



PHILADELPHIA GAS WORKS

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September 30, 2015

The Honorable Marian B. Tasco
Chairwoman
PHILADELPHIA GAS COMMISSION
One Parkway Building
1515 Arch Street, 9th Floor
Philadelphia, PA 19102

Re: Philadelphia Gas Works' Five-Year Forecast – FY 2017-2021

Dear Chairwoman Tasco:

Enclosed is an original along with six (6) copies of PGW's Five-Year Forecast for the fiscal periods 2017 through 2021. PGW's Forecast was reviewed by the PFMC Board at a board meeting held on September 21, 2015. The resolution approving the submission of PGW's Forecast is also included with this filing. The Finance Director's letter will be provided as soon as it is available.

Please feel free to call me if you have any questions regarding the enclosed forecast.

Sincerely,

William J. Gallagher
VP Budget and Strategic Development

WJG/pr

Enclosure

cc: All Gas Commissioners
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PHILADELPHIA GAS WORKS
PROPOSED
FISCAL YEAR 2016 OPERATING BUDGET
& FIVE-YEAR FORECAST
Fiscal Years 2017 - 2021

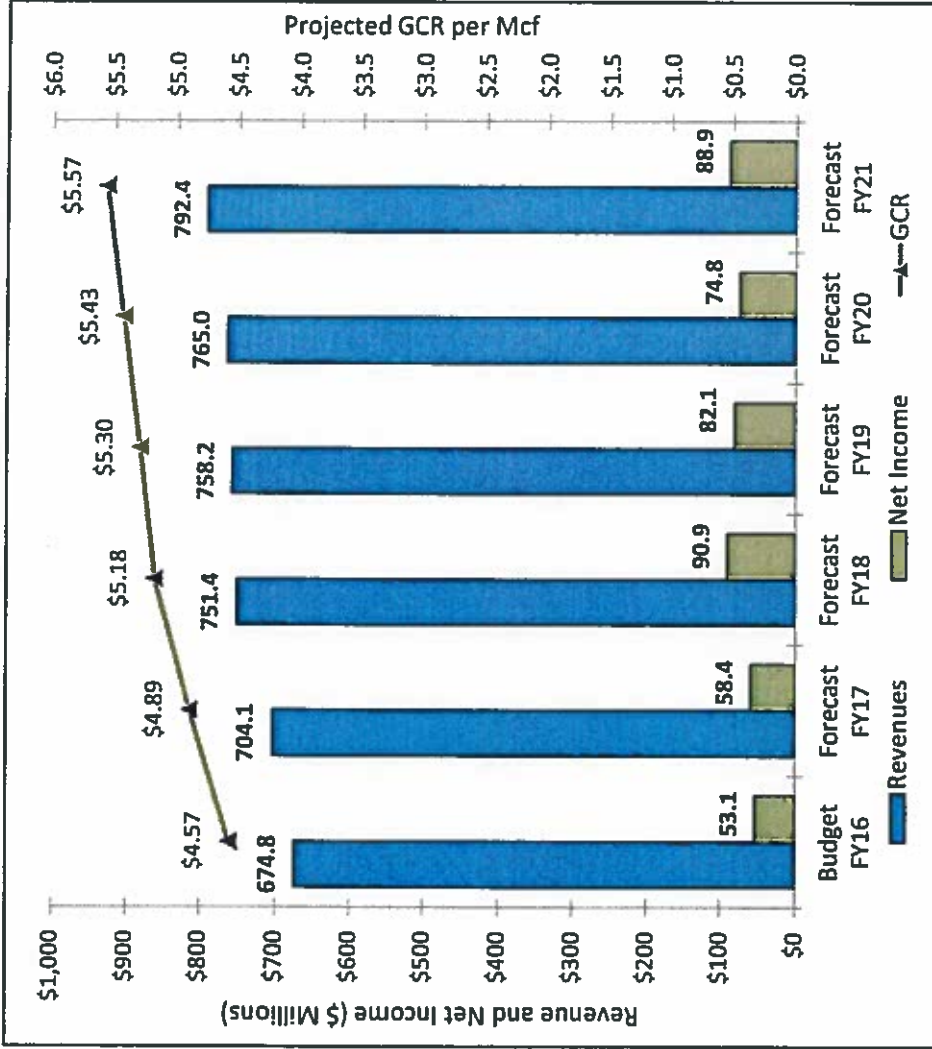


PHILADELPHIA GAS WORKS FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Total Revenue, Net Income, and GCR @ August 31

