



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

June 15, 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 PA-OB-7-d&e, PA-OB-19-a-b, PA-OB-29-a-b, PA-OB-30, PA-OB-31, PA-OB-32, PA-OB-33, PA-OB-34-a-b-c, PA-OB-35 and OB-HE-13.

Sincerely,

A handwritten signature in blue ink, appearing to read 'William J. Gallagher', is written over a large, faint, light blue graphic of a flame or gas burner that occupies the right side of the page.

William J. Gallagher
VP Budget and Strategic Development

WJG/mlo'b
Attachments
cc: Service List

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

PA-OB-7, d and e:

Refer to page 4 of the Proposed FY 2027 Operating Budget Supplemental Filing (Summary of Administrative & General Expenses).

- 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.

Response provided by: Raquel N. Guzmán, SVP – Administration and General Counsel

Response:

- d. Please explain the 150% increase in the FERC Matters (Legal) FY 2027 operating budget over the Act/Est FY 2026.

PGW expects a number of additional litigated federal rate matters over the course of the coming year. These matters were relatively light in FY 2026.

- e. Please explain the 126% increase in the Special Legal Services FY 2027 operating budget over the Act/Est FY 2026.

Two engagements account for the bulk of the difference:

The proposed budget includes a rate case line item of \$500,000 that was actually accounted for under the rate case accounting.

The General Transactional Misc. Spec. Projs. line item (\$800,000) that has been so far unspent in FY 2026 (and previous years), will be utilized in FY 2027 for a number of large scale projects: PGW is in the process of awarding a contract for gas projects transactional counsel, and also anticipates soliciting for real estate

transactional counsel shortly. Accordingly, the \$800,000 line item is likely to be spent in FY 2027.

The remaining variance balance is due to the vagaries of emerging legal matters and is also due to careful monitoring of spend whenever possible, in addition to managing many matters in-house.

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

- 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.

Response provided by: Florian Teme, Vice President, Marketing and Energy Planning

Response: Gas Planning and Rates is responsible for a number of regulatory filings such as the quarterly GCR, 1307f, and DSIC among others. In addition, the department is tasked with long term planning, forecasting and analysis of natural gas utilization by the various customer classes and subclasses. The increase in spending will be used to issue an RFP and hire a vendor that will review and audit Gas Planning and Rates processes, software, and legacy workbooks. In addition, and as part of this engagement, we also expect the vendor to provide insight, analysis, propose recommendations, and/or implement improvements.

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

PA-OB-29: Refer to the joint testimony of Joseph F. Golden, Jr., William J. Gallagher, and Stephen R. Schummer at page 36. The witnesses indicate that payroll expense is projected to increase due to forecasted general wage increases of 5.25% for non- union personnel and a general wage increase of 2.0% in May 2027, respectively. The union contract also provides a 2.0% general wage increase in November 2027.

- a. Please clarify the statement in the testimony in comparison with the statement made on page 4 of Fiscal Year 2026-2027 Operating Budget Supplemental Filing which states: "General wage increases of 4.0% and 2.0% were utilized throughout the FY 2026 Estimate and 2027 Budget periods, respectfully, for union employees. 5.25% was utilized for non-union employees. However, this increase will occur in FY 2028."
- b. Please clearly show what percentage increase was included in the FY 2027 Operating Budget.

Response provided by: Stephen Schummer, Manager, Budget & Reporting

Response:

- a. The statement in the testimony is correct. The Union contract currently in effect grants one increase during FY 2027, a 2% wage increase in May 2027. The 4% increase referenced on page 4 of the Fiscal Year 2026-2027 Operating Budget Supplemental Filing is in regard to the 4% general wage increase received by union covered employees in May 2026 (FY 2026).
- b. For FY 2027 PGW budgeted a 2% general wage increase for union covered employees in accordance with the current contract (see response to PA-OB-4 for a copy of the relevant page). Non-union employees are budgeted to receive a 5.25% increase in FY 2027.

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

PA-OB-30: Please provide the number of retirees associated with Retirement Benefit Allocation presented on page 18 of the Operating Budget Supplemental Filing.

Response provided by: Stephen Schummer, Manager, Budget & Reporting

Response: PGW assumed 30 retirees to calculate the Retirement Benefit Allocation for FY 2027.

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

PA-OB-31. Please provide the annual number of retirees for the three most recent completed fiscal years.

Response provided by: Anthony D. Dinkins - VP of Human Resources

Response: Please refer to the table below for PGW retirements in FY 2023, FY 2024 and FY 2025.

Year	Retirements in each FY
2023	45
2024	43
2025	60

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

PA-OB-32: Please identify the amount included in the FY 2027 Operating budget for Legislative & Governmental Expenses related to lobbying.

Response provided by: Melanie McCottry, Chief of Staff and SVP - Corporate Affairs

Response: Philadelphia Gas Works ("PGW") government affairs expenses are not logged or tracked by issue. As explained in PA-OB-33, PGW and/or its vendors review and monitor legislation local, state, or federal legislative matters that are relevant to the interests of PGW and its customers.

