

Tab 4

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 Item 53.64(c)(1)

Volumes (Dth)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
Spot Purchases - Transco	728,713	2,135,051	2,856,237	2,478,736	2,872,095	2,013,305	2,016,429	2,023,939	2,131,207	3,167,375
Spot Purchases - Tetco	399,505	1,507,634	1,338,970	1,076,836	401,931	81,874	35,089	93,571	93,571	389,773
Transco Supply 1	-	-	-	-	-	-	-	-	-	-
Transco Supply 2	607,543	250,000	-	965,000	527,000	480,000	434,000	372,000	480,000	503,000
Transco Supply 3	-	-	-	-	-	-	-	-	-	-
Transco Supply 4	-	-	-	-	-	-	-	-	-	-
Transco Supply 5	-	-	-	-	-	-	-	-	-	-
Transco Supply 6	465,000	280,000	310,000	-	-	-	-	-	-	-
Transco Supply 7	290,507	320,000	-	560,000	460,000	460,000	460,000	480,000	460,000	600,000
Transco Supply 8	620,000	-	-	-	-	-	-	-	-	-
Transco Supply 9	-	-	-	-	-	-	-	-	-	-
Transco Supply 10	310,000	280,000	310,000	-	-	-	-	-	-	-
Transco Supply 11	-	-	-	-	-	-	-	-	-	-
Transco Supply 12	-	-	-	-	-	-	-	-	-	-
Transco Supply 13	-	-	-	-	-	-	-	-	-	-
Transco Supply 14	-	-	-	-	-	-	-	-	-	-
Transco Supply 15	155,000	-	-	-	-	-	-	-	-	-
Transco Supply 16	-	-	-	-	-	-	-	-	-	-
Transco Supply 17	-	-	-	-	-	-	-	-	-	-
Transco Supply 18	-	-	-	-	-	-	-	-	-	-
Transco Supply 19	-	-	-	-	-	-	-	-	-	-
Transco Supply 20	155,000	140,000	-	-	-	-	-	-	-	-
Transco Supply 21	-	-	-	-	-	-	-	-	-	-
Transco Supply 22	310,000	280,000	310,000	-	-	-	-	-	-	-
Transco Supply 23	155,000	-	-	-	-	-	-	-	-	-
Tetco Supply 1	1,986	10,923	21,846	5,317	2,955	-	-	-	-	4,925
Tetco Supply 2	310,000	140,000	-	-	-	-	-	-	-	-
Tetco Supply 3	310,000	-	-	-	-	-	-	-	-	-
Tetco Supply 4	155,000	-	-	-	-	-	-	-	-	-
Tetco Supply 5	155,000	140,000	-	-	-	-	-	-	-	-
Tetco Supply 6	-	-	-	-	-	-	-	-	-	-
Tetco Supply 7	-	-	-	-	-	-	-	-	-	-
Tetco Supply 8	-	-	-	-	-	-	-	-	-	-
Tetco Supply 9	-	-	-	-	-	-	-	-	-	-
Tetco Supply 10	-	-	-	-	-	-	-	-	-	-
Tetco Supply 11	-	-	-	-	-	-	-	-	-	-
Tetco Supply 12	-	-	-	-	-	-	-	-	-	-
Tetco Supply 13	847,301	700,000	997,554	124,062	219,064	269,015	327,497	269,015	257,319	390,650
Tetco Supply 14	310,000	280,000	186,000	-	-	-	-	-	-	-
Tetco Supply 15	-	-	-	-	-	-	-	-	-	-
Tetco Supply 16	155,000	140,000	155,000	-	-	-	-	-	-	-
Tetco Supply 17	263,500	238,000	263,500	-	-	-	-	-	-	-
Total Volumes	6,704,056	6,841,608	6,749,108	5,209,950	4,483,045	3,304,195	3,273,015	3,238,525	3,422,097	5,055,723

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 Item 53.64(c)(1)

Volumes (Dth)	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
Spot Purchases - Transco	3,765,234	3,559,225	3,483,357	2,726,307	3,917,086	3,817,425	3,461,831	2,822,249	2,706,878	2,484,563
Spot Purchases - Tetco	1,618,301	2,942,156	3,291,658	2,527,075	2,392,235	944,580	297,422	40,432	26,954	121,295
Transco Supply 1	-	-	-	-	-	-	-	-	-	-
Transco Supply 2	-	500,000	600,000	500,000	-	25,000	125,000	-	-	150,000
Transco Supply 3	-	-	-	-	-	-	-	-	-	-
Transco Supply 4	-	-	-	-	-	-	-	-	-	-
Transco Supply 5	-	-	-	-	-	-	-	-	-	-
Transco Supply 6	-	-	-	-	-	-	-	-	-	-
Transco Supply 7	-	-	-	460,000	-	140,000	340,000	240,000	280,000	340,000
Transco Supply 8	-	-	-	-	-	-	-	-	-	-
Transco Supply 9	-	-	-	-	-	-	-	-	-	-
Transco Supply 10	-	-	-	-	-	-	-	-	-	-
Transco Supply 11	-	-	-	-	-	-	-	-	-	-
Transco Supply 12	-	-	-	-	-	-	-	-	-	-
Transco Supply 13	-	-	-	-	-	-	-	-	-	-
Transco Supply 14	-	-	-	-	-	-	-	-	-	-
Transco Supply 15	-	-	-	-	-	-	-	-	-	-
Transco Supply 16	-	-	-	-	-	-	-	-	-	-
Transco Supply 17	-	-	-	-	-	-	-	-	-	-
Transco Supply 18	-	-	-	-	-	-	-	-	-	-
Transco Supply 19	-	-	-	-	-	-	-	-	-	-
Transco Supply 20	-	-	-	-	-	-	-	-	-	-
Transco Supply 21	-	-	-	-	-	-	-	-	-	-
Transco Supply 22	-	-	-	-	-	-	-	-	-	-
Transco Supply 23	-	-	-	-	-	-	-	-	-	-
Tetco Supply 1	19,700	25,818	28,797	31,743	25,477	2,955	-	-	-	-
Tetco Supply 2	-	-	-	-	-	-	-	-	-	-
Tetco Supply 3	-	-	-	-	-	-	-	-	-	-
Tetco Supply 4	-	-	-	-	-	-	-	-	-	-
Tetco Supply 5	-	-	-	-	-	-	-	-	-	-
Tetco Supply 6	-	-	-	-	-	-	-	-	-	-
Tetco Supply 7	-	-	-	-	-	-	-	-	-	-
Tetco Supply 8	-	-	-	-	-	-	-	-	-	-
Tetco Supply 9	-	-	-	-	-	-	-	-	-	-
Tetco Supply 10	-	-	-	-	-	-	-	-	-	-
Tetco Supply 11	-	-	-	-	-	-	-	-	-	-
Tetco Supply 12	-	-	-	-	-	-	-	-	-	-
Tetco Supply 13	330,000	288,411	177,065	540,000	349,606	219,998	396,498	363,884	390,839	296,498
Tetco Supply 14	-	-	-	-	-	-	-	-	-	-
Tetco Supply 15	-	-	-	-	-	-	-	-	-	-
Tetco Supply 16	-	-	-	-	-	-	-	-	-	-
Tetco Supply 17	-	-	-	-	-	-	-	-	-	-
Total Volumes	5,733,235	7,315,610	7,580,877	6,785,125	6,684,403	5,149,958	4,620,751	3,466,565	3,404,671	3,392,356

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 Item 65.04(C)(1)

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
Williams	\$ 2,854,289	\$ 2,852,346	\$ 2,789,728	\$ 2,786,264	\$ 2,770,030	\$ 2,743,897	\$ 2,734,463	\$ 2,733,020	\$ 2,604,159	\$ 2,631,327
Texas Eastern	\$ 2,585,007	\$ 2,619,038	\$ 2,560,389	\$ 1,949,396	\$ 1,875,508	\$ 1,870,887	\$ 1,848,824	\$ 1,847,130	\$ 1,494,330	\$ 1,495,938
Dominion	\$ 135,727	\$ 129,032	\$ 125,524	\$ 126,590	\$ 130,946	\$ 130,783	\$ 131,800	\$ 131,445	\$ 131,176	\$ 129,359
Equitrans	\$ 48,767	\$ 48,314	\$ 48,220	\$ 56,272	\$ 57,165	\$ 52,754	\$ 53,393	\$ 53,393	\$ 52,754	\$ 49,875
Spot Purchases - Transco	\$ 4,277,548	\$ 11,885,830	\$ 15,812,130	\$ 13,605,779	\$ 13,708,511	\$ 9,473,606	\$ 10,005,522	\$ 10,162,196	\$ 10,646,444	\$ 16,072,843
Spot Purchases - Tecto	\$ 2,323,124	\$ 8,332,693	\$ 7,372,370	\$ 5,889,214	\$ 1,910,377	\$ 384,441	\$ 173,761	\$ 468,882	\$ 465,560	\$ 1,970,109
Transco Supply 1	\$ 3,946,487	\$ 1,771,958	\$ 380,208	\$ 5,750,857	\$ 3,348,167	\$ 3,081,696	\$ 2,795,852	\$ 2,447,896	\$ 3,073,776	\$ 3,142,927
Transco Supply 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 6	\$ 2,311,050	\$ 1,388,800	\$ 1,537,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 7	\$ 1,997,275	\$ 2,073,440	\$ 292,000	\$ 3,365,840	\$ 2,487,580	\$ 2,456,530	\$ 2,574,520	\$ 2,702,080	\$ 2,589,930	\$ 3,336,700
Transco Supply 8	\$ 3,565,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 10	\$ 1,662,995	\$ 1,477,000	\$ 1,618,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 14	\$ 901,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 20	\$ 702,615	\$ 639,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 21	\$ 1,846,050	\$ 1,679,160	\$ 1,842,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 22	\$ 905,200	\$ 225,845	\$ 285,758	\$ 192,755	\$ 177,721	\$ 163,676	\$ 163,676	\$ 163,676	\$ 163,676	\$ 188,569
Transco Supply 23	\$ 1,796,295	\$ 683,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 2	\$ 1,499,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 3	\$ 904,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 4	\$ 672,700	\$ 719,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 12	\$ 5,644,570	\$ 4,572,900	\$ 6,144,945	\$ 988,743	\$ 1,351,463	\$ 1,573,412	\$ 1,932,015	\$ 1,658,286	\$ 1,590,541	\$ 2,284,792
Tecto Supply 13	\$ 1,635,095	\$ 1,473,780	\$ 1,042,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 14	\$ 734,700	\$ 673,400	\$ 744,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 15	\$ 1,500,632	\$ 1,364,930	\$ 1,496,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FT PAYBACK ADJUSTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,379	\$ 163,849	\$ 165,797	\$ 164,955	\$ 167,564
Total Costs	\$ 44,628,144	\$ 44,611,066	\$ 44,092,457	\$ 34,711,711	\$ 27,817,467	\$ 21,776,302	\$ 22,249,977	\$ 22,202,206	\$ 22,647,390	\$ 31,134,873

