



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

February 6, 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 – Hearing Examiner Data Response

Dear Ms. McClendon:

Attached are PGW responses to the Hearing Examiner's data requests for KB- HE-18.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Gallagher", is written over a large, faint, light-blue graphic of a flame or gas burner.

William J. Gallagher
VP Budget and Strategic Development

Attachments
cc: Service List

RESPONSE TO THE HEARING EXAMINER'S DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

KB-HE-18:

Regarding the vehicle replacement graphs on pp. 368, 449, & 450 of the Proposed FY 2027 Capital Budget:

Please explain the reason for flagging these vehicles for replacement as the vehicles' current positions on their respective graphs don't appear to meet the established replacement thresholds (i.e., they are not at or beyond the intersection point for mileage and operating cost curves).

RESPONSE PROVIDED BY: William Montgomery – Director, Fleet and Materials Management

RESPONSE:

The units on pp. 368, 449, and 450 (570118, 508718, and 508618, respectively) were flagged for replacement because the Fleet Operations' Lifecycle Analysis Procedure calls for replacing units at a weight class exceeding 14,000lbs, if the Expected Lifecycle Expiration date (the point at which the miles and operating cost curves intersect) falls within the first quarter of the next fiscal year preceding the year the analysis was performed (Page 10, Footnote 2 of the procedure). The analysis was performed in FY26, all three units exceed the 14,000lb. weight class, and their intersection point is expected to fall within the first quarter of FY27.