

**PHILADELPHIA GAS WORKS**  
**GAS SERVICE TARIFF**



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List of Changes Made by this Tariff Supplement

DEFINITIONS

The following definitions have been changed:

Arrearage has been changed to specify that arrearage amounts include Natural Gas Supply charges pursuant to PGW's Purchase of Receivables program (PAGE No. 10)

Competitive Natural Gas Supply has been added to reflect the inclusion of supplier charges in consolidated billing as part of PGW's Purchase of Receivables program (PAGE No. 11)

Consolidated NGDC Billing has been added to reflect the availability of consolidated billing for shopping customers under PGW's Purchase of Receivables program (PAGE No. 11)

PGW Charges has been changed to add supplier charges to the current definition consistent with PGW's Purchase of Receivables program (Page No. 14)

**Section 4 – Billing and Payment**

Section 4.1 has been changed to reflect the fact that consolidated billing is now available for shopping customers purchasing natural gas from a natural gas supplier (PAGE No. 26)

Section 4.7 has been changed to eliminate the limitation of dispute resolution to a particular section of the Supplier Tariff and to make reference to the Supplier Tariff in general and the Commission's regulations and orders relevant to dispute resolution (PAGE No. 26)

**Section 5 – Termination and/or Discontinuance of Gas Service**

Section 5.1 has been changed to reflect the fact that consolidated billing is now available for shopping customers purchasing natural gas from suppliers pursuant to PGW's Purchase of Receivables program (PAGE No. 30)

**Section 14 – Gas Choice Enrollment and Switching**

Section 14.2 has been changed to detail all customer information that will be released to suppliers (PAGE No. 63)

Sections 14.4 and 14.5 have been changed to reflect adjustments made by the Commission in recent orders relating to retail market choice (PAGE No. 63)

Section 14.9 has been changed to describe cost recovery in the event of supplier default or service discontinuance (PAGE No. 64)

Section 14.12 has been added to include PGW's Purchase of Receivables program (PAGE No. 64)

**Senior Citizen Discount**

Sections I.A.1 of the Senior Citizen Discount provisions has been added, and Section II.A. has been changed to clarify that PGW's senior citizen discount only applies to PGW charges (PAGE No. 72)

**Current Restructuring and Consumer Education Surcharge**

An estimate of the Current Restructuring and Consumer Education Surcharge has been modified to reflect the recovery mechanism costs related to implementation of natural gas choice, including PGW's Purchase Receivables program (PAGE 79).

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## DEFINITIONS

**ACTUAL METER READ (or READING)** - The reading from a gas meter, taken either by a Physical Meter Read, telemetering or an Automatic Meter Reading (AMR) device.

**ALTERNATE FUEL CAPABILITY** – The ability to meet energy needs with an energy source other than Natural Gas.

**APPEAL** - The process under Applicable Law by which a Customer or the Company challenges a Bureau Of Consumer Services (BCS) resolution of or decision on an Informal Complaint.

**APPLICABLE LAW** - The provisions of this Tariff, the rules and regulations promulgated by the PUC and published at Title 52 Pennsylvania Code, the Public Utility Code and all legally binding decisions of the Public Utility Commission interpreting those rules, regulations and law, and all other applicable current and future laws, ordinances, executive orders and legally binding interpretations, all of them as amended from time to time.

**APPLICANT** - Any person, corporation or other entity that (i) desires to receive from the Company Natural Gas or any other service provided for in this Tariff at a specific location, (ii) complies completely with all Company requirements for obtaining Natural Gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not yet actually receiving from the Company any service provided for in this Tariff at such location. An applicant shall become a Customer for purposes of this Tariff only after the Applicant actually starts receiving the applicable service(s) from the Company under this Tariff on a permanent basis. An applicant for residential Gas Service shall also include any adult occupant whose name appears on the mortgage, deed or lease of the property for which residential utility service is requested.

**ARREARAGE**- Amounts owed by a Customer including but not limited to Competitive Natural Gas Supply receivables purchased from the NGS, specifically where charges have not been paid in full by the current bill due date, unless the said Arrearage is covered by a payment agreement or equal payment plan (budget payment plan) under which the Customer is current on his/her installment payments. (C)

**AUTOMATIC METER READING DEVICE (AMR)** - A device which by electrical impulse or otherwise transmits readings from a meter without a Physical Meter Read.

