

**PECO ENERGY COMPANY
STATEMENT NO. 1**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PETITION OF PECO ENERGY COMPANY FOR A FINDING OF
NECESSITY

PURSUANT TO 53 P.S. § 10619

Docket No. P-2021-3024328

DIRECT TESTIMONY

WITNESS: DOUGLAS I. OLIVER

NON-CONFIDENTIAL VERSION

SUBJECT: PECO'S PUBLIC UTILITY STATUS AND GAS
OPERATIONS; OVERVIEW OF PECO'S
PETITION; AND PECO'S OUTREACH TO
THE COMMUNITY REGARDING THE
LOCATION AND AESTHETICS OF THE
NATURAL GAS RELIABILITY STATION

DATED: MAY 14, 2021

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. PURPOSE OF TESTIMONY.....	2
III. PECO’S PUBLIC UTILITY STATUS AND GAS OPERATIONS	2
IV. OVERVIEW OF PROPOSED NATURAL GAS RELIABILITY STATION.....	4
V. PECO’S OUTREACH TO INFORM AND ENGAGE THE COMMUNITY	7
VI. CONCLUSION.....	12

1 **DIRECT TESTIMONY OF DOUGLAS I. OLIVER**

2 **I. INTRODUCTION**

3 **Q. Please state your name and business address.**

4 A. My name is Douglas I. Oliver. My business address is PECO Energy Company, 2301
5 Market Street, Philadelphia, Pennsylvania 19103.

6 **Q. What is your educational background?**

7 A. I received a Bachelor of Arts degree in Journalism and Mass Communications from Lock
8 Haven University, a Master of Arts degree in Professional Communication from LaSalle
9 University, and a Master of Business Administration degree from St. Joseph’s University.

10 **Q. Please describe your work experience relevant to your Direct Testimony.**

11 A. I currently serve as PECO’s Vice President of Governmental & External Affairs. In this
12 capacity, I am responsible for managing relationships with state legislators and with more
13 than 270 Townships across PECO’s five-county service territory. I have been in this
14 position since September 2019. Prior to my current role, I served as PECO’s Director of
15 Communications and Vice President of Communications. I have been employed with the
16 Company since August 2016.

17 **Q. Do you have any other experiences or training that would be relevant to your
18 Direct Testimony?**

19 A. Prior to joining PECO, I worked for Philadelphia Gas Works (“PGW”), the nation’s
20 largest municipally owned natural gas distribution company. I served as PGW’s Senior
21 Vice President of Marketing and Corporate Communications for five years and then as
22 Vice President of External Affairs before leaving to join PECO. In my various roles with
23 PGW my responsibilities included, but were not limited to, establishing and maintaining

1 PGW's relationships with the City and external stakeholders, including Philadelphia City
2 Council, community-based organizations and new business customers.

3 **II. PURPOSE OF TESTIMONY**

4 **Q. What is the purpose of your Direct Testimony in this proceeding?**

5 A. The purpose of my testimony is to: (1) generally describe PECO's public utility status
6 and gas operations and PECO's Natural Gas Reliability Project; (2) provide an overview
7 of the relief requested in this proceeding and the testimony filed in support of that relief;
8 and (3) describe PECO's efforts to inform and engage with the community and local,
9 county, and state officials to address their concerns about the project.

10 **Q. Are you sponsoring any exhibits?**

11 A. Yes. I am sponsoring Exhibits DIO-1-PARTLY CONFIDENTIAL and DIO-2, which are
12 email communications regarding the proposed Natural Gas Reliability Station exchanged
13 between PECO and the Marple Township Manager.

14 **III. PECO'S PUBLIC UTILITY STATUS AND GAS OPERATIONS**

15 **Q. Mr. Oliver, is PECO a public utility?**

16 A. Yes. PECO is a public utility operating under the authority of the Pennsylvania Public
17 Utility Commission ("PUC" or "Commission"). The Public Service Commission, a
18 predecessor to the PUC, granted PECO a Certificate of Public Convenience in 1929.
19 Today, PECO supplies natural gas to customers in southeastern Pennsylvania, and, more
20 particularly, in Delaware County, including Marple Township.

