

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

VOLUME IV (PART 3 OF 3)

RESPONSES TO FILING REQUIREMENTS

**ON BEHALF OF
PHILADELPHIA GAS WORKS**

PHILADELPHIA GAS WORKS

R-2009-2139884

DECEMBER 2009

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.1. If Unrecovered Fuel Cost policy is implemented, provide the following:

III.E.1.a. State manner in which amount of Unrecovered Fuel Cost on balance sheet at the end of the test year was determined, and the month in test year in which such fuel expense was actually incurred. Provide amount of adjustment made on the rate case operating account for test year-end unrecovered fuel cost. (If different than balance sheet amount, explain.)

III.E.1.b. Provide amount of Unrecovered Fuel Cost that appeared on the balance sheet at the opening date of the test year, and the manner in which it was determined. State whether this amount is in the test year operating account.

RESPONSE:

- a. No over/under collection of fuel costs for the period September 1, 2009 through August 31, 2010 are anticipated in the test year.**
- b. The portion of deferred over/under collection of fuel costs for the period September 1, 2008 through August 31, 2009 was \$24,635,600. This was the estimate used at the beginning of the test year.**

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.2. Provide details of items and amounts comprising the accounting entries for Deferred Fuel Cost at the beginning and end of the test year.

RESPONSE:

Please see the attached schedules which support the deferred fuel costs at the beginning and end of the test year: GCR Statement of Reconciliation for Fiscal Year 2009 and Fiscal Year 2010. No over/under collection of fuel costs for the period September 2009 through August 2010 are anticipated at the end of the test year.

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2008 THROUGH AUGUST 2009

	DEMAND CHARGES	COMMODITY CHARGES	NET COST OF FUEL	GCR FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER/UNDER RECOVERY	NATURAL GAS REFUNDS	CUMULATIVE OVER/UNDER RECOVERY
	1	2	3 = (1+2)	4	5	6 = (4*5)	7 = (3-6)	8	9	10	11 = (9+10-7)	12	13
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2007-2008 OVER-COLLECTION													
2007-2008 INTEREST													
TOTAL "E" FACTOR													
SEPTEMBER * 2008	Actual	13,234,572	18,977,677	1,099,000	0.1776	195,182	18,782,495	12,5352	14,021,704	(11,895)	(4,772,685)	30,883	30,562,871
OCTOBER *	Actual	26,882,274	32,487,717	1,408,906	0.2166	304,736	32,182,981	12,6527	17,771,284	(32,123)	(14,453,840)	0	804,388
NOVEMBER *	Actual	44,282,034	50,512,585	3,398,537	0.2166	736,188	50,076,407	12,6527	42,982,383	(86,343)	(7,180,387)	0	31,107,239
DECEMBER *	Actual	6,289,852	79,739,222	7,193,130	0.2166	1,558,032	84,470,842	12,6527	90,887,340	1,211	6,517,708	0	26,365,446
JANUARY 2009	Actual	116,846,080	122,281,446	9,211,074	0.2113	1,945,839	120,335,607	11,5757	108,465,137	(11,417)	(13,581,887)	0	11,911,606
FEBRUARY	Actual	6,111,744	72,302,683	8,874,597	0.2059	1,827,300	76,587,107	10,7007	94,948,381	22,064	6,517,708	0	11,246,928
MARCH	Actual	6,430,718	83,785,086	6,690,089	0.2091	1,398,563	88,828,221	9,5600	63,294,692	44,372	18,353,339	0	(2,532,958)
APRIL	Actual	5,946,579	18,947,534	4,373,233	0.2122	928,000	23,986,113	8,4182	38,808,123	(37,181)	(5,488,167)	0	16,750,380
MAY	Actual	6,730,009	8,251,276	2,186,286	0.2122	463,930	13,577,308	8,4182	18,441,508	(15,428)	(4,905,721)	0	23,167,053
JUNE	Actual	5,853,658	4,646,395	1,360,535	0.2141	285,904	10,008,449	7,8004	10,781,884	9,612	764,846	0	28,076,773
JULY	Actual	5,590,165	4,485,608	1,162,540	0.2159	250,992	9,824,769	7,1818	8,449,439	(19,548)	(1,384,878)	6,275	28,840,620
AUGUST	Actual	5,815,131	4,756,418	1,017,205	0.2159	219,815	10,355,934	7,1815	7,388,777	14,398	(2,882,760)	138,343	27,452,016
Total		71,838,021	457,130,143	47,983,530		10,123,881	518,944,283		512,401,413	(102,279)	(6,645,148)	173,510	24,635,600