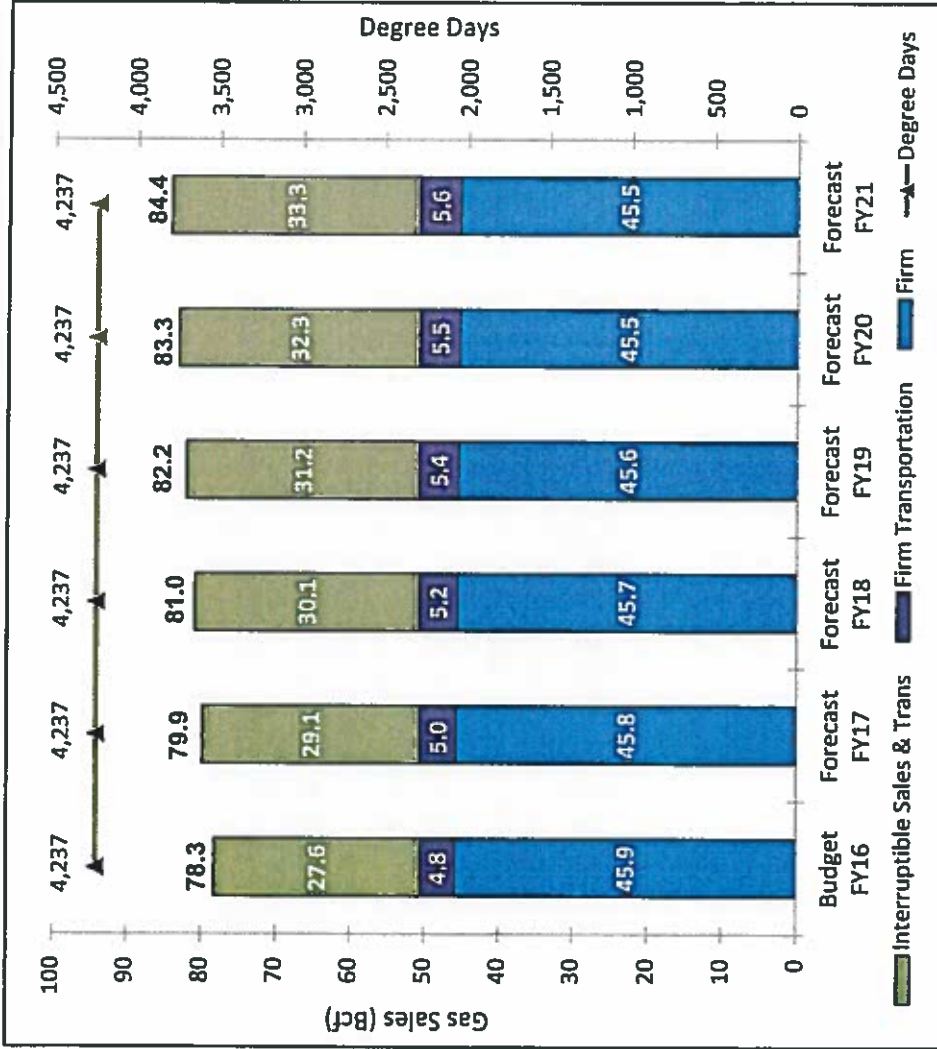
Business Assumptions

- Current base rates are in effect throughout the FY 2017 forecasted period.
- Proposed \$40.0 million rate increase is projected to be in effect in the FY 2018 through FY 2021 forecasted periods.
- Additional proposed \$20.0 million rate increase is projected to be in effect in the FY 2021 forecasted period.
- WNA Revenue projected through August 31, 2017:
 - FY 2016 = \$6.0 million
 - FY 2017 = \$6.0 million
- DSM or Energy Sense Program Surcharge is in place until August 31, 2021.
- DSIC Revenue based on incremental capital spending:
 - FY 2016 = \$27.1 million
 - FY 2017 = \$32.7 million
 - FY 2018 = \$32.8 million
 - FY 2019 = \$32.9 million
 - FY 2020 = \$33.0 million
 - FY 2021 = \$33.1 million
- Interruptible billed revenues reflect approximately \$5.2 million or 1.0 Bcf of LNG Sales from the existing liquefier.
- Other operating revenue is expected to increase by \$3.7 million reflecting margin on LNG sales.
- Net Income reflects the payment of \$18 million to the City of Philadelphia.



PHILADELPHIA GAS WORKS FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Gas Sales By Category, and Degree Days



Business Assumptions

• Sales forecast (net) utilized for the six-year period is as follows:

	Billed Gas Revenues (\$'000's)			Total
	Firm	Interrupt	Transport	
FY 2016	\$614,545	\$2,638	\$44,199	\$661,382
FY 2017	\$629,093	\$5,096	\$47,229	\$681,418
FY 2018	\$634,408	\$5,142	\$49,322	\$688,872
FY 2019	\$638,986	\$5,229	\$51,419	\$695,634
FY 2020	\$643,781	\$5,325	\$53,154	\$702,260
FY 2021	\$649,238	\$5,440	\$54,720	\$709,398

- Firm Non-heating and Heating sales are anticipated to remain constant throughout the forecast period.
- Firm Transportation volumes are projected to increase by approximately 0.8 Bcf or 16.7% in the FY 2021 Forecasted period when compared to the FY 2016 Budget period.
- Interruptible sales, more specifically, LNG Sales are expected to increase to 1.0 Bcf during the FY 2017 through FY 2021 forecasted periods.

Interruptible LNG Sales / Revenue / Margin (\$'000)

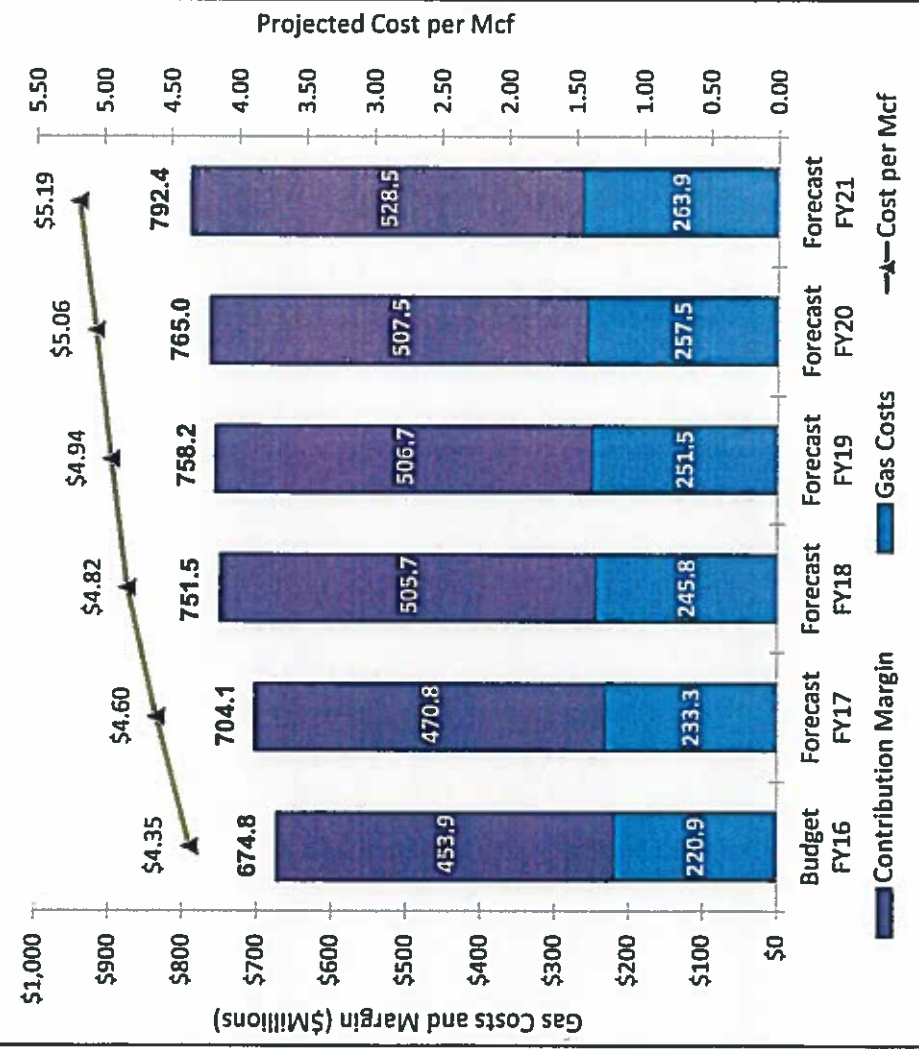
	MCF	Revenue	Margin	Total
FY 2016	505	\$2,595	\$1,857	\$4,452
FY 2017	1,000	\$5,051	\$3,680	\$8,731
FY 2018	1,000	\$5,097	\$3,680	\$8,777
FY 2019	1,000	\$5,184	\$3,680	\$8,864
FY 2020	1,000	\$5,280	\$3,680	\$8,960
FY 2021	1,000	\$5,394	\$3,680	\$9,074



PHILADELPHIA GAS WORKS FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Gas Costs and Margin

Business Assumptions



- 4,237 Degree Day basis of normal weather utilized for sales and utilization projections.

