

Tab 4

**Volumes (Dth)**

	01/01/2012: Jan	02/01/2012: Feb	03/01/2012: Mar	04/01/2012: Apr	05/01/2012: May	06/01/2012: Jun	07/01/2012: Jul	08/01/2012: Aug	09/01/2012: Sep	10/01/2012: Oct
Spot Purchases - Transco	1,195,113	2,997,987	2,387,601	3,248,212	2,057,345	1,068,869	911,992	1,010,237	1,214,333	2,869,470
Spot Purchases - Teteo	731,873	738,158	653,941	1,086,724	537,135	450,377	472,672	467,050	456,919	696,227
Transco Supply 1	-	-	-	300,000	248,000	180,000	124,000	62,000	75,000	-
Transco Supply 2	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 3	-	-	-	-	-	-	-	-	-	-
Transco Supply 4	-	-	-	-	-	-	-	-	-	-
Transco Supply 5	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 6	645,000	25,000	475,000	25,000	150,000	25,000	25,000	25,000	16,153	25,000
Transco Supply 7	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 8	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 9	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 10	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 11	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 12	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 13	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 14	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 15	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 16	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 17	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 18	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 19	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 20	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 21	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 22	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 23	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 24	155,000	145,000	155,000	-	-	-	-	-	-	-
Transco Supply 25	155,000	145,000	155,000	-	-	-	-	-	-	-
Teteo Supply 1	-	-	-	-	-	-	-	-	-	-
Teteo Supply 2	-	-	-	-	-	-	-	-	-	-
Teteo Supply 3	126,830	143,443	104,838	145,995	162,137	152,688	165,821	156,611	160,977	169,505
Teteo Supply 4	155,000	145,000	155,000	-	-	-	-	-	-	-
Teteo Supply 5	155,000	145,000	155,000	-	-	-	-	-	-	-
Teteo Supply 6	155,000	145,000	155,000	-	-	-	-	-	-	-
Teteo Supply 7	263,500	246,500	263,500	-	-	-	-	-	-	-
Teteo Supply 8	-	-	-	-	-	-	-	-	-	-
Teteo Supply 9	-	-	-	-	-	-	-	-	-	-
Teteo Supply 10	-	-	-	-	-	-	-	-	-	-
Teteo Supply 11	-	-	-	-	-	-	-	-	-	-
Teteo Supply 12	-	-	-	-	-	-	-	-	-	-
Teteo Supply 13	775,000	725,000	775,000	-	-	-	-	-	-	-
Teteo Supply 14	310,000	290,000	232,500	-	-	-	-	-	-	-
Teteo Supply 15	-	-	-	63,774	14,832	14,832	-	14,832	-	20,000
Teteo Supply 16	-	283,919	-	-	-	-	-	-	-	-
Teteo Supply 17	155,000	145,000	155,000	-	-	-	-	-	-	-
Teteo Supply 18	155,000	145,000	155,000	-	-	-	-	-	-	-
Teteo Supply 19	155,000	145,000	155,000	-	-	-	-	-	-	-
Teteo Supply 20	155,000	145,000	155,000	-	-	-	-	-	-	-
Teteo Supply 21	155,000	145,000	155,000	-	-	-	-	-	-	-
<b>Total Volumes</b>	<b>6,796,215</b>	<b>7,480,008</b>	<b>6,893,334</b>	<b>5,309,706</b>	<b>3,619,449</b>	<b>2,251,765</b>	<b>2,149,484</b>	<b>2,145,730</b>	<b>2,343,382</b>	<b>4,210,202</b>

Philadelphia Gas Works  
 Forecasted Summary of Total Fuel Purchased  
 January 2012-August 2013

Schedule 3  
 Item 53.64(c)(1)

Volumes (Dth)	11/01/2012: Nov	12/01/2012: Dec	01/01/2013: Jan	02/01/2013: Feb	03/01/2013: Mar	04/01/2013: Apr	05/01/2013: May	06/01/2013: Jun	07/01/2013: Jul	08/01/2013: Aug
Spot Purchases - Transco	2,926,634	3,248,944	2,731,201	2,950,632	3,519,706	3,353,414	1,843,618	1,078,272	581,941	726,371
Spot Purchases - Tetco	1,550,905	2,473,565	2,956,017	2,655,504	2,527,234	1,273,315	510,201	409,667	424,090	425,932
Transco Supply 1	-	-	-	-	-	-	-	-	-	-
Transco Supply 2	-	-	-	-	-	-	-	-	-	-
Transco Supply 3	-	-	-	-	-	-	-	-	-	-
Transco Supply 4	-	-	-	-	-	-	-	-	-	-
Transco Supply 5	-	-	-	-	-	-	-	-	-	-
Transco Supply 6	-	-	-	-	-	-	-	-	-	-
Transco Supply 7	-	-	-	-	-	-	-	-	-	-
Transco Supply 8	675,000	700,000	700,000	575,000	650,000	275,000	425,000	325,000	475,000	325,000
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	300,000	560,000	560,000	560,000	100,000	260,000	340,000	260,000	380,000	380,000
Transco Supply 23	-	-	-	-	-	-	-	-	-	-
Transco Supply 24	-	-	-	-	-	-	-	-	-	-
Transco Supply 25	-	-	-	-	-	-	-	-	-	-
Tetco Supply 1	-	-	-	-	-	-	-	-	-	-
Tetco Supply 2	-	-	-	-	-	-	-	-	-	-
Tetco Supply 3	110,988	169,408	28,551	25,788	25,788	164,282	165,821	168,345	173,189	171,347
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	225,000	155,000	77,500	-	-	-	-	-	-	-
Tetco Supply 14	-	-	-	-	-	-	-	-	-	-
Tetco Supply 15	-	-	-	-	-	-	-	-	-	-
Tetco Supply 16	-	417,194	460,000	404,639	-	100,000	-	-	-	-
Tetco Supply 17	-	-	-	-	-	-	-	-	-	-
Tetco Supply 18	-	-	-	-	-	-	-	-	-	-
Tetco Supply 19	-	-	-	-	-	-	-	-	-	-
Tetco Supply 20	-	-	-	-	-	-	-	-	-	-
Tetco Supply 21	-	-	-	-	-	-	-	-	-	-
<b>Total Volumes</b>	<b>5,788,527</b>	<b>7,724,112</b>	<b>7,513,270</b>	<b>7,171,563</b>	<b>6,822,728</b>	<b>5,425,011</b>	<b>3,284,640</b>	<b>2,241,284</b>	<b>2,034,220</b>	<b>2,028,650</b>

Philadelphia Gas Works  
Forecasted Summary of Total Fuel Purchased  
January 2012-August 2013

Schedule 3  
Item 53.64(c)(1)

	01/01/2012: Jan	02/01/2012: Feb	03/01/2012: Mar	04/01/2012: Apr	05/01/2012: May	06/01/2012: Jun	07/01/2012: Jul	08/01/2012: Aug	09/01/2012: Sep	10/01/2012: Oct
Williams	\$ 2,616,577	\$ 2,605,714	\$ 2,554,691	\$ 2,534,728	\$ 2,472,162	\$ 2,426,530	\$ 2,414,972	\$ 2,414,439	\$ 2,246,685	\$ 2,306,774
Texas Eastern	\$ 2,892,453	\$ 2,888,434	\$ 2,751,861	\$ 2,244,549	\$ 2,166,453	\$ 2,173,516	\$ 2,159,272	\$ 2,158,857	\$ 1,699,890	\$ 1,690,897
Dominion	\$ 133,403	\$ 132,240	\$ 125,457	\$ 129,330	\$ 130,882	\$ 130,556	\$ 130,882	\$ 130,882	\$ 130,556	\$ 129,905
Equitrans	\$ 48,631	\$ 48,231	\$ 47,872	\$ 60,076	\$ 54,708	\$ 48,799	\$ 49,307	\$ 49,307	\$ 48,799	\$ 47,783
Spot Purchases - Transco	\$ 3,692,899	\$ 8,436,337	\$ 6,787,949	\$ 9,494,524	\$ 6,149,404	\$ 3,253,637	\$ 2,827,174	\$ 3,158,002	\$ 3,802,076	\$ 9,099,091
Spot Purchases - Tectco	\$ 2,232,212	\$ 2,018,125	\$ 1,806,840	\$ 3,089,556	\$ 1,562,527	\$ 1,334,917	\$ 1,427,469	\$ 1,422,635	\$ 1,394,061	\$ 2,152,037
Transco Supply 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 2	\$ 545,600	\$ 484,300	\$ 517,700	\$ -	\$ 909,242	\$ 631,494	\$ 423,460	\$ 199,020	\$ 246,750	\$ -
Transco Supply 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 6	\$ 592,100	\$ 553,900	\$ 592,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 8	\$ 2,146,888	\$ 260,663	\$ 1,553,863	\$ 269,950	\$ 651,787	\$ 272,975	\$ 280,938	\$ 281,587	\$ 247,449	\$ 282,712
Transco Supply 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 10	\$ 597,525	\$ 558,975	\$ 597,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 12	\$ 532,425	\$ 498,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 20	\$ 556,450	\$ 520,550	\$ 556,450	\$ 1,424,700	\$ 1,440,725	\$ 1,356,750	\$ 1,347,415	\$ 1,285,105	\$ 1,217,070	\$ 1,174,528
Transco Supply 21	\$ 474,300	\$ 514,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 22	\$ 1,931,757	\$ 142,958	\$ 543,690	\$ 552,178	\$ 561,418	\$ 325,598	\$ 576,958	\$ 455,558	\$ 518,678	\$ 523,478
Transco Supply 23	\$ 1,333,387	\$ 1,247,363	\$ 1,333,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 3	\$ 457,550	\$ 460,742	\$ 365,415	\$ 485,497	\$ 544,022	\$ 522,598	\$ 573,145	\$ 549,402	\$ 561,172	\$ 596,305
Tectco Supply 4	\$ 703,700	\$ 658,300	\$ 703,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 5	\$ 641,313	\$ 599,938	\$ 641,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 7	\$ 870,867	\$ 656,922	\$ 702,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 13	\$ 3,680,785	\$ 3,322,675	\$ 3,466,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 14	\$ 1,062,153	\$ 950,127	\$ 737,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 16	\$ 161,200	\$ 927,035	\$ 161,200	\$ 337,309	\$ 204,345	\$ 199,961	\$ 161,200	\$ 206,377	\$ 156,000	\$ 223,020
Tectco Supply 17	\$ 519,250	\$ 491,550	\$ 527,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 18	\$ 663,400	\$ 620,600	\$ 663,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 19	\$ 656,425	\$ 614,075	\$ 656,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tectco Supply 21	\$ 649,450	\$ 607,550	\$ 649,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FT.PAYBACK ADJUSTMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,607	\$ 176,752	\$ 178,214	\$ 178,494	\$ 180,738
<b>Total Costs</b>	\$ 30,392,699	\$ 30,820,127	\$ 29,043,115	\$ 21,760,298	\$ 16,847,676	\$ 12,503,723	\$ 12,195,439	\$ 12,132,957	\$ 12,090,691	\$ 18,045,791

Philadelphia Gas Works  
 Forecasted Summary of Total Fuel Purchased  
 January 2012-August 2013

Schedule 3  
 Item 53.64(c)(1)

	11/01/2012: Nov	12/01/2012: Dec	01/01/2013: Jan	02/01/2013: Feb	03/01/2013: Mar	04/01/2013: Apr	05/01/2013: May	06/01/2013: Jun	07/01/2013: Jul	08/01/2013: Aug
Williams	\$ 2,331,575	\$ 2,374,833	\$ 2,395,684	\$ 2,398,877	\$ 2,617,483	\$ 2,601,888	\$ 2,540,699	\$ 2,499,728	\$ 2,482,013	\$ 2,481,141
Texas Eastern	\$ 2,219,394	\$ 2,721,654	\$ 2,821,491	\$ 2,727,695	\$ 2,777,501	\$ 2,475,895	\$ 2,365,915	\$ 2,365,413	\$ 2,357,560	\$ 2,356,836
Dominion	\$ 124,306	\$ 130,869	\$ 136,015	\$ 131,165	\$ 125,572	\$ 130,655	\$ 129,566	\$ 129,283	\$ 129,566	\$ 129,566
Equitrans	\$ 47,846	\$ 48,251	\$ 48,540	\$ 48,355	\$ 48,029	\$ 56,012	\$ 49,307	\$ 48,799	\$ 49,307	\$ 49,307
Spot Purchases - Transco	\$ 9,760,324	\$ 11,761,177	\$ 10,261,124	\$ 11,079,624	\$ 13,132,021	\$ 12,400,924	\$ 6,858,258	\$ 4,044,598	\$ 2,208,466	\$ 2,770,378
Spot Purchases - Tecto	\$ 5,048,195	\$ 8,756,421	\$ 10,869,275	\$ 9,758,978	\$ 9,226,932	\$ 4,603,236	\$ 1,857,133	\$ 1,503,887	\$ 1,575,494	\$ 1,590,430
Transco Supply 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 9	\$ 2,448,000	\$ 2,737,438	\$ 2,833,337	\$ 2,342,875	\$ 2,628,587	\$ 1,213,825	\$ 1,784,438	\$ 1,415,950	\$ 2,006,063	\$ 1,442,988
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	\$ 1,143,458	\$ 2,170,158	\$ 2,246,878	\$ 2,245,758	\$ 516,058	\$ 1,104,438	\$ 1,407,758	\$ 1,118,218	\$ 1,585,058	\$ 1,592,278
Transco Supply 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 3	\$ 434,076	\$ 672,518	\$ 186,357	\$ 168,271	\$ 175,527	\$ 664,536	\$ 675,954	\$ 688,025	\$ 715,762	\$ 712,175
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	\$ 883,867	\$ 602,563	\$ 286,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 16	\$ 156,000	\$ 1,638,067	\$ 1,852,620	\$ 1,632,647	\$ 161,200	\$ 517,800	\$ 161,200	\$ 156,000	\$ 161,200	\$ 161,200
Tecto Supply 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tecto Supply 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	11/01/2012: Nov	12/01/2012: Dec	01/01/2013: Jan	02/01/2013: Feb	03/01/2013: Mar	04/01/2013: Apr	05/01/2013: May	06/01/2013: Jun	07/01/2013: Jul	08/01/2013: Aug
<b>FT PAYBACK ADJUSTMENT</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Costs</b>	\$ 24,597,042	\$ 33,613,949	\$ 33,937,684	\$ 32,534,245	\$ 31,408,911	\$ 25,769,209	\$ 17,830,226	\$ 13,630,189	\$ 12,926,842	\$ 12,940,951
March 2012										

