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Calling for the City Council Committee on Transportation and Public Utilities to hold hearings on the economic opportunities available to the Philadelphia Gas Works resulting from the Marcellus Shale find and other developments in the natural gas industry.
WHEREAS, The Philadelphia Gas Works (PGW) was established in 1836 and is owned by the citizens of Philadelphia, managed and operated by the Philadelphia Facilities Management Corporation (a nonprofit corporation with members appointed by the Mayor), and regulated by the Pennsylvania Public Utility Commission <http://www.answers.com/topic/philadelphia-gas-works-company>; and

WHEREAS, PGW consists of a network of approximately 6,000 miles of gas mains with storage and distribution facilities located around the City, all owned by the City, but at times operated by others under contract; and

WHEREAS, PGW, with annual revenues close to $1 billion, is the largest municipally-owned gas utility in the nation with nearly 500,000 residential customers and 19,000 commercial and industrial customers and with the nation's largest municipally-owned liquefied natural gas (LNG) storage facility; and

WHEREAS, Under The Philadelphia Home Rule Charter, the Department of Public Property is responsible for operating the Gas Works when it is not being operated under a contract; and

WHEREAS, In the current economic environment in the natural gas industry, PGW is a municipal asset that, if fully utilized, could generate substantial returns to the City's general fund; and

WHEREAS, The municipally-run gas utility in San Antonio, Texas, CPS Energy, with combined natural gas <http://en.wikipedia.org/wiki/Natural_gas> and electric service, returns 14 percent of all utility revenues to the City of San Antonio, and those revenues make up more than 20 percent of San Antonio's annual operating budget. CPS Energy, which serves over 700,000 electricity customers and more than 322,000 natural gas customers, is an example of the market performance PGW can achieve to the benefit of its customers, the City and other stakeholders; and

WHEREAS, The Marcellus Shale find is expected to supply enough low-cost natural gas to meet regional demand for decades to come. Cheaper natural gas makes LNG and compressed natural gas (CNG) economically and environmentally responsible alternatives as fuels for motor-vehicles. PGW's LNG facilities could allow it to capitalize on fleet and trucking operator-demand for cheaper, cleaner fuel sourced and produced domestically; and

WHEREAS, The abundant, low-cost supply of natural gas created by the Marcellus Shale find could allow PGW to venture into new markets, including partnering with electricity providers seeking to generate electricity using gas-fired turbines, thereby increasing PGW's sales volume and revenues; and

WHEREAS, The development and availability of combined heat and power (CHP) generators, which burn gas to generate heat and electric power, open new markets to PGW including providing gas to institutions such as

hotels and hospitals, and to office-tower operators now using the steam-loop, and helping consumers lower their energy costs by reducing the quantity of electricity purchased off the grid; and

WHEREAS, The Philadelphia Museum of Art reduced its annual energy costs by $350,000 per year by using CHP generators, demonstrating the cost-saving potential of this technology; and

WHEREAS, These and other business opportunities can make PGW more viable as a going concern, returning significant value to taxpayers and ratepayers while contributing to the City's general fund; now therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Calls for the Committee on Transportation and Public Utilities to hold hearings on the economic opportunities available to the Philadelphia Gas Works resulting from the Marcellus Shale find and other developments in the natural gas industry.

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