* Revised

RECONCILIATION OF DEMAND CHARGES

	DEMAND CHARGES LESS SSPC	FIRM SALES	DEMAND CHARGE IN EFFECT	DEMAND CHARGES BILLED	MONTHLY DEMAND OVER/UNDER	CUMULATIVE DEMAND OVER/UNDER
	1	2	3	4 = (2*3)	5 = (4-1)	6
	\$	\$	\$	\$	\$	\$
2007-2008 OVER-COLLECTION *						
2007-2008 UNDER-COLLECTION *						
SEPTEMBER 2008	Actual	1,099,000	1,4100	1,549,535	(4,200,486)	(4,580,068)
OCTOBER	Actual	1,406,906	1,4168	1,993,304	(3,657,139)	(6,237,202)
NOVEMBER	Actual	3,398,537	1,4168	4,815,472	(1,790,030)	(10,027,233)
DECEMBER	Actual	7,193,130	1,4168	10,191,227	3,920,280	(6,106,953)
JANUARY 2009	Actual	9,211,074	1,3984	12,889,516	6,473,405	368,452
FEBRUARY	Actual	8,874,597	1,3819	12,283,944	6,172,995	6,539,048
MARCH	Actual	6,690,089	1,4024	9,380,173	2,971,220	9,510,267
APRIL	Actual	4,373,233	1,4223	6,220,049	256,184	9,806,450
MAY	Actual	2,186,286	1,4223	3,109,553	(2,596,213)	7,210,238
JUNE	Actual	5,630,763	1,4036	1,937,719	(3,693,045)	3,517,183
JULY	Actual	1,162,540	1,3848	1,610,002	(3,953,344)	(438,191)
AUGUST	Actual	1,017,205	1,3848	1,408,727	(4,383,318)	(4,819,470)

SEPTEMBER 2009 THROUGH AUGUST 2010

	NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSFC & MIGRATION REVENUE	MONTHLY OVER(UNDER) RECOVERY	E FACTOR DISTRIBUTED ON GCR	CUMULATIVE OVER(UNDER) RECOVERY
	1.	2	3	4 = (2-3)	5 = (1-4)	6	7	8	9 = (7+8-5)	10	11
	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
AUGUST 2008 OVER-COLLECTION INTEREST 2008 INTEREST											
TOTAL "E" FACTOR											
SEPTEMBER	Estimated	1,842,237	0.1114	116,054	12,192,639	7.8550	8,186,723	15,727	(3,890,189)	1,114,792	(2,875,397)
OCTOBER	Estimated	1,638,701	0.1114	182,471	18,356,427	7.2807	11,947,275	7,874	(7,483,479)	1,768,629	(9,507,247)
NOVEMBER	Estimated	3,987,869	0.1114	420,364	36,487,505	7.2807	27,523,262	(17,109)	(8,951,351)	3,342,728	(14,145,970)
DECEMBER	Estimated	8,534,480	0.1114	727,622	62,366,701	7.2807	67,640,937	(31,278)	(14,757,048)	5,714,423	(23,188,488)
JANUARY	Estimated	10,270,084	0.1114	1,143,566	74,747,802	7.2807	74,876,103	(87,293)	21,238	6,873,429	(16,273,821)
FEBRUARY	Estimated	9,077,794	0.1114	1,010,823	63,599,639	7.2807	66,183,475	(62,905)	2,520,872	5,851,744	(7,901,206)
MARCH	Estimated	83,017,711	0.1114	801,232	52,216,475	7.2807	52,490,520	(24,191)	219,850	4,801,789	(2,879,567)
APRIL	Estimated	4,988,338	0.1114	555,457	28,620,126	7.2807	36,388,473	34,908	7,783,255	2,642,419	7,548,107
MAY	Estimated	16,302,933	0.1114	267,950	18,034,963	7.2807	17,644,018	28,128	(452,838)	1,657,688	8,740,959
JUNE	Estimated	12,970,082	0.1114	157,611	12,812,471	7.2807	10,319,525	23,978	(2,488,971)	1,174,684	7,446,882
JULY	Estimated	1,140,077	0.1114	126,949	13,078,668	7.2807	6,311,961	24,378	(4,742,327)	1,196,026	3,900,381
AUGUST	Estimated	1,088,188	0.1114	122,082	13,116,810	7.2807	7,881,887	24,188	(5,089,658)	1,108,848	(329)
Total		412,261,290		5,632,181	406,628,110		389,354,250	(63,767)	(37,338,637)	37,338,308	(329)

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.3. Submit a schedule showing a reconciliation of test year MCF sales and line losses. List all amounts of gas purchased, manufactured and transported.

RESPONSE:

Please see attached.

Test Year

	MCF @1032 BTU
CITY GATE REQUIREMENTS	
Sendout:	
Firm Customers	53,266,640
Co-Gen	9,667
BPS	693,450
LBS	98,298
Firm Transport	<u>2,876,123</u>
Total Sendout	56,944,177
Plant Use*	153,762
Storage Inj/WD/Trans Fuel	512,481
Storage Injected	11,063,769
LNG Liquified	2,301,848
LNG Trucking	<u>(130,814)</u>
Total Required	70,845,223
CITY GATE SOURCES	
Pipeline Supply	59,469,668
Pipeline delivered to FT	2,100,416
Transportation Fuel	<u>(3,289,212)</u>
Total Net Pipeline	58,280,872
Gross Storage Withdrawal	10,485,650
Storage Delivered to FT	<u>657,752</u>
Total Storage	11,143,402
LNG Boiloff + Vaporization Gas Sales	1,302,994
LNG delivered to FT	<u>117,954</u>
Total Net LNG	1,420,949
Sources	70,845,223
Total Billed Sales	51,350,513
Company Use	567,896
Firm Transport Sales	2,804,947
Total Accounted For	54,723,355
Total Sendout	56,944,177
Line Loss (UAF) Volumes	2,220,822
Line Loss (UAF) %	0.039

* Plant use is the accumulated fuels for LNG injection and vaporization as well as the miscellaneous fuels needed to run the Richmond and the Passyunk plant.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.4. Provide detailed calculations substantiating the adjustment to revenues for annualization of changes in number of customers and annualization of changes in volume sold for all customers for the test year.

III.E.4.a. Break down changes in number of customers by rate schedules.

III.E.4.b. If an annualization adjustment for changes in customers and changes in volume sold is not submitted, please explain.

