

Before the Philadelphia Gas Commission  
Philadelphia Gas Works' Proposed FY2027 Capital Budget Proceeding  
Public Advocate's First Set of Interrogatories & Requests for Production of Documents

**Note: Please provide written responses to all information requests.**

- PA-CB-1. PGW's testimony, on page 4, states: "The existing LNG Liquefier was installed in 2002 and is nearing the end of its useful life." Likewise, CH-IV's Expander Life Cycle Assessment Report states "PGW's expander liquefier was placed in service in 2002." Please confirm that PGW's existing liquefier was completed and tested in March 2005, as stated on page 19 of the July 19, 2015 Independent Consultant's Engineering Report prepared by Black & Veatch Corporation and attached as Appendix B to the Official Statement on PGW's 2015 Gas Works Revenue Refunding Bonds (Thirteenth Series).
- PA-CB-2. PGW's testimony, on page 4, states: "Cold box failure is a major concern...."
- a. Please confirm that PGW received authorization for \$14.5 million to replace the LNG cold box in the FY 2023 Capital Budget.
  - b. Please confirm that if PGW's existing cold box were replaced, PGW would not be pursuing replacement of the liquefier.
- PA-CB-3. Please explain why PGW has not pursued cold box replacement services from another vendor or third party.
- PA-CB-4. Please provide supporting evidence for the claim that the Richmond Expander Plant's thermal cycling is 5 times that of similar plants.
- PA-CB-5. Is it PGW's position that 28 years is the end of life for the existing Liquefier? If yes, please provide evidence that 28 years is the end of life for the existing Liquefier. If not, what is the useful life of the existing Liquefier?
- PA-CB-6. On page 13 of the Fiscal 2027 Capital Budget, PGW states that it is currently negotiating a Public Private Partnership ("3P") opportunity related to the RFP for LNG Commercial and Asset Optimization. Please provide an explanation of how the 3P partnership would work.
- PA-CB-7. PGW states on page 13 that it is expected that PGW will know if the LNG Commercial and Asset Optimization option is feasible by September 2026. What information would become available in September 2026 that would indicate that the LNG Commercial and Asset Optimization option is feasible?
- PA-CB-8. On page 13 of the Fiscal 2027 Capital Budget, it states that PGW will concurrently pursue the construction of a new replacement liquefier at Richmond Plant by both PGW and a Third Party. Please explain what resources PGW will contribute to the project and what resources the third party will contribute to the project.
- PA-CB-9. Please provide a copy of the RFP for LNG Commercial and Asset Optimization posted on June 21, 2025.

- PA-CB-10. Please provide documentation of the facility design for the new LNG liquefier, identifying the location of the proposed new liquefier and the existing liquefier at the Richmond facility, and supply any and all available site plans.
- PA-CB-11. Please provide PGW's assessment of the required exclusion zone for the new liquefier and supply any FLACS studies PGW has performed regarding the new facility.
- PA-CB-12. PGW states it is requesting 48 months' spending authorization for the LNG replacement project.
- Has PGW considered a phased approach to this project?
  - If PGW has considered a phased approach, please explain why the project cannot be phased-in over multiple budgets.
- PA-CB-13. For each of the last five (5) fiscal years, please provide the annual production of PGW's existing LNG liquefier in BCF.
- PA-CB-14. Regarding the Richmond Liquefier replacement,
- Is the production of 10,000 MSCFD the capacity needed to meet PGW system requirements, or is that the capacity required assuming the 3P operation of the plant?
  - What would 10,000 MSCFD equate to in annual BCF?
  - Please explain how the 3P operation impacts the capacity and cost of the plant.
  - What would be the minimum capacity of the plant, in BCF, based solely on PGW system requirements.
- PA-CB-15. Is the size of the new plant needed to maintain LNG production reliability or to serve the requirements of potential 3P partners?
- PA-CB-16. Please confirm that the annual production capacity of PGW's proposed new liquefier would exceed the annual production capacity of PGW's existing liquefier (assuming the new liquefier has no seasonal constraints limiting PGW to liquefy between October and May).
- PA-CB-17. Regarding PGW's design winter:
- Please identify when PGW last experienced a design winter necessitating LNG inventory of 3.2 BCF as described in the CH-IV report.
  - Please identify the quantity (in BCFs) of LNG inventory used to serve PGW's customers (excluding any off system sales) over each of the last 5 concluded winters.
- PA-CB-18. Refer to the Expander Life Cycle Assessment Report page 4 of 9 (PDF page 115) of the Fiscal 2027 Capital Budget.
- Please provide a copy of the market survey used to determine the liquefiers that were taken out of service.
  - Please provide the ages of the 4 expanders that have plans to be taken out of service in the next 5 years.

