelve-month periods.