	Gas Costs / Margin (\$ Millions)		
	MCF	Gas Cost	Margin
FY 2016	50,754	\$220.9	\$453.9
FY 2017	50,717	\$233.3	\$470.8
FY 2018	51,009	\$245.8	\$505.7
FY 2019	50,906	\$251.5	\$506.7
FY 2020	50,891	\$257.5	\$507.5
FY 2021	50,847	\$263.9	\$528.5

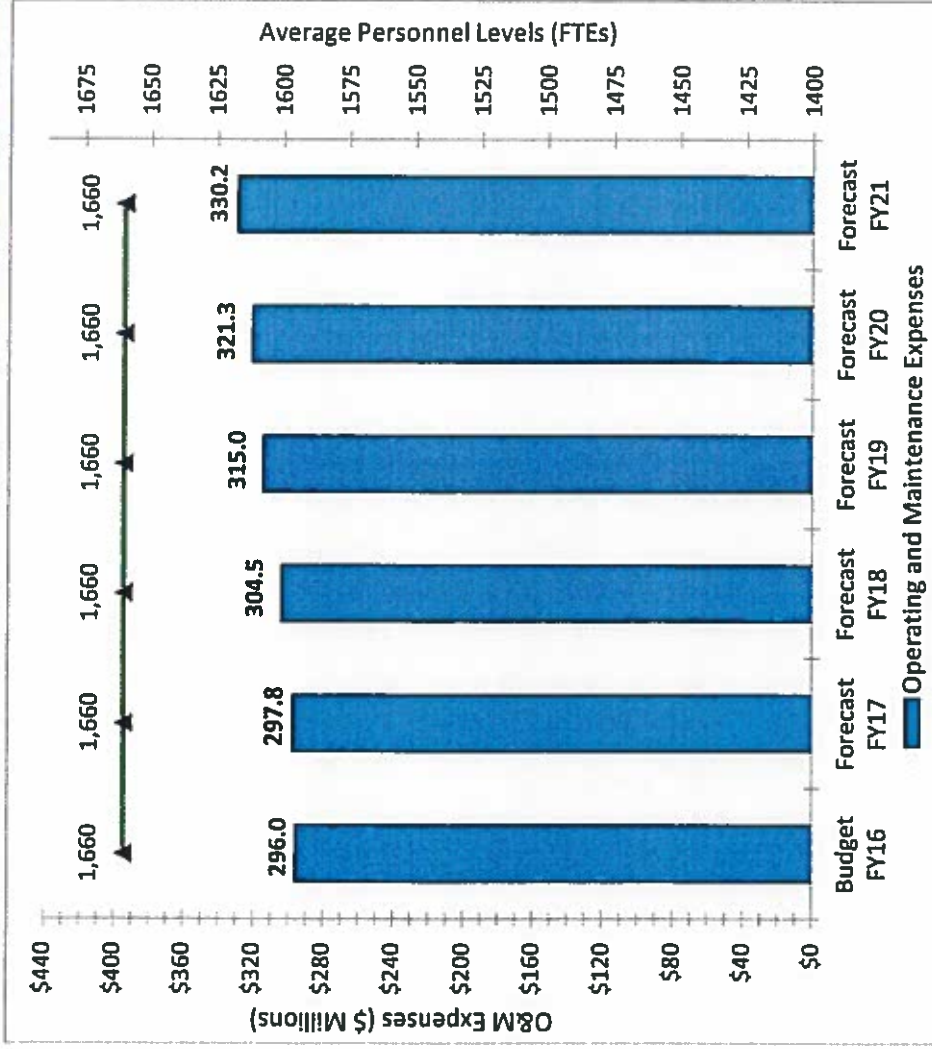
- Average cost per MCF is anticipated to range from \$4.35 in FY 2016 to \$5.19 in FY 2021
- Contribution margin increases in the FY 2018 and FY 2021 forecasted periods reflecting a \$40.0 million and \$20.0 million rate increase, respectively.

	Cost per MCF		
	\$ Per MCF	Difference	% Inc (Dec)
FY 2016	\$4.3515	-\$0.5081	-10.5%
FY 2017	\$4.5997	\$0.2482	5.7%
FY 2018	\$4.8183	\$0.2186	4.8%
FY 2019	\$4.9407	\$0.1224	2.5%
FY 2020	\$5.0598	\$0.1191	2.4%
FY 2021	\$5.1906	\$0.1308	2.6%



PHILADELPHIA GAS WORKS FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Operating and Maintenance Expenses (O&M)



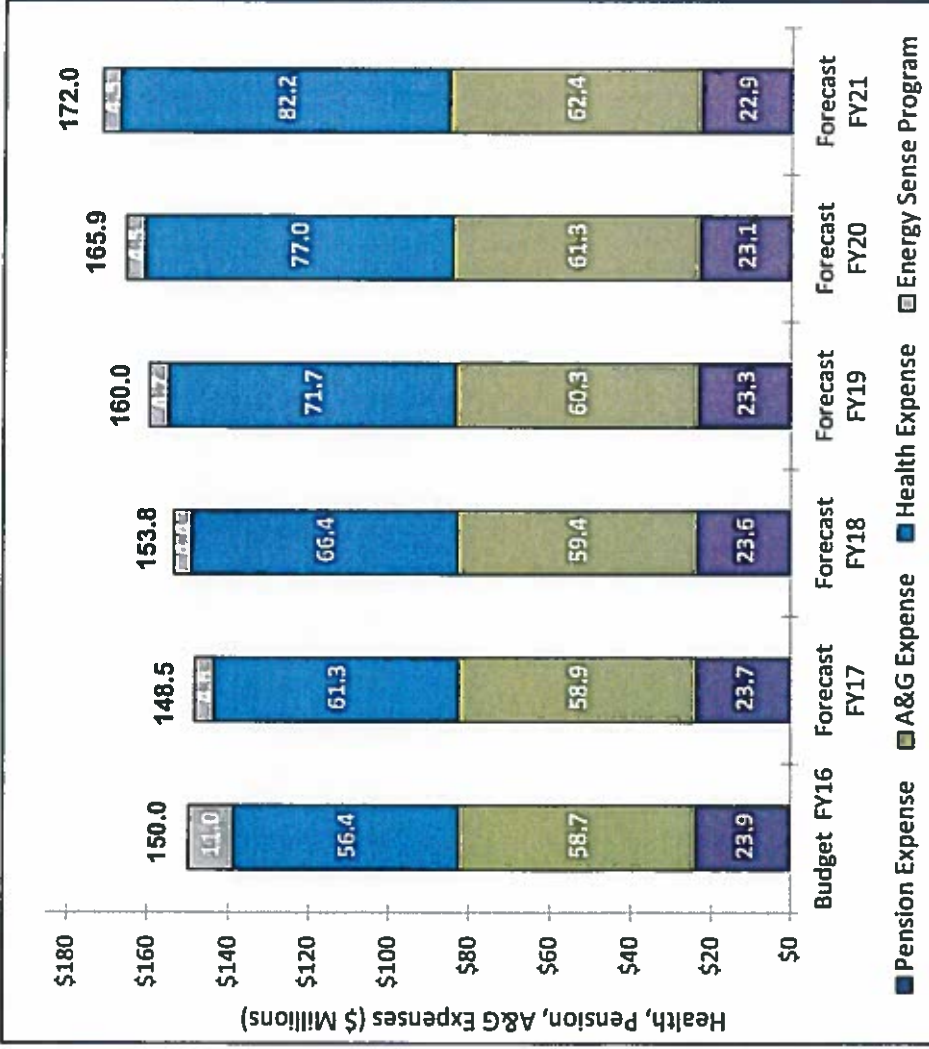
Business Assumptions

- Operating and maintenance expenses are net of depreciation.
- Personnel levels are expected to remain constant at 1,660 throughout the FY 2021 forecasted period.
- DSM or Energy Sense Program Surcharge is assumed to be in place until August 31, 2021.
- General inflation rates of 2.0% were utilized throughout the forecast period absent any specific departmental information regarding expenses, i.e. health insurance.
- Property & Public Liability Insurance premiums forecasted to rise by 2.5% annually.
- Collection factor projected at 96.0% of billed revenues in FY 2016 and throughout the forecasted period.
- The forecasted period includes the implementation of the new five-year Collective Bargaining Agreement (CBA).