**BASIC UTILITY SERVICE (or Gas Service)** - The provision of Retail Sales Service or Transportation Service to a Customer and all associated fees and charges that are essential to the provision of Retail Sales Service or Transportation Service. Basic Utility Service is also referred to as Gas Service in this tariff.

**BRITISH THERMAL UNIT - (Btu)** – The amount of heat required to raise the temperature of one pound of water by one degree Fahrenheit.

**BUREAU OF CONSUMER SERVICES (BCS)** - The division of the Public Utility Commission that oversees consumer issues.

**Ccf** - 100 cubic feet of gas.

COMPETITIVE NATURAL GAS SUPPLY - unbundled, firm natural gas provided by an NGS to Transportation Customers under the PGW's Gas Choice program. (C)

CONSOLIDATED NGDC BILLING - Billing provided by the Company that contains both PGW's charges for its services and the NGS's separate charges for gas supply services. (C)

CUSTOMER - A person, partnership, association, corporation or other entity that purchases Gas Service from the Company. The term shall include a Customer who transfers service to another address in the Company's service territory. A Customer may fall into one or more of the following categories:

(i) Residential Customer - Any Customer in a dwelling (including an apartment) whose primary use of Gas Service is for household purposes such as space heating, air conditioning, cooking, water heating. The term "Residential Customer" shall be used interchangeably with the term "Customer with Residential service". A Residential Customer shall include any adult occupant whose name appears on the mortgage, deed or lease of the property, and any adult occupant who is a tenant in a Residential Building pursuant to an oral agreement for which the residential utility service is provided.

(ii) Low-Income Customer - A Residential Customer whose gross household income is at or below 150% of the federal poverty level.

(iii) Non-Residential Customer - A party other than a Residential Customer or Landlord-Customer as set forth herein.

(iv) Commercial Customer - Any Customer who is a non-manufacturing establishment or agency primarily engaged in the sale of goods and services (including local, state, and federal agencies engaged in non-manufacturing activities) or a Landlord-Customer whose meter serves three (3) or more Residential units.

(v) Industrial Customer - Any Customer who is engaged in a process which creates or changes raw or unfinished materials into another form or product. Generation of electricity (other than by electric utilities) is included.

(vi) Heating Customer - Any Customer whose primary use of Gas is for space heating.

(vii) Non-Heating Customer - Any Customer whose primary use of Gas is for purposes other than for space heating.

(viii) Landlord-Customer - Any individual, organization or entity who is the party responsible for payment of Gas Service provided to one or more Tenants in a Residential building.

(ix) Small Business Customer - A person, sole proprietorship, partnership, corporation, association or other business whose annual gas consumption does not exceed 300 Mcf.

CUSTOMER READING - A meter reading made by the Customer that is given to the Company.

CUSTOMER RESPONSIBILITY PROGRAM (CRP) - PGW's Low-Income Customer assistance program which is designed to be consistent with the Public Utility Commission's rules, regulations, and policies regarding Customer Assistance Programs (CAP).

CUSTOMER RESPONSIBILITY PROGRAM PARTICIPANT (Participant) - PGW Residential Customer who enrolls in the Customer Responsibility Program.

CUSTOMER SERVICE CALL CHARGE – The charge as set forth in Section 12 of this Gas Service Tariff.

**DISPUTE** - An unresolved grievance raised by a Customer with PGW about PGW's application of a provision covered by 52 Pa. Code Chapter 56, as amended or supplemented. If, at the conclusion of an initial contact, or when applicable, a follow-up response, the Customer, Applicant or occupant indicates satisfaction with the resulting resolution or explanation, the contact will not be considered a dispute.

**DISTRIBUTION CHARGE** – The charge for Transportation Service provided by PGW.

**ESTIMATED READING** - During the months when the Company does not read the Customer's meter, gas usage is projected based on previous gas usage, gas rates, and the weather.