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 Item 53.64(c)(1)

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
Williams	\$ 2,627,609	\$ 2,690,553	\$ 2,705,200	\$ 2,714,961	\$ 2,822,870	\$ 2,816,762	\$ 2,807,867	\$ 2,781,917	\$ 2,772,445	\$ 2,772,001
Texas Eastern	\$ 2,056,381	\$ 2,474,999	\$ 2,514,306	\$ 2,495,472	\$ 2,538,484	\$ 2,018,694	\$ 1,952,280	\$ 1,944,099	\$ 1,925,666	\$ 1,924,764
Dominion	\$ 123,143	\$ 129,718	\$ 132,990	\$ 129,195	\$ 125,800	\$ 125,611	\$ 130,805	\$ 130,480	\$ 130,805	\$ 130,805
Equitrans	\$ 48,010	\$ 48,452	\$ 48,562	\$ 48,286	\$ 48,133	\$ 53,353	\$ 54,013	\$ 53,353	\$ 54,013	\$ 54,013
Spot Purchases - Transco	\$ 19,840,902	\$ 19,191,344	\$ 19,252,516	\$ 14,986,510	\$ 21,414,707	\$ 21,041,646	\$ 19,704,738	\$ 16,007,796	\$ 16,124,871	\$ 14,769,483
Spot Purchases - Tecto	\$ 8,495,271	\$ 15,716,996	\$ 18,094,245	\$ 13,790,248	\$ 13,030,505	\$ 5,197,080	\$ 1,689,952	\$ 228,924	\$ 160,567	\$ 721,037
Transco Supply 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 2	\$ 380,208	\$ 3,076,208	\$ 3,696,408	\$ 3,128,708	\$ 380,208	\$ 518,008	\$ 1,091,708	\$ 380,208	\$ 380,208	\$ 1,271,883
Transco Supply 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 7	\$ 292,000	\$ 292,000	\$ 292,000	\$ 2,820,620	\$ 292,000	\$ 1,063,680	\$ 2,227,280	\$ 1,653,280	\$ 1,959,960	\$ 2,313,130
Transco Supply 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 23	\$ 267,091	\$ 302,263	\$ 322,641	\$ 337,325	\$ 302,922	\$ 179,934	\$ 163,676	\$ 163,676	\$ 163,676	\$ 163,676
Tecto Supply 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 13	\$ 2,385,653	\$ 2,069,119	\$ 1,383,364	\$ 3,257,030	\$ 2,214,551	\$ 1,520,679	\$ 2,563,153	\$ 2,370,563	\$ 2,638,476	\$ 2,072,784
Tecto Supply 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FT PAYBACK ADJUSTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,801	\$ 347,423	\$ 346,694
Total Costs	\$ 36,516,268	\$ 45,991,652	\$ 48,442,231	\$ 43,708,354	\$ 43,190,181	\$ 34,535,448	\$ 32,383,473	\$ 25,383,494	\$ 25,963,265	\$ 25,846,882

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 Item 53.64(c)(1)

TRANSCONTINENTAL

Cost of Natural Gas

<u>Suppliers</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>
TR Spot	\$ 4,277,548	\$ 11,885,830	\$ 15,812,130	\$ 13,605,779	\$ 13,708,511	\$ 9,473,606	\$ 10,005,522	\$ 10,162,196	\$ 10,646,444	\$ 16,072,843
Supplier 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 2	\$ 3,946,487	\$ 1,771,958	\$ 380,208	\$ 5,750,857	\$ 3,348,167	\$ 3,081,696	\$ 2,795,852	\$ 2,447,896	\$ 3,073,776	\$ 3,142,927
Supplier 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 6	\$ 2,311,050	\$ 1,388,800	\$ 1,537,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 7	\$ 1,997,275	\$ 2,073,440	\$ 292,000	\$ 3,365,840	\$ 2,487,580	\$ 2,456,530	\$ 2,574,520	\$ 2,702,080	\$ 2,589,930	\$ 3,336,700
Supplier 8	\$ 3,565,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 10	\$ 1,662,995	\$ 1,477,000	\$ 1,618,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 14	\$ 901,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 20	\$ 702,615	\$ 639,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 22	\$ 1,846,050	\$ 1,679,160	\$ 1,842,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 23	\$ 905,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Suppliers	\$ 22,116,165	\$ 20,915,288	\$ 21,482,778	\$ 22,722,477	\$ 19,544,258	\$ 15,011,833	\$ 15,375,895	\$ 15,312,172	\$ 16,310,151	\$ 22,552,470

Transportation Costs

Tr Spot -Sup 22	\$ 160,670	\$ 150,616	\$ 155,416	\$ 147,672	\$ 129,459	\$ 97,199	\$ 95,339	\$ 94,095	\$ 101,453	\$ 146,279
Williams Total	\$ 160,670	\$ 150,616	\$ 155,416	\$ 147,672	\$ 129,459	\$ 97,199	\$ 95,339	\$ 94,095	\$ 101,453	\$ 146,279
Total Costs	\$ 22,276,835	\$ 21,065,905	\$ 21,638,194	\$ 22,870,148	\$ 19,673,716	\$ 15,109,031	\$ 15,471,234	\$ 15,406,267	\$ 16,411,604	\$ 22,698,748

Philadelphia Gas Works
Forecasted Summary of Total Fuel Purchased
January 2010-August 2011

TRANSCONTINENTAL

Cost of Natural Gas

<u>Suppliers</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>
TR Spot	\$ 19,840,902	\$ 19,191,344	\$ 19,252,516	\$ 14,986,510	\$ 21,414,707	\$ 21,041,646	\$ 19,704,738	\$ 16,007,796	\$ 16,124,871	\$ 14,769,483
Supplier 1	-	-	-	-	-	-	-	-	-	-
Supplier 2	\$ 380,208	\$ 3,076,208	\$ 3,696,408	\$ 3,128,708	\$ 380,208	\$ 518,008	\$ 1,091,708	\$ 380,208	\$ 380,208	\$ 1,271,883
Supplier 3	-	-	-	-	-	-	-	-	-	-
Supplier 4	-	-	-	-	-	-	-	-	-	-
Supplier 5	-	-	-	-	-	-	-	-	-	-
Supplier 6	-	-	-	-	-	-	-	-	-	-
Supplier 7	\$ 292,000	\$ 292,000	\$ 292,000	\$ 2,820,620	\$ 292,000	\$ 1,063,680	\$ 2,227,280	\$ 1,653,280	\$ 1,959,960	\$ 2,313,130
Supplier 8	-	-	-	-	-	-	-	-	-	-
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	-	-	-	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	-	-	-	-	-	-	-	-	-	-
Supplier 13	-	-	-	-	-	-	-	-	-	-
Supplier 14	-	-	-	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	-	-	-	-	-	-	-	-	-	-
Supplier 17	-	-	-	-	-	-	-	-	-	-
Supplier 18	-	-	-	-	-	-	-	-	-	-
Supplier 19	-	-	-	-	-	-	-	-	-	-
Supplier 20	-	-	-	-	-	-	-	-	-	-
Supplier 21	-	-	-	-	-	-	-	-	-	-
Supplier 22	-	-	-	-	-	-	-	-	-	-
Supplier 23	-	-	-	-	-	-	-	-	-	-
Total Suppliers	\$ 20,513,111	\$ 22,559,552	\$ 23,240,924	\$ 20,935,838	\$ 22,086,915	\$ 22,623,335	\$ 23,023,727	\$ 18,041,284	\$ 18,465,039	\$ 18,354,497

Transportation Costs

Tr Spot -Sup 22	\$ 143,798	\$ 162,873	\$ 163,743	\$ 147,829	\$ 157,744	\$ 147,040	\$ 132,196	\$ 101,306	\$ 98,280	\$ 97,836
Williams Total	\$ 143,798	\$ 162,873	\$ 163,743	\$ 147,829	\$ 157,744	\$ 147,040	\$ 132,196	\$ 101,306	\$ 98,280	\$ 97,836
Total Costs	\$ 20,656,909	\$ 22,722,425	\$ 23,404,667	\$ 21,083,667	\$ 22,244,659	\$ 22,770,375	\$ 23,155,923	\$ 18,142,590	\$ 18,563,319	\$ 18,452,332

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 item 53.64(c)(1)

TRANSCONTINENTAL

Volumes (Dth)

Suppliers	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
TR Spot	728,713	2,135,051	2,856,237	2,478,736	2,872,095	2,013,305	2,016,429	2,023,939	2,131,207	3,167,375
Supplier 1	-	-	-	-	-	-	-	-	-	-
Supplier 2	607,543	250,000	-	965,000	527,000	480,000	434,000	372,000	480,000	503,000
Supplier 3	-	-	-	-	-	-	-	-	-	-
Supplier 4	-	-	-	-	-	-	-	-	-	-
Supplier 5	-	-	-	-	-	-	-	-	-	-
Supplier 6	465,000	280,000	310,000	-	-	-	-	-	-	-
Supplier 7	290,507	320,000	-	560,000	460,000	460,000	460,000	480,000	460,000	600,000
Supplier 8	620,000	-	-	-	-	-	-	-	-	-
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	310,000	280,000	310,000	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	-	-	-	-	-	-	-	-	-	-
Supplier 13	-	-	-	-	-	-	-	-	-	-
Supplier 14	155,000	-	-	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	-	-	-	-	-	-	-	-	-	-
Supplier 17	-	-	-	-	-	-	-	-	-	-
Supplier 18	-	-	-	-	-	-	-	-	-	-
Supplier 19	-	-	-	-	-	-	-	-	-	-
Supplier 20	155,000	140,000	-	-	-	-	-	-	-	-
Supplier 21	-	-	-	-	-	-	-	-	-	-
Supplier 22	310,000	280,000	310,000	-	-	-	-	-	-	-
Supplier 23	155,000	-	-	-	-	-	-	-	-	-
Total Volumes	3,796,764	3,685,051	3,786,237	4,003,736	3,859,095	2,953,305	2,910,429	2,875,939	3,071,207	4,270,375

