PHILADELPHIA GAS WORKS
800 West Montgomery Avenue • Philadelphia, PA 19122

January 23, 2026

Ms. Gemela N. McClendon, Esquire
Executive Director
Philadelphia Gas Commission
One Parkway Building
1515 Arch Street, Ninth Floor
Philadelphia, PA 19102

RE: FY 2027 Capital Budget – Public Advocate Data Reponses

Dear Ms. McClendon:

Attached are PGW responses to the Public Advocate data requests for PA-CB-1 through PA-CB-18 and PA-CB-20 through PA-CB-39.

Sincerely,

William J. Gallagher
VP Budget and Strategic Development

Attachments
cc: Service List

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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).

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations
Erik Wickley-Olsen, P.E. - Principal Engineer

RESPONSE:

The PGW expander plant construction was completed in the summer of 2002. Operational testing started in September 2002, and LNG was delivered to the Richmond LNG tanks in the same month. Operational testing continued until 2005. In March 2005, the plant was accepted by PGW for full production.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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.**

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

a. Confirmed

b. PGW was (and continues to be) concerned about a failure of the expander plant cold box. PGW had planned to replace the cold box in order to bridge the operation of the expander plant to when this new plant would become operational; therefore, the plan was for PGW to pursue this new plant regardless. Please refer to the response to PA-CB-3 and PA-CB-5 for more detail.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

PA-CB-3:

Please explain why PGW has not pursued cold box replacement services from another vendor or third party.

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

PGW did pursue cold box replacement services as approved in the 2023 capital budget. PGW identified a vendor partner for this work and entered into contract negotiations; however, concerns arose about the ability of the vendor partner to sufficiently guarantee performance of the replacement cold box at a reasonable cost to PGW. Ultimately, PGW decided to pursue the Replacement Liquefier only (without the Cold Box replacement) as forecasted in FY2027.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations
Erik Wickley-Olsen, P.E. - Principal Engineer

RESPONSE:

Based upon CH-IV experience with similar facilities CH-IV assumed that these liquefiers experience thermal cycling events approximately three times per year. This figure was used to estimate that PGW's liquefier thermal cycling is approximately 5x higher than industry.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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?

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

PGW is concerned that the cold box, based on operating history, is beyond life expectation at this time. According to Chart Industries, a lifespan greater than 20 years is reasonable. By the time a replacement liquefier is installed, the age of the plant will be closer to 28 years. Each year of operation beyond 20 years has caused more concern for PGW.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

Terms are still being negotiated, but PGW expects to benefit from this partnership by receiving its annual LNG needs during the term of the agreement, (in the most economically beneficial basis possible) ideally without investing any capital.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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?

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

PGW anticipates that by September 2026:

1) The negotiation with the current third party will result in a recommendation to move forward. agreement.

Or

2) A decision not to move forward with the partnership will be made.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

PGW will do engineering work on the LNG Liquefier Replacement project submitted in this capital budget. Concurrently, PGW and the Third Party will continue to negotiate through September 2026. Note that the Third Party is responsible for leading the design for the liquefaction for the 3P project, with PGW approving the design. The efforts will be separate and independent.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations
Erik Wickley-Olsen, P.E. - Principal Engineer

RESPONSE:

The new LNG liquefier project detail design has not begun, so site plans do not exist. It will be located so as not to interfere with Richmond operations, nor affect property outside of the facility boundaries. After the completion of more detailed engineering, equipment selection, piping, and electrical routing will be confirmed. PGW can supply more details as those become available

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations
Erik Wickley-Olsen, P.E. - Principal Engineer

RESPONSE:

LNG equipment and piping is not specified nor designed. The FLACS study will be performed after the LNG equipment and piping is located on property plans. This study requires pipe sizing and flows to be known before simulations are computed.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

PA-CB-12:

PGW states it is requesting 48 months' spending authorization for the LNG replacement project.

a. **Has PGW considered a phased approach to this project?**

b. **If PGW has considered a phased approach, please explain why the project cannot be phased-in over multiple budgets.**

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

a. Yes, but PGW ruled it out as an option. See below.No.