**TRANSCONTINENTAL**

**Cost of Natural Gas**

<b>Suppliers</b>	<b>01/01/2012: Jan</b>	<b>02/01/2012: Feb</b>	<b>03/01/2012: Mar</b>	<b>04/01/2012: Apr</b>	<b>05/01/2012: May</b>	<b>06/01/2012: Jun</b>	<b>07/01/2012: Jul</b>	<b>08/01/2012: Aug</b>	<b>09/01/2012: Sep</b>	<b>10/01/2012: Oct</b>
TR Spot	\$ 3,692,899	\$ 8,436,337	\$ 6,787,949	\$ 9,494,524	\$ 6,149,404	\$ 3,253,637	\$ 2,827,174	\$ 3,158,002	\$ 3,802,076	\$ 9,099,091
Supplier 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 2	\$ -	\$ -	\$ -	\$ 1,137,900	\$ 909,242	\$ 631,494	\$ 423,460	\$ 199,020	\$ 246,750	\$ -
Supplier 3	\$ 545,600	\$ 484,300	\$ 517,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 6	\$ 592,100	\$ 553,900	\$ 592,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 8	\$ 2,146,888	\$ 260,663	\$ 1,553,863	\$ 269,950	\$ 651,787	\$ 272,975	\$ 280,938	\$ 281,587	\$ 247,449	\$ 282,712
Supplier 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 10	\$ 597,525	\$ 558,975	\$ 597,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 12	\$ 532,425	\$ 498,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 20	\$ 556,450	\$ 520,550	\$ 556,450	\$ 1,424,700	\$ 1,440,725	\$ 1,356,750	\$ 1,347,415	\$ 1,285,105	\$ 1,217,070	\$ 1,174,528
Supplier 21	\$ 474,300	\$ 514,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 22	\$ 1,931,757	\$ 142,958	\$ 543,690	\$ 552,178	\$ 561,418	\$ 325,598	\$ 576,958	\$ 455,558	\$ 518,678	\$ 523,478
Supplier 23	\$ 1,333,387	\$ 1,247,363	\$ 1,333,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Suppliers</b>	<b>\$ 12,403,331</b>	<b>\$ 13,217,870</b>	<b>\$ 12,482,665</b>	<b>\$ 12,879,252</b>	<b>\$ 9,712,577</b>	<b>\$ 5,840,454</b>	<b>\$ 5,455,944</b>	<b>\$ 5,379,273</b>	<b>\$ 6,032,023</b>	<b>\$ 11,079,809</b>
<b>Transportation Costs</b>										
Tr Spot -Sup 25	\$ 203,472	\$ 197,256	\$ 185,332	\$ 176,310	\$ 120,430	\$ 75,775	\$ 70,076	\$ 69,902	\$ 80,024	\$ 154,181
Williams Total	\$ 203,472	\$ 197,256	\$ 185,332	\$ 176,310	\$ 120,430	\$ 75,775	\$ 70,076	\$ 69,902	\$ 80,024	\$ 154,181
<b>Total Costs</b>	<b>\$ 12,606,804</b>	<b>\$ 13,415,126</b>	<b>\$ 12,667,997</b>	<b>\$ 13,055,562</b>	<b>\$ 9,833,007</b>	<b>\$ 5,916,229</b>	<b>\$ 5,526,021</b>	<b>\$ 5,449,175</b>	<b>\$ 6,112,047</b>	<b>\$ 11,233,990</b>

**TRANSCONTINENTAL**

**Cost of Natural Gas**

Suppliers	11/01/2012: Nov	12/01/2012: Dec	01/01/2013: Jan	02/01/2013: Feb	03/01/2013: Mar	04/01/2013: Apr	05/01/2013: May	06/01/2013: Jun	07/01/2013: Jul	08/01/2013: Aug
TR Spot	\$ 9,760,324	\$ 11,761,177	\$ 10,261,124	\$ 11,079,624	\$ 13,132,021	\$ 12,400,924	\$ 6,858,258	\$ 4,044,598	\$ 2,208,466	\$ 2,770,378
Supplier 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 8	\$ 2,448,000	\$ 2,737,438	\$ 2,833,337	\$ 2,342,875	\$ 2,628,587	\$ 1,213,825	\$ 1,784,438	\$ 1,415,950	\$ 2,006,063	\$ 1,442,988
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	\$ 1,143,458	\$ 2,170,158	\$ 2,246,878	\$ 2,245,758	\$ 516,058	\$ 1,104,438	\$ 1,407,758	\$ 1,118,218	\$ 1,585,058	\$ 1,592,278
Supplier 23	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplier 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Suppliers</b>	<b>\$ 13,351,782</b>	<b>\$ 16,668,772</b>	<b>\$ 15,341,339</b>	<b>\$ 15,668,257</b>	<b>\$ 16,276,667</b>	<b>\$ 14,719,187</b>	<b>\$ 10,050,453</b>	<b>\$ 6,578,766</b>	<b>\$ 5,799,586</b>	<b>\$ 5,805,644</b>
<b>Transportation Costs</b>										
Tr Spot -Sup 25	\$ 180,949	\$ 209,114	\$ 207,548	\$ 189,482	\$ 201,228	\$ 175,798	\$ 120,982	\$ 77,139	\$ 66,642	\$ 66,384
Williams Total	\$ 180,949	\$ 209,114	\$ 207,548	\$ 189,482	\$ 201,228	\$ 175,798	\$ 120,982	\$ 77,139	\$ 66,642	\$ 66,384
<b>Total Costs</b>	<b>\$ 13,532,731</b>	<b>\$ 16,877,886</b>	<b>\$ 15,548,887</b>	<b>\$ 15,857,739</b>	<b>\$ 16,477,895</b>	<b>\$ 14,894,985</b>	<b>\$ 10,171,435</b>	<b>\$ 6,655,905</b>	<b>\$ 5,866,228</b>	<b>\$ 5,872,027</b>

\$ 9,390,707

**TRANSCONTINENTAL**

**Volumes (Dth)**

<b>Suppliers</b>	<b>01/01/2012: Jan</b>	<b>02/01/2012: Feb</b>	<b>03/01/2012: Mar</b>	<b>04/01/2012: Apr</b>	<b>05/01/2012: May</b>	<b>06/01/2012: Jun</b>	<b>07/01/2012: Jul</b>	<b>08/01/2012: Aug</b>	<b>09/01/2012: Sep</b>	<b>10/01/2012: Oct</b>
TR Spot	1,195,113	2,997,987	2,387,601	3,248,212	2,057,345	1,068,869	911,992	1,010,237	1,214,333	2,869,470
Supplier 1	-	-	-	-	-	-	-	-	-	-
Supplier 2	-	-	-	300,000	248,000	180,000	124,000	62,000	75,000	-
Supplier 3	155,000	145,000	155,000	-	-	-	-	-	-	-
Supplier 4	-	-	-	-	-	-	-	-	-	-
Supplier 5	-	-	-	-	-	-	-	-	-	-
Supplier 6	155,000	145,000	155,000	-	-	-	-	-	-	-
Supplier 7	-	-	-	-	-	-	-	-	-	-
Supplier 8	645,000	25,000	475,000	25,000	150,000	25,000	25,000	25,000	16,153	25,000
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	155,000	145,000	155,000	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	155,000	145,000	-	-	-	-	-	-	-	-
Supplier 13	-	-	-	-	-	-	-	-	-	-
Supplier 14	-	-	-	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	-	-	-	-	-	-	-	-	-	-
Supplier 17	-	-	-	-	-	-	-	-	-	-
Supplier 18	-	-	-	-	-	-	-	-	-	-
Supplier 19	-	-	-	-	-	-	-	-	-	-
Supplier 20	155,000	145,000	155,000	300,000	310,000	300,000	310,000	310,000	300,000	310,000
Supplier 21	155,000	145,000	-	-	-	-	-	-	-	-
Supplier 22	578,899	-	140,954	140,000	140,000	60,000	140,000	100,000	120,000	120,000
Supplier 23	310,000	290,000	310,000	-	-	-	-	-	-	-
Supplier 24	-	-	-	-	-	-	-	-	-	-
Supplier 25	-	-	-	-	-	-	-	-	-	-
<b>Total Volumes</b>	<b>3,659,012</b>	<b>4,182,987</b>	<b>3,933,555</b>	<b>4,013,212</b>	<b>2,905,345</b>	<b>1,633,869</b>	<b>1,510,992</b>	<b>1,507,237</b>	<b>1,725,485</b>	<b>3,324,470</b>



Philadelphia Gas Works  
 Forecasted Summary of Total Fuel Purchased  
 January 2012-August 2013

Schedule 3  
 item 53.64(c)(1)

**TRANSCONTINENTAL**

**Volumes (Dth)**

<u>Suppliers</u>	11/01/2012:	Nov 12/01/2012:	Dec 01/01/2012:	Jan 02/01/2013:	Feb 03/01/2013:	Mar 04/01/2013:	Apr 05/01/2013:	May 06/01/2013:	Jun 07/01/2013:	Jul 08/01/2013:	Aug
TR Spot	2,926,634	3,248,944	2,731,201	2,950,632	3,519,706	3,353,414	1,843,618	1,078,272	581,941	726,371	-
Supplier 1	-	-	-	-	-	-	-	-	-	-	-
Supplier 2	-	-	-	-	-	-	-	-	-	-	-
Supplier 3	-	-	-	-	-	-	-	-	-	-	-
Supplier 4	-	-	-	-	-	-	-	-	-	-	-
Supplier 5	-	-	-	-	-	-	-	-	-	-	-
Supplier 6	-	-	-	-	-	-	-	-	-	-	-
Supplier 7	-	-	-	-	-	-	-	-	-	-	-
Supplier 8	675,000	700,000	700,000	575,000	650,000	275,000	425,000	325,000	475,000	325,000	-
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	300,000	560,000	560,000	560,000	100,000	260,000	340,000	260,000	380,000	380,000	-
Supplier 23	-	-	-	-	-	-	-	-	-	-	-
Supplier 24	-	-	-	-	-	-	-	-	-	-	-
Supplier 25	-	-	-	-	-	-	-	-	-	-	-
<b>Total Volumes</b>	<b>3,901,634</b>	<b>4,508,944</b>	<b>3,991,201</b>	<b>4,085,632</b>	<b>4,269,706</b>	<b>3,888,414</b>	<b>2,608,618</b>	<b>1,663,272</b>	<b>1,436,941</b>	<b>1,431,371</b>	<b>-</b>

TRANSCONTINENTAL

01/01/2012: Jan 02/01/2012: Feb 03/01/2012: Mar 04/01/2012: Apr 05/01/2012: May 06/01/2012: Jun 07/01/2012: Jul 08/01/2012: Aug 09/01/2012: Sep 10/01/2012: Oct