PA-CB-19. CH-IV's Expander Life Cycle Assessment Report indicates 11 peak-shaving liquefiers were identified for comparison with PGW's facility and eight remain in service. Please identify the facilities evaluated by CH-IV and provide any survey responses supplied by those facilities in response to CH-IV's inquiries.

PA-CB-20. Reference Commissioner Urbania's statement at the August 13, 2024, Gas Commission Meeting ("I share the Advocate's concern that if the spending authority is granted, there will be no study vetting the necessity of the project in the context of declining load, which could result in wasting \$2 million of ratepayer funds.").

- a. How was declining load (specifically, retail load) factored into PGW's decision to propose replacement of the Richmond LNG liquefier?
- b. How was declining load (specifically, retail load) factored into the sizing of PGW's proposed LNG liquefier?
- c. How does the ability to interrupt large industrial customers to continue to serve other rate classes factor into PGW's proposal?
- d. Provide any workpapers or other studies discussing, describing or modeling the impact of declining load on PGW's gas liquefaction needs.

PA-CB-21. Regarding the proposed New Odorant System at Penrose, please:

- a. Identify any supplier odorant issues PGW has experienced over the past 5 years.
- b. Confirm that combustible gas in transmission lines serving PGW is required to be odorized gas pursuant to 49 CFR §192.625. If PGW cannot confirm, please explain the circumstances in which PGW would receive combustible gas that is not required to be odorized.

PA-CB-22. Regarding New Heater, Generator and Station Modifications, please:

- a. Explain any differences between this project and the project approved in PGW's FY 2024 Capital Budget (Ivy Hill, 53-01-2-01).
- b. Explain why the budget for this project includes a 20% contingency when the Ivy Hill project included a 10% contingency.

PA-CB-23. PGW's testimony, on page 5, states that Field Services increased budget "primarily supports the implementation of the Advanced Metering Infrastructure project."

- a. Please identify the per unit impact on PGW's budget associated with AMI (i.e., the additional cost per meter, etc.).
- b. Please identify each line item in which proposed expenditure supports PGW's AMI project, and describe how the line item supports AMI.
- c. Please identify the total impact on PGW's proposed budget associated with AMI (i.e., the difference between the proposed budget and the costs PGW would incur to continue to use traditional ERT meters).

PA-CB-24. Refer to 53-04-2-01 and 53-04-1-01.

- a. For the prior 5 fiscal years please provide the annual expenditures for replacement of equipment that were unforeseen.
- b. For the prior 5 fiscal years please provide the annual expenditures for additions of equipment that were unforeseen.

PA-CB-25. Regarding project 50-34-2-01, PGW states "The department will be purchasing AMI meters in FY 2026 and will need to purchase the tools required to read and program the meters."

- a. Please confirm that PGW has not opened work orders to purchase AMI meters using FY 2026 Capital budget authorization to date.
- b. Does PGW intend to request release of conditional spending authority in the FY 2026 Capital Budget to purchase AMI meters? If so, when?

PA-CB-26. What is the status of PGW's E Source consulting engagement (i.e., ongoing, completed, terminated, etc.)?

PA-CB-27. On page 18 of the Fiscal 2027 Capital Budget, PGW indicates that part of the \$19.725 million requested is for meter changes associated with removing meters that have service lives over 40 years.