b. This plant must be constructed, commissioned and operationally proven as a "turnkey" project in order to have an associated performance guarantee. It would not be prudent for PGW to install this plant in separate phases without a performance guarantee.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Ramon Leonardo Picado - Director - Gas Processing
Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

The liquefaction production for the last five (5) fiscal years was:

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
1.097 Bcf	1.661 Bcf	1.807 Bcf	1.248 Bcf	1.351 Bcf

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

PA-CB-14:

Regarding the Richmond Liquefier replacement,

a. **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?**

b. **What would 10,000 MSCFD equate to in annual BCF?**

c. **Please explain how the 3P operation impacts the capacity and cost of the plant.**

d. **What would be the minimum capacity of the plant, in BCF, based solely on PGW system requirements.**

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

a. This is the capacity needed to meet annual PGW requirements.

   Note that 10,000 MSCFD (Thousand Standard Cubic Feet per Day) and 10 MMSCFD (Million Standard Cubic Feet per Day) are equal and may both be used in the responses that follow.

b. PGW expects a maximum output of approximately 3.3 BCF (this assumes 300 days of operation in a year).

c. The 3P (Public Private Partnership) plant would include both PGW and the private entity LNG needs. The capacity and cost of the plant would be the responsibility of the private entity and PGW would be guaranteed LNG supply annually as part of the 3P for the term of the agreement.

d. The minimum capacity of the plant for the 3P for PGW only will be approximately 10,000 MSCFD; however, the expectation is that the 3P liquefier capacity will be higher to meet the needs of the private entity.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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?

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

The replacement LNG Plant (10,000 MSCFD) is sized for PGW needs only.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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).

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

The replacement LNG Plant (10,000 MSCFD) would produce a maximum of 3.3 BCF of LNG annually. This plant would not have seasonal operating limits like the current LNG Expander Plant. Since the existing Plant can produce approximately 2.2 BCF of LNG annually, the new plant's annual production would exceed it.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

PA-CB-17:

Regarding PGW's design winter:

a. **Please identify when PGW last experienced a design winter necessitating LNG inventory of 3.2 BCF as described in the CH-IV report.**

b. **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.**

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

a. In 2003, PGW used more than 3.2 Bcf of LNG between vaporization and boiloff; however, although the winter was colder than normal, degree days for that year did not reach the design year level.

b. See below

Fiscal Year	Total Amount of LNG Vaporized (MCF)	Total Amount of LNG Boiloff (MCF)	Total LNG Used (MCF)	Total LNG Used in Sales (MCF)
2021	327,567	900,783	1,228,350	91,860
2022	1,102,030	1,018,399	2,120,429	654,625
2023	559,645	930,308	1,489,953	338,032
2024	444,223	865,470	1,309,693	384,617
2025	1,467,454	832,520	2,299,974	838,937

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

PA-CB-18:

Refer to the Expander Life Cycle Assessment Report page 4 of 9 (PDF page 115) of the Fiscal 2027 Capital Budget.

a. **Please provide a copy of the market survey used to determine the liquefiers that were taken out of service.**

b. **Please provide the ages of the 4 expanders that have plans to be taken out of service in the next 5 years.**

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

a. No formal market survey is available. The information was obtained by CH-IV using existing relationships and information shared within the LNG industry's trade groups.

b. These are between 52 and 55 years old.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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.**

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

a. Retail load (non-Firm) is not factored in LNG design winter assumptions as all planning is based on Firm customer load only. PGW plans for a design winter and makes its portfolio decisions accordingly. Being the supplier of last resort, PGW must plan for the use of vaporized natural gas (VNG) from stored LNG for extreme weather events and as a critical asset that is needed for various system failure scenarios in the gas supply and distribution system.

b. Retail load was not factored into the sizing of the LNG Liquefier.

c. PGW's LNG is not used for interrubtible industrial customers, so interrupting industrial customers does not affect PGW's LNG usage.

d. There are no studies or workpapers available. PGW's Gas Planning and Gas Management teams meet periodically to review Design Day and Design Winter LNG needs. Refer to response "a" above for what PGW must consider when determining these needs.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST

FISCAL YEAR 2027 CAPITAL BUDGET

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.**

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

a. PGW has experienced two supplier odorant issues over the past 5 years. This occurred on the Enbridge transmission line that feeds multiple PGW M&R (Metering & Regulation) stations, including the Penrose Station. In the event that odorant levels were insufficient, PGW did not have the capability to readily odorize the gas flowing through Penrose Station.

b. Under 49 CFR §192.625(a), all combustible gas delivered to PGW's distribution system must be odorized, so it is readily detectable by a person with a normal sense of smell at one-fifth of the lower explosive limit (LEL) in air.

   Federal regulations require transmission line deliveries which directly reach end-users, as is the case in New Jersey and New York, to be odorized. This is why Enbridge injects odorant into the pipeline segment before PGW's receipt point.

   Essentially, PGW benefits from Enbridge's odorization compliance to the Federal requirement; however, PGW, as a distribution company is ultimately responsible for odorization of gas delivered to its customers. Even when gas arrives odorized, PGW must monitor odorant levels at the city gate and throughout its distribution system and maintain odorization capability for contingency (e.g., if Enbridge delivers gas at less than acceptable odorant levels during maintenance or emergencies).

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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.**

RESPONSE PROVIDED BY: Daniel J. Cassidy, P.E. - Vice President Technical Operations

RESPONSE:

a. The Ivy Hill Project included the replacement of a 1.5 MM BTU/HR heater and the installation of an emergency generator. The proposed project only includes the replacement of a larger 4.0 MM BTU/HR heater at 0-34 Station (0-34 already has an emergency generator).

b. There are established guidelines to calculate a project's contingency. The two major factors that account for the 20% contingency are (1) 0-34's estimate is more conceptual than Ivy Hill's. Heater estimates are based on historical data of related heater projects. Due to 0-34's large heater size, there is less applicable historical data from other projects to guide the estimate. (2) 0-34's construction schedule is shorter than Ivy Hill's was. It is critical for 0-34 station to be fully operational by wintertime due to the station's higher flow demands into the PGW distribution system.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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).

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: a. Comparing traditional meter costs to AMI meter costs is not a direct comparison due to traditional meters requiring an ERT to allow for mobile meter reading (AMR). The pricing used in the AMI Business Case and per unit impact is as follows:

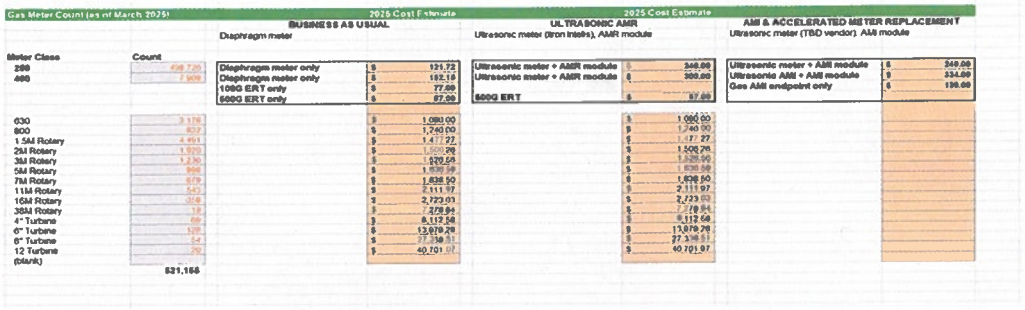
Traditional Residential Raw Meter Cost: $121.72
Residential ERT Raw Cost: $77
Total Residential Meter and ERT Raw Cost: $198.72

AMI Residential Meter Raw Cost: $258.30

Unit Raw Cost Increase: $59.58

FY 27 Burdened Rate = 17.94%

Unit Burdened Cost Increase: $59.58 x 1.1794 = $70.27



b. The narrative below addresses proposed AMI expenditures by line item (budget category).

5030101 – Meter Additions
These funds are for AMI meter additions, which will replace traditional meters used for meter additions and are a core component of the AMI system.