**FOREIGN LOAD** - A situation where a Customer's meter registers usage for utility service provided to another person or other persons, or for use in a common area shared by others, for example, hallway lighting, furnace fan, or laundry room appliances.

**GAS CHOICE PROGRAM** - The firm gas transportation program offered by the Company pursuant to the Gas Choice Act, 66 Pa.C.S. §§ 2201 et seq.

**GAS SERVICE** - See definition for Basic Utility Service.

**GAS SERVICE TARIFF (TARIFF)** is PGW Gas Tariff - Pa P.U.C. No. 2 as supplemented or superceded from time to time in accordance with law.

**HOUSEHOLD INCOME** – The combined gross annual income of all adults in a residential household and those who benefit from the Gas Service.

**INFORMAL COMPLAINT** - A complaint filed with the PUC by a Customer that does not involve a formal proceeding before a PUC administrative law judge or mediation under the direction of a PUC administrative law judge.

**LATE PAYMENT CHARGE** - A charge placed on any bill not paid by the due date.

**LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)** - A federally funded program, administered by the Pennsylvania Department of Public Welfare that assists low income households with payment of their heating bills through energy assistance grants. For eligible households, the grants include crisis grants for household energy related emergencies, cash benefits for home heating fuel, and energy conservation and weatherization solutions.

**Mcf** - 1,000 cubic feet of gas; this is a measure of gas usage.

**NATURAL GAS (GAS)** - Includes natural gas, liquified natural gas, synthetic natural gas and any natural gas substitutes including, but not limited to, liquified propane and naphtha.

**NATURAL GAS CHOICE AND COMPETITION ACT** - (Gas Choice Act or the Act) - 66 Pa.C.S. §§ 2201 et seq.

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**NATURAL GAS DISTRIBUTION COMPANY (NGDC)** - A public utility that owns and/or operates natural gas distribution facilities. The term is used in this Tariff to refer to requirements which are placed on NGDCs and PGW, as a distributor of Natural Gas, pursuant to the Gas Choice Program.

**NATURAL GAS SUPPLIER (NGS or Supplier)** – A natural gas supplier, as defined in the Competition Act, that has been licensed by the Pennsylvania Public Utility Commission (“PUC”) to sell Natural Gas Supply Services on the Company’s system.

**NATURAL GAS SUPPLY SERVICES** – As defined in 66 Pa.C.S. § 2202.

**NON-BASIC UTILITY SERVICE** – Leased or purchased merchandise, appliances or special services including but not limited to merchandise and appliance installation fees, rental and repair costs, meter testing fees, special construction charges and other nonrecurring charges that are not essential to delivery or metering of Gas Service.

"PGW" or "Company" - refers to Philadelphia Gas Works.

**PGW CHARGES** - The portion of the consolidated PGW bill that itemizes the charges for the Basic Utility Service provided by PGW. The PGW Charges are inclusive of the Natural Gas Supplier gas supply charges that are itemized on a consolidated PGW bill. (C)

**PARTICIPANT** – See definition of Customer Responsibility Program Participant.

**PHYSICAL METER READ (or READING)** - A meter read where a PGW service person takes an actual Meter Read of a Customer’s meter. A reading taken by an Automatic Meter Reading device shall be deemed a Physical Meter Read.

**PUBLIC UTILITY CODE** - Title 66 of Pennsylvania Consolidated Statutes which establishes the powers and duties of the PUC.

**PUBLIC UTILITY COMMISSION (PUC or Commission)** - The agency that is empowered by the Public Utility Code to regulate public utilities and Natural Gas Suppliers.

**RESIDENT** - An owner, Tenant, or occupant who makes the dwelling unit his/her residence.

**RESIDENTIAL BUILDING** - A building containing one or more dwelling units occupied by one or more Tenants, but excluding nursing homes, hotels and motels.

**RETAIL SALES SERVICE** - Service to a Customer whereby the Customer receives firm or interruptible gas supply as well as transportation from the Company.

**SUPPLIER OF LAST RESORT (SOLR)** - The Company in its role of providing Natural Gas Supply Services to Customers that do not elect another Supplier or choose to be served by the Supplier of Last Resort, Customers that are refused service from another Natural Gas Supplier, or Customers whose Natural Gas Supplier fails to deliver the required gas supplies, in accordance with this Tariff. Each Customer may only have one Supplier of Last Resort.