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 Item 53.64(c)(1)

TRANSCONTINENTAL

Volumes (Dth)

Suppliers	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
TR Spot	3,765,234	3,559,225	3,483,357	2,726,307	3,917,086	3,817,425	3,461,831	2,822,249	2,706,878	2,484,563
Supplier 1	-	-	-	-	-	-	-	-	-	-
Supplier 2	-	500,000	600,000	500,000	-	25,000	125,000	-	-	150,000
Supplier 3	-	-	-	-	-	-	-	-	-	-
Supplier 4	-	-	-	-	-	-	-	-	-	-
Supplier 5	-	-	-	-	-	-	-	-	-	-
Supplier 6	-	-	-	-	-	-	-	-	-	-
Supplier 7	-	-	-	460,000	-	140,000	340,000	240,000	280,000	340,000
Supplier 8	-	-	-	-	-	-	-	-	-	-
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	-	-	-	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	-	-	-	-	-	-	-	-	-	-
Supplier 13	-	-	-	-	-	-	-	-	-	-
Supplier 14	-	-	-	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	-	-	-	-	-	-	-	-	-	-
Supplier 17	-	-	-	-	-	-	-	-	-	-
Supplier 18	-	-	-	-	-	-	-	-	-	-
Supplier 19	-	-	-	-	-	-	-	-	-	-
Supplier 20	-	-	-	-	-	-	-	-	-	-
Supplier 21	-	-	-	-	-	-	-	-	-	-
Supplier 22	-	-	-	-	-	-	-	-	-	-
Supplier 23	-	-	-	-	-	-	-	-	-	-
Total Volumes	3,765,234	4,059,225	4,083,357	3,686,307	3,917,086	3,982,425	3,926,831	3,062,249	2,986,878	2,974,563

Philadelphia Gas Works
Forecasted Summary of Total Fuel Purchased
January 2010-August 2011

Schedule 3
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TRANSCONTINENTAL

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
WSS										
Injection	\$ 1,224	\$ -	\$ -	\$ 1,568	\$ 3,245	\$ 3,096	\$ 3,199	\$ 3,199	\$ 3,096	\$ 2,580
Withdrawal	\$ 6,402	\$ 3,626	\$ 3,885	\$ 1,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026
FT Transportation	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Total Charges	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

S2

Injection	\$ -	\$ -	\$ -	\$ 871	\$ 2,196	\$ 1,718	\$ 1,776	\$ 1,776	\$ 1,718	\$ 1,432
Withdrawal	\$ 4,713	\$ 4,845	\$ 3,705	\$ 889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 25,489	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680
Total Charges	\$ 30,201	\$ 30,525	\$ 29,385	\$ 27,439	\$ 27,876	\$ 27,398	\$ 27,455	\$ 27,455	\$ 27,398	\$ 27,112

GSS

Injection	\$ 133	\$ -	\$ -	\$ 9,464	\$ 19,559	\$ 19,118	\$ 19,757	\$ 19,559	\$ 19,126	\$ 15,971
Withdrawal	\$ 36,899	\$ 25,570	\$ 10,849	\$ 304	\$ 1,179	\$ -	\$ -	\$ -	\$ -	\$ 84
Demand Charges	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710
Total Charges	\$ 290,742	\$ 279,280	\$ 264,558	\$ 263,477	\$ 274,448	\$ 272,828	\$ 273,466	\$ 273,268	\$ 272,835	\$ 269,765

EMINENCE

Injection	\$ 948	\$ -	\$ -	\$ 1,610	\$ 3,177	\$ 3,075	\$ 3,177	\$ 3,177	\$ 3,075	\$ 2,566
Withdrawal	\$ 5,439	\$ 4,208	\$ 4,659	\$ 2,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490
Total Charges	\$ 105,877	\$ 103,698	\$ 104,149	\$ 103,354	\$ 102,667	\$ 102,565	\$ 102,667	\$ 102,667	\$ 102,565	\$ 102,055

Total Injection Charges

Total Injection Charges	\$ 2,305	\$ -	\$ -	\$ 13,513	\$ 28,177	\$ 27,008	\$ 27,909	\$ 27,711	\$ 27,015	\$ 22,549
Total Withdrawal Charges	\$ 53,452	\$ 38,250	\$ 23,098	\$ 5,389	\$ 1,179	\$ -	\$ -	\$ -	\$ -	\$ 84
Total Demand Charges	\$ 427,714	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905
Total Storage	\$ 483,472	\$ 466,155	\$ 451,003	\$ 446,807	\$ 457,262	\$ 454,913	\$ 455,815	\$ 455,616	\$ 454,921	\$ 450,539

Forecasted Summary of Firm Transportation

Demand Charges	\$ 2,472,903	\$ 2,472,903	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065
Capacity Release Credit	\$ (262,756)	\$ (237,328)	\$ (262,756)	\$ (254,280)	\$ (262,756)	\$ (254,280)	\$ (262,756)	\$ (262,756)	\$ (398,280)	\$ (411,556)

Net Demand Charge

Net Demand Charge	\$ 2,210,147	\$ 2,235,575	\$ 2,183,309	\$ 2,191,785	\$ 2,183,309	\$ 2,191,785	\$ 2,183,309	\$ 2,183,309	\$ 2,047,785	\$ 2,034,509
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Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 Item 53.64(c)(1)

TRANSCONTINENTAL

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
WSS										
Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,512	\$ 3,125	\$ 3,024	\$ 3,125	\$ 3,125
Withdrawal	\$ 1,942	\$ 4,015	\$ 4,015	\$ 3,626	\$ 4,015	\$ 1,942	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026	\$ 49,026
FT Transprotation	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Total Charges	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
S2										
Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,273	\$ 2,630	\$ 2,545	\$ 2,630	\$ 2,630
Withdrawal	\$ 2,432	\$ 5,985	\$ 7,125	\$ 5,130	\$ 3,640	\$ 194	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680	\$ 25,680
Total Charges	\$ 28,112	\$ 31,664	\$ 32,804	\$ 30,810	\$ 29,320	\$ 27,147	\$ 28,310	\$ 28,225	\$ 28,310	\$ 28,310
GSS										
Injection	\$ 94	\$ -	\$ -	\$ -	\$ -	\$ 10,795	\$ 22,309	\$ 21,589	\$ 22,309	\$ 22,309
Withdrawal	\$ 1,397	\$ 23,769	\$ 36,406	\$ 25,087	\$ 10,226	\$ -	\$ 1,506	\$ -	\$ -	\$ -
Demand Charges	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710	\$ 253,710
Total Charges	\$ 255,201	\$ 277,479	\$ 290,115	\$ 278,797	\$ 263,935	\$ 264,504	\$ 277,524	\$ 275,299	\$ 276,019	\$ 276,019
EMINENCE										
Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,701	\$ 3,515	\$ 3,402	\$ 3,515	\$ 3,515
Withdrawal	\$ 2,254	\$ 4,659	\$ 4,659	\$ 4,208	\$ 4,659	\$ 2,254	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490	\$ 99,490
Total Charges	\$ 101,744	\$ 104,149	\$ 104,149	\$ 103,698	\$ 104,149	\$ 103,445	\$ 103,004	\$ 102,891	\$ 103,004	\$ 103,004
Total Injection Charges	\$ 94	\$ -	\$ -	\$ -	\$ -	\$ 15,280	\$ 31,579	\$ 30,560	\$ 31,579	\$ 31,579
Total Withdrawal Charges	\$ 8,027	\$ 38,428	\$ 52,204	\$ 38,051	\$ 22,540	\$ 4,391	\$ 1,506	\$ -	\$ -	\$ -
Total Demand Charges	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905	\$ 427,905
Total Storage	\$ 436,026	\$ 466,333	\$ 480,110	\$ 465,956	\$ 450,445	\$ 447,577	\$ 460,990	\$ 458,466	\$ 459,484	\$ 459,484

Forecasted Summary of Firm Transportation

Demand Charges	\$ 2,446,065	\$ 2,472,903	\$ 2,472,903	\$ 2,472,903	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065	\$ 2,446,065
Capacity Release Credit	\$ (398,280)	\$ (411,556)	\$ (411,556)	\$ (371,728)	\$ (231,384)	\$ (223,920)	\$ (231,384)	\$ (223,920)	\$ (231,384)	\$ (231,384)
Net Demand Charge	\$ 2,047,785	\$ 2,061,347	\$ 2,061,347	\$ 2,101,175	\$ 2,214,681	\$ 2,222,145	\$ 2,214,681	\$ 2,222,145	\$ 2,214,681	\$ 2,214,681

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 item 53.64(c)(1)

Texas Eastern
 Cost of Natural Gas

<u>Suppliers</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>
TE Spot	\$ 2,323,124	\$ 8,332,693	\$ 7,372,370	\$ 5,889,214	\$ 1,910,377	\$ 384,441	\$ 173,761	\$ 468,882	\$ 465,560	\$ 1,970,109
Supplier 1	\$ 177,022	\$ 225,845	\$ 285,758	\$ 192,755	\$ 177,721	\$ 163,676	\$ 163,676	\$ 163,676	\$ 163,676	\$ 188,569
Supplier 2	\$ 1,499,625	\$ 683,900	-	-	-	-	-	-	-	-
Supplier 3	\$ 1,796,295	-	-	-	-	-	-	-	-	-
Supplier 4	\$ 904,425	-	-	-	-	-	-	-	-	-
Supplier 5	\$ 672,700	\$ 719,600	-	-	-	-	-	-	-	-
Supplier 6	-	-	-	-	-	-	-	-	-	-
Supplier 7	-	-	-	-	-	-	-	-	-	-
Supplier 8	-	-	-	-	-	-	-	-	-	-
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	-	-	-	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	-	-	-	-	-	-	-	-	-	-
Supplier 13	\$ 5,644,570	\$ 4,572,900	\$ 6,144,945	\$ 988,743	\$ 1,351,463	\$ 1,573,412	\$ 1,932,015	\$ 1,658,286	\$ 1,590,541	\$ 2,284,792
Supplier 14	\$ 1,635,095	\$ 1,473,780	\$ 1,042,065	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	\$ 734,700	\$ 673,400	\$ 744,000	-	-	-	-	-	-	-
Supplier 17	\$ 1,500,632	\$ 1,364,930	\$ 1,496,680	-	-	-	-	-	-	-
Sub Total	\$ 16,888,189	\$ 18,047,048	\$ 17,085,818	\$ 7,070,712	\$ 3,439,561	\$ 2,121,528	\$ 2,269,451	\$ 2,290,844	\$ 2,219,777	\$ 4,443,469
<u>Transportation Costs</u>										
TE Spot-Sup10	\$ 253,364	\$ 277,525	\$ 259,044	\$ 106,698	\$ 54,354	\$ 30,148	\$ 31,153	\$ 31,153	\$ 30,148	\$ 69,361
Total TE	\$ 253,364	\$ 277,525	\$ 259,044	\$ 106,698	\$ 54,354	\$ 30,148	\$ 31,153	\$ 31,153	\$ 30,148	\$ 69,361
ANR	-	-	-	-	-	-	-	-	-	-
Equitrans	-	-	-	\$ 22,201	\$ 23,073	\$ 18,761	\$ 19,387	\$ 19,387	\$ 18,761	\$ 15,947
Total Costs	\$ 17,141,553	\$ 18,324,572	\$ 17,344,862	\$ 7,199,610	\$ 3,516,988	\$ 2,170,437	\$ 2,319,991	\$ 2,341,384	\$ 2,268,686	\$ 4,528,778

