



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

February 24, 2026

Gemela N. McClendon, Esquire
Executive Director
Philadelphia Gas Commission
One Parkway Building
1515 Arch Street, 9th Floor
Philadelphia, PA 19102

RE: Responses to Data Requests

Dear Ms. McClendon:

Attached are the responses to TR-1, TR-2, TR-3 and TR-4.

Sincerely,

A handwritten signature in blue ink that reads 'William J. Gallagher'.

William J. Gallagher
VP Budget and Strategic Development

WJG/mlo'b
Attachments
cc: Service List

RESPONSE TO TRANSCRIPT DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

TR-1: **Regarding PGW's testimony that during the recent 15 day cold snap, without its LNG reserves, PGW would have had to spend approximately \$90 million to supply gas to its customers: Please quantify the impacts of this on the average PGW customer's monthly bill.**

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

RESPONSE: An increase in gas expenditures of \$90 million would increase the average residential customer bill by approximately \$179 (12.6%) annually. To provide more context to a \$90 million increase, the total expenditure by PGW in Fiscal Year 2025 for natural gas purchases was approximately \$135 million.

**RESPONSE TO TRANSCRIPT REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET**

TR-2: Regarding PGW's request for funding to replace the Richmond Liquefier, please explain in detail PGW's proposal for conditional funding for this project.

Response provided by: William Gallagher, Vice President - Budget and Strategic Development

Response: As a part of the FY 2027 Capital Budget, PGW requests approval of expenditures to replace the LNG Liquefier at the Richmond Plant (the "LNG Project"). The estimated cost of this project is \$181.992 million. This project needs to be completed by FY 2030 to replace the existing LNG Liquefier which is nearing the end of its useful life. The timeline for construction is 4 years. Time is of the essence for project completion.

As explained in the record, PGW is also negotiating a public-private partnership (P3) transaction for the LNG project. This is an independent project which, if successfully negotiated, would eliminate the need for capital funding from gas customers. PGW informed the PGC of this negotiation to be transparent.

To be clear, PGW is requesting immediate capital funding for the LNG Project in the FY 2027 Capital Budget. In the alternative, the LNG project could be approved on a conditional funding basis. Assuming conditional funding is approved, PGW suggests the following conditions for release of conditional funding:

- (a) If the P3 negotiations have concluded with no deal, funding for the liquefier shall be released.
- (b) If the P3 negotiations are ongoing, the PGC may withhold the funding pending further updates from PGW management.

RESPONSE TO TRANSCRIPT DATA REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET

TR-3: Is there a cost associated with keeping the current liquefier running until we have more information about the future of the project? If there is a cost, can you please clarify whether that amount is included in the capital budget?

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

RESPONSE: PGW has no current or planned capital spending requests associated with keeping the current liquefier operating. Planned spending for the operation of the existing liquefier will be submitted as part of the 2027 Operating Budget in categories that will include Labor, Utilities, Purchased Services and Maintenance Contractors.

**RESPONSE TO TRANSCRIPT REQUEST
FISCAL YEAR 2027 CAPITAL BUDGET**

TR-4: Provide a schedule setting forth all adjustments to the proposed FY 2027 Capital Budget (KB) that you believe are supported by the record, including a narrative describing each and referencing the record supporting it.

Response provided by: Andre Dasent, Counsel for Philadelphia Gas Works

Response: The table below sets forth a summary of adjustments acceptable to PGW based upon the record of this budget proceeding.

Summary of Budget Adjustments Acceptable to PGW

<u>Description of Adjustment</u>	<u>Amount of Adjustment</u>	<u>Citation to Record</u>
Conditional Expenses		
1. Operations - Vehicle Replacements	\$646,000	PA Statement 1 at 13-14.
Adjustments to Expenses		
2. Information Services - SAN Storage	(\$354,000)	PA Statement 1 at 15
3. Information Services - Expense Reimbursement Management System	(\$205,000)	PA Statement 1 at 15.
Other Adjustments		
4. Information Services - IP Cameras for M&R Stations	\$914,000	PA Statement 1 at 15-16

1. Vehicle Replacements (Project #73-01-2-03) — PGW proposes the following stipulation to address PA concerns regarding the purchase of SUVs versus sedans as stated in PA Statement 1 at 13-14. See also, FY27 KB filing at 281 for project detail.

PGW proposes that Fleet Operations budgeted expenditures for vehicle replacements (20 sedans or SUVs) be conditionally approved subject to PGW providing a report showing the economics and operational need for purchasing sedans and/or SUVs prior to spending any funds. This report will include a life cycle analysis of initial costs, operation costs, salvage costs and will explain operational considerations for the planned expenditures. PGW will identify the amount of spending (not to exceed \$646,000) that it requests to be released based on this report.

2. SAN Storage (Project #47-01-1-03) — PGW agrees to withdraw planned spending for SAN storage from the FY 2027 Capital Budget. This expenditure will be budgeted in the next capital budget. See, PA Statement 1 at 15; FY27 KB filing at 512.

3. Expense Reimbursement Management System (Project #47-01-1-04) — PGW agrees to withdraw this planned expenditure from the FY 2027 Capital Budget. See, PA Statement 1 at 15; FY27 KB filing at 517.
4. IP Cameras (Project #47-01-1-05) — PGW agrees to use a twenty-four project lifespan for this project as opposed to the proposed thirty-six month lifespan in the budget in response to Public Advocate concerns stated at PA Statement 1 at 15-16; FY27 KB filing at 520.