**TENANT** - Any person or group of persons whose dwelling unit in a Residential Building is provided gas pursuant to an oral or written rental arrangement for such dwelling unit, but who is not the Customer of record of PGW for such Gas Service.

**TRANSPORTATION SERVICE** - Service to a Customer whereby the Customer receives transportation, but not firm or interruptible gas supply from the Company.



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UNACCOUNTED FOR GAS – Unaccounted for gas is the difference in the amount of gas delivered to the Company's distribution system and the amount billed to customers. The current Lost and Unaccounted for Gas and Retainage Rate percentage is 2.7%. The percentage changes annually on December 1<sup>st</sup> and is based upon actual data for the preceding 12 months ending August 31<sup>st</sup>.

(D)

(D) - Decrease

#### 4. Billing and Payment.

4.1. BILLING PRACTICES. PGW's billing practices shall be in accordance with Applicable Law. (C)

4.1.A. Billing Period. PGW shall render a bill once every month to Residential Customers. A period not less than 26 and not more than 35 days shall be taken as one month for billing purposes with the exception of the initial bill, final bill, or rebilling to correct a billing problem. If the initial meter reading period covers less than 26 days (with the exception of a final bill), the Gas usage may be included in the following month's billing.

4.1.B. Incomplete Month. In the event that the meter reading period for a Customer's final bill shall be less than one month, it shall be taken as one month, for billing purposes.

4.1.C. Inexact Billing Intervals. Whenever billings are prepared for meter readings that do not cover exact one or two-month intervals, charges for Gas shall be calculated on the basis of the actual rate(s) for the period(s) covered by the bill.

4.2. FINANCE CHARGE ON LATE PAYMENTS. PGW will assess a late penalty for any overdue bill, in an amount which does not exceed 1.5% interest per month on the full unpaid and overdue balance of the bill. These charges are to be calculated on the overdue portions of PGW Charges only. The interest rate, when annualized, may not exceed 18% simple interest per annum. Late Payment Charges will not be imposed on disputed estimated bills, unless the estimated bill was required because utility personnel were unable to access the affected premises to obtain an Actual Meter Reading.

4.3. DISHONORED PAYMENTS. If a Customer tenders payment which is subsequently dishonored under 13 Pa.C.S. § 3502 (relating to dishonor) or a Customer tenders payment with an access device, as defined in 18 Pa.C.S. § 4106(d) (relating to access device fraud) which is unauthorized, revoked or canceled, the Customer shall be deemed as not having made a payment on the account. A Customer who tenders a dishonored, unauthorized, revoked or canceled payment may be required to make future payments by money order, bank check, or cash for a period of one year. A charge will be assessed to the Customer's account by PGW for each dishonored payment.

4.4. PAYMENT AGREEMENTS-MAKE-UP BILLS. PGW will negotiate payment agreements with Residential Customers on the portion of the past due amount attributable to PGW Charges in accordance with Applicable Law.

4.5. BUDGET BILLINGS. PGW shall offer a budget-billing plan to Residential Customers averaging the cost of Gas Service over a 12-month period. The Company shall review accounts at least three times during the 12-month period and make adjustments, if necessary, to keep monthly payments in line with projected and actual charges. The Company shall review accounts at least once yearly to bill for actual usage, pursuant to a true up bill.

4.6. STATEMENT OF ACCOUNT. Residential and Small Business Customers are entitled to receive a statement of account of PGW charges annually upon request. Any additional requests, and requests by all other classes of Customers, shall be assessed a \$10 service charge, except in those instances where such requests are part of a bill Inquiry Dispute, or Appeal.