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>WSS</b>										
Injection	\$ -	\$ -	\$ -	\$ 1,667	\$ 2,270	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawal	\$ 3,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429
<b>Total Charges</b>	\$ 49,987	\$ 46,429	\$ 46,429	\$ 48,096	\$ 48,700	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429
<b>S2</b>										
Injection	\$ -	\$ -	\$ -	\$ 1,534	\$ 621	\$ 601	\$ 621	\$ 621	\$ 601	\$ 561
Withdrawal	\$ 3,156	\$ 2,886	\$ 577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185
<b>Total Charges</b>	\$ 31,341	\$ 31,071	\$ 28,762	\$ 29,719	\$ 28,806	\$ 28,786	\$ 28,806	\$ 28,806	\$ 28,786	\$ 28,746
<b>GSS</b>										
Injection	\$ -	\$ -	\$ 1,154	\$ 15,831	\$ 18,137	\$ 18,137	\$ 18,741	\$ 18,741	\$ 18,137	\$ 16,928
Withdrawal	\$ 34,861	\$ 36,921	\$ 13,964	\$ 3,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421
<b>Total Charges</b>	\$ 289,282	\$ 291,342	\$ 269,539	\$ 273,956	\$ 272,558	\$ 273,558	\$ 273,163	\$ 273,163	\$ 272,558	\$ 271,349
<b>EMINENCE</b>										
Injection	\$ 593	\$ -	\$ -	\$ 2,835	\$ 4,451	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawal	\$ 11,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 99,490	\$ 99,490	\$ 99,490	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038
<b>Total Charges</b>	\$ 111,735	\$ 99,490	\$ 99,490	\$ 75,872	\$ 77,489	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038
<b>Total Injection Charges</b>	\$ 593	\$ -	\$ 1,154	\$ 21,867	\$ 25,479	\$ 18,737	\$ 19,362	\$ 19,362	\$ 18,737	\$ 17,488
<b>Total Withdrawal Charges</b>	\$ 53,227	\$ 39,807	\$ 14,541	\$ 3,703	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Demand Charges</b>	\$ 428,525	\$ 428,525	\$ 428,525	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073
<b>Total Storage</b>	\$ 482,345	\$ 468,332	\$ 444,220	\$ 427,643	\$ 427,553	\$ 420,811	\$ 421,435	\$ 421,435	\$ 420,811	\$ 419,562

Forecasted Summary of Firm Transportation

Demand Charges	\$ 2,120,604	\$ 2,117,721	\$ 2,114,982	\$ 2,114,495	\$ 2,114,024	\$ 2,113,664	\$ 2,113,305	\$ 2,112,945	\$ 2,112,030	\$ 2,111,417
Capacity Release Credit	\$ (189,844)	\$ (177,596)	\$ (189,844)	\$ (183,720)	\$ (189,844)	\$ (183,720)	\$ (189,844)	\$ (189,844)	\$ (366,180)	\$ (378,386)
<b>Net Demand Charge</b>	\$ 1,930,760	\$ 1,940,125	\$ 1,925,138	\$ 1,930,775	\$ 1,924,180	\$ 1,929,944	\$ 1,923,461	\$ 1,923,101	\$ 1,745,851	\$ 1,733,031

**TRANSCONTINENTAL**

11/01/2012: Nov 12/01/2012: Dec 01/01/2013: Jan 02/01/2013: Feb 03/01/2013: Mar 04/01/2013: Apr 05/01/2013: May 06/01/2013: Jun 07/01/2013: Jul 08/01/2013: Aug

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>WSS</b>										
Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawal	\$ -	\$ -	\$ 3,937	\$ -	\$ 984	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429
Total Charges	\$ 46,429	\$ 46,429	\$ 50,366	\$ 46,429	\$ 47,413	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429	\$ 46,429
<b>S2</b>										
Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,027	\$ 4,073	\$ 4,062	\$ 451	\$ 451
Withdrawal	\$ 2,263	\$ 4,618	\$ 7,215	\$ 5,350	\$ 3,190	\$ 1,154	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185	\$ 28,185
Total Charges	\$ 30,448	\$ 32,803	\$ 35,401	\$ 33,535	\$ 31,375	\$ 31,367	\$ 32,259	\$ 32,247	\$ 28,636	\$ 28,636
<b>GSS</b>										
Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,405	\$ 15,114	\$ 15,114	\$ 15,618	\$ 15,618
Withdrawal	\$ 1,668	\$ 24,922	\$ 35,964	\$ 32,725	\$ 10,297	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421	\$ 254,421
Total Charges	\$ 256,090	\$ 279,343	\$ 290,385	\$ 287,146	\$ 264,718	\$ 269,826	\$ 269,535	\$ 269,535	\$ 270,039	\$ 270,039
<b>EMINENCE</b>										
Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,835	\$ -	\$ -	\$ -	\$ -
Withdrawal	\$ -	\$ -	\$ 5,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Charges	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038
Total Charges	\$ 73,038	\$ 73,038	\$ 78,739	\$ 73,038	\$ 73,038	\$ 75,872	\$ 73,038	\$ 73,038	\$ 73,038	\$ 73,038
Total Injection Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,267	\$ 19,187	\$ 19,176	\$ 16,069	\$ 16,069
Total Withdrawal Charges	\$ 3,931	\$ 29,540	\$ 52,817	\$ 38,075	\$ 14,471	\$ 1,154	\$ -	\$ -	\$ -	\$ -
Total Demand Charges	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073	\$ 402,073
Total Storage	\$ 406,004	\$ 431,613	\$ 454,891	\$ 440,148	\$ 416,544	\$ 423,495	\$ 421,261	\$ 421,249	\$ 418,143	\$ 418,143

**Forecasted Summary of Firm Transportation**

Demand Charges	\$ 2,110,802	\$ 2,112,492	\$ 2,111,632	\$ 2,111,015	\$ 2,108,149	\$ 2,107,534	\$ 2,106,895	\$ 2,106,280	\$ 2,105,666	\$ 2,105,053
Capacity Release Credit	\$ (366,180)	\$ (378,386)	\$ (378,386)	\$ (341,768)	\$ (108,438)	\$ (104,940)	\$ (108,438)	\$ (104,940)	\$ (108,438)	\$ (108,438)
Net Demand Charge	\$ 1,744,622	\$ 1,734,106	\$ 1,733,246	\$ 1,769,247	\$ 1,999,711	\$ 2,002,594	\$ 1,998,457	\$ 2,001,340	\$ 1,997,228	\$ 1,996,615

Philadelphia Gas Works  
Forecasted Summary of Total Fuel Purchased  
January 2012-August 2013

Texas Eastern  
Cost of Natural Gas

Suppliers	01/01/2012:	Jan	02/01/2012:	Feb	03/01/2012:	Mar	04/01/2012:	Apr	05/01/2012:	May	06/01/2012:	Jun	07/01/2012:	Jul	08/01/2012:	Aug	09/01/2012:	Sep	10/01/2012:	Oct
TE Spot	\$	2,232,212	\$	2,018,125	\$	1,806,840	\$	3,089,556	\$	1,562,527	\$	1,334,917	\$	1,427,469	\$	1,422,635	\$	1,394,061	\$	2,152,037
Supplier 1	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 2	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 3	\$	457,550	\$	460,742	\$	365,415	\$	485,497	\$	544,022	\$	522,598	\$	573,145	\$	549,402	\$	561,172	\$	596,305
Supplier 4	\$	703,700	\$	658,300	\$	703,700	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 5	\$	641,313	\$	599,938	\$	641,313	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 6	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 7	\$	870,867	\$	656,922	\$	702,227	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 8	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 9	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 10	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 11	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 12	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 13	\$	3,680,785	\$	3,322,675	\$	3,466,575	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 14	\$	1,062,153	\$	950,127	\$	737,025	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 15	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 16	\$	161,200	\$	927,035	\$	161,200	\$	337,309	\$	204,345	\$	199,961	\$	161,200	\$	206,377	\$	156,000	\$	223,020
Supplier 17	\$	519,250	\$	491,550	\$	527,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 18	\$	663,400	\$	620,600	\$	663,400	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 19	\$	656,425	\$	614,075	\$	656,425	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 20	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Supplier 21	\$	649,450	\$	607,550	\$	649,450	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Sub Total	\$	12,298,304	\$	11,927,639	\$	11,080,570	\$	3,912,362	\$	2,310,894	\$	2,057,475	\$	2,161,813	\$	2,178,414	\$	2,111,232	\$	2,971,362
<b>Transportation Costs</b>																				
TE Spot-Sup10	\$	413,726	\$	413,973	\$	306,669	\$	123,716	\$	62,399	\$	54,241	\$	56,049	\$	56,049	\$	54,241	\$	77,924
Total TE	\$	413,726	\$	413,973	\$	306,669	\$	123,716	\$	62,399	\$	54,241	\$	56,049	\$	56,049	\$	54,241	\$	77,924
ANR	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Equitrans	\$	-	\$	-	\$	-	\$	25,975	\$	20,717	\$	14,928	\$	15,426	\$	15,426	\$	14,928	\$	13,933
Total Costs	\$	12,712,030	\$	12,341,612	\$	11,387,239	\$	4,062,054	\$	2,394,010	\$	2,126,645	\$	2,233,289	\$	2,249,890	\$	2,180,402	\$	3,063,219

Philadelphia Gas Works  
 Forecasted Summary of Total Fuel Purchased  
 January 2012-August 2013

Schedule 3  
 item 53.64(c)(1)

Texas Eastern  
 Cost of Natural Gas

Suppliers	11/01/2012	Nov 12/01/2012	Dec 01/01/2012	Jan 02/01/2013	Feb 03/01/2013	Mar 04/01/2013	Apr 05/01/2013	May 06/01/2013	Jun 07/01/2013	Jul 08/01/2013	Aug
TE Spot	\$ 5,048,195	\$ 8,756,421	\$ 10,869,275	\$ 9,758,978	\$ 9,226,932	\$ 4,603,236	\$ 1,857,133	\$ 1,503,887	\$ 1,575,494	\$ 1,590,430	
Supplier 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 3	\$ 434,076	\$ 672,518	\$ 186,357	\$ 168,271	\$ 175,527	\$ 664,536	\$ 675,954	\$ 688,025	\$ 715,762	\$ 712,175	
Supplier 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 13	\$ 883,867	\$ 602,563	\$ 286,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 16	\$ 156,000	\$ 1,638,067	\$ 1,852,620	\$ 1,632,647	\$ 161,200	\$ 517,800	\$ 161,200	\$ 156,000	\$ 161,200	\$ 161,200	
Supplier 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Supplier 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Sub Total	\$ 6,522,139	\$ 11,669,569	\$ 13,194,614	\$ 11,559,896	\$ 9,563,659	\$ 5,785,572	\$ 2,694,286	\$ 2,347,912	\$ 2,452,456	\$ 2,463,805	
<b>Transportation Costs</b>											
TE Spot-Sup10	\$ 204,854	\$ 393,718	\$ 479,517	\$ 387,014	\$ 276,818	\$ 151,097	\$ 59,357	\$ 50,727	\$ 52,418	\$ 52,418	
Total TE	\$ 204,854	\$ 393,718	\$ 479,517	\$ 387,014	\$ 276,818	\$ 151,097	\$ 59,357	\$ 50,727	\$ 52,418	\$ 52,418	
ANR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Equitrans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,995	\$ 15,426	\$ 14,928	\$ 15,426	\$ 15,426	
Total Costs	\$ 6,726,993	\$ 12,063,286	\$ 13,674,132	\$ 11,946,910	\$ 9,840,477	\$ 5,958,663	\$ 2,769,069	\$ 2,413,568	\$ 2,520,300	\$ 2,531,648	

Philadelphia Gas Works  
Forecasted Summary of Total Fuel Purchased  
January 2012-August 2013

Texas Eastern  
Volumes

	<u>01/01/2012: Jan</u>	<u>02/01/2012: Feb</u>	<u>03/01/2012: Mar</u>	<u>04/01/2012: Apr</u>	<u>05/01/2012: May</u>	<u>06/01/2012: Jun</u>	<u>07/01/2012: Jul</u>	<u>08/01/2012: Aug</u>	<u>09/01/2012: Sep</u>	<u>10/01/2012: Oct</u>
<b>Suppliers</b>										
TE Spot	731,873	738,158	653,941	1,086,724	537,135	450,377	472,672	467,050	456,919	696,227
Supplier 1	-	-	-	-	-	-	-	-	-	-
Supplier 2	-	-	-	-	-	-	-	-	-	-
Supplier 3	126,830	143,443	104,838	145,995	162,137	152,688	165,821	156,611	160,977	169,505
Supplier 4	155,000	145,000	155,000	-	-	-	-	-	-	-
Supplier 5	155,000	145,000	155,000	-	-	-	-	-	-	-
Supplier 6	-	-	-	-	-	-	-	-	-	-
Supplier 7	263,500	246,500	263,500	-	-	-	-	-	-	-
Supplier 8	-	-	-	-	-	-	-	-	-	-
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	-	-	-	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	-	-	-	-	-	-	-	-	-	-
Supplier 13	775,000	725,000	775,000	-	-	-	-	-	-	-
Supplier 14	310,000	290,000	232,500	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	-	283,919	-	63,774	14,832	14,832	-	14,832	-	20,000
Supplier 17	155,000	145,000	155,000	-	-	-	-	-	-	-
Supplier 18	155,000	145,000	155,000	-	-	-	-	-	-	-
Supplier 19	155,000	145,000	155,000	-	-	-	-	-	-	-
Supplier 20	-	-	-	-	-	-	-	-	-	-
Supplier 21	155,000	145,000	155,000	-	-	-	-	-	-	-
<b>Total</b>	<b>3,137,203</b>	<b>3,297,021</b>	<b>2,959,779</b>	<b>1,296,493</b>	<b>714,104</b>	<b>617,896</b>	<b>638,493</b>	<b>638,493</b>	<b>617,896</b>	<b>885,732</b>

