

## **Tab 21**

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1317 (a)(2)**

General rule.--In every rate proceeding instituted by a natural gas distribution utility, pursuant to section 1307(f) (relating to sliding scale of rates; adjustments), each such utility shall be required to supply to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, information, data and statements regarding:

(2) The utility's efforts to negotiate favorable contracts with gas suppliers and to renegotiate existing contracts with gas suppliers or take legal actions necessary to relieve the utility from existing contract terms which are or may be adverse to the interests of the utility's ratepayers.

**Response:**

Please refer to Item 53.64(c)(1) contained in this filing.

## **Tab 22**

Docket No. R-11XXX

Item 1317 (a)(3)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission

52 Pa. Code §53.61, et seq.

**Item 1317 (a)(3)**

General rule.--In every rate proceeding instituted by a natural gas distribution utility, pursuant to section 1307(f) (relating to sliding scale of rates; adjustments), each such utility shall be required to supply to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, information, data and statements regarding:

(3) The utility's efforts to secure lower cost gas supplies both within and outside of the Commonwealth, including the use of transportation arrangements with pipelines and other gas distribution companies.

**Response:**

Please refer to Item 53.64(c)(1) contained in this filing.

**Tab 23**

Docket No. R-11XXX  
Item 1317 (a)(4)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1317 (a)(4)**

General rule.--In every rate proceeding instituted by a natural gas distribution utility, pursuant to section 1307(f) (relating to sliding scale of rates; adjustments), each such utility shall be required to supply to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, information, data and statements regarding:

(4) The sources and amounts of all gas supplies which have been withheld or have been caused to be withheld from the market by the utility and the reasons why such gas is not to be utilized.

**Response:**

Please refer to Item 53.65 (5) contained in this filing.

**Tab 24**

Docket No. R-11XXX  
Item 1317 (b)(1)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1317 (b)(1)**

Integrated gas companies.--In the case of a natural gas distribution utility which purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), such utility shall, in addition to the materials required in subsection (a), be required to provide to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether any purchases of gas from an affiliated interest are consistent with a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, statements regarding:

(1) Efforts made by the utility to obtain gas supplies from nonaffiliated interests.

**Response:**

Please refer to Item 53.65 (3) contained in this filing.



## **Tab 25**

Docket No. R-11XXX  
Item 1317 (b)(2)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1317 (b)(2)**

Integrated gas companies.--In the case of a natural gas distribution utility which purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), such utility shall, in addition to the materials required in subsection (a), be required to provide to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether any purchases of gas from an affiliated interest are consistent with a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, statements regarding:

(2) The specific reasons why the utility has purchased gas supplies from an affiliated interest and demonstration that such purchases are consistent with a least cost fuel procurement policy.

**Response:**

Please refer to Item 53.65 (4) contained in this filing.

## **Tab 26**

Docket No. R-11XXX  
Item 1317 (b)(3)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1317 (b)(3)**

Integrated gas companies.--In the case of a natural gas distribution utility which purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), such utility shall, in addition to the materials required in subsection (a), be required to provide to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether any purchases of gas from an affiliated interest are consistent with a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, statements regarding:

(3) The sources and amounts of all gas supplies which have been withheld from the market by the utility or any affiliated interest and the reasons why such gas is not being utilized.

**Response:**

Please refer to Item 53.65 (5) contained in this filing.

**Tab 27**

Docket No. R-11XXX

Item 1317 (c)(1)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1317 (c)(1)**

Reliability plans.--As part of its filing under section 1307(f) or if it is not required to make such a filing on an annual basis, a natural gas distribution company, as defined in section 2202 (relating to definitions), shall file a proposed reliability plan with the commission which shall, at a minimum, identify the following:

(1) The projected peak day and seasonal requirements of the firm customers utilizing the distribution system of the natural gas distribution company during the 12-month projected period specified in section 1307(f)(1). Where operationally required, the design peak day requirements shall be specified for discrete segments of each natural gas distribution system.

**Response:**

Please refer to Item 53.64(c)(13) contained in this filing.

**Tab 28**

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1317 (c)(2)**

Reliability plans.--As part of its filing under section 1307(f) or if it is not required to make such a filing on an annual basis, a natural gas distribution company, as defined in section 2202 (relating to definitions), shall file a proposed reliability plan with the commission which shall, at a minimum, identify the following:

(2) The transportation capacity, storage, peaking or on-system production that ensures deliverability of the natural gas supplies necessary to meet such projected period peak day and seasonal requirements.

**Response:**

PGW does not maintain a specific document entitled a Reliability Plan, however, all of the components that would be contained in such a document are prepared by PGW and are contained in this filing in Items 53.64 (c)(1), 53.64 (c)(3), 53.64 (c)(5), 53.64 (c)(6), 53.64 (c)(10), 53.64 (c)(12), 53.64 (c)(13), 53.64 (c)(14), 53.65 (2) and 53.65 (5).



## **Tab 29**

Docket No. R-11XXX  
Item 1317 (d)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1317 (d)**

Supply plans.--As part of its filing under section 1307(f), a natural gas distribution company shall file a proposed plan with the commission for acquisition or receipt of natural gas supplies.

**Response:**

Please refer to Item 53.64(c)(1) and 53.65 (2) contained in this filing.

## **Tab 30**

Docket No. R-11XXX  
Item 1318 (a)(1)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1318 (a)(1)**

General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(1) The utility has fully and vigorously represented the interests of its ratepayers in proceedings before the Federal Energy Regulatory Commission.

**Response:**

Please refer to Item 53.64(c)(4) contained in this filing.

## **Tab 31**

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1318 (a)(2)**

General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(2) The utility has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to the interests of the utility's ratepayers.

**Response:**

Please refer to Item 53.64(c)(1) contained in this filing.

**Tab 32**

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1318 (a)(3)**

General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(3) The utility has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies.

**Response:**

Please refer to Item 53.64(c)(1) contained in this filing.



## **Tab 33**

Docket No. R-11XXX

Item 1318 (a)(4)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1318 (a)(4)**

General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(4) The utility has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

**Response:**

Please refer to Item 53.65 (5) contained in this filing.

**Tab 34**

Docket No. R-11XXX  
Item 1318 (b)(1)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1318 (b)(1)**

Limitation on gas purchased from affiliates.--In any instance in which a natural gas distribution company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

(1) That the utility has fully and vigorously attempted to obtain less costly gas supplies on both short-term and long-term bases from nonaffiliated interests.

**Response:**

Please refer to Item 53.65 (3) contained in this filing.

## **Tab 35**

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1318 (b)(2)**

Limitation on gas purchased from affiliates.--In any instance in which a natural gas distribution company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

(2) That each contract for the purchase of gas from its affiliated interest is consistent with a least cost fuel procurement policy.

**Response:**

Please refer to Item 53.65 (4) contained in this filing.

**Tab 36**

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1318 (b)(3)**

Limitation on gas purchased from affiliates.--In any instance in which a natural gas distribution company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

(3) That neither the utility nor its affiliated interest has withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

**Response:**

Please refer to Item 53.65 (5) contained in this filing.



**Tab 37**

Docket No. R-11XXX

Item 1318 (c)

**Philadelphia Gas Works**

Pennsylvania Public Utility Commission  
52 Pa. Code §53.61, et seq.

**Item 1318 (c)**

Shut-in gas; special rule.--In determining whether a gas utility has purchased the least costly natural gas available, the commission shall consider as available to the utility any gas supplies that reasonably could have been brought to market during the relevant period but which were voluntarily withheld from the market by the utility or an affiliated interest of the utility.

**Response:**

Please refer to Item 53.65 (5) contained in this filing.