4.7. BILLING ERRORS WITH NATURAL GAS SUPPLIER. Any Disputes pertaining to NGS bills or NGS charges on a PGW bill related to firm Natural Gas Supply Service pursuant to PGW's Supplier Tariff must be corrected with the NGS, pursuant to the Company's Supplier Tariff and Applicable Law. (C)

*Some of the Material on this page was originally located on pages 27 and 28.*

## 5. Termination and/or Discontinuance of Gas Service.

5.1. GAS SERVICE TERMINATION AND PROCEDURES. PGW may terminate Gas Service to any dwelling or account in accordance with Applicable Law. (C)

5.2. TERMINATION PROCEDURES AND NOTICES TO TENANTS. Subject to Section 2.1, where the mailing or billing address or apartment designation of a Customer with Residential Gas Service is different from the service address or apartment designation, PGW shall assume that such Customer is a Landlord-Customer and that the residents at the service address or apartment designation are Tenants unless PGW has actual knowledge to the contrary.

5.2.A Before terminating Gas Service to a Residential dwelling in which the Customer billed is a Landlord-Customer, but the Gas has been or is being delivered to and used by a Tenant, PGW shall make reasonable efforts to seek collection from the Landlord-Customer.

5.2.B Prior to termination of any Tenant-occupied property with Residential Gas Service, PGW will comply with the provisions of 66 Pa.C.S. § 1521 et seq., Discontinuance of Service to Leased Premises.

5.2.C PGW will provide a notice to the Tenant-occupants with Residential Gas Service informing them of the following:

5.2.D That there exists an outstanding bill for the property and that collection activity is being pursued against the Landlord-Customer.

5.2.E That the initial payment by Tenants on the delinquent balance shall not exceed one month's rental. Thereafter, all current bills shall be paid in full.

5.2.F The phone number to call for further information and/or an explanation of the procedure to be followed for continued service.

5.2.G The locations and business hours of PGW's Customer Service Centers.

5.2.H The telephone number of the Philadelphia Department of Licenses and Inspections.

5.3. TERMINATION OF GAS SERVICE – NON-RESIDENTIAL CUSTOMERS. PGW may terminate service to a Non-Residential Customer in accordance with Applicable Law.

5.4. UNAUTHORIZED CONNECTION OF APPLIANCES TO CUSTOMER'S METER. When PGW determines that high Gas bills may be caused by Foreign Load, PGW shall fully and promptly investigate such high bills, and shall, upon verifying such unauthorized connection(s), notify the building owner and place the utility account for that dwelling unit in the building owner's name consistent with Applicable Law.

*Some of the Material on this Page was originally located on pages 32, 33 & 35*

## 14. Gas Choice Enrollment and Switching

In accordance with all applicable final Commission Orders:

**14.1. EFFECTIVE DATE OF CUSTOMER CHOICE.** All GS, MS, and PHA Customers with an AMR will be eligible to purchase Natural Gas Supply Service from an NGS starting with their first regularly scheduled meter reading after September 1, 2003.

**14.2. RELEASE OF CUSTOMER INFORMATION.** PGW will send its GS, MS and PHA Customers notification that they have 15 days from the date PGW sends the Gas Choice Release Form to restrict release of their information to alternative suppliers. PGW's Customers will have three methods for restricting the release of their information: 1.) mailing a response card, 2.) calling PGW, or 3.) making an online selection. If no response is received within the 15 days then PGW will release a Customer's name, billing address, service address, rate class, customer class, next meter read date, shopping status, monthly consumption data for 12 months, service point number and account number. A Customer who responds within 15 days may restrict release of all of his/her account information or just his/her usage data. (C)

**14.3. SELECTION OF A NATURAL GAS SUPPLIER.** A Customer shall have the opportunity to select a Supplier in accordance with Commission Orders and the procedures contained in this Tariff and in the Supplier Tariff. A Customer or his/her authorized agent must contact the NGS directly to switch Suppliers. The NGS must maintain recorded or written evidence of the Customer's authorization.

