

OPERATING BUDGET FILING STANDARD DATA REQUESTS

1. Please identify any major changes in business assumptions in the proposed operating budget, including modifications to existing programs, implementation of new programs, PA PUC or other regulatory mandates and/or accounting changes compared to the operating budget for the prior fiscal year's budget.

Response – as a result of the recommended decision on PGW's FY2027 Capital Budget, specifically the new liquefier proposed at the Richmond Plant, a Front-End Engineering Design study (FEED) study is included as part of Purchased Services for the Gas Processing Department. The FEED study is budgeted for \$3.5 million.

A FEED study is a crucial planning phase in industrial projects, focusing on defining technical requirements, scope, costs, and risks before final investment decisions. It bridges conceptual design and detailed engineering, reducing risks and preventing cost overruns.

2. Please identify assumptions for labor expenses (Wage increase, overall escalation) for union and non-union employees in the proposed operating budget.

Response – This information is provided in PGW's FY2027 Operating Budget filing, included in the prepared testimony of Joseph F. Golden., William J. Gallagher, and Stephen Schummer.

3. Please explain any material departmental or budget category variances from the prior fiscal year's budget.

Response – see attached spreadsheet.



SQ 3 2027.xlsx

4. Regarding Pension expense please provide: (a) a copy of the most recent pension studies (GASB and Funding) prepared by PGW's actuarial consultant; and (b) an updated calculation of pension expense from the prior fiscal year's budget.

Response – This information is provided in PGW's FY2027 Operating Budget Supplemental filing.

5. Please provide the most recent actuarial consultant's report for Other Post-Employment Benefits (OPEB).

Response – This information is provided in PGW's FY2027 Operating Budget Supplemental filing.

6. Please provide a schedule showing the most recently calculated numbers of customers at month-end by tariff, where available

Response – see attached spreadsheet.



SQ-OB 6 FY25.xlsx

- 7. Please provide an updated schedule showing fully burdened cost per employee for the budget year.

Response – see attached spreadsheet.



SQ-OB 7 Buden
Cost FY27.xlsx

- 8. Please provide an updated schedule detailing Sources and Uses of Cash for Capital Improvement Expenditures for the budget year.

Response – This information is provided in PGW’s FY2026 Operating Budget filing, Exhibit F.

- 9. Please provide a schedule detailing Advertising expense by type for the budget year and the prior fiscal year’s budget.

Response – See budget exam for the Corporate Communications department provided in PGW’s FY2027 Operating Budget Supplemental filing.

- 10. Please provide a schedule showing the calculation of internally generated funds for the budget year and prior fiscal year’s estimate.

Response - see below (Dollars in Thousands):

	Actual <u>FY2025</u>	Estimate <u>FY2026</u>	Budget <u>FY2027</u>
Net Capital Spending	\$166,563	\$185,000	\$278,000
Less: Temporary Financing	0	0	0
Less: DSIC Revenue	38,617	44,282	42,820
Less: Capital Fund Drawdown	80,000	92,500	142,700
Less: Outstanding Commercial Paper - Capital	0	0	0
Internally Generated Funds	\$47,946	\$48,218	\$92,480

- 11. Please provide a schedule in Excel format (with all formulas intact) showing straight-time, overtime, and total payroll hours and expense for the budget year and prior fiscal year’s budget.

Response – see attached spreadsheet



SQ-OB 11 FY27.xlsx

12. Please provide a schedule of Natural Gas Expense, showing pipeline demand and commodity charges and storage activity for the budget year and prior fiscal year's budget.

Response – see attached spreadsheet.



SQ-OB-12.xlsx

13. Please provide copies of management letters issued since the last budget proceeding (that have not previously been transmitted to the parties).

Response – see attached file.



KPMG Letter -
Independent Auditc

14. Please provide an updated schedule regarding accounts receivable aging for the budget year and prior fiscal year's budget.

Response – see attached spreadsheet.



OB-14 2027.xlsx

15. Please provide a schedule detailing health insurance expense for the budget year and prior fiscal year's budget.

Response – This information is provided in PGW's FY2027 Operating Budget Supplemental filing. Please note the prepared testimony of Joseph F. Golden, William J. Gallagher, and Stephen Schummer for further information concerning health insurance expenses.

16. Please provide an updated schedule of Gas Sales on a weather adjusted basis for the budget year and prior fiscal year's budget.

Response – This information is provided in PGW's FY2027 Operating Budget filing, Exhibit B-2.

17. Please provide an updated schedule detailing collection rates for the budget year and prior fiscal year's budget.

Response - This information is provided in PGW's FY2027 Operating Budget filing, included in the prepared testimony of Joseph F. Golden., William J. Gallagher, and Stephen Schummer.

18. Please provide (a) a schedule showing Personnel and Payroll Detail similar to schedule SD-3 and (b) an updated schedule regarding the number of employees eligible to retire in the budget year and forecast period.

Response – see attached spreadsheet.



SQ-OB-18 B
FY27.xlsx



SQ-OB 18 A
FY27.xlsx

19. Please provide Excel spreadsheets (with all formulas intact) for (a) the Statement of Income (Exhibits A-1 and A-1-1); (b) Cash Flow Statement (Exhibit A-2); and (c) Debt Service Coverage Schedule (Exhibit A-3) for the budget year.

Response – see attached spreadsheet.



Exhibit FY 27
A1-A2-A3 Exhibits.xl

20. Please provide a schedule detailing supplemental compensation (ERAP, Event driven compensation, Wellness, etc.) and incentive-based compensation budgeted to be paid to PGW employees during the budget year and prior fiscal year’s estimate, respectively.

Response – The fiscal payments for FY2026 and the budget for FY2027 are provided below:

	FY 2026	FY2027
ERAP	\$38,000	\$38,000
Bypass	\$17,000	\$18,000
Contract & Retention	<u>\$67,000</u>	<u>\$132,000</u>
Total	\$122,000	\$188,000

21. Please provide an Excel spreadsheet (with all formulas intact) showing the calculation of Bad Debt expense for the estimated year and the budget year.

Response – See attached spreadsheet.



SQ-OB 21 FY27.xlsx