Philadelphia Gas Works  
Forecasted Summary of Total Fuel Purchased  
January 2012-August 2013

Texas Eastern  
Volumes

Suppliers

	<u>11/01/2012: Nov</u>	<u>12/01/2012: Dec</u>	<u>01/01/2013: Jan</u>	<u>02/01/2013: Feb</u>	<u>03/01/2013: Mar</u>	<u>04/01/2013: Apr</u>	<u>05/01/2013: May</u>	<u>06/01/2013: Jun</u>	<u>07/01/2013: Jul</u>	<u>08/01/2013: Aug</u>
TE Spot	1,550,905	2,473,565	2,956,017	2,655,504	2,527,234	1,272,315	510,201	409,667	424,090	425,932
Supplier 1	-	-	-	-	-	-	-	-	-	-
Supplier 2	-	-	-	-	-	-	-	-	-	-
Supplier 3	110,988	169,408	28,551	25,788	25,788	164,282	165,821	168,345	173,189	171,347
Supplier 4	-	-	-	-	-	-	-	-	-	-
Supplier 5	-	-	-	-	-	-	-	-	-	-
Supplier 6	-	-	-	-	-	-	-	-	-	-
Supplier 7	-	-	-	-	-	-	-	-	-	-
Supplier 8	-	-	-	-	-	-	-	-	-	-
Supplier 9	-	-	-	-	-	-	-	-	-	-
Supplier 10	-	-	-	-	-	-	-	-	-	-
Supplier 11	-	-	-	-	-	-	-	-	-	-
Supplier 12	-	-	-	-	-	-	-	-	-	-
Supplier 13	225,000	155,000	77,500	-	-	-	-	-	-	-
Supplier 14	-	-	-	-	-	-	-	-	-	-
Supplier 15	-	-	-	-	-	-	-	-	-	-
Supplier 16	-	417,194	460,000	404,639	-	100,000	-	-	-	-
Supplier 17	-	-	-	-	-	-	-	-	-	-
Supplier 18	-	-	-	-	-	-	-	-	-	-
Supplier 19	-	-	-	-	-	-	-	-	-	-
Supplier 20	-	-	-	-	-	-	-	-	-	-
Supplier 21	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,886,893</b>	<b>3,215,168</b>	<b>3,522,068</b>	<b>3,085,931</b>	<b>2,553,022</b>	<b>1,536,597</b>	<b>676,022</b>	<b>578,012</b>	<b>597,279</b>	<b>597,279</b>

Philadelphia Gas Works  
Forecasted Summary of Total Fuel Purchased  
January 2012-August 2013

Schedule 3  
Item 53.64(c)(1)

Texas Eastern  
Storages

	01/01/2012: Jan	02/01/2012: Feb	03/01/2012: Mar	04/01/2012: Apr	05/01/2012: May	06/01/2012: Jun	07/01/2012: Jul	08/01/2012: Aug	09/01/2012: Sep	10/01/2012: Oct
<b>SSIA</b>										
Injections	\$ 623 \$	\$ - \$	\$ 346 \$	\$ 4,090 \$	\$ 3,432 \$	\$ 3,322 \$	\$ 3,432 \$	\$ 3,432 \$	\$ 3,322 \$	\$ 3,100
Withdrawal	\$ 18,769 \$	\$ 15,278 \$	\$ 2,831 \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
Capacity	\$ 28,522 \$	\$ 28,522 \$	\$ 28,522 \$	\$ 28,522 \$	\$ 28,522 \$	\$ 28,522 \$	\$ 28,522 \$	\$ 28,522 \$	\$ 28,522 \$	\$ 28,522
Demand	\$ 217,594 \$	\$ 217,594 \$	\$ 217,594 \$	\$ 217,594 \$	\$ 217,594 \$	\$ 217,594 \$	\$ 217,594 \$	\$ 217,594 \$	\$ 217,594 \$	\$ 217,594
Total Charges	\$ 265,508 \$	\$ 261,394 \$	\$ 249,293 \$	\$ 250,207 \$	\$ 249,549 \$	\$ 249,438 \$	\$ 249,549 \$	\$ 249,549 \$	\$ 249,438 \$	\$ 249,217
<b>SSIB</b>										
Injections	\$ 876 \$	\$ - \$	\$ - \$	\$ 2,414 \$	\$ 2,681 \$	\$ 2,595 \$	\$ 2,681 \$	\$ 2,681 \$	\$ 2,595 \$	\$ 2,422
Withdrawal	\$ 13,764 \$	\$ 8,225 \$	\$ 1,247 \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
Capacity	\$ 26,529 \$	\$ 26,529 \$	\$ 26,529 \$	\$ 26,529 \$	\$ 26,529 \$	\$ 26,529 \$	\$ 26,529 \$	\$ 26,529 \$	\$ 26,529 \$	\$ 26,529
Demand	\$ 102,811 \$	\$ 102,811 \$	\$ 102,811 \$	\$ 102,811 \$	\$ 102,811 \$	\$ 102,811 \$	\$ 102,811 \$	\$ 102,811 \$	\$ 102,811 \$	\$ 102,811
Total Charges	\$ 143,980 \$	\$ 137,566 \$	\$ 130,587 \$	\$ 131,755 \$	\$ 132,022 \$	\$ 131,936 \$	\$ 132,022 \$	\$ 132,022 \$	\$ 131,936 \$	\$ 131,763
<b>GSSTE</b>										
Injections	\$ - \$	\$ - \$	\$ - \$	\$ 7,638 \$	\$ 10,089 \$	\$ 9,764 \$	\$ 10,089 \$	\$ 10,089 \$	\$ 9,764 \$	\$ 9,113
Injections/Retention Fuel	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
Withdrawal	\$ 12,610 \$	\$ 11,447 \$	\$ 4,664 \$	\$ 900 \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
Capacity	\$ 56,825 \$	\$ 56,825 \$	\$ 56,825 \$	\$ 56,825 \$	\$ 56,825 \$	\$ 56,825 \$	\$ 56,825 \$	\$ 56,825 \$	\$ 56,825 \$	\$ 56,825
Demand	\$ 63,968 \$	\$ 63,968 \$	\$ 63,968 \$	\$ 63,968 \$	\$ 63,968 \$	\$ 63,968 \$	\$ 63,968 \$	\$ 63,968 \$	\$ 63,968 \$	\$ 63,968
Total Charges	\$ 133,403 \$	\$ 132,240 \$	\$ 125,457 \$	\$ 129,330 \$	\$ 130,882 \$	\$ 130,556 \$	\$ 130,882 \$	\$ 130,882 \$	\$ 130,556 \$	\$ 129,905
<b>EQUITRANS</b>										
Injections	\$ - \$	\$ - \$	\$ - \$	\$ 540 \$	\$ 431 \$	\$ 310 \$	\$ 321 \$	\$ 321 \$	\$ 310 \$	\$ 290
Withdrawal	\$ 931 \$	\$ 531 \$	\$ 172 \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
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	\$ 22,092 \$	\$ 21,692 \$	\$ 21,333 \$	\$ 21,701 \$	\$ 21,592 \$	\$ 21,472 \$	\$ 21,482 \$	\$ 21,482 \$	\$ 21,472 \$	\$ 21,451
Total Injections/Charges	\$ 1,499 \$	\$ - \$	\$ 346 \$	\$ 14,683 \$	\$ 16,634 \$	\$ 15,991 \$	\$ 16,524 \$	\$ 16,524 \$	\$ 15,991 \$	\$ 14,925
Total Injections/Retention Fuel	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
Total Withdrawal/Charges	\$ 46,074 \$	\$ 35,482 \$	\$ 8,914 \$	\$ 900 \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
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	\$ 391,845 \$	\$ 391,845 \$	\$ 391,845 \$	\$ 391,845 \$	\$ 391,845 \$	\$ 391,845 \$	\$ 391,845 \$	\$ 391,845 \$	\$ 391,845 \$	\$ 391,845
Total Transportation Charge	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ -
	\$ 564,983 \$	\$ 552,892 \$	\$ 526,671 \$	\$ 532,993 \$	\$ 534,044 \$	\$ 533,401 \$	\$ 533,934 \$	\$ 533,934 \$	\$ 533,401 \$	\$ 532,335

Forecasted Summary of Firm Transportation

Texas Eastern Demand	\$ 2,218,342 \$	\$ 2,214,985 \$	\$ 2,214,415 \$	\$ 2,213,861 \$	\$ 2,213,306 \$	\$ 2,212,890 \$	\$ 2,212,475 \$	\$ 2,212,059 \$	\$ 2,210,996 \$	\$ 2,210,273
Capacity Release Credits	\$ (149,103) \$	\$ (139,484) \$	\$ (149,103) \$	\$ (149,990) \$	\$ (149,823) \$	\$ (149,990) \$	\$ (149,823) \$	\$ (149,823) \$	\$ (149,722) \$	\$ (149,722)
Net Total	\$ 2,069,238 \$	\$ 2,075,501 \$	\$ 2,065,311 \$	\$ 2,063,871 \$	\$ 2,063,483 \$	\$ 2,062,900 \$	\$ 2,062,652 \$	\$ 2,062,236 \$	\$ 2,061,274 \$	\$ 2,060,551
Equitrans	\$ 26,538 \$	\$ 26,538 \$	\$ 26,538 \$	\$ 26,538 \$	\$ 26,538 \$	\$ 26,538 \$	\$ 26,538 \$	\$ 26,538 \$	\$ 26,538 \$	\$ 26,538
Total Demand Charges	\$ 2,095,777 \$	\$ 2,102,039 \$	\$ 2,091,850 \$	\$ 2,090,409 \$	\$ 2,089,882 \$	\$ 2,089,300 \$	\$ 2,088,812 \$	\$ 2,088,336 \$	\$ 2,087,336 \$	\$ 2,086,673



Philadelphia Gas Works  
Forecasted Summary of Total Fuel Purchased  
January 2012-August 2013

Schedule 3  
Item 53.04(c)(1)

	11/01/2012: Nov	12/01/2012: Dec	01/01/2013: Jan	02/01/2013: Feb	03/01/2013: Mar	04/01/2013: Apr	05/01/2013: May	06/01/2013: Jun	07/01/2013: Jul	08/01/2013: Aug
<b>Texas Eastern Storages</b>										
<b>SSIA</b>										
Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,584	\$ 3,114	\$ 3,218	\$ 3,218
Withdrawal	\$ 1,418	\$ 20,912	\$ 29,021	\$ 13,043	\$ 1,572	\$ 648	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522	\$ 28,522
Demand	\$ 217,594	\$ 217,594	\$ 217,594	\$ 217,594	\$ 217,594	\$ 217,594	\$ 217,594	\$ 217,594	\$ 217,594	\$ 217,594
Total Charges	\$ 247,534	\$ 267,028	\$ 275,137	\$ 259,160	\$ 247,688	\$ 252,348	\$ 249,334	\$ 249,231	\$ 249,334	\$ 249,334
<b>SSIB</b>										
Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,568	\$ 3,114	\$ 3,218	\$ 3,218
Withdrawal	\$ 1,319	\$ 19,834	\$ 26,764	\$ 13,413	\$ 2,337	\$ 2,077	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529	\$ 26,529
Demand	\$ 102,811	\$ 102,811	\$ 102,811	\$ 102,811	\$ 102,811	\$ 102,811	\$ 102,811	\$ 102,811	\$ 102,811	\$ 102,811
Total Charges	\$ 130,659	\$ 149,175	\$ 156,105	\$ 142,754	\$ 131,678	\$ 137,986	\$ 132,558	\$ 132,455	\$ 132,558	\$ 132,558
<b>GSSTE</b>										
Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,445	\$ 8,773	\$ 8,490	\$ 8,773	\$ 8,773
Injections/Retention Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Withdrawal	\$ 3,514	\$ 10,077	\$ 15,222	\$ 10,372	\$ 4,779	\$ 1,418	\$ -	\$ -	\$ -	\$ -
Capacity	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825	\$ 56,825
Demand	\$ 63,968	\$ 63,968	\$ 63,968	\$ 63,968	\$ 63,968	\$ 63,968	\$ 63,968	\$ 63,968	\$ 63,968	\$ 63,968
Total Charges	\$ 124,306	\$ 130,869	\$ 136,015	\$ 131,165	\$ 125,572	\$ 130,655	\$ 129,566	\$ 129,283	\$ 129,566	\$ 129,566
<b>EQUITRANS</b>										
Injections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 457	\$ 321	\$ 310	\$ 321	\$ 321
Withdrawal	\$ 146	\$ 552	\$ 841	\$ 655	\$ 329	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 21,308	\$ 21,713	\$ 22,002	\$ 21,816	\$ 21,490	\$ 21,618	\$ 21,482	\$ 21,472	\$ 21,482	\$ 21,482
<b>Total Injection Charges</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,055	\$ 15,529	\$ 15,028	\$ 15,529	\$ 15,529
<b>Total Injections/Retention Fuel</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Withdrawal Charges</b>	\$ 6,396	\$ 51,374	\$ 71,848	\$ 37,484	\$ 9,017	\$ 4,142	\$ -	\$ -	\$ -	\$ -
<b>Total Capacity Charges</b>	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566	\$ 125,566
<b>Total Demand Charges</b>	\$ 391,845	\$ 391,845	\$ 391,845	\$ 391,845	\$ 391,845	\$ 391,845	\$ 391,845	\$ 391,845	\$ 391,845	\$ 391,845
<b>Total Transportation Charge</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	\$ 523,807	\$ 568,785	\$ 589,259	\$ 554,894	\$ 526,428	\$ 542,608	\$ 532,940	\$ 532,439	\$ 532,940	\$ 532,940
<b>Forecasted Summary of Firm Transportation</b>										
<b>Texas Eastern Demand</b>	\$ 2,209,564	\$ 2,208,917	\$ 2,207,916	\$ 2,207,193	\$ 2,206,484	\$ 2,205,776	\$ 2,205,021	\$ 2,204,313	\$ 2,203,605	\$ 2,202,881
<b>Capacity Release Credits</b>	\$ (573,218)	\$ (297,184)	\$ (297,184)	\$ (268,425)	\$ (85,167)	\$ (271,312)	\$ (280,356)	\$ (271,312)	\$ (280,356)	\$ (280,356)
<b>Net Total</b>	\$ 1,636,346	\$ 1,911,733	\$ 1,910,732	\$ 1,938,768	\$ 2,121,317	\$ 1,934,464	\$ 1,924,666	\$ 1,933,001	\$ 1,923,249	\$ 1,922,525
<b>Equitrans</b>	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538	\$ 26,538
<b>Total Demand Charges</b>	\$ 1,662,884	\$ 1,938,271	\$ 1,937,270	\$ 1,965,306	\$ 2,147,855	\$ 1,961,002	\$ 1,951,204	\$ 1,959,539	\$ 1,949,787	\$ 1,949,063