Philadelphia Gas Works
Forecasted Summary of Total Fuel Purchased
January 2010-August 2011

Texas Eastern
Cost of Natural Gas

<u>Suppliers</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>
TE Spot	\$ 8,495,271	\$ 15,716,996	\$ 18,094,245	\$ 13,790,248	\$ 13,030,505	\$ 5,197,080	\$ 1,689,952	\$ 228,924	\$ 160,567	\$ 721,037
Supplier 1	\$ 267,091	\$ 302,263	\$ 322,641	\$ 337,325	\$ 302,922	\$ 179,934	\$ 163,676	\$ 163,676	\$ 163,676	\$ 163,676
Supplier 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 13	\$ 2,385,653	\$ 2,069,119	\$ 1,383,364	\$ 3,257,030	\$ 2,214,551	\$ 1,520,679	\$ 2,563,153	\$ 2,370,563	\$ 2,638,476	\$ 2,072,784
Supplier 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub Total	\$ 11,148,014	\$ 18,088,378	\$ 19,800,250	\$ 17,384,603	\$ 15,547,978	\$ 6,897,692	\$ 4,416,781	\$ 2,763,162	\$ 2,962,719	\$ 2,957,496

Transportation Cost:

TE Spot-Sup10	\$ 174,352	\$ 288,520	\$ 310,633	\$ 275,813	\$ 246,306	\$ 103,431	\$ 60,859	\$ 34,903	\$ 36,066	\$ 36,066
Total TE	\$ 174,352	\$ 288,520	\$ 310,633	\$ 275,813	\$ 246,306	\$ 103,431	\$ 60,859	\$ 34,903	\$ 36,066	\$ 36,066
ANR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equitrans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,348	\$ 19,993	\$ 19,348	\$ 19,993	\$ 19,993
Total Costs	\$ 11,322,366	\$ 18,376,898	\$ 20,110,883	\$ 17,660,415	\$ 15,794,285	\$ 7,020,471	\$ 4,497,633	\$ 2,817,412	\$ 3,018,778	\$ 3,013,555

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Schedule 3
 Item 53.64(c)(1)

Texas Eastern
 Volumes

Suppliers	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
TE Spot	399,505	1,507,634	1,338,970	1,076,836	401,931	81,874	35,089	93,571	93,571	389,773
Supplier 1	1,986	10,923	21,846	5,317	2,955	-	-	-	-	4,925
Supplier 2	310,000	140,000	-	-	-	-	-	-	-	-
Supplier 3	310,000	-	-	-	-	-	-	-	-	-
Supplier 4	155,000	-	-	-	-	-	-	-	-	-
Supplier 5	155,000	140,000	-	-	-	-	-	-	-	-
Supplier 6	-	-	-	-	-	-	-	-	-	-
Supplier 7	-	-	-	-	-	-	-	-	-	-
Supplier 8	-	-	-	-	-	-	-	-	-	-
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	-	-	-	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	-	-	-	-	-	-	-	-	-	-
Supplier 13	847,301	700,000	997,554	124,062	219,064	269,015	327,497	269,015	257,319	390,650
Supplier 14	310,000	280,000	186,000	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	155,000	140,000	155,000	-	-	-	-	-	-	-
Supplier 17	263,500	238,000	263,500	-	-	-	-	-	-	-
Total	2,907,293	3,156,557	2,962,870	1,206,214	623,950	350,890	362,586	362,586	350,890	785,348

Philadelphia Gas Works
Forecasted Summary of Total Fuel Purchased
January 2010-August 2011

Texas Eastern
Volumes

Suppliers	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>
TE Spot	1,618,301	2,942,156	3,291,658	2,527,075	2,392,235	944,580	297,422	40,432	26,954	121,295
Supplier 1	19,700	25,818	28,797	31,743	25,477	2,955	-	-	-	-
Supplier 2	-	-	-	-	-	-	-	-	-	-
Supplier 3	-	-	-	-	-	-	-	-	-	-
Supplier 4	-	-	-	-	-	-	-	-	-	-
Supplier 5	-	-	-	-	-	-	-	-	-	-
Supplier 6	-	-	-	-	-	-	-	-	-	-
Supplier 7	-	-	-	-	-	-	-	-	-	-
Supplier 8	-	-	-	-	-	-	-	-	-	-
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	-	-	-	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	-	-	-	-	-	-	-	-	-	-
Supplier 13	330,000	288,411	177,065	540,000	349,606	219,998	396,498	363,884	390,839	296,498
Supplier 14	-	-	-	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	-	-	-	-	-	-	-	-	-	-
Supplier 17	-	-	-	-	-	-	-	-	-	-
Total	1,968,001	3,256,385	3,497,520	3,098,817	2,767,317	1,167,533	693,920	404,316	417,793	417,793

Texas Eastern Storages

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10
SSIA										
Injections	\$ 339	\$ -	\$ -	\$ 4,428	\$ 7,149	\$ 6,919	\$ 7,149	\$ 7,149	\$ 6,919	\$ 5,766
Withdrawal	\$ 38,176	\$ 14,214	\$ 3,528	\$ 162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522
Demand	\$ 280,729	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156
Total Charges	\$ 287,766	\$ 265,892	\$ 255,206	\$ 256,268	\$ 258,827	\$ 258,827	\$ 258,827	\$ 258,827	\$ 258,597	\$ 257,444
SSIB										
Injections	\$ 1,142	\$ -	\$ -	\$ 4,596	\$ 9,111	\$ 8,817	\$ 9,111	\$ 9,111	\$ 8,817	\$ 7,639
Withdrawal	\$ 28,716	\$ 24,200	\$ 16,478	\$ 4,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529
Demand	\$ 104,301	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447
Total Charges	\$ 160,688	\$ 156,177	\$ 148,455	\$ 141,503	\$ 141,087	\$ 140,794	\$ 141,087	\$ 141,087	\$ 140,794	\$ 139,616
GSSTE										
Injections	\$ -	\$ -	\$ -	\$ 4,938	\$ 10,205	\$ 10,042	\$ 11,059	\$ 10,703	\$ 10,434	\$ 8,617
Withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 14,985	\$ 8,291	\$ 4,782	\$ 911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825
Total Charges	\$ 135,727	\$ 129,032	\$ 125,524	\$ 126,590	\$ 130,946	\$ 130,783	\$ 131,800	\$ 131,445	\$ 131,176	\$ 129,359
EQUITRANS										
Injections	\$ -	\$ -	\$ -	\$ 511	\$ 532	\$ 432	\$ 447	\$ 447	\$ 432	\$ 367
Withdrawal	\$ 1,068	\$ 614	\$ 521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689
Demand	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472
Total Charges	\$ 22,229	\$ 21,775	\$ 21,682	\$ 21,672	\$ 21,693	\$ 21,593	\$ 21,608	\$ 21,608	\$ 21,593	\$ 21,528
Total Injection Charges	\$ 1,481	\$ -	\$ -	\$ 14,474	\$ 26,996	\$ 26,209	\$ 27,765	\$ 27,410	\$ 26,602	\$ 22,389
Total Injections/Retention Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Withdrawal Charges	\$ 82,944	\$ 47,319	\$ 25,309	\$ 6,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capacity Charges	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566
Total Demand Charges	\$ 396,418	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991
Total Transportation Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 606,409	\$ 572,876	\$ 550,866	\$ 546,034	\$ 552,554	\$ 551,767	\$ 553,323	\$ 552,967	\$ 552,159	\$ 547,947

Forecasted Summary of Firm Transportation

Texas Eastern Demand	\$ 2,089,558	\$ 2,105,842	\$ 2,104,053	\$ 2,102,343	\$ 2,100,569	\$ 2,098,764	\$ 2,097,085	\$ 2,095,391	\$ 2,094,504	\$ 2,093,554
Capacity/Release Credits	\$ (206,369)	\$ (186,397)	\$ (206,369)	\$ (657,416)	\$ (679,329)	\$ (657,416)	\$ (679,329)	\$ (679,329)	\$ (1,029,713)	\$ (1,064,037)
Net Total	\$ 1,883,189	\$ 1,919,445	\$ 1,897,684	\$ 1,444,927	\$ 1,421,240	\$ 1,441,348	\$ 1,417,756	\$ 1,416,062	\$ 1,064,791	\$ 1,029,517
Equitrans	\$ 26,538	\$ 26,538	\$ 26,538	\$ 12,399	\$ 12,399	\$ 12,399	\$ 12,399	\$ 12,399	\$ 12,399	\$ 12,399
Total Demand Charges	\$ 1,909,728	\$ 1,945,983	\$ 1,924,222	\$ 1,457,326	\$ 1,433,639	\$ 1,453,747	\$ 1,430,155	\$ 1,428,461	\$ 1,077,190	\$ 1,041,916

Philadelphia Gas Works
 Forecasted Summary of Total Fuel Purchased
 January 2010-August 2011