RESPONSE:

There are not any adjustments to revenues for annualization of changes in number of customers and annualization of changes in volume sold.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.5. Submit a schedule showing the sources of gas supply associated with annualized MCF sales.

RESPONSE:

Please see attached.

Exh A-III.E.5

SUPPLIER	MCF
Tetco Spot	14,733,749
Tetco Supplier # 1	88,092
Tetco Supplier # 13	6,436,962
Tetco Supplier # 17	295,543
Transco Spot	33,024,818
Transco Supplier # 2	1,658,915
Transco Supplier # 6	591,085
Transco Supplier # 7	1,666,667
Transco Supplier # 8	295,543
Transco Supplier # 10	87,209
Transco Supplier # 12	295,543
Transco Supplier # 20	295,543
TOTAL SUPPLY	59,469,668

Philadelphia Gas Works Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.6. Supply, by classification, *Operating Revenues—Miscellaneous* for test year.

RESPONSE:

OPERATING REVENUE
TWELVE MONTHS ENDED AUGUST 31, 2010

OPERATING REVENUES

SALES OF GAS

480.0	Residential Sales	\$642,434,000
481.0	Commercial & Industrial Sales	148,540,000
482.0	Public Authority Sales	21,786,000
483.0	Sales for Resale	4,000
489.3	Gas Transportation Service Sales	30,084,000
495.0	Other Gas Revenues	21,581,000
	Total Gas Revenues	864,429,000

OTHER OPERATING REVENUE

487.0	Forfeited Discounts	9,264,000
488.0	Miscellaneous Service Revenue	199,000
		9,463,000

TOTAL OPERATING REVENUE **\$873,892,000**

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.7. Provide details of respondent's attempts to recover uncollectible and delinquent accounts.

RESPONSE: PGW follows 66 Pa. C.S. Chapter 14 statutory requirements and 52 Pa. Code Chapter 56 regulations for collection of residential and commercial customers' delinquent account balances. PGW assesses the collections risk of every account on a monthly basis. Depending on risk score, income level, and time of year, PGW utilizes outbound calling and/or execution of the service termination process to address delinquent accounts.

PGW refers final bill and bad debt placements to collection agencies for continuing collection activity. When service is terminated, the customer receives a final bill. Once the due date for the final bill has passed, PGW sends the customer a delinquency notice and places the account with a primary collection agency. If the primary collection agency is unable to collect the balance within 90 days, PGW writes off the balance and the accounts remains with the agency for another 90 days. If the primary collection agency is unable to collect the balance within 180 days the account is sent to a secondary collection agency. If the secondary agency is unable to collection the balance within 180 days the accounts is returned to PGW. PGW also conducts ongoing internal matching and transfers bad debt account balances if the delinquent customer opens a new account with PGW.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.8. Describe how the *net* billing and *gross* billing is determined. For example, if the *net* billing is based on the rate blocks plus FCA and STA, and the *gross* billing is determined by a percentage increase (1, 3 or 5 percent), then state whether the percentage increase is being applied to all three items of revenue—rate blocks plus FCA and STA.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.9. Describe the procedures involved in determining whether forfeited discounts or penalties are applied to customer billing.

RESPONSE: The following are the tariff sections which apply finance charges and returned check fees to customer billings:

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.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.10. Provide annualization of revenues as a result of rate changes occurring during the test year, at the level of operations as of end of the test year.

RESPONSE:

There are not any rate changes occurring during the test year.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.11. Provide a detailed billing analysis supporting present and proposed rates by customer classification and/or tariff rate schedule.

RESPONSE:

Please see attached.

Philadelphia Gas Works									
RATE CASE 2010									
Tariff Revenue at Current Rates									
Test Year 2010				Current FUC Approved Tariff Rates					
No. of Customers	No. of Annual Bills	Annual Deliveries (mcf)	Monthly Cust. Charge	GCR Charge	Univ. Service Charge	Retr. and Cons. Educ. Charge	Delivery Charge	Cust. Charge Revenue	Total Full Tariff Revenue
7 Non-Heating: Residential	31,002	372,021	658,616	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	14,728
8 Residential	1,942	23,206	34,450	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	817
9 Residential-Senior	5,025	60,300	1,314,572	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,246.5	20,337
0 Commercial	206	2,467	215,345	\$50.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,246.5	3,277
1 Industrial	114	1,368	146,486	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$3,817.8	1,961
2 Municipal/MS	38,289	459,462	2,369,469						41,120
3 Total Non-Heat Firm									
4									
5 Heating:									
6 Residential	400,307	4,803,683	36,122,041	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	620,563
7 Residential-Senior	31,728	380,740	3,025,947	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	51,725
8 Commercial	18,271	219,246	7,232,733	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,246.5	37,253
9 Industrial	510	6,120	454,809	\$50.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,246.5	6,907
10 Municipal/MS	408	4,891	571,915	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$3,817.8	7,648
11 PHA Rate 8	833	9,993	593,669	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,189.9	8,841
12 PHA/GS	1,889	22,672	202,798	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,281.7	3,249
13 PHA/GS - Senior	67	804	6,626	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,281.7	107
14 Total Heat Firm	454,012	5,448,149	48,210,358						808,967
15 Total Heat & Non-Heat Firm	492,301	5,907,611	50,580,027						850,087
16									
17 Firm Transport									
18 Non-Heating:									
19 Residential	0	0	0	\$12.00	\$2,076.00	\$2,076.00	\$0.0227	\$6,184.00	0
20 Commercial	382	4,584	315,313	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	2,398
21 Industrial	21	252	50,869	\$50.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	366
22 Municipal/MS	218	2,616	123,866	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$3,817.8	760
23 Total Non Heat FT	621	7,452	490,048						3,564
24									
25 Heating:									
26 Residential	0	0	0	\$12.00	\$2,076.00	\$2,076.00	\$0.0227	\$6,184.00	0
27 Commercial	1,190	14,280	1,591,524	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	11,945
28 Industrial	42	504	268,130	\$50.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	1,995
29 Municipal/MS	176	2,112	455,256	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$3,817.8	2,732
30 Total Heat FT	1,408	16,896	2,314,910						16,671
31 Total FT	2,029	24,348	2,804,958						20,235
32									
33 Total Interruptible	129	1,546	770,488						8,013
34 Total PGW	494,439	5,933,505	54,155,473						878,355
35 GTS / IT Revenue									9,844
36 SSPC GCR / Rounding									189
37 Current Tariff Revenue at Full Tariff Rates									888,368
38 Less: GCR Revenue									360,290
39 Description: Tariff Revenue									519,078