CAPACITY RELEASE (Dth)

	Contract 3691		Contract 800232		Contract 800515-514		Contract 800515-514		Contract 800515-514		Contract 800515-514	
	VOLUMES	DOLLARS	VOLUMES	DOLLARS	VOLUMES	DOLLARS	VOLUMES	DOLLARS	VOLUMES	DOLLARS	VOLUMES	DOLLARS
Sep-11	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Oct-11	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Nov-11	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Dec-11	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Jan-12	620,000	\$ 189,844	486,948	\$ 149,103	-	\$ -	-	\$ -	149,103	\$ 149,103	620,000	\$ 189,844
Feb-12	580,000	\$ 177,596	455,532	\$ 139,484	-	\$ -	-	\$ -	139,484	\$ 139,484	580,000	\$ 177,596
Mar-12	620,000	\$ 189,844	486,948	\$ 149,103	-	\$ -	-	\$ -	149,103	\$ 149,103	620,000	\$ 189,844
Apr-12	600,000	\$ 183,720	471,240	\$ 144,294	1,080,000	\$ 330,696	-	\$ -	474,990	\$ 474,990	600,000	\$ 183,720
May-12	620,000	\$ 189,844	486,948	\$ 149,103	1,116,000	\$ 341,719	-	\$ -	490,823	\$ 490,823	620,000	\$ 189,844
Jun-12	600,000	\$ 183,720	471,240	\$ 144,294	1,080,000	\$ 330,696	-	\$ -	474,990	\$ 474,990	600,000	\$ 183,720
Jul-12	620,000	\$ 189,844	486,948	\$ 149,103	1,116,000	\$ 341,719	-	\$ -	490,823	\$ 490,823	620,000	\$ 189,844
Aug-12	620,000	\$ 189,843	486,948	\$ 149,103	1,116,000	\$ 341,719	-	\$ -	490,823	\$ 490,823	620,000	\$ 189,843
<b>TOTAL September 11 - August 12</b>	<b>4,880,000</b>	<b>\$ 1,494,255</b>	<b>3,832,752</b>	<b>\$ 1,173,589</b>	<b>5,508,000</b>	<b>\$ 1,686,550</b>	<b>5,508,000</b>	<b>\$ 1,686,550</b>	<b>2,860,138</b>	<b>\$ 2,860,138</b>	<b>4,880,000</b>	<b>\$ 1,494,255</b>
											<b>4,880,000</b>	<b>\$ 1,494,255</b>
												<b>9,340,752</b>

CAPACITY RELEASE (Dth)

	TRANSCO		TETCO		TETCO		TOTAL DOLLARS		TOTAL VOLUMES	
	VOLUMES	DOLLARS	VOLUMES	DOLLARS	VOLUMES	DOLLARS	TRANSCO	TETCO	TRANSCO	TETCO
	Contract 3691		Contract 800232		Contract 800515-514					
					Paid					
Sep-12	600,000	\$ 366,180	471,240	\$ 287,598	1,080,000	\$ 659,124	\$ 366,180	\$ 946,722	600,000	1,551,240
Oct-12	620,000	\$ 378,386	486,948	\$ 297,184	1,116,000	\$ 681,095	\$ 378,386	\$ 978,279	620,000	1,602,948
Nov-12	600,000	\$ 366,180	471,240	\$ 287,598	468,000	\$ 285,620	\$ 366,180	\$ 573,218	600,000	939,240
Dec-12	620,000	\$ 378,386	486,948	\$ 297,184	-	\$ -	\$ 378,386	\$ 297,184	620,000	486,948
Jan-13	620,000	\$ 378,386	486,948	\$ 297,184	-	\$ -	\$ 378,386	\$ 297,184	620,000	486,948
Feb-13	560,000	\$ 341,768	439,824	\$ 268,425	-	\$ -	\$ 341,768	\$ 268,425	560,000	439,824
Mar-13	620,000	\$ 108,438	486,948	\$ 85,167	-	\$ -	\$ 108,438	\$ 85,167	620,000	486,948
Apr-13	600,000	\$ 104,940	471,240	\$ 82,420	1,080,000	\$ 188,892	\$ 104,940	\$ 271,312	600,000	1,551,240
May-13	620,000	\$ 108,438	486,948	\$ 85,167	1,116,000	\$ 195,188	\$ 108,438	\$ 280,356	620,000	1,602,948
Jun-13	600,000	\$ 104,940	471,240	\$ 82,420	1,080,000	\$ 188,892	\$ 104,940	\$ 271,312	600,000	1,551,240
Jul-13	620,000	\$ 108,438	486,948	\$ 85,167	1,116,000	\$ 195,188	\$ 108,438	\$ 280,356	620,000	1,602,948
Aug-13	620,000	\$ 108,438	486,948	\$ 85,167	1,116,000	\$ 195,188	\$ 108,438	\$ 280,356	620,000	1,602,948
<b>TOTAL September 12 - August 13</b>	<b>7,300,000</b>	<b>\$ 2,852,918</b>	<b>5,733,420</b>	<b>\$ 2,240,682</b>	<b>8,172,000</b>	<b>\$ 2,589,188</b>	<b>\$ 2,852,918</b>	<b>\$ 4,829,870</b>	<b>7,300,000</b>	<b>13,905,420</b>

**Tab 5**

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIRECT TESTIMONY OF

**KENNETH S. DYBALSKI**

ON BEHALF OF  
PHILADELPHIA GAS WORKS

Docket No. **R-2012-2286447**

Philadelphia Gas Works  
Proposed 2012 Annual GCR Adjustment

March 1, 2012

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

2

3 A. My name is Kenneth S. Dybalski. My position is Director - Gas Planning, Rates,  
4 & Federal Regulatory Affairs at 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, and Federal Regulatory  
9 Affairs in 2009. Prior to this position, I was the Director - Gas Planning & Rates  
10 from 2006 to 2009 and the Manager of Gas Planning from 2001 to 2006.

11

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

13

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

23

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

25

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

28

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-2011-2224739, R-2010-20157062, R-2009-2088076, and R-2008-  
6 2021348. I have also submitted testimony in PGW's most recent base rate  
7 proceeding (Docket No. R-2009-2139884) and PGW's 2008 Extraordinary Rate  
8 Request (Docket No. R-2008-2073938).

9

10 **Q. HOW IS YOUR TESTIMONY STRUCTURED**

11

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

19

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

22

23 A. PGW's GCR on September 1, 2011 was \$6.0594 and this rate was held at \$6.0594  
24 in the Company's first quarterly GCR filing on December 1, 2011. PGW's  
25 second quarter GCR filing, also submitted to the PUC concurrently with this filing  
26 decreases the GCR to \$4.9783 effective March 1, 2012. The proposed rate to be  
27 effective September 1, 2012 is \$5.1876.

28

29

1 **Q. PLEASE SUMMARIZE THE EVIDENCE THAT PGW IS SUBMITTING**  
2 **IN SUPPORT OF ITS PROPOSED GCR ADJUSTMENT.**

3  
4 A. Tab 2 of this filing contains the sheets supporting the filing requirements of  
5 Section 53.64 (a) for the proposed GCR for the period September 1, 2012 through  
6 August 31, 2013.

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

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

25  
26 Schedule 3 identifies the Projected Applicable Fuel Expense. Specifically, this  
27 schedule identifies PGW's Net Natural Gas Expense and Total Applicable  
28 Expenses. To arrive at the Net Natural Gas Expense, the total cost of commodity  
29 and pipeline charges for firm sales are calculated per month. Two credits are then  
30 applied for the portion of gas costs recovered from PGW's Interruptible Sales



1 customers (i.e. the “Interruptible Credit”) and for gas used by PGW (i.e. “Gas  
2 Used by Utility”). Next, the Company calculates the net effect of gas supplies  
3 being transferred into and out of storage and LNG. The result is the Net Natural  
4 Gas Expense. To arrive at the Total Applicable Expenses in Schedule 3, the fuel  
5 expenses for Purchased Electric and miscellaneous are added to the Net Natural  
6 Gas Expenses to arrive at Total Applicable Expenses.

7  
8 Schedule 4a (“Interest Rate Calculation”) provides the interest rate for the  
9 over/under recovery and is calculated on the over/under recovery in calendar year  
10 2010. Schedule 4b (“Interest Calculation”) provides the calculation of the interest  
11 expense or credit for the period of September 2010 through August 2011 for the  
12 under/over recovery of fuel costs and the interest for the natural gas refunds.  
13 Schedule 4b1 - Interest Adjustment Calculation provides the calculation of the  
14 adjusted interest expense for the January – August, 2011 period which PGW  
15 previously refunded at an interest rate of 6% and now has been determined to be  
16 refunded at an interest rate of 8%. Schedule 4c (“Interest on Natural Gas  
17 Refunds”) provides information on historic refunds that have been received by the  
18 Company resulting from various cases before the Federal Energy Regulatory  
19 Commission and the interest on these refunds. Schedule 4d provides the  
20 calculation of the interest for the demand and commodity charges.

21  
22 Schedule 5 presents the GCR Statement of Reconciliation for the forecast period  
23 of September 2012 to August 2013.

24  
25 Schedule 6 presents the GCR Statement of Reconciliation for the actual /  
26 estimated period of September 2011 to August 2012.

27  
28 Schedule 7 presents the finalized GCR Statement of Reconciliation for the historic  
29 period of September 2010 to August 2011.

1 Schedule 8 calculates total projected recovery with the proposed GCR.

2

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

6

7 Schedule 10(a) shows the calculation of the Universal Service & Energy  
8 Conservation Surcharge to be effective September 1, 2012. Schedule 10(b) is the  
9 reconciliation of the Universal Service & Energy Conservation Surcharge for  
10 period of September 2011 to August 2012.

11

12 Schedule 11(a) shows the calculation of the Interruptible Revenue Credit to be  
13 effective September 1, 2012. Schedule 11(b) is the reconciliation of the  
14 Interruptible Revenue Credit for Fiscal Year 2011.

15

16 Schedule 12(a) shows the calculation of the Other Post Employment Benefit  
17 (OPEB) Surcharge to be effective September 1, 2012. Schedule 12(b) is the  
18 reconciliation of the OPEB Surcharge for Fiscal Year 2012.

19

20 Schedule 13(a) shows the calculation of the Efficiency Cost Recovery Surcharge  
21 to be effective September 1, 2012. Schedule 13(b) is the reconciliation of the  
22 Efficiency Cost Recovery Surcharge for Fiscal Year 2012.

23

24 Schedule 14 is the Restructuring and Consumer Education Surcharge and the  
25 Surcharge Reconciliation for FY 2012.

26

27 Schedule 15(a) and 15(b) are the calendar year 2011 reconciliation of the Supplier  
28 and Storage Peaking Charge (SSPC) and the SSPC expense and interest  
29 calculation.