Texas Eastern
 Storages

	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11
SS1A										
Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,082	\$ 8,436	\$ 8,164	\$ 8,436
Withdrawal	\$ -	\$ 12,125	\$ 21,537	\$ 14,266	\$ 4,098	\$ 11,813	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522
Demand	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156	\$ 223,156
Total Charges	\$ 251,678	\$ 263,803	\$ 273,215	\$ 265,944	\$ 255,776	\$ 267,573	\$ 260,114	\$ 259,842	\$ 260,114	\$ 260,114
SS1B										
Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,213	\$ 10,426	\$ 10,773	\$ 10,773
Withdrawal	\$ 5,531	\$ 22,455	\$ 31,092	\$ 24,067	\$ 17,477	\$ 1,664	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529
Demand	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447	\$ 105,447
Total Charges	\$ 137,508	\$ 154,432	\$ 163,068	\$ 156,044	\$ 149,454	\$ 138,854	\$ 142,750	\$ 142,402	\$ 142,750	\$ 142,750
GSSTE										
Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,869	\$ 9,739	\$ 10,063	\$ 10,063
Withdrawal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 2,401	\$ 8,976	\$ 12,248	\$ 8,453	\$ 5,058	\$ -	\$ -	\$ -	\$ -	\$ -
Demand	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825
Total Charges	\$ 123,143	\$ 129,718	\$ 132,990	\$ 129,195	\$ 125,800	\$ 125,800	\$ 130,805	\$ 130,805	\$ 130,805	\$ 130,805
EQUITRANS										
Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446	\$ 446	\$ 461	\$ 461
Withdrawal	\$ 310	\$ 753	\$ 862	\$ 586	\$ 434	\$ -	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689	\$ 13,689
Demand	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472	\$ 7,472
Total Charges	\$ 21,471	\$ 21,914	\$ 22,023	\$ 21,747	\$ 21,595	\$ 21,607	\$ 21,622	\$ 21,607	\$ 21,622	\$ 21,622
Total Injection Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,733	\$ 28,774	\$ 29,733	\$ 29,733
Total Injections/Retention Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Withdrawal Charges	\$ 8,243	\$ 44,309	\$ 65,739	\$ 47,372	\$ 27,067	\$ 13,477	\$ -	\$ -	\$ -	\$ -
Total Capacity Charges	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566
Total Demand Charges	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991	\$ 399,991
Total Transportation Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 533,800	\$ 569,867	\$ 591,297	\$ 572,930	\$ 552,624	\$ 553,644	\$ 555,291	\$ 554,331	\$ 555,291	\$ 555,291

Forecasted Summary of Firm Transportation

Texas Eastern Demand	\$ 2,092,414	\$ 2,091,480	\$ 2,090,625	\$ 2,089,627	\$ 2,088,677	\$ 2,087,759	\$ 2,086,777	\$ 2,085,874	\$ 2,084,956	\$ 2,084,053
Capacity Release Credits	\$ (599,571)	\$ (323,236)	\$ (323,236)	\$ (291,955)	\$ (181,729)	\$ (578,923)	\$ (598,220)	\$ (598,220)	\$ (598,220)	\$ (598,220)
Net Total	\$ 1,492,843	\$ 1,768,244	\$ 1,767,389	\$ 1,797,672	\$ 1,906,948	\$ 1,508,836	\$ 1,488,557	\$ 1,506,952	\$ 1,486,736	\$ 1,485,833
Equitrans	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538	\$ 12,399	\$ 12,399	\$ 12,399	\$ 12,399	\$ 12,399
Total Demand Charges	\$ 1,519,382	\$ 1,794,782	\$ 1,793,927	\$ 1,824,210	\$ 1,933,487	\$ 1,521,235	\$ 1,500,956	\$ 1,519,351	\$ 1,499,135	\$ 1,498,232

CAPACITY RELEASE
(Dth)

	TRANSCO		TETCO		TETCO		TOTAL DOLLARS		TOTAL VOLUMES	
	VOLUMES	DOLLARS	VOLUMES	DOLLARS	VOLUMES	DOLLARS	TRANSCO	TETCO	TRANSCO	TETCO
Sep-09	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	-	-
Oct-09	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	-	-
Nov-09	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	-	-
Dec-09	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	-	-
Jan-10	620,000	\$ 262,756	486,948	\$ 206,369	-	\$ -	\$ 262,756	\$ 206,369	620,000	486,948
Feb-10	560,000	\$ 237,328	439,824	\$ 186,397	-	\$ -	\$ 237,328	\$ 186,397	560,000	439,824
Mar-10	620,000	\$ 262,756	486,948	\$ 206,369	-	\$ -	\$ 262,756	\$ 206,369	620,000	486,948
Apr-10	600,000	\$ 254,280	471,240	\$ 199,712	1,080,000	\$ 457,704	\$ 254,280	\$ 657,416	600,000	1,551,240
May-10	620,000	\$ 262,756	486,948	\$ 206,369	1,116,000	\$ 472,961	\$ 262,756	\$ 679,329	620,000	1,602,948
Jun-10	600,000	\$ 254,280	471,240	\$ 199,712	1,080,000	\$ 457,704	\$ 254,280	\$ 657,416	600,000	1,551,240
Jul-10	620,000	\$ 262,756	486,948	\$ 206,369	1,116,000	\$ 472,961	\$ 262,756	\$ 679,329	620,000	1,602,948
Aug-10	620,000	\$ 262,755	486,948	\$ 206,369	1,116,000	\$ 472,961	\$ 262,755	\$ 679,329	620,000	1,602,948
TOTAL September 09 - August 10	4,860,000	\$ 2,059,667	3,817,044	\$ 1,617,663	5,508,000	\$ 2,334,290	\$ 2,059,667	\$ 3,951,954	4,860,000	9,325,044

CAPACITY RELEASE
(Dth)

	TRANSCO		TETCO		TETCO		TOTAL DOLLARS		TOTAL VOLUMES	
	Contract 3691		Contract 800232		Contract 800515-514		TRANSCO	TETCO	TRANSCO	TETCO
	VOLUMES	DOLLARS	VOLUMES	DOLLARS	VOLUMES	DOLLARS				
Sep-10	600,000	\$ 398,280	471,240	\$ 312,809	1,080,000	\$ 716,904	\$ 398,280	\$ 1,029,713	600,000	1,551,240
Oct-10	620,000	\$ 411,556	486,948	\$ 323,236	1,116,000	\$ 740,801	\$ 411,556	\$ 1,064,037	620,000	1,602,948
Nov-10	600,000	\$ 398,280	471,240	\$ 312,809	432,000	\$ 286,762	\$ 398,280	\$ 599,571	600,000	903,240
Dec-10	620,000	\$ 411,556	486,948	\$ 323,236	-	\$ -	\$ 411,556	\$ 323,236	620,000	486,948
Jan-11	620,000	\$ 411,556	486,948	\$ 323,236	-	\$ -	\$ 411,556	\$ 323,236	620,000	486,948
Feb-11	560,000	\$ 371,728	439,824	\$ 291,955	-	\$ -	\$ 371,728	\$ 291,955	560,000	439,824
Mar-11	620,000	\$ 231,384	486,948	\$ 181,729	-	\$ -	\$ 231,384	\$ 181,729	620,000	486,948
Apr-11	600,000	\$ 223,920	471,240	\$ 175,867	1,080,000	\$ 403,056	\$ 223,920	\$ 578,923	600,000	1,551,240
May-11	620,000	\$ 231,384	486,948	\$ 181,729	1,116,000	\$ 416,491	\$ 231,384	\$ 598,220	620,000	1,602,948
Jun-11	600,000	\$ 223,920	471,240	\$ 175,867	1,080,000	\$ 403,056	\$ 223,920	\$ 578,923	600,000	1,551,240
Jul-11	620,000	\$ 231,384	486,948	\$ 181,729	1,116,000	\$ 416,491	\$ 231,384	\$ 598,220	620,000	1,602,948
Aug-11	620,000	\$ 231,384	486,948	\$ 181,729	1,116,000	\$ 416,491	\$ 231,384	\$ 598,220	620,000	1,602,948
TOTAL September 10 - August 11	7,300,000	\$ 3,776,332	5,733,420	\$ 2,965,931	8,136,000	\$ 3,800,052	\$ 3,776,332	\$ 6,765,983	7,300,000	13,869,420

Tab 5

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIRECT TESTIMONY OF

KENNETH DYBALSKI

ON BEHALF OF
PHILADELPHIA GAS WORKS

Docket No. R-2010-20157062

Philadelphia Gas Works
Proposed 2010 Annual GCR Adjustment

March 1, 2010

1 **Q. PLEASE STATE YOUR NAME AND POSITION WITH THE COMPANY.**

2

3 A. My name is Kenneth Dybalski. My position is Director, Gas Planning & Rates at
4 the Philadelphia Gas Works.

5

6 **Q. HOW LONG HAVE YOU HELD THIS POSITION?**

7

8 A. I assumed the position of Director, Gas Planning & Rates in 2006. Prior to this
9 position, I was the Manager of Gas Planning from 2001 to 2006.

10

11 **Q. WHAT ARE YOUR VARIOUS JOB RESPONSIBILITIES?**

12

13 A. In my present position, I am responsible for developing and coordinating short
14 and long term planning of gas demand, gas supply, raw material expense and
15 revenue; overseeing the preparation of sales, sendout, revenue and fuel expense
16 projections; developing peak day/hour load projections; overseeing the
17 development of the various filings before the Pennsylvania Public Utility
18 Commission (PUC) and Philadelphia Gas Commission (PGC), including the
19 quarterly and annual Gas Cost Rate (GCR) filings; preparing the Integrated
20 Resource Planning Report; and providing supporting documentation for gas costs
21 related to PGW's Operating Budget before the PGC.

22

23 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND.**

24

25 A. I have received a BS and MBA from Temple University in Philadelphia,
26 Pennsylvania.

27

1 **Q. HAVE YOU EVER PROVIDED TESTIMONY BEFORE THIS**
2 **COMMISSION?**

3
4 A. Yes. I submitted testimony for the PGW 1307f Annual GCR Filings in Docket
5 Nos. R-2009-2088076, R-2008-2021348 and R-00072110. I have also submitted
6 testimony in PGW's current base rate proceeding (Docket No. R-2009- 2139884)
7 and PGW's 2008 Extraordinary Rate Request (Docket No. R-2008-2073938).