PHILADELPHIA GAS WORKS FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Health, Pension, and A&G Expenses



Business Assumptions

- The forecasted period includes the implementation of the new five-year Collective Bargaining Agreement (CBA).
- General inflation rates of 2.0% were utilized throughout the forecast period absent any specific departmental information regarding expenses, i.e. health insurance.
- Health insurance costs were projected to increase by approximately 9.0% based on information provided by PGW's healthcare consultant.

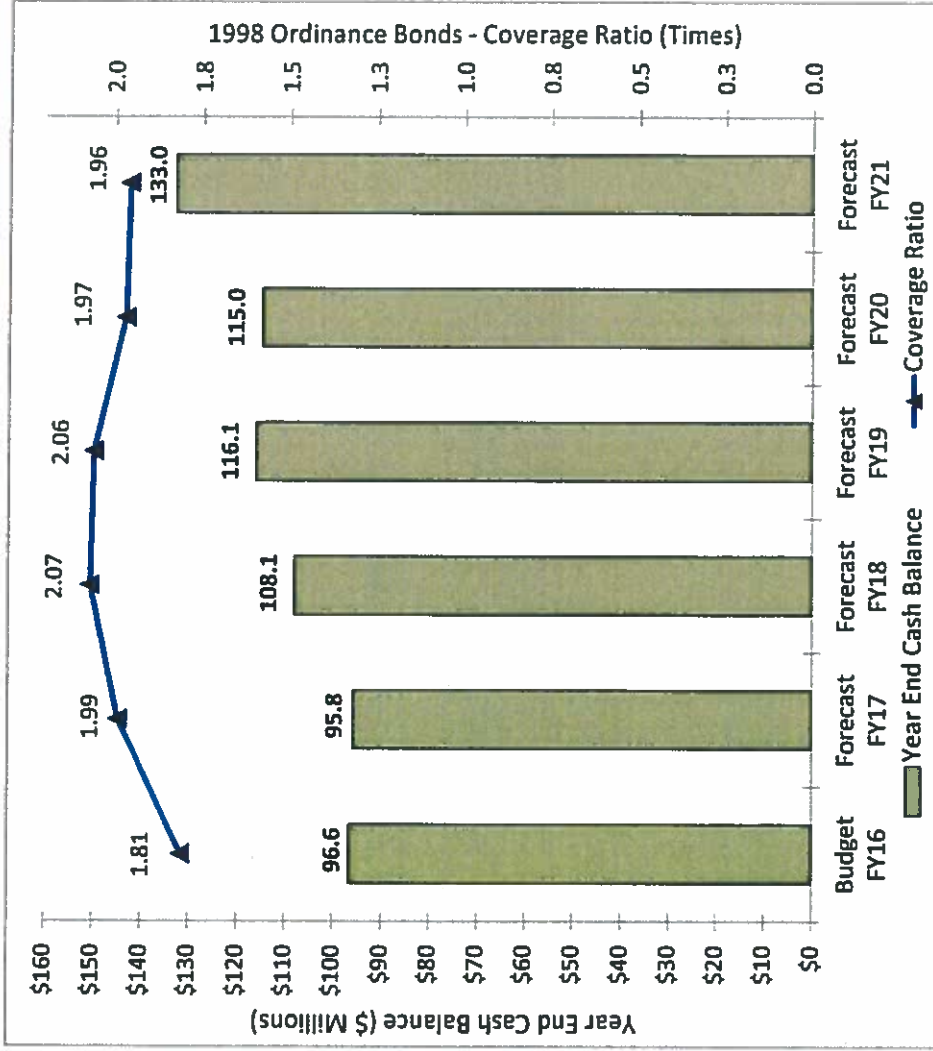
	Health Premiums (\$000's)	
	Active	Retiree
FY 2016	\$27,067	\$29,342
FY 2017	\$29,391	\$31,912
FY 2018	\$31,877	\$34,535
FY 2019	\$34,571	\$37,120
FY 2020	\$37,258	\$39,738
FY 2021	\$39,848	\$42,368
	<u>Total</u>	<u>Total</u>
	\$56,409	\$61,303
	\$66,412	\$71,691
	\$76,996	\$82,216

- Pension expense based on an actuarial report prepared by PGW's actuarial consultant dated November 20, 2014 including a 7.65% earnings assumption.
- The prospective funding status of the pension fund is based upon a 20 year open amortization period.



PHILADELPHIA GAS WORKS FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Year End Cash Balance, and Coverage Ratio



Business Assumptions

- Interest earning rates on temporary investments and restricted funds assumed at or below 0.75%.
- City of Philadelphia \$18.0 million payment made throughout the forecasted period.
- \$18.5 million payment made to partially fund OPEB's in each year of the forecasted period.
- Debt Service Coverage Ratios were forecasted at the following levels:

	Coverage Rates (Times)	
	1998	w/City Fee
FY 2016	1.81	1.62
FY 2017	1.99	1.79
FY 2018	2.07	1.89
FY 2019	2.06	1.88
FY 2020	1.97	1.79
FY 2021	1.96	1.79

- Commercial Paper Program outstanding level and cash balance assumptions at 8/31:

	TXCP / Liquidity (\$ Millions)		
	Maximum	Available	Cash
FY 2016	\$120.0	\$41.4	\$96.6
FY 2017	\$120.0	\$120.0	\$95.8
FY 2018	\$120.0	\$120.0	\$108.1
FY 2019	\$120.0	\$120.0	\$116.1
FY 2020	\$120.0	\$120.0	\$115.0
FY 2021	\$120.0	\$120.0	\$133.0