30

1 Schedule 16 identifies the natural gas prices that were used in the preparation of  
2 this filing.

3  
4 **Q. WHAT IS THE TIME PERIOD FOR FORECASTING PGW'S FUTURE**  
5 **GAS COSTS?**

6  
7 A. PGW's forecast period is a twenty (20) month period that commences on January  
8 1, 2012 (two months before this filing) and eight months before the effective date  
9 of the tariff on September 1, 2012. The 2012-13 GCR year is from September 1,  
10 2012 to August 31, 2013, however, since the required forecast covers 20 months,  
11 it must begin eight months earlier, consistent with Commission regulations.

12  
13 **Q. PLEASE PROVIDE A GENERAL DESCRIPTION OF PGW'S RATE**  
14 **DESIGN AND GCR CALCULATION METHODOLOGY.**

15  
16 A. The volumetric rates charged to PGW's customers are the distribution charge and  
17 the Gas Cost Rate. The distribution charge consists of the Delivery Charge; the  
18 Universal Service and Energy Conservation Surcharge; the Efficiency Cost  
19 Recovery Surcharge; and the Other Post Retirement Benefit Surcharge. The  
20 Universal Service and Energy Conservation Surcharge provides for the recovery  
21 of Customer Responsibility Program (CRP) discounts; Senior Citizen Discounts;  
22 the costs of the the Enhanced Low Income Retrofit Program (ELIRP); and CRP  
23 arrearage forgiveness. The Efficiency Cost Recovery Surcharge recovers the cost  
24 of energy efficiency programs for the appropriate firm rate classes. The Other Post  
25 Retirement Benefit Surcharge recovers the amount to fund these obligations.

26  
27 The second element of the rate is the Gas Cost Rate or GCR factor. This charge is  
28 a mechanism used to flow through the costs of natural gas costs and other raw  
29 materials in a timely and equitable manner. The specific elements of PGW's  
30 GCR are set forth in PGW's Tariff.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

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

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

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

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

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

A. The pricing methodology utilized by the Company is consistent with used in the recent quarterly filings with the inclusion of the additional months in the 20-month forecast. Specifically, the company utilized actual prices for January 2012 and the NYMEX Futures close data (as of January 14, 2012) for the 19 forecast months of February 2012 through August 2013.

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

1 A. The level of gas costs forecasted for 2012-2013 is lower than the level PGW had  
2 forecasted for the 2011-2012 GCR. The level of costs in the 2012-2013 period  
3 are being influenced by the decrease in prices for natural gas compared to the  
4 prior year.

5

6 **Q. DESCRIBE THE LEVEL OF HEATING DEGREE-DAYS THAT WERE**  
7 **USED IN YOUR ANALYSIS.**

8

9 A. The Company utilizes the temperatures recorded at the PGW Richmond Plant to  
10 calculate the average temperature for a given day. The Company subtracts the  
11 average temperature from 65 degrees to calculate the number of degree-days for  
12 the day. The degree-days for all of the days in the year are aggregated to arrive at  
13 the total number of degree-days for the year. Next, the Company calculates the  
14 average heating degree-days for the past 30 years to arrive at the forecasted  
15 heating degree-days in a normal year and in this filing PGW is using the 30 year  
16 average of 4,332 degree days.

17

18 **Q. HOW HAS THE COMPANY CALCULATED THE NUMBER OF**  
19 **CUSTOMERS IN EACH RATE CLASS?**

20

21 A. PGW determined the actual number of customer billings on December 31, 2011  
22 using the PGW Gas Sales and Revenue Reports. Next, the Marketing Department  
23 load forecast was used to factor in the addition and loss of customers. Finally, the  
24 customer numbers were adjusted for the loss of customers due to non-payment  
25 terminations.

26

27 **Q. WHAT IS THE METHODOLOGY FOR CALCULATING THE WEATHER**  
28 **NORMALIZED BILLED SALES?**

29

1 A. PGW used a two step process to arrive at the appropriate level of usage  
2 per customer. First, a trial domestic factor is developed by customer  
3 class from sales reported for the summer months (July-September).  
4 This average factor was then utilized in the sendout formula with the  
5 customer counts for the months of July, August, and September 2010. A  
6 comparison between what the formula calculates and the actual  
7 experienced for those three months is ascertained and the trial domestic  
8 factors are finalized to replicate the total sendout experienced. The  
9 finalized domestic factors (DOMS) are then utilized in conjunction with  
10 the actual sales and customer counts for the months of December 2010  
11 through February 2011 to determine the average Mcf per degree day for  
12 each of the individual months for the remaining temperature sensitive  
13 load. The results are weighted by degree-days to give an average value  
14 that is utilized as a trial value for the heating factor.

15  
16 The finalized domestic factor and the trial heating factor developed, as  
17 such, are then applied in the sendout calculations, together with  
18 customer counts for the months of December 2010 through February  
19 2011 (the peak winter heating period) to project an estimated sendout  
20 for each of these months. The projected sendout is then compared with  
21 the actual sendout. Any variation between the projected and actual is  
22 adjusted to force the replication of the actual sendout resulting in the  
23 determination of a finalized heating factor. The finalized heating factor  
24 is used to forecast the heating load and monthly adjustments are made  
25 based on monthly historic usage.

26  
27 Utilizing these domestic and heating factors, billed sales are then  
28 forecasted using 4,332 degree days and the number of customers.  
29

1 **Q. WHAT IS THE UNACCOUNTED FOR GAS PERCENTAGE USED IN**  
2 **THIS FILING?**

3

4 A. The level of unaccounted for gas used in this filing is 4.0 % and is based on a 3-  
5 year average.

6

7 **Q. WHAT IS THE TOTAL AMOUNT OF OFF SYSTEM SALES, CAPACITY**  
8 **RELEASE CREDITS, AND ASSET MANAGEMENT CREDITS THAT**  
9 **ARE INCORPORATED INTO THE GCR?**

10

11 A. PGW has projected that the amount of off system sales, capacity release credits,  
12 and asset management credits within the GCR period of 2012-13 will amount to  
13 \$10,243,717. Of that amount, \$ 7,682,788 (75%) was credited to the GCR. This  
14 amount is based on a 3 year average.

15

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

18

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

23

24

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

26

27 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-2012-2286447

Philadelphia Gas Works  
Proposed 2012 Annual GCR Adjustment

March 1, 2012

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 2011- 2224739, R-2010-20157062, R-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 2013 – September 1, 2012 to August 31, 2013) and the prior GCR  
20 period (i.e. FY 2012 – September 1, 2011 – August 31, 2012);
- 21 • PGW’s design day requirement;
- 22 • Capacity release, off-system sales and asset management fee sharing;
- 23 • Summit report recommendations;
- 24 • Storage capacity and withdrawal entitlement reductions;

- 1 • Asset management;
- 2 • Purchasing program compliance; and
- 3 • Price analysis and buying advisory service.

4  
5  
6 **Q. PLEASE PROVIDE A GENERAL DESCRIPTION OF PGW'S GAS**  
7 **DISTRIBUTION SYSTEM.**

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

16 **Q. PLEASE IDENTIFY PGW'S CURRENT INTERSTATE SUPPLIERS.**

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

23  
24 **II. GAS PURCHASING POLICIES AND SUPPLY STRATEGY**

25 **Q. DOES PGW UTILIZE A LEAST-COST PROCUREMENT POLICY IN ITS GAS**  
26 **PURCHASING POLICIES AND SUPPLY STRATEGY?**

1  
2 A. Yes.

3 **Q. PLEASE DESCRIBE PGW'S SUPPLY STRATEGY.**

4 A. PGW's supply strategy<sup>1</sup> (which is currently being used during the FY 2012 GCR  
5 period and which the Company intends to use for the FY 2013 GCR period) is a portfolio  
6 approach in both contract structure and pricing. The portfolio approach of purchasing gas  
7 supply allows PGW to remove some of the volatility in purchasing natural gas supplies  
8 for its ratepayers. Without the use of the portfolio approach, the firm ratepayer would be  
9 totally at the mercy of market volatility.

10 The Company's gas supply portfolio is divided into five distinct categories: (1)  
11 "first of the month index pricing"; (2) physical forward purchased contracts; (3) storage;  
12 (4) winter only supply contracts; and (5) LNG.

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

16 (2) The Company uses a purchasing strategy to fix the price for a portion of the  
17 gas supply each month for each of the succeeding 12 months. This strategy has the effect  
18 of stabilizing the purchase price while removing the speculative aspect of when to  
19 purchase the supply.

---

<sup>1</sup> All natural gas supply strategies are presented to the Company's internal 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 (3) The Company utilizes three pipeline storage fields which act as additional  
2 sources of supply. The gas procured under these contracts also act as a physical fixed  
3 price counter to market conditions.

4 (4) The Company enters into winter-only supply contracts. This arrangement  
5 provides additional benefit by relieving the firm ratepayer from paying supply demand  
6 charges any longer than is necessary.

7 (5) The Company operates its own liquefaction & vaporization plants and LNG  
8 storage which serve as peak shaving facilities.

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

1           Additionally, PGW utilizes bundled storages and LNG to meet operational  
2 requirements. Bundled storage contracts provide for the right both to store gas as well as  
3 the pipeline capacity to deliver the gas to PGW when needed. The bundled storages  
4 provide off-system storage and LNG provides on-system storage. While both types of  
5 storages are important to fulfill operational requirements, PGW's on-system LNG storage  
6 is vital during peak days when customer demand exceeds the amount of gas that can be  
7 physically provided through PGW's city gates.

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

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

17 A.           No. PGW does not have any affiliated gas suppliers or pipelines.

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

20  
21 A.           PGW physically sources the gas in accordance with its firm pipeline paths. The  
22 pipelines give PGW firm entitlements on their systems for the sourcing of gas for which  
23 PGW pays a demand charge. By sourcing supply this way, PGW ensures its sole  
24 entitlement to this space on the pipeline and can not be accused of infringement.  
25 Transporting gas from different locations also mitigates the impact of potential regional

1 disruptions because not all of the supply enters the pipe at the same location. As a result,  
2 if there is a disruption at one location, not all of PGW's supply will be affected.

3 PGW's Gas Planning Department also runs a supply status model during the  
4 winter operating season which recognizes normal and design winter conditions and the  
5 latest actual balance of gas in all storage facilities. Gas Management utilizes the output  
6 of this model to make recommendations or changes in its supply operating strategy to  
7 ensure that peak day needs and design winter conditions can be met from that point  
8 forward.

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

11  
12 A. Yes. PGW reviews each of its existing contracts on a regular basis to ensure that  
13 none of the contracts are adverse to its customers' interests. Whenever appropriate, PGW  
14 initiates renegotiations (if the contract permits) to change the terms.

15 **Q. IN YOUR OPINION, ARE THE GAS COSTS INCURRED BY PGW**  
16 **REASONABLE?**

17  
18 A. Yes. The 2010-2011 gas costs and the gas costs incurred to date during the 2011-  
19 2012 period are the result of the least cost gas procurement strategy outlined in my  
20 testimony.

21  
22 **III. DESIGN DAY REQUIREMENT**

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

24 A. Details of PGW's design day methodology and an account of the 2011/2012  
25 winter design day requirement can be found in the responses to items 53.64 (c)(13) and  
26 53.64(c)(14) which were provided in PGW's February 1, 2012 GCR Filing.



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

**IV. CAPACITY RELEASE, OFF-SYSTEM SALES MARGIN AND ASSET MANAGEMENT FEES**

**Q. HAS PGW BEEN RETAINING A PORTION OF NET PROCEEDS FROM CAPACITY RELEASE CREDITS, OFF-SYSTEM SALES MARGIN AND ASSET MANAGEMENT FEES?**

A. Yes. During the 2008-2009 GCR proceeding (Docket No. R-2008-2021348), the parties agreed that PGW will retain 25% of all off-system sales margins and capacity release credits with the remaining 75% applied as an offset to purchased gas costs for the retention period of September 1, 2008 to August 31, 2011. Likewise, during the 2011-2012 GCR proceeding (Docket No. R-2011-2224739), the parties agreed that PGW will retain 25% of all off-system sales margins, capacity release credits and asset management margins/credits/fees with the remaining 75% applied as an offset to purchased gas costs for the retention period of September 1, 2011 to August 31, 2012. The Company also agreed to include an off-system sales margin, capacity release credit and asset management margins/credits/fees retention proposal for the Purchased Gas Cost period(s) beginning on September 1, 2012 in its March 1, 2012 annual 1307(f) filing.

**Q. DOES PGW HAVE A RETENTION PROPOSAL FOR THE PGC PERIODS BEGINNING ON SEPTEMBER 1, 2012?**

A. Yes. PGW proposes to continue the retention of 25% of capacity release credits, off system sales margin and asset management margin/credit/fees and the application of the remaining 75% to the gas cost rate.

**Q. DO OTHER PENNSYLVANIA NATURAL GAS DISTRIBUTION COMPANIES (“NGDCs”) HAVE SHARING MECHANISMS FOR CAPACITY RELEASE AND OFF SYSTEM SALES CREDITS?**

1 A. Yes. Please see Exhibit DAM-1 for a chart which provides a description of the  
2 sharing mechanisms currently in place. Six of the largest NGDCs have sharing  
3 mechanisms similar to PGW's and the sharing percentage for all of the NGDCs is 25%.