21 **Q. Please provide an overview of PECO's gas operations.**

22 A. PECO provides natural gas service to approximately 534,000 retail customers and
23 provides transportation service to 1,800 large commercial and industrial customers.

1 Residential customers account for nearly 50% of total metered volume. PECO's natural
2 gas service region is located throughout a 1,900 square-mile area in southeastern
3 Pennsylvania adjacent to, but exclusive of, the City of Philadelphia. The Company's gas
4 service territory comprises all of, or portions of, Bucks, Chester, Delaware, Montgomery
5 and Lancaster Counties.

6 **Q. Please describe PECO's commitment to safety.**

7 A. PECO has been, and is committed to, maintaining the highest standards of safety and
8 reliability for its customers, employees, contractors, and the communities it serves.

9 Accordingly, PECO complies with federal and state law and Commission regulations by
10 achieving comprehensive safety and reliability objectives which are managed through
11 various programs that assess risks, track trends, and develop corrective/preventive action
12 plans.

13 For example, PECO ranks in the first decile for Percent First Responder Calls Under
14 One-Hour, which reflects PECO's ability to respond to natural gas odor calls within one
15 hour of receiving notice. Additionally, PECO has received a number of safety awards,
16 including: (1) the Energy Association of Pennsylvania's Safety Achievement Award,
17 which recognizes member companies that have 100,000 or more hours worked, with an
18 exceptionally low incidence rate for the calendar year; and (2) since its inception, the
19 American Gas Association's Safety Achievement Award, which recognizes worker safety
20 for having the lowest injury rate for similar companies.

1 **IV. OVERVIEW OF PROPOSED NATURAL GAS RELIABILITY STATION**

2 **Q. Please summarize the relief that PECO is requesting through its Petition.**

3 A. PECO proposes to construct and operate a Natural Gas Reliability Station on a property
4 currently known as 2090 Sproul Road, Marple Township, Delaware County,
5 Pennsylvania, 19008. PECO is the equitable owner of the property. The Natural Gas
6 Reliability Station will allow PECO to comply with its statutory obligation to provide an
7 adequate, safe and reliable supply of natural gas to meet growing demand in Delaware
8 County and throughout PECO’s service territory. PECO is seeking from the Commission:
9 (1) a finding that the proposed situation of two buildings associated with the Natural Gas
10 Reliability Station is reasonably necessary for the convenience and welfare of the public
11 and therefore exempt from the Marple Township Subdivision, Land Use and Zoning
12 Codes; and (2) a finding that a proposed security fence that will surround the Natural Gas
13 Reliability Station is a public utility facility as defined at 66 Pa. C.S. § 102 and is
14 therefore exempt from a local zoning requirement limiting its height to 6 feet.

15 **Q. Please provide a brief description of PECO’s Natural Gas Reliability Project?**

16 A. PECO’s Natural Gas Reliability Project is designed to permit PECO to provide an
17 adequate and reliable supply of gas to its customers in Delaware County. The Project
18 consists of three components: (1) upgrades to PECO’s West Conshohocken natural gas
19 plant; (2) the installation of 11.5 miles of a new high pressure uninterrupted gas main
20 ending at a point in Delaware County where gas pressure was at its lowest point (the,
21 “Terminus”); and (3) the construction and operation of a Natural Gas Reliability Station
22 at the Terminus.

1 **Q. What needs are met by the proposed Natural Gas Reliability Project and Natural**
2 **Gas Reliability Station?**

3 A. The proposed Natural Gas Reliability Project meets several important needs.
4 Fundamentally, as explained by PECO Witness Carlos Thillet in PECO Statement No. 2,
5 it will help to ensure the reliability of natural gas supply within PECO’s service territory
6 by providing an additional source of supply to meet increasing design day requirements.
7 A reliable supply of natural gas is essential for customers who rely on natural gas for heat
8 and cooking, as the nation saw poignantly when the supply was disrupted in Texas this
9 past winter.