**14.4. CONFIRMATION NOTICE.** Once an NGS notifies PGW that a Customer has selected them as their alternative supplier, PGW will send a confirmation notice to the Customer. Included in this notice shall be notification of a waiting period in compliance with Applicable Law which the Customer may cancel its selection of an NGS. The waiting period shall begin on the day the notice is mailed to the Customer. If applicable, the Company will notify the Customer's prior NGS of the intended discontinuance of service of the Customer. (C)

**14.5. FAILURE TO RESPOND TO THE CONFIRMATION NOTICE.** If the waiting period expires, and the Customer has not contacted the Company to dispute the NGS selection, the NGS will become the Customer's NGS of record. If the Customer elects to rescind its NGS selection, the Company will notify the rejected NGS and the reinstated NGS electronically. In the event the Customer rescinds its NGS selection after the waiting period, the Customer will be required to remain with the selected NGS for a minimum of one billing month. (C)

**14.6. EFFECTIVE DATE OF ENROLLMENT.** For enrollments received on or before the 15th of any calendar month, the Customer will be switched on the Customer's regularly scheduled meter reading date in the calendar month following the calendar month in which the enrollment was received. For enrollments received after the 15th of the calendar month, the Customer will be switched on the Customer's regularly scheduled meter reading date in the second calendar month following the calendar month in which the enrollment was received. If, in any month, a Customer selects more than one NGS, the NGS that submitted to the Company the latest valid NGS enrollment transaction before the end of the applicable NGS selection period, will become the Customer's NGS of record beginning on the Customer's next regularly scheduled meter read date. No fee will be charged for initial enrollment.

**14.7. CHANGE OF ADDRESS.** If a Customer contacts the Company to discontinue natural Gas Service at the Customer's then current location, the Company will notify the current NGS of the Customer's discontinuance of service for the account at the Customer's old location. If available, the Company will provide the NGS that served the Customer at the old location with the Customer's new mailing address or forwarding address.

14.8. CHANGE OF ACCOUNT NUMBER. If the Company elects to change the account number for a Customer receiving Natural Gas Supply from an NGS, the Company will notify the NGS of the change in account number at the same Customer location.

14.9. SUPPLIER DISCONTINUANCE OR DEFAULT. If a NGS terminates sales to a Customer prior to the end of the Customer's contract with the NGS because of a default of the supplier or if the supplier discontinues service in the territory, the Customer will continue to pay the NGS' contract rate through the end of the applicable billing cycle. After that time, the Customer will be charged at the Supplier of Last Resort rate. Any costs incurred by the Company during the period between the NGS discontinuance/default and the first day of the Customer's next regular billing cycle which cannot be recovered from the NGS shall be considered a Purchased Gas Cost.

(C)

14.10. ADDITIONAL LIMITATIONS OF LIABILITY IN CONNECTION WITH CUSTOMER CHOICE. Other than its duty to deliver Natural Gas, the Company shall have no other duty or liability to a Customer receiving Natural Gas Supply Service arising out of or relating to a contract or other relationship between such Customer and an NGS. The Company shall implement Customer selection of an NGS consistent with applicable rules of the Commission and shall have no liability to a Customer receiving Natural Gas Supply Service arising out of or relating to switching NGSs unless the Company is negligent in switching or failing to switch a Customer. The Company shall have no duty or liability with respect to Natural Gas delivered by an NGS to a point of delivery on the Company's distribution system. After its receipt of Natural Gas at the point of delivery the Company shall have the same duty and liability for distribution service to Customers receiving Natural Gas Supply Service as to those purchasing Natural Gas from the Company.

14.11.A. Control and Possession of Gas. The Customer or its NGS shall be deemed to be in control and possession of the Gas to be transported hereunder until it shall have been delivered to the Company at the receipt point, after which the company shall be deemed to be in control and possession thereof. The Customer or its NGS assumes the full cost and expense, as well as full and complete liability and responsibility, for collecting, gathering and transporting the Gas to the receipt point hereunder at the quality herein before specified.

14.11.B. Title to Gas. Notwithstanding the transfer of control and possession of the Gas at the receipt point, receipt of Gas by the Company shall not vest title to the Gas in the Company. Title to such Gas shall remain vested in either the Supplier or the Customer(s) for whom Gas was received for redelivery. The Company's furnishing of transportation service shall be complete upon delivery to the Customer(s) of Gas received. The Customer warrants and will provide satisfactory documentation, upon request, that it has good and merchantable title for all Gas delivered to the Company for transportation hereunder. Title shall be free and clear of all liens, encumbrances and claims whatsoever. Customer will indemnify Company and hold the Company harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of the adverse claims of any or all persons to said Gas and/or to royalties, taxes, license fees or charges thereon, including pipeline transportation and service charges, which are applicable to such Gas and/or the delivery of such Gas to the Company. The Customer or its NGS shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such Gas before, during and after receipt by the Company.