Historically, PGW has budgeted \$100,000 in purchased services expense to support legislative and governmental advocacy activities.¹ This planned expenditure for FY 2027 is estimated to be the same, in its amount and purpose, as requested in prior budgets.

¹ PGW FY 2027 Operating Budget (Supplemental Filing at 101).

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

PA-OB-33: Please explain the nature of the services to be purchased as Government Relations on page 101 of the Operating Budget Supplemental Filing.

Response provided by: Melanie McCottry, Chief of Staff, SVP Corporate Affairs

Response: Purchased services expenditures are used to retain professional staff to assist with legislative and governmental advocacy activities.

Philadelphia Gas Works ("PGW"), directly or through its retained professional staff (vendors), reviews and monitors legislative and regulatory activities that take place within the Commonwealth of Pennsylvania (e.g., activities of the General Assembly, activities of different agencies and departments statewide, including the Pennsylvania Public Utility Commission) and are in support of policies like infrastructure improvement (pipeline safety), as well as securing funding for rental assistance and homeowners' assistance programs – all of which benefit gas customers. PGW also tracks legislation before federal and local legislative bodies.

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

PA-OB-34: Regarding Facilities Management Department on page 114 of the Operating Budget Supplemental Filing,

- a) Please provide the "Electric" expense for the three most recent completed fiscal years.
- b) Please provide the "Water" expense for the three most recent completed fiscal years.
- c) Please explain the increase in Data Center Monitoring/Warranties for FY 2027

Response provided by: Arthur S. Hall - Director Facilities and Special Projects

Response:

a)

Electrical

FY 2023	\$264,000
FY 2024	\$638,000
FY 2025	\$1,026,000

b)

Water

FY 2023	\$241,000
FY 2024	\$379,000
FY 2025	\$329,000

- c) Data Center Monitoring/ Warranties increase is due to PGW having two operational data centers. One at 800 W. Montgomery and the second at the North Operations Center (NOC) which was completed in FY2025. The NOC data center equipment is no longer under the new purchase warranty and that is reflected in this increase.

**RESPONSE TO PUBLIC ADVOCATE'S DATA REQUESTS REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

PA-OB-35: Regarding VP Regulatory Compliance & Customer Programs, please explain the increase in Overtime for FY 2027 presented on 160 of the Operating Budget Supplemental Filing.

Response provided by: Denise Adamucci
SVP, Customer & Regulatory Affairs

Response: Please refer to PA-OB-27a.

**RESPONSE TO THE HEARING EXAMINER'S DATA REQUEST REGARDING
FISCAL YEAR 2027 OPERATING BUDGET**

OB-HE-13:

- a.** Explain the increase in Dues and Subscriptions related to the Energy Coordinating Agency of Philadelphia from \$0 in the FY 2026 Budget to \$286,000 in the proposed FY 2027 Budget and provide a detailed explanation of the purpose of this expense, the services, or programs associated with membership, and the methodology used to determine the proposed funding level.
- b.** Explain the increase in Dues and Subscriptions related to the Pennsylvania Chamber of Business and Industry from \$0 in the FY 2026 Budget to \$7,000 in the proposed FY 2027 Budget and provide the purpose of this expense, the benefits or services associated with membership, and the basis used to determine the proposed funding level.
- c.** Explain the increase in Dues and Subscriptions related to The Chamber of Commerce for Greater Philadelphia from \$0 in the FY 2026 Budget to \$52,000 in the proposed FY 2027 Budget and provide the purpose of this expense, the benefits or services associated with membership, and the basis used to determine the proposed funding level.
- d.** Explain the removal of expenses related to Select Greater Philadelphia, which decreased from \$57,000 in the FY 2026 Budget to \$0 in the proposed FY 2027 Budget and provide the purpose and justification for these changes, including whether the services or initiatives previously associated with Select Greater Philadelphia have been transferred, consolidated, or replaced under the Chamber of Commerce for Greater Philadelphia membership.

RESPONSE PROVIDED BY: Stephen Schummer – Manager of Budget & Reporting

- RESPONSE:**
- a. Energy Coordination Agency of Philadelphia's mission is to help people conserve energy and to promote a sustainable and socially equitable energy future. The \$286,000 amount is the estimated annual dues.
 - b. Pennsylvania Chamber of Business and Industry advocates on key policies that affect businesses and industries of all sizes, to providing important compliance education in critical areas of environmental issues, human resources and workplace safety. The \$7,000 dues amount is the estimate for the annual cost of membership.
 - c. The Chamber of Commerce for Greater Philadelphia works with its members and investors to understand the landscape and lend their expertise and connections for growth and competitive business opportunities. Their dues are comparable to Select Greater Philadelphia.
 - d. Select Greater Philadelphia is an economic development organization dedicated to research and assistance in helping workforce develop programs for sciences, manufacturing and major industries in the Greater Philadelphia Region. We have not utilized their services since FY23 because we have chosen to work more closely with The Chamber of Commerce for Greater Philadelphia.