10 As explained by Carlos Thillet in PECO Statement No. 2, the additional supply will
11 reduce PECO’s reliance on spot market purchases, thereby reducing price volatility.
12 Further, because PECO will own the gas, the Project also helps to mitigate reliance on
13 third party suppliers. Finally, as explained by Ryan Lewis in PECO Statement No. 3,
14 PECO decided to locate the Natural Gas Reliability Station in Marple Township,
15 Delaware County, because that location was optimal for serving increasing customer
16 counts and usage within Delaware County; particularly, Marple Township.

17 **Q. When does PECO intend to begin the construction of the Natural Gas Reliability**
18 **Station?**

19 A. To the extent possible, PECO would like to begin construction by September 2021 in
20 order to ensure that the project is completed in time for the 2022-2023 heating season.

1 **Q. Please identify the other witnesses providing direct testimony on behalf of PECO in**
2 **this proceeding.**

3 A. In addition to myself, the following witnesses will be responsible for presenting PECO's
4 case-in-chief:

5 **Carlos Thillet** (PECO Statement No. 2) is the Manager of PECO's Gas Supply and
6 Transportation Department. Mr. Thillet explains in detail the need for the Natural Gas
7 Reliability Station from the standpoint of ensuring the reliability of PECO natural gas
8 supply to meet design day requirements. Mr. Thillet sponsors Exhibits CPT-1 through
9 CPT-4.

10 **Ryan Lewis** (PECO Statement No. 3) is PECO's Manager of Gas Engineering & Asset
11 Performance. Mr. Lewis discusses the gas distribution considerations that led PECO to
12 site the Natural Gas Reliability Station in Marple Township, Delaware County. Mr.
13 Lewis sponsors Exhibits RL-1, RL-2, and RL-3-CONFIDENTIAL.

14 **Tim Flanagan** (PECO Statement No. 4) is the Manager for Gas System Control and
15 Plant Operations. Mr. Flanagan explains the operation of the Natural Gas Reliability
16 Station and why the two buildings that are part of the Station are necessary for the
17 convenience and welfare of the public. He also explains why the security fence is
18 necessary for the convenience and welfare of the public. Mr. Flanagan sponsors Exhibits
19 TF-1, TF-2-CONFIDENTIAL, and TF-3 through TF-7.

20 **Jim Moylan** (PECO Statement No. 5) is employed by PECO as a real estate specialist.
21 Mr. Moylan describes the criteria and process used by PECO to select the location for the
22 proposed Natural Gas Reliability Station. He also describes how PECO acquired the
23 property. Mr. Moylan sponsors Exhibit JM-1.

1 **V. PECO’S OUTREACH TO INFORM AND ENGAGE THE COMMUNITY**

2 **Q. Did PECO make any effort to solicit community input before selecting a site for its**
3 **Natural Gas Reliability Station?**

4 A. Yes. Throughout every stage of this project, PECO has been intentional about working
5 collaboratively with Marple Township and Delaware County elected officials and their
6 residents regarding the location and design of the Natural Gas Reliability Station. On
7 November 19, 2019, even before PECO identified the current proposed location for the
8 Station, PECO met with Larry Gentile, Township Manager of Marple Township, and
9 informed him about PECO’s project and indicated that PECO was seeking an appropriate
10 site to build its Natural Gas Reliability Station. Following that meeting, PECO’s External
11 Affairs Manager, Michele Garrity, emailed Mr. Gentile a map of the Natural Gas
12 Reliability Project and thanked him for taking the time to meet with PECO
13 representatives concerning the Project. *See* Exhibit DIO-1. Shortly thereafter, in
14 December 2019, PECO solicited Mr. Gentile’s suggestions for suitable locations for its
15 Natural Gas Reliability Station. *See* DIO-2. Also, on January 10, 2020, PECO met with
16 Pennsylvania State Representative Jennifer O’Mara to brief her on the proposed Natural
17 Gas Reliability Station and also informed her that PECO was in search of a suitable site.
18 Although PECO considered sites proposed by Township and County officials, each of
19 those sites was either unavailable or unsuitable for the Natural Gas Reliability Station as
20 explained in more detail in the testimony of Jim Moylan. (*See* PECO Statement No. 5).