Philadelphia Gas Works
Allocated Class COS Study - 2009
Revenue at Company's Proposed Rates

	Rate Year 2010			Company's Proposed Rates			Amounts in \$000s				
	No. of Customers	No. of Annual Bills	Annual Sales (mcf)	Cust. Charge	Delivery Charge		Cust. Revenue	GCR Revenue	USC/RGC Revenue	Delivery Revenue	Total Full Tariff Rev.
1 Non-Heating:											
2 Residential	31,002	372,021	658,616	\$12.00	\$7.2977		4,464	4,809	1,382	4,806	15,461
3 Residential-Senior	1,942	23,306	34,450	\$12.00	\$7.2977		280	252	72	251	855
4 Commercial	5,025	60,300	1,314,572	\$18.00	\$5.0287		1,085	9,598	2,759	6,611	20,053
5 Industrial	206	2,467	215,345	\$50.00	\$6.4144		123	1,572	452	1,381	3,529
6 Municipal/MS	114	1,368	146,486	\$18.00	\$3.4344		25	1,070	307	503	1,905
7 Total Non-Heat Firm	38,289	459,462	2,369,469				5,977	17,300	4,973	13,553	41,803
8											
9 Heating:											
10 Residential	400,307	4,803,683	36,122,041	\$12.00	\$7.2977		57,644	263,731	75,809	263,608	660,792
11 Residential-Senior	31,728	380,740	3,025,947	\$12.00	\$7.2977		4,569	22,093	6,351	22,082	55,095
12 Commercial	18,271	219,246	7,232,733	\$18.00	\$5.0287		3,946	52,807	15,179	36,371	108,304
13 Industrial	510	6,120	454,809	\$50.00	\$6.4144		306	3,321	955	2,917	7,498
14 Municipal/MS	408	4,891	571,935	\$18.00	\$3.4344		88	4,176	1,200	1,964	7,428
15 PHA Rate 8	833	9,993	593,669	\$18.00	\$5.0990		180	4,334	1,246	3,027	8,787
16 PHA/GS	1,889	22,672	202,798	\$12.00	\$5.1784		272	1,481	426	1,050	3,228
17 PHA/GS- Senior	67	804	6,626	\$12.00	\$5.1784		9,648	48	14	34	106
18 Total Heat/Firm	454,012	5,448,149	48,210,538				67,015	351,990	101,179	331,055	851,239
19 Total Firm Sales	492,301	5,907,611	50,580,027				72,992	369,290	106,152	344,607	893,042
20											
21 Firm Transport											
22 Non-Heating:											
23 Residential	0	0	0	\$12.00	\$7.2977		0		0	0	0
24 Commercial	382	4,584	315,313	\$18.00	\$5.0287		83		662	1,586	2,330
25 Industrial	21	252	50,869	\$50.00	\$6.4144		13		107	326	446
26 Municipal/MS	218	2,616	123,866	\$18.00	\$3.4344		47		260	425	732
27 Total Non Heat FT	621	7,452	490,048				142		1,028	2,337	3,508
28											
29 Heating:											
30 Residential	0	0	0	\$12.00	\$7.2977		0		0	0	0
31 Commercial	1,190	14,280	1,591,524	\$18.00	\$5.0287		257		3,340	8,003	11,600
32 Industrial	42	504	268,130	\$50.00	\$6.4144		25		563	1,720	2,308
33 Municipal/MS	176	2,112	455,256	\$18.00	\$3.4344		38		955	1,564	2,557
34 Total Heat FT	1,408	16,896	2,314,910				320		4,858	11,287	16,465
35 Total FT	2,029	24,348	2,804,958				462		5,887	13,624	19,973
36											
37 Interruptible:											
38 Total PCW	129	1,546	770,488				94			7,920	8,013
39 GTS / IT Revenue	494,459	5,933,505	54,155,473				73,549	369,290	112,039	366,151	921,029
40											9,844
41 Proposed Tariff Revenue at Full Tariff Rates											930,872
42 Less GCR Revenue											369,290
43 Distribution Tariff Revenue at Proposed Rates											561,583
44											42,504
45											519,080
46											47,502
											Target
											Current Rates
											Actual Increases

Target
Current Rates
Actual Increase

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.12. Provide a schedule showing residential and commercial heating sales by unit (MCF) per month and degree days for the test year and three preceding twelve month periods.