8
9 **Q. HOW IS YOUR TESTIMONY STRUCTURED**

10
11 A. First, I describe PGW's rate design and Gas Cost Rate (GCR) calculation
12 methodology. Second, I describe the level of heating degree-days utilized in this
13 filing. Third, I identify the methodology for determining the number of customers
14 and calculating firm sales. Fourth, I discuss the calculation for the Unaccounted
15 for Adjustment Factor (UAF). Fifth, I discuss Off System Sales and Capacity
16 Release credits. Sixth, I discuss the methodology for projecting soft-off volumes.
17 Lastly, I will discuss the reasonableness of PGW's gas costs.

18
19 **Q. PLEASE DESCRIBE THE IMPACT OF THE PROPOSED CHANGE IN**
20 **PGW's GCR IN THIS PROCEEDING.**

21
22 A. PGW's GCR on September 1, 2009 was \$7.0900 and this rate was increased to
23 \$7.2497 in the Company's first quarterly GCR filing on December 1, 2009.
24 PGW's second quarter GCR filing, also submitted to the PUC concurrently with
25 this filing increases the GCR to \$7.3455 effective March 1, 2010. The proposed
26 rate to be effective September 1, 2010 is \$7.3294.

27
28 **Q. PLEASE SUMMARIZE THE EVIDENCE THAT PGW IS SUBMITTING**
29 **IN SUPPORT OF ITS PROPOSED GCR ADJUSTMENT.**

30

1 A. Tab 2 of this filing contains the sheets supporting the filing requirements of
2 Section 53.64 (a) for the proposed GCR for the period September 1, 2010 through
3 August 31, 2011.

4
5 Schedule 1 identifies the Levelized Gas Cost Rate. Specifically, this schedule
6 identifies the GCR Firm Sales Volumes in Mcfs (“S”), Total Applicable GCR
7 Expense (“C”), and adjustments for Prior Year Reconciliation and Interest (“E”).
8 An adjustment is also included for the Interruptible Revenue Credit (IRC).
9 Additionally, this schedule calculates the company’s total projected recovery of
10 the net GCR applicable expenses by multiplying the Firm Sales Volume times the
11 proposed GCR to determine if these rates adequately cover the Net Applicable
12 GCR Expense (a Net Over/Under Recovery amount is displayed to prove the
13 calculation).

14
15 Schedule 2 identifies the calculation of Total Firm Sales Volumes in Mcfs (“S”)
16 and the Total Applicable Volumes. The company utilizes Total Volumes and
17 subtracts the volumes associated with Firm Transportation and the Interruptible
18 Sales to arrive at GCR Firm Sales (“S”). Also included in Schedule 2 are the
19 Total Applicable Volumes which is comprised of GCR Firm Sales less 20% of the
20 sales attributable to Senior Citizens (Senior Citizen Discount Sales) plus the Firm
21 Transportation Volumes.

22
23 Schedule 3 identifies the Projected Applicable Fuel Expense. Specifically, this
24 schedule identifies PGW’s Net Natural Gas Expense and Total Applicable
25 Expenses. To arrive at the Net Natural Gas Expense, the total cost of commodity
26 and pipeline charges for firm sales are calculated per month. Two credits are then
27 applied for the portion of gas costs recovered from PGW’s Interruptible Sales
28 customers (i.e. the “Interruptible Credit”) and for gas used by PGW (i.e. “Gas
29 Used by Utility”). Next, the Company calculates the net effect of gas supplies
30 being transferred into and out of storage and LNG. The result is the Net Natural

1 Gas Expense. To arrive at the Total Applicable Expenses in Schedule 3, the fuel
2 expenses for Purchased Electric are added to the Net Natural Gas Expenses to
3 arrive at Total Applicable Expenses.

4
5 Schedule 4a (“Interest Rate Calculation”) provides the interest rate for the
6 over/under recovery and is calculated on the over/under recovery in calendar year
7 2009. Schedule 4b (“Interest Calculation”) provides the calculation of the interest
8 expense or credit for the period of September 2008 through August 2009 for the
9 under/over recovery of fuel costs and the interest for the natural gas refunds.
10 Schedule 4b1 (“Interest Adjustment Calculation”) provides the calculation of the
11 adjusted interest expense for the January – August 2009 period which PGW
12 previously refunded at an interest rate of 6% and now has been determined to be
13 refunded at an interest rate of 8%. Schedule 4c (“Interest on Natural Gas
14 Refunds”) provides information on historic refunds that have been received by the
15 Company resulting from various cases before the Federal Energy Regulatory
16 Commission and the interest on these refunds. Schedule 4d provides the
17 calculation of the interest for the demand and commodity charges.

18
19 Schedule 5 presents the Statement of Reconciliation for the forecast period of
20 September 2010 to August 2011.

21
22 Schedule 6 presents the Statement of Reconciliation for the actual / estimated
23 period of September 2009 to August 2010.

24
25 Schedule 7 presents the finalized Statement of Reconciliation for the historic
26 period of September 2008 to August 2009.

27
28 Schedule 8 calculates total projected recovery with the proposed GCR.
29

1 Schedule 9 shows the changes in rates identifying the proposed changes to the
2 GCR and distribution charge and the impact on the proposed total commodity
3 rate.

4
5 Schedule 10(a) shows the calculation of the Universal Service & Energy
6 Conservation Surcharge to be effective September 1, 2010. Schedule 10(b) is the
7 reconciliation of the Universal Service & Energy Conservation Surcharge for
8 period of September 2009 to August 2010.

9
10 Schedule 11(a) shows the calculation of the Interruptible Revenue Credit to be
11 effective September 1, 2010. Schedule 11(b) is the reconciliation of the
12 Interruptible Revenue Credit for Fiscal Year 2009.

13
14 Schedule 12(a) and 12(b) are the Restructuring and Consumer Education
15 Surcharge and the Reconciliation for FY 2009.

16
17 Schedule 13 is the Reconciliation of the Supplier and Storage Peaking Charge
18 (SSPC).

19
20 Schedule 14 identifies the natural gas prices that were used in the preparation of
21 this filing.

22
23 **Q. WHAT IS THE TIME PERIOD FOR FORECASTING PGW'S FUTURE**
24 **GAS COSTS?**

25
26 **A.** PGW's forecast period is a twenty (20) month period that commences on January
27 1, 2010 (two months before this filing) and eight months before the effective date
28 of the tariff on September 1, 2010. The 2010-10 GCR year is from September 1,
29 2010 to August 31, 2011, however, since the required forecast covers 20 months,
30 it must begin eight months earlier, consistent with Commission regulations.

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Q. PLEASE PROVIDE A GENERAL DESCRIPTION OF PGW'S RATE DESIGN AND GCR CALCULATION METHODOLOGY.

A. The volumetric rates charged to PGW's customers are the distribution charge and the Gas Cost Rate. The distribution charge consists of: the Delivery Charge; the Universal Service and Energy Conservation Surcharge; and the Restructuring and Consumer Education Surcharge. The Universal Service and Energy Conservation Surcharge provides for the recovery of: Customer Responsibility Program (CRP) discounts; Senior Citizen Discounts; Conservation Works Program costs; and CRP arrearage forgiveness. The Restructuring and Consumer Education Surcharge recovers Commission approved costs which the Company had incurred to meet the requirements of the Natural Choice and Competition Act and applicable Commission regulations, orders and other regulatory requirements.

The second element of the rate is the Gas Cost Rate or GCR factor. This charge is a mechanism used to flow through the costs of natural gas costs and other raw materials in a timely and equitable manner. The specific elements of PGW's GCR are set forth in PGW's Tariff.

The cost of gas purchased to serve the requirements of PGW's customers constitutes the largest single item in the delivered price of gas. In the past, all natural gas costs were recovered through base rates (distribution charge). However, in the early 1970's, the price of gas lost its stability and underwent rapid escalation during and after a worldwide oil crisis. To combat this instability and prevent the economic harm to all parties caused by regulatory lag in reflecting these price fluctuations in base rates, the concept of a fuel adjustment surcharge mechanism was introduced by PGW. This mechanism provides the flexibility to rapidly reflect current conditions without the time delay inherent in a full-scale base rate alteration. The intent is to achieve an annual balance of the costs

1 incurred for fuel and its pass-through to customers. The costs for pipeline
2 transportation, storage capacity and related fuel prices charged by the interstate
3 pipeline suppliers are largely outside of distributor control. The State Public
4 Utility Commission oversees the pass-through of these charges and the balancing
5 activity. The Gas Cost Rate Section in PGW's Tariff identifies the appropriate
6 formula for such a balance and the charges that may be recovered through this
7 mechanism. Charges for natural gas and other raw materials are included in the
8 GCR. In addition, the interest expense for the over or under recovery of gas costs
9 and natural gas refunds are also included in the GCR. No labor, storage, or profit
10 component is added by PGW. The GCR represents the direct pass-through of
11 actual costs incurred.

12
13 Only costs related to meeting customer sendout requirements, including
14 associated plant fuel, may be included as a fuel expense for GCR purposes.
15 Purchases diverted into storage and/or LNG become an expense only when
16 withdrawn for customer delivery. Costs associated with purchases made to supply
17 interruptible customers are excluded from the Total Applicable GCR Expenses
18 used to calculate the GCR. Also, demand costs for pipeline transportation for the
19 firm transportation customers are excluded from the GCR.

20
21 Various adjustments are then made to the total applicable expenses eligible for the
22 GCR. Natural gas refunds and interest on the refunds are credited in the
23 calculation of the GCR in the fiscal year received. An adjustment is made to
24 correct for any over or under recovery during the previous period resulting from
25 differences between rates used to project the prior GCR and those actually
26 experienced. The interest expense or credit on the over or under recovery is
27 applied to calculate the total adjustment. An additional adjustment is also made
28 for the Interruptible Revenue Credit which is a credit that firm sales customers
29 receive for interruptible sales margin.