5030201 – Meter Replacements
These funds are for AMI meter replacements, which will replace traditional meters used for meter replacements and are a core component of the AMI system.

5033101 – Non-Residential Endpoint Additions
This category is for purchasing Automatic Meter Reading (AMR) equipment for larger meters with AMI endpoints, enabling accurate and automated data collection for non-residential accounts.

c. PGW plans to purchase 50,000 traditional meters in FY 27 to remain in compliance with the 20-year meter replacement program. The estimated impact is as follows:

Traditional Meters and ERTs Raw Cost = 50,000 x $198.72 =$9,936,000

AMI Meter Raw Cost = 53,800 x $258.30 = $13,896,540

Total Raw Impact = $13,896,540 - $9,936,000 = $3,960,540

Total Burdened Impact = $3,960,540 x 1.1794 = $4,671,061

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Doug Balmer – Budget Analyst, Budget and Strategic Development

RESPONSE: Please refer to page 625 of the Capital Budget Filing – Miscellaneous Budget Category Averages

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: On December 2, 2025, PGW submitted the AMI Business Case and Implementation Roadmap to the Gas Commission and formally requested the release of conditional funding. This submission directly satisfied the requirement to provide an updated business case showing the AMI project plan, cost estimate and project timeline.

PGW opened CWOAs for Meter Additions and Replacements in the beginning of the FY as has been done historically. PGW does not have dedicated CWOAs for specific meter types (i.e. AMI vs traditional).

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: PGW is still utilizing consulting services from E Source. This engagement will continue through the AMI RFP issuance, vendor selection, and contracting phases of the project.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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?

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: a. Meters are replaced as part of the twenty-year replacement schedule for regulatory compliance requirements as well as preventive maintenance. These meters are replaced primarily based on age. Faulty meters are also replaced, as identified.

b. Yes

c. PGW will primarily replace the oldest meters first and work backwards towards newly installed meters. PGW will also replace meters to maximize efficiencies when applicable.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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?

RESPONSE PROVIDED BY: Daniel E. Leonard, Jr. – VP Finance & Controller

RESPONSE: PGW's sets its rates on a cash flow basis and, as such, depreciation is not recovered in rates.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

PA-CB-29: With respect to the Telemetering 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?

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: These endpoints are compatible with AMI technology.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: a. PGW began a mercury regulator replacement program in 2023 following the 2022 PUC Management & Operations Audit recommendation. PGW increased the number of replacement purchases in 2025 to accommodate this PUC-mandated program.

b. In addition to the mercury regulator replacement program, PGW also anticipates replacing a higher volume of regulators due to the increased amount of meter replacements in connection with the new AMI program.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: a. PGW has installed 52 new Non-Residential Endpoints FY 26 to date.

b. PGW plans to install 200 endpoints on "D" series meters and 100 endpoints on commercial meters.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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

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

b. Please explain the basis of the 2027 number of Non-Residential Endpoint Replacements of 1,752.

c. Please explain the decrease in the 2025 number of Non-Residential Endpoint Replacements.

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: a. PGW has replaced (exchanged) 108 Non-Residential Endpoints in FY 26 to date.

b. PGW historically replaces approximately 300 non-residential endpoints per budget year. PGW is also planning on replacing 1,452 per year; this is based on the total number of commercial meters that will need to be outfitted with AMI compatible endpoints over the course of the 10-year AMI implementation schedule.

c. The FY 25 numbers are not finalized yet and will not be until the end of FY 26 at the close of the two-year lifespan.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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?

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: a. The review was completed prior to PGW filing its FY27 Capital Budget.

b. See answer above. The Field Services budget was finalized upon submission to the Gas Commission.

c. PGW does not currently anticipate the need to file an updated Field Service Department budget.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL 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.

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: Leak City will serve as a training environment designed to simulate real-world leak investigation scenarios for PGW employees. This facility will include typical structures encountered in the field—such as residential buildings, utility boxes, and other infrastructure—to create a realistic and immersive training experience.