RESPONSE:

- Please see attached.

Exh.A-III.E.12

	Sep-06 Actual	Oct-06 Actual	Nov-06 Actual	Dec-06 Actual	Jan-07 Actual	Feb-07 Actual	Mar-07 Actual	Apr-07 Actual	May-07 Actual	Jun-07 Actual	Jul-07 Actual	Aug-07 Actual
Residential	746,193	1,088,658	2,527,983	3,929,514	5,194,043	7,596,178	6,126,847	3,934,836	1,813,219	917,181	773,992	612,950
Commercial	222,740	338,899	616,499	835,479	1,079,292	1,488,177	1,210,338	765,302	377,981	201,014	233,381	210,176
Industrial	18,674	24,898	42,737	65,496	86,868	120,328	97,364	51,265	20,679	7,542	17,357	16,402
Municipal	9,285	13,105	70,418	101,879	110,387	233,101	155,475	101,765	23,853	846	10,061	4,392
Housing Authority	15,879	35,145	55,259	65,493	83,775	101,933	76,163	65,452	39,831	17,760	16,873	13,591
Total Heating	1,012,771	1,480,704	3,312,896	4,997,861	6,554,365	9,539,716	7,666,187	4,918,620	2,275,563	1,144,343	1,051,664	857,511
Degree Days	9	212	324	575	752	951	557	365	28	1	0	4
	Sep-07 Actual	Oct-07 Actual	Nov-07 Actual	Dec-07 Actual	Jan-08 Actual	Feb-08 Actual	Mar-08 Actual	Apr-08 Actual	May-08 Actual	Jun-08 Actual	Jul-08 Actual	Aug-08 Actual
Residential	745,249	822,946	2,326,439	5,407,788	6,113,316	6,077,317	5,342,681	3,406,874	1,558,663	1,092,805	747,196	705,807
Commercial	223,209	241,526	552,724	1,054,032	1,195,117	1,163,354	974,331	623,799	343,714	233,081	207,775	180,817
Industrial	15,516	13,841	29,710	66,052	73,527	79,630	57,186	31,134	20,001	10,919	14,453	9,496
Municipal	8,500	5,134	27,563	91,956	118,562	111,323	87,420	68,436	30,845	9,346	3,888	3,721
Housing Authority	15,327	27,971	67,793	96,308	107,033	94,531	81,767	52,376	27,497	23,539	13,719	13,985
Total Heating	1,007,800	1,111,418	3,004,230	6,716,136	7,607,555	7,516,155	6,543,385	4,182,619	1,980,520	1,369,689	987,030	913,826
Degree Days	6	80	499	746	842	720	538	211	104	0	0	0
	Sep-08 Actual	Oct-08 Actual	Nov-08 Actual	Dec-08 Actual	Jan-09 Actual	Feb-09 Actual	Mar-09 Actual	Apr-09 Actual	May-09 Actual	Jun-09 Actual	Jul-09 Actual	Aug-09 Actual
Residential	741,465	932,758	2,515,461	5,614,936	7,263,600	7,031,223	5,250,561	3,403,849	1,639,529	985,938	819,750	715,560
Commercial	195,202	274,201	537,850	1,041,558	1,318,343	1,242,649	937,022	594,843	307,891	224,626	185,913	170,037
Industrial	10,863	15,386	32,232	68,281	81,947	74,751	56,246	30,308	12,282	9,360	9,359	9,503
Municipal	4,560	9,197	53,128	84,545	112,349	111,813	99,904	68,387	22,056	7,855	5,800	5,227
Housing Authority	19,543	34,735	59,769	87,318	118,901	89,058	96,691	58,444	26,674	23,759	15,450	13,952
Total Heating	971,632	1,266,278	3,198,440	6,896,638	8,895,139	8,549,494	6,440,423	4,155,830	2,008,431	1,251,558	1,036,272	914,279
Degree Days	3	207	488	742	1010	714	668	282	67	9	0	0
	Sep-09 Estimated	Oct-09 Estimated	Nov-09 Estimated	Dec-09 Estimated	Jan-10 Estimated	Feb-10 Estimated	Mar-10 Estimated	Apr-10 Estimated	May-10 Estimated	Jun-10 Estimated	Jul-10 Estimated	Aug-10 Estimated
Residential	686,698	1,119,482	2,831,942	5,050,574	8,249,884	7,291,679	5,746,940	4,006,158	1,852,608	985,159	778,537	747,751
Commercial	189,650	296,104	587,207	958,453	1,371,127	1,210,032	971,359	659,646	347,952	243,506	202,375	195,324
Industrial	11,585	20,380	39,802	64,816	86,196	75,626	60,716	38,650	20,032	13,965	11,721	11,319
Municipal	6,375	26,484	60,581	104,008	121,402	103,538	81,086	39,102	15,348	5,187	4,484	4,341
Housing Authority	14,935	31,877	60,040	95,864	109,992	95,148	76,659	42,033	22,463	16,544	14,302	13,811
Total Heating	919,243	1,494,326	3,579,572	6,273,715	9,938,601	8,776,023	6,936,759	4,785,580	2,258,403	1,284,361	1,011,419	972,545
Degree Days	34	238	495	817	963	807	642	325	101	0	0	0

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.13. Provide a schedule of present and proposed tariff rates showing dollar change and percent of change by block. Also, provide an explanation of any change in block structure and the reasons therefor.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.14. Provide the following statements and schedules. The schedules and statements for the test year portion should be reconciled with the summary operating statement.