1 **Q. Did PECO engage community stakeholders after it identified a potential site for the**
2 **Natural Gas Reliability Station?**

3 A. Yes. In June and July 2020, PECO informed Mr. Gentile and Representative O'Mara
4 that it had executed an agreement of sale to purchase the current proposed site located at
5 Sproul Road and Cedar Grove Road.

6 Subsequently, PECO provided Mr. Gentile with copies of written materials the Company
7 intended to distribute to Marple Township's 1,336 residents to inform them of the
8 project. Mr. Gentile also issued a reverse 911 call to let residents know about upcoming
9 road closures to install the line that would bring the gas from PECO's West
10 Conshohocken LNG facility.

11 In late October 2020, PECO met with Mr. Gentile, Joe Rufo (President of the Marple
12 Township Board of Commissioners), Mike Molinaro (Marple Township Ward
13 Commissioner), Joe Mastronardo and Bridget Gillen (Marple Township Engineers), and
14 Adam Matalawski (Marple Township Solicitor) to discuss how PECO and Marple
15 Township could work effectively together to complete this project. Later, on January 7,
16 2021, PECO met with Representative O'Mara, Pennsylvania State Senator Tim
17 Kearney's Chief of Staff, and Brian Madden, Elaine Schaefer, and Christine Reuther,
18 who are members of Delaware County's Council. In fact, PECO tried to meet with every
19 elected official in Delaware County and Marple Township to keep them apprised of this
20 project and to obtain their input.

1 **Q. In addition to meeting with stakeholders, did PECO make any other efforts to**
2 **engage the community with respect to this project?**

3 A. Yes. In October 2020, PECO informed Mr. Gentile that it would host four virtual open
4 houses to discuss the project with Marple Township residents and answer any questions.
5 PECO also invited Representative O’Mara to attend the open houses; she indicated she
6 was unavailable, but offered to post the information concerning the open houses on her
7 website. As promised, on October 27 and 28, 2020, PECO held four virtual public
8 meetings to provide Marple Township residents with information regarding the proposed
9 Natural Gas Reliability Station and to receive public input.

10 **Q. Were the open houses well attended?**

11 A. No. Over the course of the four meetings, a total of only 42 residents attended.

12 **Q. Did PECO hold any more open houses?**

13 A. Yes. On November 16, 2020, PECO held an additional virtual open house for Marple
14 Township residents who had further questions following the October open houses.
15 Additionally, on April 10, 2021, at the request of Representative O’Mara, PECO held
16 another virtual open house for Marple Township residents which included various
17 breakout sessions to provide the public with information on site selection, design,
18 community impact, and safety. In addition to these open houses, PECO has conducted
19 numerous one-on-one meetings with residents, responded to dozens of individual emails,
20 and provided extensive written communications to the community.

1 **Q. Did PECO make any effort to address any concerns regarding the project that were**
2 **raised by Marple Township and Delaware County officials or residents?**

3 A. Yes. As a preliminary matter, PECO has not received many complaints opposing the
4 Natural Gas Reliability Project altogether. Instead, those comments provided by some
5 Marple Township and Delaware County residents and officials have generally been that
6 the proposed location simply should be elsewhere. However, when PECO has been
7 presented with workable recommendations, the Company has taken reasonable steps to
8 address them. For example, State Senator Kearney raised concerns about the aesthetics of
9 the proposed building and encouraged PECO to consider using a building design that
10 would provide aesthetic value to the location. As a result of Senator Kearney’s suggestion
11 related to curbside architecture, PECO considered three new designs, one of which would
12 increase the total cost of construction by roughly \$1 million dollars.
13 Also, as described in detail by Tim Flanagan in PECO Statement No. 4, PECO conducted
14 an ambient sound survey and made numerous design changes to reduce ambient sound
15 from the facility.