4 **Q. HOW ARE SHARING MECHANISMS BENEFICIAL TO BOTH RATEPAYERS**  
5 **AND UTILITES?**

6  
7 A. The ratepayers and the utility receive benefit from the policy because it creates an  
8 incentive to maximize efforts to make off system sales and capacity release transactions,  
9 thereby increasing the amounts applied to the gas cost rate and the lesser portion retained  
10 by the utility.

11

12 **V. SUMMIT REPORT RECOMMENDATIONS**

13 **Q. HOW WERE THE SUMMIT REPORT RECOMMENDATIONS ADDRESSED IN**  
14 **LAST YEAR'S SETTLEMENT AGREEMENT?**

15  
16 A. PGW agreed to provide an action plan addressing the Summit Report  
17 recommendations plus a cost-benefit analysis regarding the Equitrans and Dominion  
18 storages in the Company's March 1, 2012 Annual Filing. PGW discusses the action plan  
19 and cost-benefit analysis in the attached Exhibit DAM-2.

20

21 **VI. STORAGE CAPACITY AND WITHDRAWAL ENTITLEMENT REDUCTIONS**

22

23 **Q. HAS PGW PGW RECENTLY ENCOUNTERED STORAGE CAPACITY AND**  
24 **WITHDRAWAL ENTITLEMENT REDUCTIONS WITH RESPECT TO**  
25 **ALREADY EXISTING STORAGE SERVICE AGREEMENTS?**

26

1     **A.**     Yes. Transco experienced certain operational issues with its Washington Storage  
2             Service (“WSS”)<sup>2</sup> and Eminence Storage Service (“ESS”)<sup>3</sup> which impacted its ability to  
3             continue the same level of service to its customers. Before filing a partial abandonment  
4             application with the Federal Energy Regulatory Commission, Transco provided two  
5             options to its WSS customers: 1) maintaining the same level of withdrawal entitlement  
6             but at much higher rates; and 2) reducing the level of withdrawal entitlement at reduced  
7             rates. Transco WSS customers, including PGW, selected the second option because  
8             maintaining the same level of service would have required a substantial infrastructure  
9             investment by Transco which, in turn, would have resulted in a cost increase of 41%.<sup>4</sup>  
10            On the other hand, some of the Eminence storage caverns were in such poor condition,  
11            Transco simply chose to file an application for partial abandonment. Please see Exhibit  
12            DAM-3 which provides the capacity, withdrawal entitlement and cost reductions.

13

14     **Q.**     **WILL THESE REDUCTIONS IMPACT HOW PGW DEVELOPS ITS ACTION**  
15             **PLAN ADDRESSING THE SUMMIT REPORT RECOMMENDATIONS?**

16

17     **A.**     Yes. I reasonably anticipate that the Company will factor in the storage and  
18             deliverability reductions into its evaluation of the RFP responses referenced in Exhibit  
19             DAM-2.

20

---

<sup>2</sup> Four of the Washington Storage Field’s forty-four wells ceased to function and the other forty wells lost flow capacity due to damage in the reservoir rock (caused by fluid invasions).

<sup>3</sup> Four of the Eminence Storage Field’s seven caverns have structural integrity problems. Initially, a large pressure drop occurred in the first cavern. Next, Transco experienced additional problems with 2 other caverns requiring Transco to reduce the pressure in those caverns by withdrawing gas. Finally, the casing in the fourth cavern collapsed requiring Transco to take it out of service.

<sup>4</sup> Before abandonment, the annual cost of WSS was \$588,000 and would have increased to \$826,000 had customers elected to maintain the same level of service.

1 **VII. ASSET MANAGEMENT**

2 **Q. WHAT IS THE CURRENT STATUS OF PGW'S ASSET MANAGEMENT**  
3 **ARRANGMENT?**

4  
5 A. PGW entered into an asset management arrangement with a third party which  
6 involves the release of 1.5 Bcf of the Washington WSS storage service for the term of  
7 April 1, 2011 through March 31, 2012. As discussed in Exhibit DAM-2, PGW issued an  
8 RFP on January 18, 2012 requesting proposals for the asset management of the Equitrans  
9 and Dominion storages. PGW also plans to issue an RFP in March 2012 requesting  
10 proposals for the asset management of all remaining storages.

11

12 **VIII. PURCHASING PROGRAM COMPLIANCE**

13 **Q. DID PGW COMPLY WITH THE PURCHASING PROGRAM SET FORTH IN**  
14 **APPENDIX B OF LAST YEAR'S SETTLEMENT AGREEMENT?**

15  
16 A. Yes. Appendix B, Schedules 1 and 2 of the 2010-2011 and 2011-2012 settlement  
17 agreements set forth the volumes which define PGW's purchasing programs for both  
18 years. Please see Exhibit DAM-4 which shows the volumes purchased during the period  
19 of September 2010 to August 2011 and Exhibit DAM-5 which shows the volumes  
20 purchased during the period of September 2011 to November 2011.<sup>5</sup>

---

<sup>5</sup> Paragraph III.2.(f) of the 2010-2011 settlement agreement provides:

As part of its March 1, 2011 filing, PGW will provide schedules demonstrating how it has complied with Appendix B (Schedules 1 and 2) to this Settlement.

Paragraph III.2.(e) of the 2011-2012 settlement agreement provides:

As part of its March 1, 2012 filing, PGW will provide schedules demonstrating how it has complied with Appendix B (Schedules 1 and 2) to this Settlement.

1

2 **IX. PRICE ANALYSIS AND BUYING ADVISORY SERVICE**

3 **Q. PGW CURRENTLY USES PLANALYTICS ENERGY BUYER SERVICES AND**  
4 **IS CURRENTLY PERMITTED TO RECOVER THE ANNUAL \$125,000 FEE VIA**  
5 **THE GAS COST RATE DURING THE 2010- 2011 GCR PERIOD. WHAT TYPES**  
6 **OF SERVICES DOES PLANANYTICS PROVIDE TO PGW?**

7 A. Planalytics provides the following services:

- 8       • Price feed from Nymex and Globex for natural gas, crude oil, heating oil and  
9       RBOB (reformulated gasoline);
- 10       • Buying suggestions up to 18 months in the future;
- 11       • A charting tool for technical analysis;
- 12       • Short and medium range weather forecasts;
- 13       • Weather alerts (issued in advance of significant weather events);
- 14       • Planalytic's pre-season hurricane forecast and in-season updates; and
- 15       • Additional energy buyer features include reporting (i.e. mark-to-market,  
16       transaction history, etc.) and portfolio/hedging parameters.

17 **Q. WHAT WAS INCORPORATED INTO PGW'S 2011-2012 GCR PROCEEDING**  
18 **SETTLEMENT AGREEMENT WITH REGARD TO THE PLANANLYTICS**  
19 **ENERGY BUYER SERVICES?**

20 A. PGW agreed to the following:

21       PGW is permitted to recover the Planalytics fee for price analysis and buying  
22       advisory services (not to exceed \$125,000) for the 2011-2012 GCR period.  
23       Continued recovery of the fee beyond the 2011-2012 GCR period must be  
24       addressed in next year's Purchased Gas Cost proceeding.  
25

26 **Q. DOES PGW WANT TO CONTINUE THE PLANALYTICS BUYING ADVISORY**  
27 **SERVICES?**

1 A. Yes. The Planalytics' service provides a comprehensive amount of information  
2 that the Company finds useful in the procurement of all gas supply. Nonetheless, PGW  
3 understands that it must reach a new agreement as to the continuing recovery of the  
4 Planalytics fee and the Company looks forward to discussing this issue with the parties  
5 involved in this year's proceeding.

6

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

8 A. Yes.

**Exhibit DAM-1**

**Pennsylvania Natural Gas Distribution Companies - Sharing Formulas**

<b><u>Utility</u></b>	<b><u>Type of Revenue Retained</u></b>	<b><u>Sharing %</u></b>	<b><u>Source</u></b>
Columbia	Off-system sales margin and capacity release.	25% of total.	Columbia Gas Tariff – Pa. P.U.C. No. 9, Supplement No. 161, 9 <sup>th</sup> Revised Pg. No. 159, Issued December 30, 2010, Effective January 1, 2011.
NFG	Off-system sales margin, capacity release, gas storage fill contracts savings and asset management arrangements under FERC Order 712 for capacity releases associated with identified capacity contracts.	25% of total.	NFG Gas Tariff – Pa. P.U.C. No. 9, Supplement No. 42, 2 <sup>nd</sup> Revised Pg. No. 154, Issued July 30, 2004, Effective August 1, 2004 & Supplement No. 95, 7 <sup>th</sup> Revised Pg. No. 155, Issued July 31, 2009, Effective August 1, 2009.
PECO	Off-system sales margin, capacity release and asset management agreement revenue. Effective March 31, 2008 through March 31, 2013.	25% of total.	PECO Gas Tariff – Pa. P.U.C. No. 2, Supplement No. 99, 18 <sup>th</sup> Revised Pg. No. 35, Issued November 29, 2010, Effective December 1, 2010.
UGI (Central Penn)	Off-system sales margin, locational exchange revenues, capacity release and storage asset management fees. Effective December 1, 2008, through November 30, 2016	25% of total.	UGI Central Penn Gas Tariff - PA P.U.C. No. 4, Supplement No. 2, 1 <sup>st</sup> Revised Page 38, Issued November 30, 2011, Effective December 1, 2011.
UGI (Penn Natural)	Off-system sales margin, capacity release, exchanges of natural gas and storage asset management fees. Effective December 1, 2011, through November 30, 2016	25% of total.	UGI Penn Natural Gas Tariff – Pa. P.U.C. No. 8, Supplement No. 11, 5 <sup>th</sup> Revised Pg. No. 31, Issued November 30, 2011, Effective December 1, 2011.
UGI	Off-system sales margin, locational exchange revenues, capacity release and storage asset management fees. Beginning December 1, 2008 and ending November 30, 2016	25% of total.	UGI Gas Tariff – Pa. P.U.C. No. 5, Supplement No. 88, 7 <sup>th</sup> Revised Pg. No. 30, Issued November 30, 2011, Effective December 1, 2011.

<b>SUMMIT RECOMMENDATIONS</b>	<b>ACTION PLAN</b>
<p><b>1. Evaluate elimination or reduction of portion of current asset base after assessing asset management opportunities, and leverage PGW-owned LNG assets.</b></p> <p>Eventual release of Equitrans storage as it is the highest unit cost asset in the PGW portfolio; the net cost of this asset per year is approximately \$541,000 (after adjustments for net capacity release credits). However, due to contractual notification of abandonment provisions and the unique geographical position of this asset within the Marcellus Shale supply basin, it would be prudent to first perform an RFP to determine if opportunity exists for a third party AMA that would guarantee value above PGW's cost.</p>	<p>PGW issued an RFP on 1/18/12 requesting asset management proposals for the Equitrans and Dominion storages based on two Options: Option A – for the term of April 1, 2012 through October 31, 2012; and Option B – for the term of April 1, 2012 through March 31, 2013. PGW previously issued an RFP for the period of November 1, 2011 to March 31, 2012 but did not receive any proposals (potential proposers informed PGW that their lack of interest was due to the storages being full on November 1, 2011). PGW will determine its next steps and prepare a cost benefit analysis for the Equitrans and Dominion storages after evaluating the proposals (6 proposals were received in mid-February). PGW will provide its preliminary view of a cost benefit analysis to the parties during this proceeding.</p> <p>The SS1 assets will be retained.</p>
<p>While Tetco SS1-A is the next highest cost delivery option in the stack ranking, it provides PGW with flexibility in balancing load. For every 1 degree of variance between actual and expected temperatures, PGW experiences a change in demand of approximately 10,000 Dth. Since PGW is able to retroactively balance their load through their SS1 assets, PGW's exposure to balancing penalties is reduced. Hence, Tetco SS1 assets should be retained.</p>	
<p>The next highest cost asset is Dominion storage, along with its Tetco FTS-7 and FTS-8 contracts. Reduction of 10,000 Dth of demand at contract renewal (along with associated storage capacity and FTS transport contracts) would not impede PGW's ability to serve customers in design scenarios. The net cost of this asset per year is approximately \$670,000 (after adjustments for net capacity release credits). It is important to note that there is potential that FTS-7 and FTS-8 contracts could eventually bring Marcellus Shale gas into PGW, thereby changing their functionality and subsequent value. Since the Dominion agreement is specially negotiated, any</p>	<p>PGW issued an RFP on 1/18/12 requesting asset management proposals for the Equitrans and Dominion storages based on two Options: Option A – for the term of April 1, 2012 through October 31, 2012; and Option B – for the term of April 1, 2012 through March 31, 2013. PGW previously issued an RFP for the period of November 1, 2011 to March 31, 2012 but did not receive any proposals (potential proposers informed PGW that their lack of interest was due to the storages being full on November 1, 2011). PGW will determine its next steps and prepare a cost benefit analysis for</p>