III.E.14.a. An operating revenues summary for the test year and the year preceding the test year showing the following (Gas MCF):

III.E.14.a.(i) For each major classification of customers

III.E.14.a.(i).(a) MCF sales

III.E.14.a.(i).(b) Dollar Revenues

III.E.14.a.(i) (c) Forfeited Discounts (Total if not available by classification)

III.E.14.a.(i).(d) Other and Miscellaneous revenues that are to be taken into the utility operating account along with their related costs and expenses.

III.E.14.a.(ii) A detailed explanation of all annualizing and normalizing adjustments showing method utilized and amounts and rates used in calculation to arrive at adjustment.

III.E.14.a.(iii) Segregate, from recorded revenues from the test year, the amount of revenues that are contained therein, by appropriate revenue categories, from:

III.E.14.a.(iii).(a) Adjustment Surcharge

III.E.14.a.(iii).(b) State Tax Surcharge

III.E.14.a.(iii)(c) Any other surcharge being used to collect revenues.

III.E.14.a.(iii)(d) Provide explanations if any of the surcharges are not applicable to respondent's operations. [The schedule should also show number of customers and unit of sales (Mcf), and should provide number of customers by service classification at beginning and end of test year.]

III.14.b. Provide details of sales for resale, based on periods five years before and projections for five years after the test year, and for the test year. List customers, Mcf sold, revenues received, source of Mcf sold (storage gas, pipeline gas, manufactured gas, natural or synthetic), contracted or spot sales, whether sales are to affiliated companies, and any other pertinent information.

RESPONSE:

III.E.14.a.(i).(a) and III.E.14.a.(i).(b) – Please see attached.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.14.a.(i).(c). – Not applicable.

III.E.14.a.(i).(d) – See directly below:

OTHER AND MISCELLANEOUS REVENUE

	Budget <u>FY 2010</u>	Actual <u>FY 2009</u>
<u>Appliance & Other Revenue</u>		
Appliance Revenue	\$7,000,000	\$7,076,398
Collection Related Revenue	1,972,000	2,234,264
Total	<u>\$8,972,000</u>	<u>\$ 9,310,662</u>
 <u>Other Operating Revenue</u>		
Finance Charges	\$9,264,000	\$9,506,252
Suspended Service Charges	1,000	-
Returned Check Charges	191,000	154,549
Charge Back - Credit Cards	7,000	3,015
Contractual Obligation Adjustment	135,000	8,771
Total	<u>\$9,598,000</u>	<u>\$9,672,587</u>
 Total Other & Miscellaneous Revenue	 \$18,570,000	 \$18,983,249

III.E.14.a.(ii) – See the response to Exhibit A – III.A.20 & Exhibit JRB-2B of Mr. Bogdonavage's testimony (PGW St. 2).

III.E.14.a.(iii)(a thru d) and III.E.14.b. –

- (a) Please see the column titled 'GCR Charge Revenue' in the attached proof of revenue schedule.
- (b) PGW does not have a state tax surcharge.
- (c) PGW does not engage in sales for resale.

**PHILADELPHIA GAS WORKS
SALES VOLUMES**

	ACT/EST 6 & 6 2008-2009	BUDGET 6 & 6 2009-2010
<u>NON-HEATING</u>		
RESIDENTIAL	717,880	653,072
CRP	40,778	39,994
COMMERCIAL	1,351,658	1,314,572
INDUSTRIAL	228,330	216,345
MUNICIPAL	134,088	146,486
HOUSING AUTHORITY	0	0
NGV Firm	436	327
<u>INTERRUPTIBLE</u>		
BPS-SMALL	132,803	93,804
LBS-L DIRECT	0	0
LBS-XL DIRECT	0	0
TRI-GEN	0	0
BPS-LARGE	835,944	582,908
LBS-L INDIRECT	14,105	8,687
LBS-S INDIRECT	101,223	63,684
LBS-XL INDIRECT	30,507	22,294
CO-GEN INDIRECT	12,703	9,290
GRAYSFERRY	0	0
GTS SALES	11,551	0
BPS A/C	6,017	9,894
NGV	0	0
TOTAL INTERRUPTIBLE	1,144,853	770,160
TOTAL FIRM NON-HTG	2,472,950	2,389,796
TOTAL NON-HEATING	3,617,803	3,139,955
<u>HEATING</u>		
RESIDENTIAL	27,927,143	28,793,526
CRP	9,755,969	10,354,462
HOUSING AUTHORITY - GS	193,474	208,424
COMMERCIAL	7,140,448	7,232,733
INDUSTRIAL	436,443	454,809
MUNICIPAL	515,084	571,935
HOUSING AUTHORITY - PHA	588,493	593,669
TOTAL HEATING	46,557,034	48,210,557
TOTAL FIRM HTG & NON-HTG	48,029,986	50,580,353
TOTAL GAS SALES	50,174,837	51,350,513
<u>FIRM TRANSPORT</u>		
<u>NON-HEATING</u>		
RESIDENTIAL	76	0
COMMERCIAL	255,007	315,310
INDUSTRIAL	39,409	50,867
MUNICIPAL	107,074	123,861
HOUSING AUTHORITY	0	0
TOTAL NON-HEATING	401,567	490,038
<u>HEATING</u>		
RESIDENTIAL	7,350	0
COMMERCIAL	1,265,886	1,591,523
INDUSTRIAL	208,158	268,123
MUNICIPAL	338,704	455,262
HOUSING AUTHORITY - PHA	0	0
TOTAL HEATING	1,820,097	2,314,908
TOTAL FIRM TRANSPORT	2,221,664	2,804,946
TOTAL SALES & FIRM TRANSPORT	52,398,501	54,155,459
GTS TRANSPORT	19,509,259	19,548,273
TOTAL SALES & TRANSPORT	71,905,759	73,703,732