14.12. PURCHASE OF RECEIVABLES. PGW will offer a purchase of receivables program with respect to eligible GS residential customers and GS commercial and industrial customers using no more than 5,000 MCF annually with an AMR.

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## SENIOR CITIZEN DISCOUNT\*

### I. PROVISION FOR SENIOR CITIZEN DISCOUNT

A. A Customer or Applicant shall be granted a reduction in monthly charges for Gas Service provided by the Company for Residential purposes if said person satisfies the conditions set forth below:

1. Is a PGW firm sales or a firm transportation customer.
2. Is 65 years of age or older;
3. Resides in the City of Philadelphia;
4. Does or will directly make payment to the Company for Gas Service at his or her residence;
5. Completes an acceptable application;
6. Maintains his or her qualification for same.

B. The Senior Citizen Discount, as set forth in this Tariff, shall only apply to the Gas which is consumed for Heating and Non-Heating purposes in that portion of the building in which the senior citizen resides. Therefore, if the senior citizen resides in a building that is part Residential and part Commercial or rental (to someone other than the senior citizen), only that portion of the building that is occupied by the senior citizen as a residence will be eligible for the Senior Citizen Discount.

### II. COMPUTATION OF SENIOR CITIZEN DISCOUNT

A. For eligible Retail Sales Service Customers, Gas Service provided by the Company will be priced at the full rate then in effect, as authorized by the Commission, and 80% of this amount will be billed to the Customer. For Competitive Natural Gas Supply Customers participating in NGDC Consolidated Billing, Gas Service provided by the Company will be priced at the full rate then in effect, as authorized by the Commission; 80% of the PGW charges will be billed to the Customer; Supplier commodity charges will be billed at 100%.

B. In the event taxes or other charges become applicable after the effective date hereof, which charges cannot lawfully or in equity be treated as herein provided, the application of the Senior Citizen Discount affecting such charges will be limited accordingly, so as to provide a result which, in the Company's opinion, is reasonably consistent with the intention of providing a discount of the type here authorized.

### III. APPLICATION FOR SENIOR CITIZEN DISCOUNT

An application for Senior Citizen discount must be completed by the Applicant in person at any one of the Company's offices or at such other place as the Company provides.

\* As of September 1, 2003 enrollment in the Senior Citizens Program will be closed. Customers who are properly receiving discounted rates will continue to do so under these terms and conditions unless and until the program is modified in accordance with 66 Pa. C.S. § 2212. All affected and eligible low income Customers may apply to participate in the Customer Responsibility Program (CRP).

## **RESTRUCTURING AND CONSUMER EDUCATION SURCHARGE**

Non-Gas restructuring and consumer education costs will be recovered by a Restructuring and Consumer Education Surcharge applicable to all volumes of Gas delivered.

1. Computation of the Restructuring and Consumer Education Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307 of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
2. Restructuring and Consumer Education costs recovered through the Surcharge mechanism are the Commission approved costs which the Company has or will incur to meet the requirements of the Natural Choice and Competition Act and applicable Commission regulations, orders and other regulatory requirements, other than those costs pertaining to universal service and energy conservation programs.
3. Once the surcharge is in place, PGW shall file reconciliation statements quarterly and shall submit a claim for over/under recovery on an annual basis, at the same time it submits its projected Restructuring costs and Restructuring Surcharge claim for the next year; provided however, that if a project for which costs were included in the Restructuring Surcharge is cancelled or delayed beyond the year in which the cost was originally scheduled to be incurred, the Company will withdraw the projected costs of that project from the Restructuring Surcharge in its next quarterly update. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the restructuring and consumer education costs approved for annual recovery by the estimated applicable throughput in Mcf.
4. The Restructuring and Consumer Education Surcharge shall remain in effect until restructuring and consumer education costs have been collected or as otherwise directed by the Commission.
5. The Restructuring and Consumer Education Surcharge is effective on and after September 1, 2008.

Current Restructuring and Consumer Education Surcharge = \$0.00062/Ccf

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