

Before the Philadelphia Gas Commission
Philadelphia Gas Works Proposed FY 2027 Operating Budget Proceeding
Public Advocate's First Set of Interrogatories & Requests for Production of Documents

- PA-OB-1. Please provide the monthly actual number of employees as of the beginning of FY 2025 through the most recent month available in a format similar to page 16 of the Proposed FY 2027 Operating Budget Supplemental Filing (excluding the payroll dollars). Please provide this information in Excel format.
- PA-OB-2. Please provide assumptions used to derive the budgeted headcount of 1,637 presented on page 4 of the Proposed FY 2027 Operating Budget Supplemental Filing and the FY 2026 estimated headcount of 1,623 presented on page 16.
- PA-OB-3. In the FY 2026 proposed Operating Budget Supplemental Filing at page 4, PGW stated: "General wage increases of 4.25% were utilized throughout the FT2027-31 Forecast periods for both union and non-union employees."
- a. What is the basis for the 5.25% wage increase for non-union employees in the FY 2027 Operating Budget?
 - b. Please provide supporting documentation showing 5.25% is the approved wage increase for non-union employees.
- PA-OB-4. Please provide the relevant page from the Union Contract that shows the wage increase that is to be in effect for FY 2027.
- PA-OB-5. In the FY 2026 Operating Budget Proceeding, PGW explained that 4% and 2% were used for union wages because of a 2-step Union wage increase that was agreed upon. Please explain why PGW is using the 4% and 2% wage increases in the FY 2027 Operating Budget projections.
- PA-OB-6. Refer to page 5 of the Proposed FY 2027 Operating Budget Supplemental Filing. Please provide the supporting documentation for the 7.0% Health Insurance increase.
- PA-OB-7. Refer to page 4 of the Proposed FY 2027 Operating Budget Supplemental Filing (Summary of Administrative & General Expenses).
- a. Please explain the 20% increase in the Customer Review Unit FY 2027 operating budget over the Act/Est FY 2026.
 - b. Please explain the \$2,787,000 increase in the Risk Management FY 2027 operating budget over the Act/Est FY 2026.
 - c. Please explain the \$ 2,373,000 increase in the VP Reg Compliance & Customer Programs FY 2027 operating budget over the Act/Est FY 2026.
 - d. Please explain the 150% increase in the FERC Matters (Legal) FY 2027 operating budget over the Act/Est FY 2026.
 - e. Please explain the 126% increase in the Special Legal Services FY 2027 operating budget over the Act/Est FY 2026.

- PA-OB-8. Please provide the actual overtime hours for FY 2025 in a format similar to page 17 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- PA-OB-9. Refer to Account Management on page 88 of the Proposed FY 2027 Operating Budget Supplemental Filing & Five-Year Forecast. Please explain the cause of the 191% increase in Overtime expense.
- PA-OB-10. Refer to the Collection Department on page 96 of the Proposed FY 2027 Operating Budget Supplemental Filing & Five-Year Forecast. Please explain the cause of the 143% increase in Overtime expense.
- PA-OB-11. Refer to the Commercial Resource Center on page 98 of the Proposed FY 2027 Operating Budget Supplemental Filing & Five-Year Forecast. Please explain the cause of the 216% increase in Overtime expense.
- PA-OB-12. Refer to Corporate Communications on page 101 of the Proposed FY 2027 Operating Budget Supplemental Filing. Please explain the elimination of budgeted costs for the following:
- a. Collections Campaign - Collections
 - b. Advance Marketing Campaign
 - c. Parts & Labor Plan
 - d. Pipeline Safety & Meter Safety
 - e. Landlord Cooperation Program
 - f. LIHEAP
 - g. Employer of Choice
 - h. Ease of Business Tools
 - i. Diversification & New Revenue Opportunities.
- PA-OB-13. Refer to Corporate Communications on page 101 of the Proposed FY 2027 Operating Budget Supplemental Filing & Five-Year Forecast. Please explain the nature of the description of each of the programs and provide a breakdown of the cost components;
- a. Affordability & Explanation of Rates
 - b. Customer Programs
 - c. Safety & Public Health
 - d. Other Regulatory Required
 - e. Misc.
- PA-OB-14. Refer to CIS Replacement Department on page 103 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the future plans for the CIS Replacement Department. In your response explain what will become of this department/cost center. Will it merge into another group, be dismantled or continue for the short-term future?
 - b. Please explain the decrease in CIS Labor. Are the personnel being transferred or will the personnel face severance. Is there any severance cost included in the labor costs?

- c. When does PGW expect any transition in workforce or functions to begin?
Please be specific.
- PA-OB-15. Refer to the Customer Programs Department on page 105 of the Proposed FY 2027 Operating Budget Supplemental Filing. Please explain the cause of the increase in Expense of Employees and Postage for FY 2027.
- PA-OB-16. Refer to Customer Service on page 109 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the cause of the 74% increase in Overtime.
 - b. Please explain the increase in Consultant expenses for FY 2027 and provide support for the costs.
 - c. Please explain the nature and cause of the increase in Consultant expenses for FY 2027 and provide support for the costs.
 - d. Please provide the actual Consultant expenses for Customer Expenses for FY 2023 – 2025.
 - e. Please explain the increase in Research America expenses for FY 2027 and provide support for the costs.
 - f. Please provide the actual Research America expenses for Customer Expenses for FY 2023 – 2025.
- PA-OB-17. Refer to the Distribution Department on page 111 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the cause of the 8% increase in Overtime.
 - b. Please explain the nature of General Material of \$6,211,000 and provide supporting documentation.
 - c. Please explain the cause of the 10% increase in General Material and provide supporting documentation.
 - d. Please explain the nature of the Towing Services of \$100,000 and provide supporting documentation.
 - e. Please explain the nature of the Corrosion Services of \$1,223,000 and provide supporting documentation.
- PA-OB-18. Refer to the Facilities Management Department on page 114 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the cause of the 33% increase in Electric and confirm that “Electric” refers to electric utility service.
 - b. Please provide the supporting documentation for the \$1,000,000 expense.
 - c. Please explain the cause of the increase in Electric between FY 2024 and FY 2025.