**PHILADELPHIA GAS WORKS
REVENUE**

	ACT/EST 6 & 6 2008-2009	BUDGET 7 & 6 2009-2010
<u>NON-HEATING</u>		
RESIDENTIAL	18,637,637	14,632,672
CRP	462,251	423,382
COMMERCIAL	25,421,722	20,372,605
INDUSTRIAL	4,279,426	3,281,869
MUNICIPAL	2,272,610	1,983,027
HOUSING AUTHORITY	0	0
NGV Firm	6,601	3,943
<u>INTERRUPTIBLE</u>		
BPS-SMALL	2,212,877	1,093,084
LBS-L DIRECT	0	0
LBS-XL DIRECT	307	0
TRI-GEN	0	0
BPS-LARGE	11,799,979	5,698,291
LBS-L INDIRECT	160,928	100,667
LBS-S INDIRECT	1,216,108	732,992
LBS-XL INDIRECT	360,629	243,196
CO-GEN INDIRECT	129,026	72,474
GRAYSFERRY	0	0
GTS SALES	230,446	0
BPS A/C	48,662	75,273
NGV	0	0
TOTAL INTERRUPTIBLE	16,149,046	8,015,876
TOTAL FIRM NON-HTG	50,980,246	40,677,388
TOTAL NON-HEATING	67,129,292	48,693,263
<u>HEATING</u>		
RESIDENTIAL	569,148,876	488,995,166
CRP	98,892,986	95,881,967
HOUSING AUTHORITY - GS	3,794,806	3,336,121
COMMERCIAL	134,212,222	109,902,216
INDUSTRIAL	8,270,836	6,989,434
MUNICIPAL	8,938,049	7,644,306
HOUSING AUTHORITY - PHA	10,973,660	8,843,427
TOTAL HEATING	834,229,432	721,571,624
TOTAL FIRM HTG & NON-HTG	885,209,677	762,249,011
TOTAL GAS REVENUES	901,368,725	770,264,887
FIRM TRANSPORT		
<u>NON-HEATING</u>		
RESIDENTIAL	279	0
COMMERCIAL	1,942,187	2,400,077
INDUSTRIAL	289,196	386,673
MUNICIPAL	602,174	780,212
HOUSING AUTHORITY	0	0
TOTAL NON-HEATING	2,833,636	3,566,862
<u>HEATING</u>		
RESIDENTIAL	69,636	0
COMMERCIAL	9,612,606	11,946,861
INDUSTRIAL	1,578,206	1,996,281
MUNICIPAL	2,229,917	2,730,510
HOUSING AUTHORITY - PHA	0	0
TOTAL HEATING	13,480,264	16,672,622
TOTAL FIRM TRANSPORT	16,314,099	20,239,485
TOTAL SALES & FIRM TRANSPORT REVENUE	917,672,824	790,504,372
GTS TRANSPORT	9,043,684	9,843,626
TOTAL SALES & TRANSPORT	926,716,508	800,347,997