16 **Q. Did PECO consider local subdivision, land use and zoning regulations as it assessed**
17 **possible sites for the proposed Natural Gas Reliability Station?**

18 A. Yes. When choosing a site for any public utility facility, PECO considers potential
19 impacts on local subdivision, land use and zoning. As explained in more detail by PECO
20 witness Jim Moylan, the applicable provisions of Marple Township’s subdivision, land
21 use and zoning code require PECO to obtain a special exception to construct its Natural
22 Gas Reliability Station at the proposed site. Although public utility facilities, such as the
23 proposed Natural Gas Reliability Station, are exempt from local zoning regulations, in the

1 spirit of collaboration and in keeping with the Commission’s policies, PECO filed a
2 Zoning Application with Marple Township seeking: (1) a special exception to operate the
3 Natural Gas Reliability Station—a public utility facility—at the property; and (2) a
4 variance to erect a security fence measuring 8 feet in height around the Station. On
5 October 21, 2020, the Zoning Hearing Board held a virtual hearing during which PECO
6 conclusively met its burden for both the special exception and variance by, among other
7 things, presenting extensive evidence and testimony from seven (7) witnesses, six (6) of
8 whom were experts. Yet, on November 18, 2020, the Marple Township Zoning Hearing
9 Board entered an Order denying PECO’s Zoning Application.¹ On December 18, 2020,
10 PECO appealed the Zoning Hearing Board’s Order to the Court of Common Pleas of
11 Delaware County, which appeal is currently pending.²

12 **Q. Did PECO make any effort to resolve this dispute with Marple Township without**
13 **the use of litigation?**

14 A. Yes. On December 9, 2020, PECO communicated to Marple Township that it was willing
15 to collaborate to seek to avoid litigation. It is my understanding that this message was
16 relayed to the Township’s Commissioners. On December 15, 2020, we were informed
17 that they would rather litigate the matter in court.

¹ For the Board’s reasoning, *see* Marple Township Zoning Hearing Board Conclusions of Law, ¶ 13 (“Though professionally and thoroughly presented by the Applicant’s attorney and its witnesses, the Board found Applicant’s Zoning Application self-serving, in that the Applicant expended little effort exploring other sites for the Proposed Use, and settled on the first available property it explored. As such, the Board believed this Application represents the proverbial ‘round peg in a square hole’ scenario.”)

² While PECO has filed an appeal with the Court of Common Pleas of Delaware County to preserve its rights, a finding by the Commission that the situation of the proposed building is reasonably necessary for the convenience or welfare of the public, and therefore not subject to the Marple Township Subdivision, Land Use and Zoning Codes, is an issue solely within the jurisdiction of the Commission. *See* 53 P.S. § 10619.

1 **VI. CONCLUSION**

2 **Q. Does this conclude your Direct Testimony?**

3 A. Yes, it does. However, I reserve the right to file such additional testimony as may be
4 necessary or appropriate.

PARTLY
CONFIDENTIAL
EXHIBIT DIO-1

From: Garrity, Michele:(PECO) <Michele.Garrity@exeloncorp.com>
Sent: Tuesday, November 19, 2019 4:02 PM
To: 'Larry Gentile'
Subject: Natural Gas Reliability Project- Marple
Attachments: Marple - DelCo.pdf

Hi Larry,
Thanks for taking the time to meet with Ed and I today. Attached is the map electronically.

I will keep you informed and up to date as updates develop.

Let me know if you have any questions.

Thanks
Michele

Michele Garrity
External Affairs Manager, Delaware County
PECO
1510 Chester Pike
Eddystone, Pa 19022
Office: 610-490-3120
Cell: 484-432-7937
Michele.Garrity@exeloncorp.com



DIO-1
CONFIDENTIAL
PORTION

EXHIBIT
DIO-2

From: Garrity, Michele:(PECO) <Michele.Garrity@exeloncorp.com>
Sent: Monday, December 9, 2019 1:41 PM
To: 'Larry Gentile'
Subject: Properties

Hi Larry,
Hope you enjoyed your time off!!!

When we were chatting last week I know you and Joe mentioned a few sites we should possibly consider for the reliability station.

- The lot next to the Wawa
- Don Guanella Property

Do you have any other suggestions? You obviously are a good source in the community, and we want to have as many ideas as possible.

Thanks
Michele

Michele Garrity
External Affairs Manager, Delaware County
PECO
1510 Chester Pike
Eddystone, Pa 19022
Office: 610-490-3120
Cell: 484-432-7937
Michele.Garrity@exeloncorp.com