30

1 To determine the unit level of the GCR, the remaining total expenses must be
2 divided by the sum of the volumes over which they can be effectively distributed
3 which is the firm sales volume.
4
5
6

7 **Q. WHAT IS THE BASIS FOR THE PRICES USED IN DETERMINING THE**
8 **GAS COSTS USED IN THIS FILING?**
9

10 A. The projected natural gas prices were derived from forecasted pricing data
11 produced specifically for PGW by Global Insight in January 2010. Global Insight
12 and its predecessors are the same forecasting service used by PGW for the past
13 several years. Additionally, PGW used the NYMEX Futures close data as of
14 January 19, 2010.
15

16 The pricing methodology utilized by the Company is similar to the methodology
17 in the last annual filing and in quarterly filings with the inclusion of the additional
18 months in the 20-month forecast. Specifically, the company has utilized actual
19 prices for January, 2010; the NYMEX Futures prices for the 3 forecast months of
20 February through April 2010; and an average of the NYMEX Futures prices and
21 Global Insight prices for the remaining months (i.e. May 2010 through August
22 2011).
23

24 **Q. HOW DOES THE PROJECTED LEVEL OF GAS COSTS FOR THE**
25 **FORECAST PERIOD COMPARE WITH THE LEVEL OF GAS COSTS**
26 **FORECASTED IN THE COMPANY'S LAST ANNUAL GCR FILING?**
27

28 A. The level of gas costs forecasted for 2010-2011 is lower than the level PGW had
29 forecasted for the 2009-2010 GCR. The level of costs in the 2010-2011 period

1 are being influenced by the decrease in prices for natural gas compared to the
2 prior year.

3
4 **Q. DESCRIBE THE LEVEL OF HEATING DEGREE-DAYS THAT WERE**
5 **USED IN YOUR ANALYSIS.**

6
7 A. The Company utilizes the temperatures recorded at the PGW Richmond Plant to
8 calculate the average temperature for a given day. The Company subtracts the
9 average temperature from 65 degrees to calculate the number of degree-days for
10 the day. The degree-days for all of the days in the year are aggregated to arrive at
11 the total number of degree-days for the year. Next, the Company calculates the
12 average heating degree-days for the past 30 years to arrive at the forecasted
13 heating degree-days in a normal year and in this filing PGW is using the 30 year
14 average of 4,392 degree days.

15
16 **Q. HOW HAS THE COMPANY DETERMINED THE NUMBER OF**
17 **CUSTOMERS IN EACH RATE CLASS?**

18
19 A. PGW started with the actual number of customer billings on December 31, 2009
20 (from the PGW Gas Sales and Revenue Report). Next, the Marketing Department
21 load forecast was used to factor in the addition and loss of customers. Finally, the
22 customer numbers were adjusted for the loss of customers due to non-payment
23 terminations.

24
25 **Q. WHAT IS THE METHODOLOGY FOR CALCULATING THE WEATHER**
26 **NORMALIZED BILLED SALES?**

27
28 A. PGW used a two step process to arrive at the appropriate level of usage
29 per customer. First, a trial domestic factor is developed by customer
30 class from sales reported for the summer months (July-September).

1 This average factor was then utilized in the sendout formula with the
2 customer counts for the months of July, August, and September 2008. A
3 comparison between what the formula calculates and the actual
4 experienced for those three months is ascertained and the trial domestic
5 factors are finalized to replicate the total sendout experienced. The
6 finalized domestic factors (DOMS) are then utilized in conjunction with
7 the actual sales and customer counts for the months of December 2008
8 through February 2009 to determine the average Mcf per degree day for
9 each of the individual months for the remaining temperature sensitive
10 load. The results are weighted by degree-days to give an average value
11 that is utilized as a trial value for the heating factor.
12

13 The finalized domestic factor and the trial heating factor developed, as
14 such, are then applied in the sendout calculations, together with
15 customer counts for the months of December 2008 through February
16 2009 (the peak winter heating period) to project an estimated sendout
17 for each of these months. The projected sendout is then compared with
18 the actual sendout. Any variation between the projected and actual is
19 adjusted to force the replication of the actual sendout resulting in the
20 determination of a finalized heating factor. The finalized heating factor
21 is used to forecast the heating load and monthly adjustments are made
22 based on monthly historic usage.
23

24 Utilizing these domestic and heating factors, billed sales are then
25 forecasted using 4,392 degree days and the number of customers.
26

27 **Q. WHAT IS THE UNACCOUNTED FOR GAS PERCENTAGE USED IN**
28 **THIS FILING?**

29
30 A. The level of unaccounted for gas used in this filing is 3.8 %.

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Q. WHAT IS THE TOTAL AMOUNT OF OFF SYSTEM SALES AND CAPACITY RELEASE THAT ARE CREDITED TO THE GCR?

A. PGW has projected that the amount of off system sales and capacity release credits within the GCR period of 2010-11 will amount to \$14,056,170. Of that amount, \$10,542,127 (75%) was credited to the GCR.

Q. HOW HAS PGW PROJECTED SOFT-OFF VOLUMES?

A. As agreed in the Joint Petition for Settlement of PGW's 2009-2010 GCR Proceeding (Docket Nos. R-2009-2088076) which was approved by the PUC, PGW is using a 3-year average for the projected amount of soft-off volumes.

Q. BASED UPON THE ABOVE SUPPORTING DATA, DO YOU BELIEVE THAT PGW'S GAS COSTS ARE REASONABLE?

A. Yes, PGW's GCR only contains the direct pass-through of actual costs incurred and projections of the same (for both gas costs and certain non-gas costs that were previously approved by the PUC). As stated by Mr. Moser in his testimony, PGW follows a least cost gas procurement strategy.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Tab 6

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIRECT TESTIMONY OF

DOUGLAS A. MOSER

ON BEHALF OF
PHILADELPHIA GAS WORKS

Docket No. R-2010-20157062

Philadelphia Gas Works
Proposed 2010 Annual GCR Adjustment

March 1, 2010

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND CURRENT POSITION WITH PGW.**

3 A. My name is Douglas A. Moser. My position with PGW is the Senior Vice
4 President of Gas Management.

5 **Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.**

6 A. I received a Bachelor of Science degree in Chemical Engineering from
7 Pennsylvania State University in 1979. I have also received a Masters in Business
8 Administration from Widener University in 1990.

9 I have held the following positions at PGW: Engineering Assistant; Production
10 Engineer; Supervisor – Gas Conditioning; Operations Engineer – Gas Processing
11 Department; Manager – Gas Control; Manager – Gas Acquisition; and Senior Project
12 Manager – Strategic Planning Department.

13 **Q. HAVE YOU EVER PROVIDED TESTIMONY BEFORE THIS COMMISSION?**

14 A. Yes. I submitted testimony for the PGW 1307f Annual GCR Filings in Docket Nos. R-
15 2009-2088076, R-2008-2021348 and R-00072110.

16 **Q. WHAT IS THE FOCUS OF YOUR TESTIMONY IN THIS PROCEEDING?**

17 A. My testimony discusses:

- 18 • PGW's gas purchasing policies and strategies applicable to the current filing
19 period (i.e. FY 2011 – September 1, 2010 to August 31, 2011) and the prior GCR
20 period (i.e. FY 2010 – September 1, 2009 – August 31, 2010);
- 21 • PGW's design day requirement;
- 22 • Capacity release and off-system sales;
- 23 • Capacity resources;
- 24 • Price Analysis and Buying Advisory Service; and

- Asset Management.

Q. PLEASE PROVIDE A GENERAL DESCRIPTION OF PGW'S GAS DISTRIBUTION SYSTEM.

A. PGW's gas distribution system is located in Southeastern Pennsylvania in the County and City of Philadelphia. Since this is not a gas-producing area, PGW and its natural gas customers are dependent upon the interstate natural gas pipeline system to deliver natural gas into the PGW gas distribution system. PGW relies on the interstate pipeline for all natural gas supply, storage, and transportation services, except for PGW's own on-system peak shaving facilities. PGW owns and operates a LNG facility that is used both to meet intraday, daily and seasonal supply needs as well as to meet peak day requirement.

Q. PLEASE IDENTIFY PGW'S CURRENT INTERSTATE SUPPLIERS.

A. Spectra Energy's Texas Eastern Transmission pipeline and Williams' Transco Gas Pipeline comprise the two interstate natural gas pipelines that deliver gas to PGW's city gates. In addition, Dominion Transmission Inc. (DTI) and Equitrans, Inc. (Equitrans) provide natural gas storage services that PGW uses to meet winter peak requirements. These storage services require intermediate transportation services from Spectra Energy to deliver storage withdrawals to the PGW gas distribution system.

II. GAS PURCHASING POLICIES AND SUPPLY STRATEGY

Q. DOES PGW INCORPORATE A LEAST-COST PROCUREMENT POLICY IN ITS GAS PURCHASING POLICIES AND SUPPLY STRATEGY?

A. Yes.

Q. PLEASE DESCRIBE PGW'S SUPPLY STRATEGY.

1 A. PGW's supply strategy¹ (which is currently being used during the FY 2010 GCR
2 period and which the Company intends to use during the FY 2011 GCR period) is a
3 portfolio approach in both contract structure and pricing. The portfolio approach of
4 purchasing gas supply allows PGW to remove some of the volatility in purchasing natural
5 gas supplies for its ratepayers. Without the use of the portfolio approach, the firm
6 ratepayer would be totally at the mercy of market volatility.

7 The Company's gas supply portfolio is divided into four distinct categories: (1)
8 "first of the month index pricing"; (2) physical forward purchased contracts; (3) storage;
9 and (4) winter only supply contracts.

10 (1) The advantage of a first of the month index arrangement is that the operational
11 flexibility of these contracts allows the company to increase or decrease the volume in
12 response to changes in sendout requirements at a known price.

13 (2) The Company uses a purchasing strategy to fix the price for a portion of the
14 gas supply each month for each of the succeeding 12 months. This "dollar cost
15 averaging" type strategy has the effect of stabilizing the purchase price while removing
16 the speculative aspect of when to purchase the supply.

17 (3) The Company utilizes three pipeline storage fields which act as additional
18 sources of supply. These contracts do not include bundled transportation and, therefore,
19 move to PGW City gates within PGW's firm interstate pipeline capacity. The gas
20 procured under these contracts also act as a physical fixed price counter to market
21 conditions.

¹ All natural gas supply strategies are presented to the Company's Supply Committee for review and approval. The Supply Committee is comprised of senior corporate management as well as Gas Acquisition, Gas Planning, Gas Control, Gas Supply and Regulatory departmental management. The Supply Committee meets monthly.

1 (4) Last and most significantly, the Company enters into winter-only supply
2 contracts. This arrangement provides additional benefit by relieving the firm ratepayer
3 from paying supply demand charges any longer than is necessary.