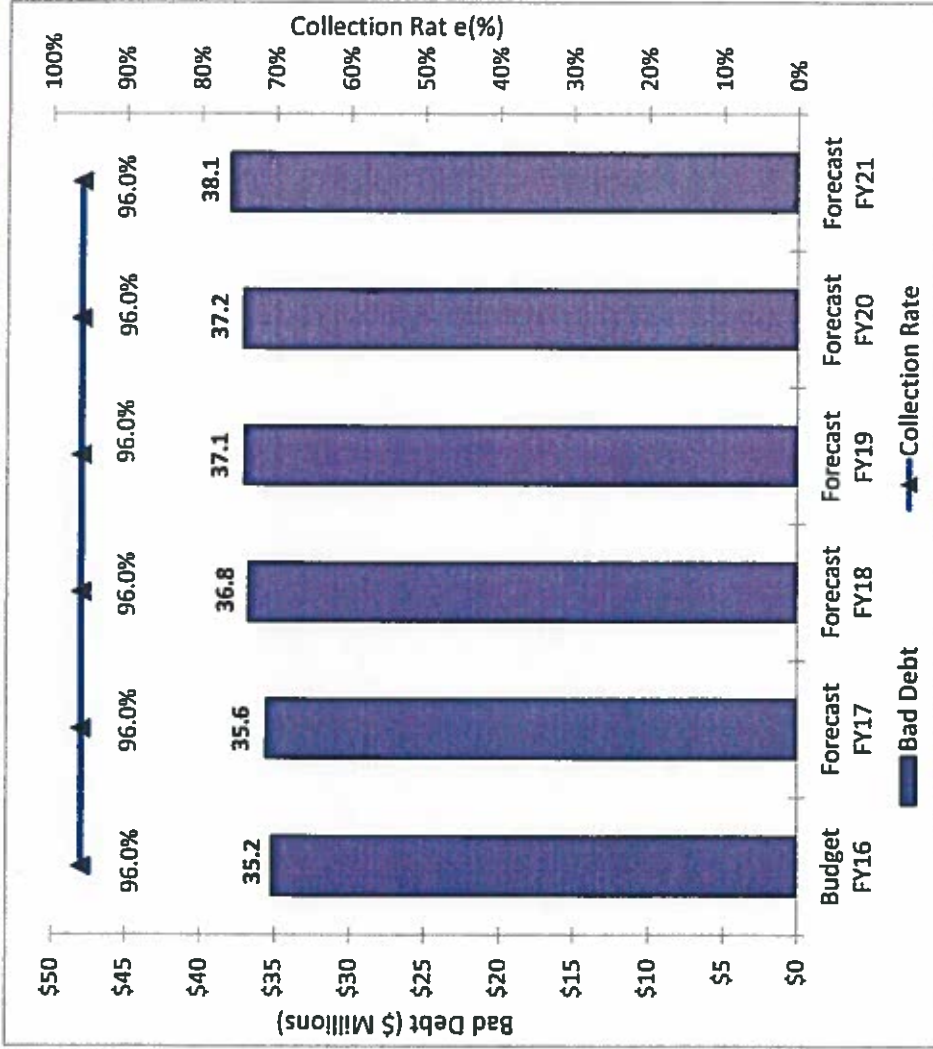


PHILADELPHIA GAS WORKS FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Collection Rate, and Bad Debt

Business Assumptions

- Collection factor projected at 96.0% of billed revenues in FY 2016 and throughout the forecasted periods.



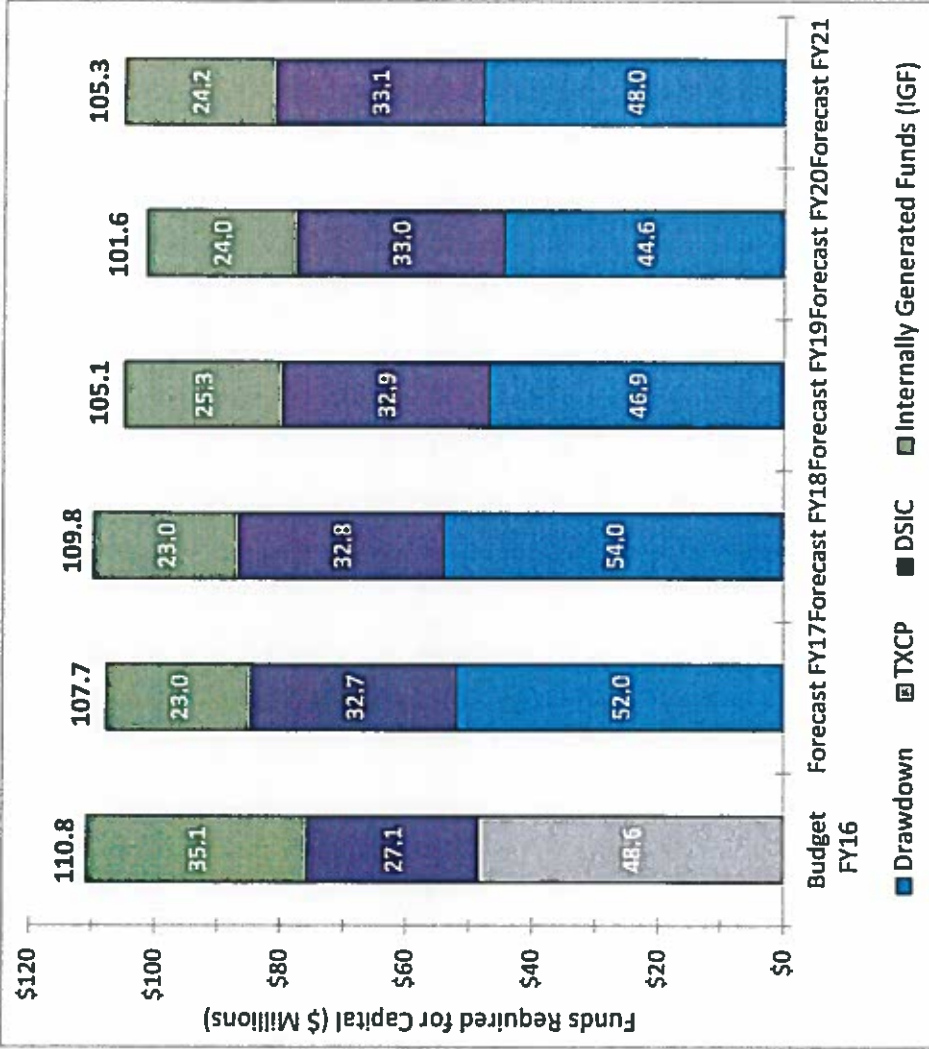
Bad Debt and Ending A/R Balances @ 8/31 (\$000's)

	A/R Balance	Unbilled Balance	Bad Debt	Bad Debt % of A/R
FY 2016	\$192,966	\$6,676	\$35,216	17.64%
FY 2017	\$187,499	\$6,810	\$35,625	18.33%
FY 2018	\$184,964	\$6,912	\$36,808	19.18%
FY 2019	\$182,711	\$6,954	\$37,090	19.56%
FY 2020	\$180,734	\$6,982	\$37,231	19.83%
FY 2021	\$179,866	\$7,055	\$38,132	20.40%



PHILADELPHIA GAS WORKS FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Funds Required for Capital Expenditures



Business Assumptions

• Capital Spending and the funding sources are forecasted at the following levels:

	Capital Funding Sources (\$ Millions)			
	Capital Spending	CIF Draw	TXCP Draw	IGF + DSIC Funding
FY 2016	\$110,752	-	\$48,600	\$62,152
FY 2017	\$107,659	\$51,999	-	\$55,660
FY 2018	\$109,762	\$53,946	-	\$55,816
FY 2019	\$105,129	\$46,864	-	\$58,265
FY 2020	\$101,615	\$44,591	-	\$57,024
FY 2021	\$105,348	\$47,971	-	\$57,377

• \$250.0 million long-term debt financing issued in September 2016 (FY 2017) to support capital expenditures and reduce \$78.6 million of outstanding TXCP - Capital.