- d. With respect to Purchased Services, please explain the cause of the increase in Data Center Monitoring/Warranties from \$250,000 to \$438,000, and provide a description of these services.
- PA-OB-19. Refer to the Gas Planning & Rates Department on page 121 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. With respect to Purchased Services, please explain the cause of the increase in Consulting Services from \$12,000 to \$92,000.
 - b. Please provide a description of these services and support for the amount.
- PA-OB-20. Refer to the Gas Processing Department on page 123 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the cause of the increase in Engineering Services between FY 2024 and FY 2025 from \$60,000 to \$4,000,000.
 - b. Please provide support for the LNG Tank Painting of \$2,100,000.
- PA-OB-21. Refer to the Human Resources Department on page 125 of the Proposed FY 2027 Operating Budget Supplemental Filing. Please provide support for the \$2,247,000 increase in Insurance.
- PA-OB-22. Refer to Information Service Department on page 127 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the increase of \$2,000,000 from FY 2026 to FY 2027 for Network & System Engineering under General Material.
 - b. Please provide support for the \$2,400,000 for Network & System Engineering under General Material and explain the nature of the expenditure.
 - c. Please explain the increase of \$870,000 from FY 2026 to FY 2027 for Network & System Engineering under Purchased Services.
 - d. Please provide support for the \$870,000 for Network & System Engineering under Purchased Services and explain the nature of the expenditure.
 - e. Please explain the increase of \$1,019,000 from FY 2026 to FY 2027 for Non-IS Dept. Technology Expenses under Purchased Services.
 - f. Please provide support for the \$1,019,000 for Non-IS Dept. Technology Expenses under Purchased Services and explain the nature of the expenditure.
 - g. Please explain the increase of \$2,146,000 from FY 2026 to FY 2027 for Network & System Engineering under Software Subscriptions.
 - h. Please provide support for the \$3,061,000 for Network & System Engineering under Software Subscriptions and explain the nature of the expenditure.
 - i. Please explain the increase of \$248,000 from FY 2026 to FY 2027 for Security Control under Software Subscriptions.

- j. Please provide support for the \$928,000 for Security Control under Software Subscriptions and explain the nature of the expenditure.
 - k. Please explain the increase of \$1,722,000 from FY 2026 to FY 2027 for Non-IS Dept. Technology Expenses under Software Subscriptions.
 - l. Please provide support for the \$3,427,000 for Non-IS Dept. Technology Expenses under Software Subscriptions and explain the nature of the expenditure.
- PA-OB-23. Refer to Organization Development Department on page 138 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the 17% increase in base wages.
 - b. Please provide a narrative explaining the Employee Referral Program and provide support for the \$50,000 budget.
 - c. Please provide a narrative explaining the Recognition (include RISE) program and provide support for the \$100,000 budget.
 - d. Please provide a narrative explaining the Wellness Incentive Program and provide support for the \$35,000 budget.
- PA-OB-24. Refer to Philadelphia Facilities Management Corporation on page 141 of the Proposed FY 2027 Operating Budget Supplemental Filing. Please explain the 90% increase in Base Wages.
- PA-OB-25. Refer to Risk Management on page 147 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the planned 9th & Diamond Environmental Remediation expenditure and provide support for the \$2,000,000 budget request.
 - b. Please explain the \$236,000 increase in Excess Liability insurance and provide support for the \$5,281,000 budget request.
- PA-OB-26. Refer to Risk Management on page 153 of the Proposed FY 2027 Operating Budget Supplemental Filing. Please explain the nature of the Consulting Services - Small and Local Program Development expenditure and provide support for the \$20,000 budget request.
- PA-OB-27. Refer to VP Regulatory Compliance & Customer Programs on page 160 of the Proposed FY 2027 Operating Budget Supplemental Filing.
- a. Please explain the cause of the 166% increase in overtime.
 - b. Please explain the cause of the 89% increase in Expense of Employees.
 - c. Please explain the cause of the 66% increase in General Material.
 - d. Please explain the cause of the 41% increase in Postage.
 - e. Please explain the cause of the increase in "Miscellaneous - VPO + Tech Compl" from \$44,000 for FY 2026 to \$109,000 for FY 2027.

- f. Please explain the cause of the increase in Administration of Hardship Funds from \$0 for FY 2026 to \$300,000 for FY 2027. In your response, describe mechanics of Administering the Hardship Funds and explain the nature of the \$300,000 proposed expenditure.

PA-OB-28. The Commission's FY 2027 Capital Budget Resolution and Order expressed the expectation that PGW would include in its proposed FY 2027 Operating Budget a \$4 million Front End Engineering and Design ("FEED") study and \$1 million for an environmental study associated with a planned Richmond LNG project.

- a. Please identify where these items (FEED and environmental study) are included in the proposed budget.
- b. Please provide supporting documentation showing the basis for any proposed expenditures for the FEED and/or environmental study.