4 Spectra Energy and Williams Gas Pipeline represent the only interstate pipeline
5 facilities with physical connections to the PGW service territory. As a result, all of
6 PGW's supply contracts utilize these pipelines and the contracts also recognize pipeline
7 receipt and delivery rights. These contracts contain the ability to "lock up" the price for
8 upcoming months or to have the pricing default to an agreed upon market index if there is
9 no market advantage in fixing a price before the month begins. As a result, PGW not
10 only ensures security of supply from the pipelines but also can take advantage of varying
11 basis differentiated pricing in the market. This differentiated pricing results from the fact
12 that all shippers of natural gas receive their gas at varying locations along the pipeline.
13 Generally, gas located nearest to the market area is more expensive than gas obtained in
14 the production area because shippers incur lower transportation costs for short haul
15 compared to long haul transactions. PGW uses a city-gate delivered price in comparing
16 the various alternatives available. The city gate delivered price is computed considering
17 the "into the pipe price of gas" plus all incremental charges levied by the transporting
18 pipeline to deliver the gas to the city gate. These prices include, but are not limited to,
19 fuel shrinkage, transportation charges and ACA charges.

20 **Q. ARE THERE ANY OTHER GAS PROCUREMENT AND PURCHASING**
21 **STRATEGIES THAT THE COMPANY USES TO MEET OPERATIONAL**
22 **REQUIREMENTS AND TO REDUCE COSTS OTHER THAN WINTER-ONLY**
23 **SUPPLY CONTRACTS, "FIRST OF THE MONTH INDEX" PRICED**
24 **CONTRACTS, PHYSICAL FORWARD PURCHASED CONTRACTS AND**
25 **PIPELINE STORAGE CONTRACT?**
26

1 A. Yes. PGW utilizes LNG and bundled storage to meet operational requirements.
2 Once operational requirements are met, these assets are then used in the overall cost
3 saving strategies. For example, once design winter sendout requirements are ensured, the
4 Company may utilize bundled storage and LNG as a substitute for higher priced gases.
5 PGW's summer policy uses a similar approach to address system supply and storage
6 refill. The Gas Supply department also uses forecasted prices as a benchmark to
7 purchase gas volumes for both system supply and storage refill below the projected cost
8 (when possible) on a proportional basis, while leaving a portion of its needs to default to
9 "first of the month" pricing.

10 **Q. DOES PGW PURCHASE GAS FROM ANY AFFILIATED INTEREST?**

11 A. No.

12 **Q. WHILE PGW IS ENSURING THE LEAST COST PROCUREMENT, HOW DOES**
13 **IT PROVIDE FOR SYSTEM RELIABILITY?**

14
15 A. PGW physically sources the gas in accordance with its firm pipeline paths. The
16 pipelines give PGW firm entitlements on their systems for the sourcing of gas for which
17 PGW pays a demand charge. By sourcing supply this way, PGW ensures its sole
18 entitlement to this space on the pipeline and can not be accused of infringement.
19 Transporting gas from different locations also mitigates the impact of potential regional
20 disruptions because not all of the supply enters the pipe at the same location. As a result,
21 if there is a disruption at one location, not all of PGW's supply will be affected.

22 PGW's Gas Planning Department also runs a supply status model during the
23 winter operating season which recognizes normal and design winter conditions and the
24 latest actual balance of gas in all storage facilities. Gas Management utilizes the output
25 of this model to make recommendations or changes in its supply operating strategy to

1 ensure that peak day needs and design winter conditions can be met from that point
2 forward.

3 **Q. DOES PGW PERIODICALLY REVIEW ITS EXISTING CONTRACTS TO**
4 **DETERMINE IF THEY ARE APPROPRIATE?**

5
6 A. Yes, PGW reviews each of its existing contracts on a regular basis to ensure that
7 none of the contracts are adverse to its customers' interests. Whenever appropriate, PGW
8 initiates renegotiations (if the contract permits) to change the terms.

9 **Q. IN YOUR OPINION, ARE THE GAS COSTS INCURRED BY PGW DURING**
10 **THE 2009-10 GCR PERIOD REASONABLE?**

11
12 A. Yes. The 2009-2010 gas costs are the result of the least cost gas procurement
13 strategy outlined in my testimony.

14
15 **III. DESIGN DAY REQUIREMENT**

16 **Q. PLEASE PROVIDE AN OVERVIEW OF THE DESIGN DAY REQUIREMENT.**

17 A. Details of PGW's design day methodology and an account of the 2009/2010
18 winter design day requirement can be found in the response to item 53.64 (c)(13) and
19 item 53.64(c)(14) in the information provided in PGW's February 2010 GCR Filing.

20
21 **IV. CAPACITY RELEASE AND OFF-SYSTEM SALES**

22 **Q. HAS PGW BEEN RETAINING A PORTION OF NET PROCEEDS FROM**
23 **OFF-SYSTEM SALES AND/OR CAPACITY RELEASE CREDITS?**

24
25 A. Yes. During the 2008-2009 GCR proceeding (Docket No. R-2008-2021348), the
26 parties agreed that PGW will retain 25% of all off-system sales margins and capacity
27 release credits with the remaining 75% applied as an offset to purchased gas costs. The

1 retention began on September 1, 2008, for all off-system sales margins and capacity
2 release credits booked on or after that date, and shall end on August 31, 2011 unless the
3 Commission approves continuation. The Company also agreed to include in its March 1,
4 2011 annual 1307(f) filing:

5 (a) A report containing:

6 i. the actual off-system sales margin and capacity release credit data
7 for the two year period of September 1, 2008 to August 31, 2010 and the retained
8 portions thereof; and

9 ii. confirmation that the retained funds were segregated in a capital
10 fund to be used for infrastructure repair and replacement.

11 (b) An off-system sales margin and capacity release credit retention
12 proposal for the Purchased Gas Cost period(s) beginning on September 1,
13 2011.

14 PGW will be submitting the information in its March 2011 GCR as it
15 previously agreed.

16 **V. CAPACITY RESOURCES**

17 **Q. HAS PGW CONTINUED TO EVALUATE THE APPROPRIATENESS OF ITS**
18 **CAPACITY RESOURCES, THE ANTICIPATED OVERALL SYSTEM DEMAND**
19 **AND ANY INITIATIVES RELATIVE TO THIRD PARTY SUPPLIERS?**

20
21 A. Yes, PGW agreed to continue to evaluate the appropriateness of its capacity
22 resources, the anticipated overall system demand and any initiatives relative to third
23 party suppliers in last year's 1307(f) proceeding settlement.² PGW continually

² Paragraph III.7. of last year's settlement agreement provides:

1 evaluates these issues on an informal basis and the following is a summary of the
2 capacity and demand issues which the Company has evaluated during the last year.

3 PGW's informal evaluation begins with the level of capacity resources needed
4 to provide security of supply under all weather conditions. PGW determines this
5 level by preparing yearly, monthly and daily design models.³ After determining the
6 design conditions that must be met, PGW seeks to utilize its capacity resources in
7 order to provide the best economic benefit for its customers. This includes releasing
8 firm transportation capacity on a recallable basis, utilizing flowing gas versus storage
9 gas and assessing opportunities for off-system sales.

10 PGW must also factor into its continuing evaluation the increased demand for
11 capacity on the lateral pipelines that serve Philadelphia. This increased demand has
12 resulted in the lateral pipelines only permitting firm transportation to flow, therefore, if
13 PGW reduced its lateral pipeline capacity, it would need to rely on interruptible
14 transportation to meet unanticipated needs. However, interruptible transportation will not
15 be available to PGW when needed. Additionally, the Company may never be able to re-
16 acquire this capacity or may only be able to re-acquire it at significantly higher rates.

17 Other factors considered in the Company's continuing evaluation include PGW's
18 ability to supply its customers in the event of an upstream supply interruption, an
19 interruption of critical supply components on system, and planning for possible demand
20 in the future.

PGW agrees that it will continue to evaluate the appropriateness of its capacity resources, the anticipated overall system demand and any initiatives relative to third party suppliers. The Company will file the details of its evaluation in its next annual PGC filing on March 1, 2010.

³ As mentioned above, supporting information is provided in PGW's February 1, 2010 pre-filing.

1 After consideration of the foregoing factors, the Company has determined that it
2 is maintaining the appropriate level of capacity resources in order to provide safe,
3 adequate and reliable service to its customers.

4 **VI. PRICE ANALYSIS AND BUYING ADVISORY SERVICE**

5 **Q. DURING THE LAST PROCEEDING PGW PROPOSED EVALUATING THE**
6 **USE OF A PRICE ANALYSIS AND BUYING ADVISORY SERVICE, WHAT IS**
7 **THE STATUS OF THIS EVALUATION?**

8 A. PGW issued an RFP (Request for Proposal) for price analysis and buying advisory
9 services and finalized an agreement for these services with Planalytics in December
10 2009. PGW is in the initial stages of training, familiarizing and utilizing the system that
11 will assist the Company in its buying decisions.

12
13 **VII. ASSET MANAGEMENT**

14 **Q. DURING THE LAST PROCEEDING PGW AGREED TO ISSUE AN RFP FOR**
15 **ASSET MANAGEMENT OF A PORTION OF ITS UPSTREAM STORAGE,**
16 **WHAT IS THE CURRENT STATUS?**
17

18 A. PGW issued the RFP for the upstream storage assets currently under contract.
19 The RFP was sent to all of the suppliers with whom PGW has current NAESB
20 agreements (as well as posting the opportunity on PGW's website). PGW
21 received six (6) proposals. PGW also received three (3) other responses which
22 indicated that the respondents received the RFP but were opting not to provide a
23 proposal.

24 **Q. WHAT EVALUATION PROCESS IS PGW USING TO DETERMINE WHETHER**
25 **TO ENTER INTO AN ASSET MANAGEMENT ARRANGEMENT?**
26

1 A. The overarching principle will be to provide an economic benefit for the
2 consumer while maintaining the safety and reliability of the system. The factors
3 which will be evaluated are: volume/capacity of storage; pricing structure of
4 injected and/or withdrawn quantities; firm transportation required as part of the
5 agreement; constraints and/or flexibility within the arrangement; ability to modify
6 quantities daily, weekly, monthly; and creditworthiness/reliability of the third
7 party.

8 **Q. WHEN WILL THIS PROCESS BE COMPLETED?**

9 A. PGW anticipates completing the evaluation process prior to April 1, 2010 and the
10 Company will provide the results of the evaluation process to the parties involved
11 in this proceeding.

12

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 A. Yes.