• \$100.0 million long-term debt financing issued in September 2019 (FY 2020) to support capital expenditures.

• Capital Improvement Fund Balance @ 8/31 (\$ Millions)

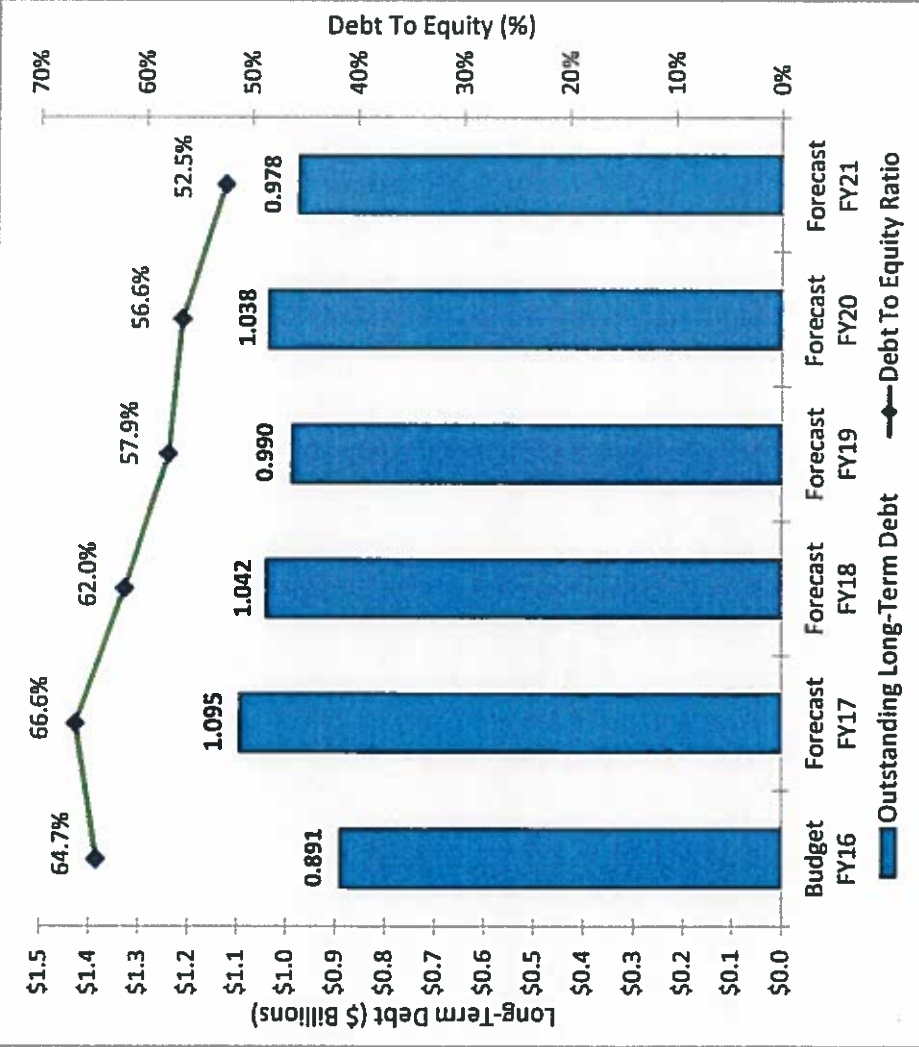
FY 2016	-	
FY 2017	\$101,916	includes \$250.0 million new bond
FY 2018	\$48,593	
FY 2019	-	
FY 2020	\$48,473	includes \$100.0 million new bond
FY 2021	-	



PHILADELPHIA GAS WORKS
FISCAL YEAR 2016 OPERATING BUDGET & FIVE-YEAR FORECAST

FY16 - FY21 Long-Term Debt, and Debt To Equity Ratio

Business Assumptions



Debt Ratios & City Equity:

Long-Term Debt and City Equity (\$ Millions)

	% Debt to Equity	Long-Term Debt	Total Capitalization	City Equity
FY 2016	64.7%	\$929	\$1,437	\$507
FY 2017	66.6%	\$1,128	\$1,694	\$566
FY 2018	62.0%	\$1,072	\$1,729	\$657
FY 2019	57.9%	\$1,016	\$1,755	\$739
FY 2020	56.6%	\$1,060	\$1,873	\$814
FY 2021	52.5%	\$996	\$1,899	\$903

Long-Term Debt includes both unamortized Discount and Premium.

Long-Term Debt per Customer

	Avg. # of Customers	LTD (\$ Millions)	TXCP	Debt per Customer
FY 2016	497,832	\$929	\$78.6	\$2,024
FY 2017	495,694	\$1,128	-	\$2,277
FY 2018	493,561	\$1,072	-	\$2,172
FY 2019	491,440	\$1,016	-	\$2,067
FY 2020	489,331	\$1,060	-	\$2,165
FY 2021	487,227	\$996	-	\$2,045