The primary objective of Leak City is to enhance the proficiency and safety of our workforce by providing hands-on training in a controlled environment. To achieve this, we will utilize advanced gas detection technology capable of simulating leaks without introducing actual natural gas. Instead, the system will employ pressurized air to replicate leak conditions, ensuring both safety and environmental compliance while maintaining the realism necessary for effective training.

This innovative approach allows employees to practice using specialized detection equipment, interpret readings accurately, and apply proper investigative techniques under conditions that closely mirror those encountered in the field.

Investing in Leak City will deliver measurable benefits to PGW, including:

- Enhanced training reduces the likelihood of errors during actual leak investigations, minimizing the risk of accidents, injuries, and property damage.
- Strengthened adherence to PHMSA and PUC requirements for operator qualification and emergency response.
- Better-trained employees can identify and resolve leaks faster, reducing emergency response times and associated costs.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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."

RESPONSE PROVIDED BY: Shawn Murray – Director, Resource Management and Technology

RESPONSE: a. There are two different configurations for the Surtap kits which explains the difference in pricing.

b. The less expensive option is for tapping 2" and 3" plastic pipe which is less common in PGW's system. PGW has decided to only allow use of these kits with supervisor approval to ensure the correct tool is used.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Bill Montgomery - Director Fleet & Materials Management

RESPONSE: Yes, PGW performed a comparison analysis of the 2025 Chevrolet Malibu and the 2026 Chevrolet Equinox. The Chevrolet Malibu is the year, make, and model of sedan most recently purchased by PGW.

The purchase price of the 2025 Chevrolet Malibu was $28,000 each and the MPG is 28 City and 36 Hwy. The estimated cost of a 2026 Chevrolet Equinox is $29,066 and the MPG is 26 City and 28 Hwy.

The Chevrolet Malibu is no longer in production, but we found the Chevrolet Equinox to be an acceptable alternative, because it meets our needs as a passenger vehicle and has the capacity to store tools and equipment, if necessary. The City MPG is comparable to the Chevy Malibu and the unit cost is estimated to be only about $1,000 higher.

Year Make Model	Unit cost	Lifetime fuel costs (city MPG)	Unit cost, plus fuel
2025 Chevrolet Malibu	$28,000	$4,381	$32,381
2026 Chevy Equinox 2WD	$29,066	$4,719	$33,784

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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?

RESPONSE PROVIDED BY: Arthur S. Hall, P.E. - Director of Special Projects and Facilities

RESPONSE:

a. The area used as the material laydown yard has a milled and overlayed surface. During the construction of this site the vendor filled in low spots but the specific function of these areas was not defined by PGW until after the site construction was completed.

b. The need for additional concrete pads was identified during the winter of 2024. The pad design is required for a new racking system to be installed.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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

RESPONSE PROVIDED BY: Arthur S. Hall, P.E. - Director of Special Projects and Facilities

RESPONSE:

The additional flexibility that will be achieved by this Chiller Optimization project is with the air conditioning function of the HVAC system. In the current system the cooling capacity of the system is limited by the piping and controls configuration, which on the hottest days does not meet 100% of the building demand. This project will result in modification of the piping and controls to allow both chillers to run at the same time to split the building cooling demand without stressing one of the chillers.

RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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

RESPONSE PROVIDED BY: Arthur S. Hall, P.E. - Director of Special Projects and Facilities

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RESPONSE TO THE PUBLIC ADVOCATE'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

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.

RESPONSE PROVIDED BY: Doug Balmer – Budget Analyst, Budget and Strategic Development

RESPONSE:

- For 72-01-1-01, 72-01-1-02, 72-01-2-01, 72-01-2-02, and 72-01-2-03: please refer to page 625 of the Capital Budget Filing – Miscellaneous Budget Category `Averages
- For 72-01-2-04 (Replace Carpets): This project was not budgeted for in the 2022-2025 program years. It was budgeted for in 2021 with $0 spent and has been recently budgeted for again in 2026 and 2027.
- For 72-01-2-05 (Replace Modular Furniture): This project was not budgeted for in the 2022-2025 program years. It was budgeted for in 2021 with $0 spent and has been recently budgeted for again in 2026 and 2027.