

PAPUC Winter Reliability Meeting
2012 PGW Winter Reliability Preparation Summary

PHILADELPHIA GAS WORKS (PGW) is the natural gas distribution operator that provides gas service to approximately 500,000 residential, commercial, and industrial customers in the City of Philadelphia. PGW's focus 24 hours a day 7 days a week is to insure safe and reliable natural gas service to the citizens of Philadelphia.

Gas Operations Winter Preparedness

- **Field Personnel Safety**, PGW conducts all-day annual training and safety schools for all company first responders focusing on gas safety policies and procedures.
- **Weather and Forecasting**, PGW receives a 30 day and a 90 day temperature forecast that is updated monthly, a 5 week forecast that is updated weekly, and a 7 day forecast that is updated 3 times a day.
- **Winter Manpower Management**, PGW has a five phase Emergency Response and Manpower Allocation which directs different allocation of resources and crew assignments to maximize the efficient use of all departmental resources to meet the 24-hour, 7 day a week system demands.
- **Preventive Maintenance Programs**, Prior to winter operations at the Gas Plants all process heaters, boilers, vaporizers, and auxiliary systems are inspected, calibrated and tested before being put into service for winter operations.
- **Damage Prevention**, PGW has a robust, in-house, fully staffed damage prevention program that continues its operation through the winter.
- **Frost Patrols**, PGW performs a prudent winter Frost Patrol by surveying the 600 blocks ranked by the Main Replacement and Prioritization (MRP) model every two weeks. PGW also performs a winter period patrol by surveying the areas in which there is a high concentration of cast iron main. All 12" cast iron mains operating at 10-35 psig throughout the city undergo a leak survey by Optical Methane Detector once every two months during the winter period.

Gas Supply and Planning

- **Peak Day Design Evaluation**, PGW models projected customer gas requirements for a design hour, design day and design winter. These gas requirements form the basis for capacity commitments for pipeline supply, storage, and transportation contracting.
- **System Supply Requirements Review**, PGW's supply portfolio is split into three distinct categories. First, the Company enters into winter-only supply contracts. These winter-only supply arrangements provide gas supply that meets approximately fifty percent (50%) of PGW's daily firm transportation entitlements. Second, an additional twenty-seven percent (27 %) of PGW's gas supply portfolio is purchased on a fifty percent first-of-the-month basis and fifty percent on a gas daily pricing basis that allows for daily volumetric changes. Third, the company utilizes three (3) pipeline storage services along with our LNG facilities, as an additional source of supply.
- **Winter Supply Inventory Levels**, PGW has historically has its bundled storage at operationally full by October 31. PGW defines operationally full as between 91 and 93 percent full. This is due to the fact that if the beginning of the operating season is warmer than expected PGW will need space in storages in order to not create an imbalance on the interstate pipelines which service PGW.

PAPUC Winter Reliability Meeting
2012 PGW Winter Reliability Preparation Summary

- **Utility and Contract Storage Inventory Delivery Plans, PGW** utilizes bundled storage and LNG to meet operational requirements and to accomplish other cost saving initiatives.
- **Interstate Supply and Capacity Arrangements**, Spectra Energy and Williams pipelines represent the only interstate pipeline facilities with physical connections to the PGW service territory. These supply contracts also recognize pipeline receipt and delivery rights. By sourcing supply in this manner, PGW not only ensures security of supply from the pipelines, but also can take advantage of varying basis differentiated pricing in the market.
- **Storm Preparations – as in cold weather plans that may lead to operational issues**, PGW works closely with the Philadelphia Managing Director’s Office (MDO) of Office of Emergency Management (OEM) for all events and emergency operations that are determined to be significant and could affect the City. PGW worked with OEM to help prepare the city’s Winter Weather Emergency Plan to coordinate responses to severe cold, ice, freezing rain, snowstorms, and Nor’easters. PGW works with OEM on coordinating efforts related to these events. Prior to a forecasted event, PGW develops a response plan. When a sudden event occurs PGW employs existing procedures and if necessary develops an event specific response plan at the occurrence of the event.
- **Emergency Curtailment Plans**, PGW utilizes a three phase Emergency Curtailment Plan, first Contractual Load Shedding, next Voluntary Usage Reductions and last Mandatory Usage Reductions. PGW has procedures in place to respond to localized outages.

Communications and Outreach

- **Customer Communications**, Every PGW customer receives our monthly informational bill newsletter *The Good Gas News* which shares important safety information and contact numbers. *The Good Gas News* is posted on the company website www.pgworks.com each month. Our website also features gas leak safety information, weatherization tools and instructions on how to contact PGW in the event of an emergency. The home page of the website can also post important customer messages, when necessary.
- **Philadelphia Resident Emergency Communications**, In the event of an emergency, PGW makes communication a priority by offering a variety of communication options to customers and Philadelphia residents. Customers can contact the Customer Call Center and the automated Interactive Voice Response phone system to report an odor or suspicion of a gas leak 24 hours a day, 7 days a week.
- **Additional Emergency Communications**, communications staff available 24-hours a day to respond to media inquiries. Each state legislator and city council member in our distribution area receives regular personal correspondence along with email follow-up in the event of an emergency. The company’s Community Partnership Manager meets with elected officials and attends community events throughout the city to share outreach messages on a routine basis.
- **Employee Communications**, PGW uses a computer based notification system which allows PGW to contact all employees quickly and efficiently with a consistent message. This notification system can contact employees at home, work, text, cell phone or through email.
- **First Responder Communications**, PGW works with and communicates closely with the Philadelphia Fire Department on training and response procedures surrounding the response to Water main breaks, Carbon Monoxide, Fire and Foreign Odor reports.