**PHILADELPHIA GAS WORKS
STATEMENT OF INCOME
(Dollars in Thousands)**

LINE NO.	ESTIMATE 2014-15	BUDGET 2015-16	FORECAST 2016-17	FORECAST 2017-18	FORECAST 2018-19	FORECAST 2019-20	FORECAST 2019-21	LINE NO.
OPERATING REVENUES								
1.	\$ 30,527	\$ 26,431	\$ 27,885	\$ 26,616	\$ 25,225	\$ 23,830	\$ 22,448	1.
2.	39,873	43,872	46,883	49,322	51,419	53,154	54,720	2.
3.	635,059	578,682	601,055	612,984	618,940	625,225	632,192	3.
4.	(14,960)	5,952	-	40,000	40,000	40,000	60,000	4.
5.	(431)	(198)	134	102	42	28	-	5.
6.	689,868	654,741	681,983	729,034	735,626	742,237	769,433	6.
7.	8,215	8,431	8,515	8,600	8,688	8,773	8,861	7.
8.	12,484	11,616	13,699	13,809	13,908	14,004	14,109	8.
9.	20,879	20,047	22,214	22,409	22,594	22,777	22,970	9.
10.	710,547	674,788	704,097	751,443	758,220	765,014	792,403	10.
11.								11.
OPERATING EXPENSES								
12.	260,594	220,857	233,283	245,779	251,513	257,501	263,925	12.
13.	10	10	10	10	10	10	10	13.
14.	200,604	220,867	233,293	245,789	251,523	257,511	263,935	14.
15.	449,943	453,921	470,604	505,854	506,697	507,503	528,468	15.
16.	17,530	15,853	16,809	17,127	17,516	17,828	18,207	16.
17.	37,664	39,057	38,745	40,720	41,684	42,506	43,349	17.
18.	36,880	38,073	38,699	39,634	40,495	41,207	42,032	18.
19.	3,152	3,408	3,403	3,471	3,550	3,611	3,684	19.
20.	12,556	13,011	13,047	13,349	13,685	13,932	14,210	20.
21.	8,145	8,298	8,398	8,590	8,767	8,933	9,112	21.
22.	37,873	35,216	35,625	36,808	37,080	37,231	38,132	22.
23.	4,415	4,382	4,408	4,501	4,600	4,684	4,775	23.
24.	55,449	58,651	59,430	59,430	60,273	61,285	62,421	24.
25.	10,455	10,956	4,580	4,387	4,705	4,538	4,538	25.
26.	-	(185)	685	769	854	940	1,030	26.
27.	51,176	56,409	61,303	66,412	71,691	76,996	82,216	27.
28.	-	-	-	195	3,308	935	985	28.
29.	(9,922)	(10,838)	(11,693)	(12,370)	(13,075)	(13,736)	(14,449)	29.
30.	(9,044)	(12,265)	(11,418)	(11,581)	(11,857)	(11,367)	(11,767)	30.
31.	21,986	23,871	23,726	23,568	23,281	23,123	22,859	31.
32.	7,801	7,875	8,071	8,273	8,479	8,648	8,822	32.
33.	11,167	5,445	3,386	1,218	-	-	-	33.
34.	(1,754)	(1,191)	-	-	-	-	-	34.
35.	295,529	298,014	297,830	304,489	315,046	321,292	330,156	35.
36.	45,400	46,654	47,942	49,338	50,840	50,835	50,835	36.
37.	2,500	2,600	2,600	2,600	2,600	2,600	2,600	37.
38.	(6,010)	(6,231)	(6,475)	(6,706)	(6,868)	(7,154)	(6,868)	38.
39.	41,880	43,023	44,067	45,230	46,572	46,259	46,449	39.
40.	337,419	339,037	341,697	348,719	361,618	367,551	376,605	40.
41.	598,023	559,904	575,190	595,508	613,141	625,062	640,540	41.
42.	112,524	114,864	129,907	155,935	145,079	139,952	151,863	42.
43.	3,619	3,687	5,007	4,635	4,313	4,723	4,541	43.
44.	116,143	118,571	133,914	160,570	149,392	144,675	156,404	44.
45.	44,316	42,249	52,404	49,875	47,443	49,932	47,557	45.
46.	4,369	1,311	1,459	(1,417)	(1,081)	(701)	(415)	46.
47.	(656)	(891)	(766)	(781)	(748)	(723)	(750)	47.
48.	3,703	4,814	4,401	3,985	3,670	3,354	3,063	48.
49.	51,732	47,483	57,498	51,682	49,284	51,862	49,455	49.
50.	64,411	71,068	76,416	108,908	100,108	92,813	106,949	50.
51.	18,000	18,000	18,000	18,000	18,000	18,000	18,000	51.
52.	\$ 46,411	\$ 51,068	\$ 58,416	\$ 60,808	\$ 62,108	\$ 74,813	\$ 68,949	52.

PHILADELPHIA GAS WORKS
CASH FLOW STATEMENT
(Dollars in Thousands)

LINE NO.	SOURCES	ESTIMATE 2014-15	BUDGET 2015-16	FORECAST 2016-17	FORECAST 2017-18	FORECAST 2018-19	FORECAST 2019-20	FORECAST 2019-21	LINE NO.
1.	Net Income	\$ 64,411	\$ 71,088	\$ 76,416	\$ 108,908	\$ 100,108	\$ 92,813	\$ 106,949	1.
2.	Depreciation & Amortization	47,405	48,734	48,095	49,424	50,947	50,975	50,997	2.
3.	Earnings on Restricted Funds Withdrawal/(No Will Proceeds from Bond Refunding to Pay Cost of Iss	(487)	(1,098)	(2,363)	(1,906)	433	(1,870)	(885)	3.
4.	Increased/(Decreased) Other Assets/Liabilities	507	-	-	-	-	-	-	4.
5.	Available From Operations	2,586	(12,153)	(14,867)	(21,565)	(18,241)	(22,900)	(9,151)	5.
6.		114,422	104,571	107,281	134,861	133,247	119,018	147,910	6.
7.	Drawdown of Bond Proceeds	-	-	51,999	53,946	46,864	44,591	47,971	7.
8.	Grant Income	-	-	-	-	-	-	-	8.
9.	Lease Funds Debt Service	-	-	-	-	-	-	-	9.
10.	Capitalized Interest	-	-	-	-	-	-	-	10.
11.	Release of Sinking Fund Asset	-	-	-	-	-	-	-	11.
12.	Release of Bond Proceeds to Pay Temporary Finr	-	-	78,600	-	-	-	-	12.
13.	Temporary Financing	30,000	48,600	-	-	-	-	-	13.
14.	TOTAL SOURCES	144,422	153,171	237,880	188,807	180,111	163,609	195,881	14.
15.	USES								
15.	Net Construction Expenditures	90,327	110,752	107,659	109,762	105,129	101,615	105,348	15.
16.	Funded Debt Reduction:								16.
17.	Revenue Bonds	54,190	48,655	46,100	52,375	51,905	52,795	59,870	17.
18.	Temporary Financing Repayment	-	-	78,600	-	-	-	-	18.
19.	Distribution of Earnings	18,000	18,000	18,000	18,000	18,000	18,000	18,000	19.
20.	Non-Cash Working Capital	(18,497)	(14,687)	(11,701)	(3,585)	(2,929)	(7,682)	(5,353)	20.
21.	Cash Needs	144,020	162,720	238,658	176,552	172,105	164,728	177,865	21.
22.	Cash Surplus (Shortfall)	402	(9,549)	(778)	12,255	8,006	(1,119)	18,016	22.
23.	TOTAL USES	144,422	153,171	237,880	188,807	180,111	163,609	195,881	23.
24.	Cash - Beginning of Period	105,734	106,136	96,587	95,809	108,064	116,070	114,951	24.
25.	Cash - Surplus (Shortfall)	402	(9,549)	(778)	12,255	8,006	(1,119)	18,016	25.
26.	ENDING CASH	\$ 106,136	\$ 96,587	\$ 95,809	\$ 108,064	\$ 116,070	\$ 114,951	\$ 132,968	26.
27.	Outstanding Commercial Paper	-	-	-	-	-	-	-	27.
28.	Outstanding Commercial Paper - Capital	30,000	78,600	-	-	-	-	-	28.
29.	Incremental DSIC Revenue	14,743	27,116	32,660	32,816	32,930	33,024	33,129	29.
30.	Internally Generated Funds	35,584	23,000	23,000	23,000	25,335	24,000	24,248	30.
31.	TOTAL IGF + Incremental DSIC Revenue	50,327	62,152	55,660	55,816	58,265	57,024	57,377	31.