- a. Please explain whether the 40-year-old meters being replaced are faulty meters or meters being replaced solely based on age.
- b. Are the 40-year-old meters being replaced with AMI meters?
- c. What is PGW's strategy with respect to replacing existing meters with AMI meters? Will the AMI meters replace older meters based on a "last in, last out" basis to avoid replacing a relatively new meter with AMI meters?

PA-CB-28. If relatively new meters, and meters that are not yet 40 years old, are being replaced with AMI meters, how will PGW recover its undepreciated capital cost of meters?

PA-CB-29. With respect to the Telemetry Devices being installed for Commercial and Industrial customers, are these devices compatible with AMI technology, or will these devices have to be replaced with AMI meters?

PA-CB-30. Refer to page 206 of the Fiscal 2027 Capital Budget.

- a. Please explain why the 2025 number of Service Regulator Replacements was higher than previous years.
- b. Please explain why the 2027 number of Service Regulator Replacements is projected to be higher than 2025, 2026 and the 3-year average.

PA-CB-31. Refer to page 211 of the Fiscal 2027 Capital Budget.

- a. Please provide the 2026 year-to-date Non-Residential Endpoint Additions.

- b. Please explain the basis of the 2027 number of Non-Residential Endpoint Additions of 300.

PA-CB-32. Refer to page 214 of the Fiscal 2027 Capital Budget.

- a. Please provide the 2026 year-to-date Non-Residential Endpoint Additions.
- b. Please explain the basis of the 2027 number of Non-Residential Endpoint Additions of 1,752.
- c. Please explain the decrease in the 2025 number of Non-Residential Endpoint Additions.

PA-CB-33. Beginning on page 18 of the Fiscal 2027 Capital Budget, PGW indicates that "a departmental review meeting is conducted to discuss project priority, cost effectiveness, option analysis, operating budget impacts and needs assessment. The necessity of each project is further considered and agreed upon prior to final departmental approval. This departmental draft is forwarded to Senior Management for further review to determine that all corporate capital objectives are being met. At this time, program submittals may be completely deleted; have their implementation timing adjusted; or have the scope of the project changed."

- a. Is it correct to say that the review of the amounts presented for the Field Services Department capital budget has not been fully completed?
- b. When does PGW expect the Senior Management review to be completed and the Field Services budget considered to be final.
- c. Does PGW plan an update to the Field Services Department budget?

PA-CB-34. Regarding Tool Replacements (52-29-2-01), PGW requests \$41,00 for "Sheds and material to build out 'Leak City'." Please explain what "Leak City" is and provide a full description of this proposed budget item.

PA-CB-35. Regarding Tool Replacements (52-29-2-01) and Tool Additions (52-29-1-01) PGW includes two requests for Surtap Kids with different unit costs.

- a. Please explain the basis for the different unit costs.
- b. Please explain why Surtap Kits are needed "for Supervisor Stand Up Areas."

PA-CB-36. PGW proposes to replace 20 sedans (Ford Fusions) with mid-sized SUVs (Chevy Equinox). Has PGW analyzed the proposed cost impacts of this change, including any expected fuel cost differences? If so, please provide a copy of this analysis.

PA-CB-37. Regarding NOC Material Yard Paving (72-02-1-01), the Budget Justification indicates existing areas where asphalt is sinking due to usage and a need for further support via concrete pads in some areas. Please explain:

- a. Why sinking asphalt is occurring given the facility's known need to accommodate PGW's heavy vehicle usage. Is this due to a construction error by PGW, its contractors, or the facility's owner?
- b. When was the need for heavy equipment storage support (concrete pads) at material yard identified? Why was it not identified and included in the budget for the original build out of the NOC for PGW's use?

PA-CB-38. Please explain and provide examples of the additional flexibility PGW will have in controlling the HVAC systems if its 800 Chiller Optimization project is approved.

PA-CB-39. Refer to project nos. 72-01-2-05, 72-01-2-04, 72-01-2-03, 72-01-2-01, 72-01-2-02, 72-01-1-02 and 72-01-1-01.

- a. For the prior 5 fiscal years please provide the annual expenditures for replacement of equipment that were unforeseen.
- b. For the prior 5 fiscal years please provide the annual expenditures for additions of equipment that were unforeseen.