<p>subsequent renewal needs to factor in both the risk and opportunities of both new pricing and delivery terms changing; reduction of the Dominion storage from approximately 4 Bcf to 3 Bcf could result in new contract rates that may diminish some or all of the potential savings.</p>	<p>the Equitrans and Dominion storages after evaluating the proposals (6 proposals were received in mid-February). PGW will provide its preliminary view of a cost benefit analysis to the parties during this proceeding.</p>
<p>PGW should maintain their LNG inventory consistent with the appropriate level of risk, understanding that their liquefaction capabilities are limited, in order to serve consecutive design winters. Any elimination and/or reduction of designated assets would necessarily entail a greater reliance upon PGW’s own LNG assets. Many natural gas utilities in PA and surrounding areas do not have utility-owned LNG facilities. For those that do, LNG usage on a peak design day comprises of approximately 27% of the total portfolio; however, when propane is incorporated with LNG into peak day usage for these same utilities, the proportion increases to 32%. Currently, PGW’s LNG comprises 32% of their peak design day portfolio. Reducing portions of their non-LNG capacity as referenced in this report would increase this amount to 34%.</p>	<p>PGW agrees that it should maintain its LNG inventory consistent with the appropriate level of risk and the Company reasonably anticipates that it will be able to accommodate two consecutive design winters after the current heating season.</p>
<p>Many natural gas utilities in PA and surrounding areas do not have utility-owned LNG facilities. For those that do, LNG usage on a peak design day comprises of approximately 27% of the total portfolio; however, when propane is incorporated with LNG into peak day usage for these same utilities, the proportion increases to 32%. Currently, PGW’s LNG comprises 32% of their peak design day portfolio. Reducing portions of their non-LNG capacity as referenced in this report would increase this amount to 34%.</p>	<p>PGW agrees that reducing portions of its non-LNG capacity will increase LNG usage.</p>
<p><b>2. Production area storage still worthwhile assets; however internal evaluation should be an on-going process.</b></p> <ul style="list-style-type: none"> <li>• It serves as protection against supply area production “shocks” and interstate pipeline balancing penalties.</li> <li>• It is valued as a hedging tool on inter-seasonal basis becoming less valuable as market volatility has flattened.</li> <li>• Monetization opportunities exist with asset managers, but value may decrease with lessened volatility.</li> <li>• Internal evaluation of WSS and Eminence storage value should occur regularly.</li> </ul>	<p>PGW agrees that an internal evaluation of WSS and Eminence storage value should occur regularly and the Company plans to develop a more formalized approach to the regular evaluation of the WSS and Eminence storage values.</p>
<p><b>3. Maintain current long-haul interstate capacity allocations.</b></p> <ul style="list-style-type: none"> <li>• Pipeline lateral delivery requirements necessitate preservation of delivery rights.</li> <li>• It is the least expensive delivery option.</li> <li>• Transco and Tetco capacity to market area is currently fully subscribed and could potentially be lost if surrendered.</li> </ul>	<p>PGW will maintain current long-haul interstate capacity allocations.</p>

<ul style="list-style-type: none"> <li>Long-haul assets are easiest to monetize when not required due to liquid secondary release market.</li> </ul> <p><b>4. Evaluate more dynamic/active resource management (internal or external) for underutilized assets.</b></p> <p>Traditional asset management (entire portfolio turnover to third party with payment/shared savings structure) is likely unworkable due to complexity and declining liquidity of capable providers.</p> <p>Certain individual assets, particularly those where long-term elimination or reduction is contemplated, should be bid out for potential AMAs to validate the market value of such assets against PGW's costs.</p>	<p>Agreed.</p> <p>PGW issued an RFP on January 18, 2012 requesting proposals for the asset management of the Equitrans and Dominion storages. PGW also plans to issue an RFP in March 2012 requesting proposals for asset management of all remaining storages.</p>
<p>More aggressive tactics such as weekly long-haul capacity releases marketed to others should be considered even if potentially requiring additional resources.</p> <p><b>5. Monitor supply/capacity market for more economical infrastructure.</b></p> <ul style="list-style-type: none"> <li>Marcellus Shale/transport projects should be entertained to determine if they can displace Transco/Tetco storage and/or portion of LNG-filled capacity.</li> <li>Opportunities to increase long-haul capacity at expense of short-haul capacity/storage also should be considered.</li> <li>Both history and anticipated infrastructure projects strongly suggest that market pricing will be fluid and volatile for the foreseeable future. This makes forecasting the optimal asset mix impossible for any substantial length of time.</li> <li>Thus, PGW is best positioned to continuously evaluate its assets by not committing to long-term contracts, thus maintaining flexibility to shift its portfolio between short-haul and long-haul pipeline capacity and its own LNG capacity.</li> </ul>	<p>PGW does participate in the release of long-haul capacity for periods that are less than one month (i.e. two week and three week periods).</p> <p>PGW monitors the market for more economical opportunities and will act on opportunities that comport with least cost fuel procurement policy, consistent with PGW's obligation to provide safe, adequate and reliable service to its customers. More specifically, PGW has reviewed recent Texas Eastern and Transco pipeline expansion proposals and has found that these proposals are not more economical.</p>

### EXHIBIT DAM-3

<b><u>Washington Storage Service</u></b> Reductions Effective on 04/01/11	<b>Prior to 04/01/2011</b>	<b>04/01/2011 and after</b>
<b>Storage Capacity (Dth)</b>	3,335,909	3,335,909
<b>Withdrawal Entitlement (Dth)*</b>		
Storage Level at 100% - 81%	39,246	35,115
Storage Level at 80% - 61%	35,115	31,471
Storage Level at 60% - 41%	31,771	28,512
Storage Level at 40% - 21%	26,687	23,828
Storage Level at 20% - 0%	21,522	19,283
<b>Annual Cost</b>	<b>\$588,318</b>	<b>\$557,140</b>

<b><u>Eminence Storage Service</u></b> Reductions Effective on 04/01/12	<b>Prior to 04/01/2012</b>	<b>04/01/2012 and after</b>
<b>Storage Capacity (Dth)</b>	1,138,805	762,871
<b>Withdrawal Entitlement (Dth)*</b>	113,187	90,404
<b>Annual Cost</b>	<b>\$1,193,868</b>	<b>\$876,456</b>

\* Expressed in terms of daily deliverability.



Feb-11 Actual (Dth)	Mar-11 Actual (Dth)	Apr-11 Actual (Dth)	May-11 Actual (Dth)	Jun-11 Actual (Dth)	Jul-11 Actual (Dth)	Aug-11 Actual (Dth)	Total Actual (Dth)
840,000	840,000	740,000	752,000	720,000	744,000	744,000	9,580,000
1,729,372	769,411	1,184,294	2,679,862	897,763	894,336	634,853	18,401,658
<u>2,898,000</u>	<u>3,624,589</u>	<u>1,660,000</u>	<u>1,728,000</u>	<u>1,680,000</u>	<u>1,736,000</u>	<u>1,736,000</u>	<u>27,119,589</u>
5,467,372	5,234,000	3,584,294	5,159,862	3,297,763	3,374,336	3,114,853	55,101,247
<u>360,821</u>	<u>108,185</u>	<u>853,281</u>	<u>2,076,625</u>	<u>2,552,408</u>	<u>2,882,169</u>	<u>2,661,663</u>	<u>15,019,889</u>

Feb-11 Actual (Dth)	Feb-11 Settlement (Dth)	Mar-11 Actual (Dth)	Mar-11 Settlement (Dth)	Apr-11 Actual (Dth)	Apr-11 Settlement (Dth)	May-11 Actual (Dth)	May-11 Settlement (Dth)	Jun-11 Actual (Dth)	Jun-11 Settlement (Dth)	Jul-11 Actual (Dth)	Jul-11 Settlement (Dth)	Aug-11 Actual (Dth)	Aug-11 Settlement (Dth)	Cumulative Actual (Dth)	Cumulative Settlement (Dth)
70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	60,000	60,000	62,000	62,000	62,000	62,000	70,000	70,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	140,000	140,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	210,000	210,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	280,000	280,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	350,000	350,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	420,000	420,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	490,000	490,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	560,000	560,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	630,000	630,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	672,000	672,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	734,000	734,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	796,000	796,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	726,000	726,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	656,000	656,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	586,000	586,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	516,000	516,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	446,000	446,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	376,000	376,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	306,000	306,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	246,000	246,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	184,000	184,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	124,000	124,000
70,000	70,000	70,000	70,000	70,000	70,000	62,000	62,000	60,000	60,000	62,000	62,000	62,000	62,000	62,000	62,000
<u>840,000</u>	<u>840,000</u>	<u>840,000</u>	<u>840,000</u>	<u>740,000</u>	<u>740,000</u>	<u>752,000</u>	<u>752,000</u>	<u>720,000</u>	<u>720,000</u>	<u>744,000</u>	<u>744,000</u>	<u>744,000</u>	<u>744,000</u>	<u>9,580,000</u>	<u>9,580,000</u>

Appendix B - Schedule 1		Settlement Volumes (Dth)	Sep-11 Actual (Dth)	Oct-11 Actual (Dth)	Nov-11 Actual (Dth)	Dec-11 Actual (Dth)	Jan-12 Actual (Dth)
Price hedging -							
Monthly Incremental Contracts	9,580,000	756,000	840,000	840,000	840,000		
FOM Call Option Purchases and Spot Purchases (when lower than FOM)	18,250,000	819,350	675,266	976,199	976,199		
Discretionary Purchases	11,170,000	1,644,000	1,950,000	3,165,000	3,165,000		
<b>TOTAL PURCHASES</b>	<b>39,000,000</b>	<b>3,219,350</b>	<b>3,465,266</b>	<b>4,981,199</b>	<b>4,981,199</b>		
Physical hedging (depending on beg. inv.)	12,000,000	2,443,025	1,285,472	976,150			

Appendix B - Schedule 2  
Price hedging - monthly incremental contracts

Delivery Contract Month	Sep-11 Actual (Dth)	Sep-11 Settlement (Dth)	Oct-11 Actual (Dth)	Oct-11 Settlement (Dth)	Nov-11 Actual (Dth)	Nov-11 Settlement (Dth)	Dec-11 Actual (Dth)	Dec-11 Settlement (Dth)	Jan-12 Actual (Dth)	Jan-12 Settlement (Dth)
Sep-10	70,000	70,000								
Oct-10	70,000	70,000	70,000	70,000						
Nov-10	70,000	70,000	70,000	70,000	70,000	70,000				
Dec-10	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000		
Jan-11	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Feb-11	56,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Mar-11	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Apr-11	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
May-11	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Jun-11	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Jul-11	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Aug-11	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Sep-11	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Oct-11			70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Nov-11					70,000	70,000	70,000	70,000	70,000	70,000
Dec-11							70,000	70,000	70,000	70,000
Jan-12										
Feb-12										
Mar-12										
Apr-12										
May-12										
Jun-12										
Jul-12										
Aug-12										
<b>TOTAL</b>	<b>756,000</b>	<b>770,000</b>	<b>840,000</b>	<b>840,000</b>	<b>840,000</b>	<b>840,000</b>	<b>840,000</b>	<b>840,000</b>	<b>0</b>	<b>840,000</b>

Feb-12 Actual (Dth)	Mar-12 Actual (Dth)	Apr-12 Actual (Dth)	May-12 Actual (Dth)	Jun-12 Actual (Dth)	Jul-12 Actual (Dth)	Aug-12 Actual (Dth)	Cumulative Actual (Dth)
							2,436,000
							2,470,815
							6,759,000
							11,665,815
							4,704,647

Feb-12 Actual (Dth)	Feb-12 Settlement (Dth)	Mar-12 Actual (Dth)	Mar-12 Settlement (Dth)	Apr-12 Actual (Dth)	Apr-12 Settlement (Dth)	May-12 Actual (Dth)	May-12 Settlement (Dth)	Jun-12 Actual (Dth)	Jun-12 Settlement (Dth)	Jul-12 Actual (Dth)	Jul-12 Settlement (Dth)	Aug-12 Actual (Dth)	Aug-12 Settlement (Dth)	Cumulative Actual (Dth)	Cumulative Settlement (Dth)
	70,000													140,000	140,000
70,000	70,000													210,000	210,000
70,000	70,000													210,000	280,000
70,000	70,000													210,000	350,000
70,000	70,000													196,000	420,000
70,000	70,000													210,000	490,000
70,000	70,000													210,000	560,000
70,000	70,000													210,000	630,000
70,000	70,000													210,000	672,000
70,000	70,000													210,000	734,000
70,000	70,000												62,000	210,000	796,000
70,000	70,000												62,000	140,000	726,000
70,000	70,000												62,000	70,000	656,000
70,000	70,000												62,000	0	586,000
70,000	70,000												62,000	0	516,000
70,000	70,000												62,000	0	446,000
70,000	70,000												62,000	0	376,000
70,000	70,000												62,000	0	306,000
70,000	70,000												62,000	0	246,000
70,000	70,000												62,000	0	184,000
70,000	70,000												62,000	0	124,000
70,000	70,000												62,000	0	62,000
70,000	70,000												62,000	0	0
0	840,000	0	840,000	0	740,000	0	752,000	0	720,000	0	744,000	0	744,000	2,436,000	9,510,000