**PHILADELPHIA GAS WORKS
DEBT SERVICE COVERAGE
(Dollars in Thousands)**

LINE NO.	ESTIMATE 2014-15	BUDGET 2015-16	FORECAST 2016-17	FORECAST 2017-18	FORECAST 2018-19	FORECAST 2019-20	FORECAST 2019-21	LINE NO.
FUNDS PROVIDED								
1.	\$ 689,868	\$ 654,741	\$ 681,883	\$ 729,034	\$ 735,626	\$ 742,237	\$ 769,433	1.
2.	20,679	20,047	22,214	22,409	22,594	22,777	22,970	2.
3.	710,547	674,788	704,097	751,443	758,220	765,014	792,403	3.
4.	3,132	2,589	2,644	2,729	4,746	2,853	3,656	4.
5.	-	-	-	-	-	-	-	5.
6.	656	891	766	781	748	723	750	6.
7.	714,335	678,268	707,507	754,953	763,714	768,590	796,809	7.
FUNDS APPLIED								
8.	260,604	220,867	233,293	245,789	251,523	257,511	263,935	8.
9.	337,419	339,037	341,897	349,719	361,618	367,551	376,605	9.
10.	598,023	559,904	575,190	595,508	613,141	625,062	640,540	10.
11.	48,973	50,082	51,620	53,025	54,549	54,525	54,606	11.
12.	549,050	509,822	523,570	542,483	558,592	570,537	585,934	12.
13.	165,285	168,446	183,937	212,470	205,122	198,053	210,875	13.
14.	4,161	-	-	-	-	-	-	14.
15.	39.72	-	-	-	-	-	-	15.
16.	161,124	168,446	183,937	212,470	205,122	198,053	210,875	16.
17.	161,124	168,446	183,937	212,470	205,122	198,053	210,875	17.
18.	-	-	-	-	-	-	-	18.
19.	93,159	91,175	92,587	102,628	99,739	100,651	107,792	19.
20.	93,159	1,917	92,587	102,628	99,739	100,651	107,792	20.
21.	1.73	1.81	1.99	2.07	2.06	1.97	1.96	21.
22.	67,965	75,354	91,350	109,842	105,363	97,402	103,083	22.
23.	-	-	-	-	-	-	-	23.

**PHILADELPHIA GAS WORKS
BALANCE SHEET
(Dollars in Thousands)**

LINE NO.	ESTIMATE 8/31/15	BUDGET 8/31/16	FORECAST 8/31/17	FORECAST 8/31/18	FORECAST 8/31/19	FORECAST 8/31/20	FORECAST 8/31/21	LINE NO.
ASSETS								
1.	1,236,479	1,302,577	1,362,294	1,422,720	1,477,009	1,527,811	1,582,324	1.
2.	106,393	107,463	124,781	126,035	127,301	135,077	136,434	2.
3.	-	-	101,916	48,593	-	48,473	-	3.
4.	-	-	-	-	-	-	-	4.
5.	5,822	5,850	5,881	5,910	5,939	5,969	5,999	5.
6.	108,136	96,587	95,809	108,064	116,070	114,951	132,986	6.
Accounts Receivable:								
7.	184,806	188,523	183,849	181,814	180,061	178,584	178,216	7.
8.	4,527	4,443	3,650	3,150	2,650	2,151	1,650	8.
9.	8,872	6,876	6,810	6,912	6,954	6,982	7,055	9.
10.	(110,207)	(111,373)	(112,948)	(116,706)	(120,746)	(124,927)	(130,009)	10.
11.	95,998	88,269	81,361	75,170	68,919	62,790	56,912	11.
12.	54,896	57,776	60,748	62,658	63,886	65,931	67,150	12.
13.	484	534	500	480	460	450	450	13.
14.	10,679	2,833	3,124	3,144	3,054	2,983	2,885	14.
15.	3,473	3,181	5,273	4,882	4,509	5,103	4,710	15.
16.	38,512	33,698	29,298	25,313	21,643	18,288	15,225	16.
17.	28,792	28,792	28,792	28,597	25,289	24,354	23,369	17.
18.	40,250	38,052	36,037	37,252	38,444	39,611	40,875	18.
19.	1,729,914	1,765,612	1,935,814	1,948,818	1,952,523	2,051,771	2,069,301	19.
EQUITY & LIABILITIES								
20.	454,346	507,434	565,850	656,758	738,866	813,679	902,628	20.
21.	939,395	890,740	1,084,640	1,042,265	990,360	1,037,565	977,695	21.
22.	(2,270)	(2,035)	(1,814)	(1,608)	(1,416)	(1,238)	(1,072)	22.
23.	45,778	40,518	35,640	31,146	27,017	23,241	19,782	23.
24.	982,903	929,221	1,128,466	1,071,803	1,015,961	1,059,568	996,405	24.
25.	30,000	78,600	-	-	-	61,005	61,417	25.
26.	57,007	59,825	60,631	60,560	60,547	61,005	61,417	26.
27.	2,500	2,500	2,525	2,550	2,575	2,600	2,625	27.
28.	5,682	5,173	5,204	5,235	5,268	5,300	5,311	28.
29.	3,308	2,405	3,139	4,628	2,246	2,287	2,278	29.
30.	11,862	11,591	17,508	17,130	16,738	18,814	18,449	30.
31.	4,627	5,535	6,043	4,251	4,776	5,640	6,182	31.
32.	3,000	3,000	3,000	3,000	3,000	3,000	3,000	32.
33.	174,679	160,328	143,448	122,903	102,546	79,878	71,006	33.
34.	1,729,914	1,765,612	1,935,814	1,948,818	1,952,523	2,051,771	2,069,301	34.
CAPITALIZATION								
35.	1,437,249	1,436,655	1,694,316	1,728,561	1,754,827	1,873,247	1,899,033	35.
36.	982,903	929,221	1,128,466	1,071,803	1,015,961	1,059,568	996,405	36.
37.	68.39%	64.68%	66.60%	62.01%	57.90%	56.56%	52.47%	37.
38.	2.16	1.83	1.99	1.63	1.38	1.30	1.10	38.
39.	1,437,249	1,436,655	1,694,316	1,728,561	1,754,827	1,873,247	1,899,033	39.
40.	982,903	929,221	1,128,466	1,071,803	1,015,961	1,059,568	996,405	40.
41.	0.684	0.647	0.666	0.620	0.579	0.566	0.525	41.

SECRETARY'S CERTIFICATE

I, ABBY POZEFSKY, Assistant Secretary of PHILADELPHIA FACILITIES MANAGEMENT CORPORATION, do hereby certify that the following is a true and correct copy of action taken by the Board of Directors of said corporation by unanimous consent to the adoption of this resolution dated September 21, 2015, pursuant to provisions of Section 5727(b) of the Non-Profit Corporation Law of the Commonwealth of Pennsylvania.

**RESOLUTION
APPROVING OPERATING BUDGET FIVE YEAR FORECAST
FOR FISCAL YEARS 2017-2021**

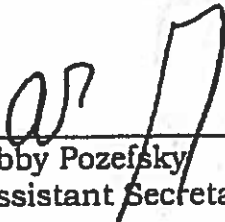
WHEREAS, PGW has prepared an Operating Budget Five Year Forecast for Fiscal Years 2017-2021; and

WHEREAS, the PFMC Finance Committee conducted a review of the Operating Budget Five Year Forecast for Fiscal Years 2017-2021 and finds it in satisfactory form and content;

NOW, THEREFORE, BE IT RESOLVED, that PFMC approves the Operating Budget Five Year Forecast for submission to the City of Philadelphia's Finance Director and for filing with the Philadelphia Gas Commission.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the corporate seal of said Corporation to be hereunto affixed this 28th day of September, 2015.

PHILADELPHIA FACILITIES
MANAGEMENT CORPORATION



Abby Pozefsky
Assistant Secretary