

PUBLIC ADVOCATE RESPONSE
TRANSCRIPT REQUESTS
FISCAL YEAR 2027 OPERATING BUDGET

QUESTION TR-7: Provide a schedule setting forth all adjustments to the proposed FY 2027 Operating Budget that you believe are supported by the record at this point, including a brief narrative describing each that references the record support, as well as a calculation showing the impact of each adjustment on the budget.

RESPONSE:

See attached.

Philadelphia Gas Works Fiscal Year 2027 Operating Budget Proceeding Summary of Adjustments to FY 2027 Operating Budget as Filed				
Line No.	Description	Amount	Reference	Explanation
1	<u>Adjustments to Reduce Proposed Costs</u>			
2	Adjustment to Special Legal Expenses	\$ (1,623,131)	PA Stmt 1, Page 12	Decreases the Special Legal Expenses to remove annually budgeted expenses that are consistently either unspent or under-spent annually.
3	Adjustment to Labor Expense	(3,877,057)	PA Stmt 1, Page 9	Decreases Payroll and Benefits expense to reflect a 2% vacancy rate consistent with recent historical practice.
4	Adjustment to Government Relations Expenses	(100,000)	PA Stmt 1, Page 16	Decreases Operating Budget to remove Legislative & Governmental Advocacy Expenses.
5	Adjustment to Gas Processing FEED Study Expense	(4,000,000)	PA Stmt 1, Page 6	Decreases operating budget to remove undisclosed 2-study cost, unsupported scope of study and unsupported cost basis.
6	Total Adjustments	<u>\$ (9,600,188)</u>		
7	<u>Conditional Adjustments</u>			
8	Adjustment to Proposed Excess Liability Insurance Expense	\$ (236,000)	PA Stmt 1, Page 10	Establish Conditional Spending for unknown and uncertain costs included in Operating Budget.
9	Adjustment to Information Services Expense	(8,315,000)	PA Stmt 1, Page 11	Establish Conditional Spending for unsupported costs and uncertain costs to be incurred.
10	Adjustment to Administrative Consulting – Environmental Studies	(1,000,000)	PA Stmt 1, Page 8	Establish Conditional Spending for projected increase in software cost Legal Matter Management.
11	Adjustment to Environmental Remediation	(2,000,000)	PA Stmt 1, Page 10	Decreases operating budget to remove unsupported scope of study and unsupported cost basis.
12	Adjustment to Research America Expenses	(100,000)	PA Stmt 1, Page 15	Establish Conditional Spending for anticipated increase in change in vendor and unknown costs..
13	Total Conditional Adjustments	<u>\$ (11,651,000)</u>		