PHILADELPHIA GAS WORKS

	Average Number of Customers		Sales		Customer Counts	
	ACT/EST 6 & 6	BUDGET 6 & 6	ACT/EST 6 & 6	BUDGET 6 & 6	BUDGET 6 & 6	BUDGET 6 & 6
	2008-2009	2009-2010	2008-2009	2009-2010	Sep-01-09	Aug-31-10
NON-HEATING						
RESIDENTIAL	35,483	31,974	717,680	653,072	33,820	30,441
CRP	1,010	970	40,778	39,994	954	954
COMMERCIAL	5,081	5,026	1,381,658	1,314,672	4,892	5,026
INDUSTRIAL	211	205	228,330	216,345	209	203
MUNICIPAL	113	114	134,088	146,486	115	114
HOUSING AUTHORITY	0	0	0	0	0	0
NGV Firm	1	1	436	327	1	1
INTERRUPTIBLE						
BPS-SMALL	79	59	132,803	93,804	70	53
LBS-L DIRECT	0	0	0	0	0	0
LBS-XL DIRECT	0	0	0	0	0	0
TRI-GEN	0	0	0	0	0	0
BPS-LARGE	72	56	835,944	562,908	64	52
LBS-L INDIRECT	1	1	14,105	8,687	1	1
LBS-S INDIRECT	6	4	101,223	83,584	5	4
LBS-XL INDIRECT	1	1	30,507	22,294	1	1
CO-GEN INDIRECT	3	1	12,703	9,290	2	1
GRAYSFERRY	0	0	0	0	0	0
GTS SALES	0	0	11,551	0	0	0
BPS A/C	4	6	6,017	9,694	5	7
NGV	0	0	0	0	0	0
TOTAL INTERRUPTIBLE	166	126	1,144,853	770,160	148	119
TOTAL FIRM NON-HTG	41,879	38,289	2,472,950	2,369,796	39,991	36,738
TOTAL NON-HEATING	42,045	38,417	3,617,803	3,139,955	40,139	36,857
HEATING						
RESIDENTIAL	353,279	381,630	27,927,143	28,793,528	349,208	348,742
CRP	78,823	80,405	9,755,969	10,354,482	79,046	79,046
HOUSING AUTHORITY - GS	1,950	1,956	193,474	209,424	1,956	1,956
COMMERCIAL	18,431	18,271	7,140,448	7,232,733	18,322	18,283
INDUSTRIAL	524	610	435,443	454,809	515	509
MUNICIPAL	389	408	515,064	571,935	400	411
HOUSING AUTHORITY - PHA	866	833	588,493	693,689	836	831
TOTAL HEATING	454,272	454,012	48,557,034	48,210,557	450,283	449,778
TOTAL FIRM HTG & NON-HTG	496,151	492,301	49,029,986	50,580,353	490,274	488,516
TOTAL GAS SALES CUSTOMERS	498,317	492,429	50,174,837	51,350,513	490,422	488,636
FIRM TRANSPORT						
NON-HEATING						
RESIDENTIAL	3	0	76	0	0	0
COMMERCIAL	246	382	255,007	315,310	315	433
INDUSTRIAL	14	21	38,409	50,867	18	23
MUNICIPAL	219	218	107,074	123,861	218	218
HOUSING AUTHORITY	0	0	0	0	0	0
TOTAL NON-HEATING	481	621	401,567	490,038	551	674
HEATING						
RESIDENTIAL	16	0	7,350	0	0	0
COMMERCIAL	826	1,190	1,266,886	1,591,523	1,057	1,294
INDUSTRIAL	30	42	208,158	288,123	38	45
MUNICIPAL	175	176	338,704	455,262	176	176
HOUSING AUTHORITY - PHA	0	0	0	0	0	0
TOTAL HEATING	1,048	1,408	1,820,097	2,314,908	1,271	1,515
TOTAL FIRM TRANSPORT	1,527	2,029	2,221,664	2,804,946	1,822	2,189
TOTAL SALES & FIRM TRANSPORT	497,844	494,458	52,396,501	54,155,459	492,244	489,824
GTS TRANSPORT	286	340	19,509,259	19,548,273	315	351
TOTAL SALES & TRANSPORT	498,130	494,798	71,905,759	73,703,732	492,552	489,175

Test Year 2010			Current PUC Approved Tariff Rates					Amounts in \$000s					
No. of Customers	No. of Annual Bills	Annual Deliveries (incl)	Monthly Cust. Charge	GCR Charge	Univ. Service Charge	Restr. and Const. Educ. Charge	Delivery Charge	Cust. Charge Revenue	GCR Charge Revenue	Univ. Service Charge Revenue	Restr. & Const. Ed. Charge Rev.	Delivery Charge Revenue	Total Full Tariff Revenue
31,002	372,021	658,616	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	4,464	4,809	1,367	15	4,073	14,728
1,942	23,306	34,450	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	280	252	72	1	213	817
5,025	60,300	1,314,572	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,244.9	1,085	9,598	2,729	30	6,895	20,337
206	2,467	215,345	\$50.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,246.5	123	1,572	447	5	1,130	3,277
114	1,368	146,486	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$3,817.8	25	1,070	304	3	559	1,861
38,289	459,462	2,369,469						5,977	17,300	4,919	54	12,870	41,120
400,307	4,803,683	36,122,041	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	57,644	263,731	74,989	820	223,379	620,563
31,728	380,740	3,025,947	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	4,569	22,093	6,282	69	18,712	51,725
18,271	219,246	7,232,733	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,244.9	3,946	52,807	15,015	164	37,935	109,868
510	6,120	454,809	\$50.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,246.5	306	3,321	944	10	2,366	6,967
408	4,891	571,935	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$3,817.8	88	4,176	1,187	13	2,184	7,648
833	9,993	593,669	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,188.9	180	4,334	1,232	13	3,080	8,841
1,889	22,672	202,798	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,281.7	272	1,481	421	5	1,071	3,249
67	804	6,626	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,281.7	10	48	14	0	35	107
454,012	5,448,149	48,210,558						67,015	351,990	100,085	1,094	288,782	808,967
492,301	5,907,611	50,580,027						72,992	369,290	105,004	1,148	301,652	850,087
0	0	0	\$12.00		\$2,076.00	\$0.0227	\$6,184.00	0	0	0	0	0	0
382	4,584	315,313	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,244.9	83	655	7	1,654	2,398	2,398
21	252	50,869	\$50.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	13	106	1	267	396	396
218	2,616	123,866	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$3,817.8	47	257	3	473	780	780
621	7,452	490,048						142	0	1,017	11	2,394	3,564
0	0	0	\$12.00		\$2,076.00	\$0.0227	\$6,184.00	0	0	0	0	0	0
1,190	14,280	1,591,524	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,244.9	257	3,304	36	8,347	11,945	11,945
42	504	268,130	\$50.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	25	557	6	1,407	1,995	1,995
176	2,112	455,256	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$3,817.8	38	0	805	10	1,738	2,732
1,408	16,896	2,314,910						320	0	4,806	53	11,492	16,671
2,029	24,348	2,804,958						462	0	5,823	64	13,886	20,235
0	0	0						0				0	0
494,530	5,931,959	\$3,384,985						73,458	369,290	110,827	1,212	315,538	870,322
												315,538	9,844
													182
													880,354
													369,290
													\$11,065

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.15. State manner in which revenues are being presented for ratemaking purposes:

III.E.15.a. Accrued Revenues

III.E.15.b. Billed Revenues

III.E.15.c. Cash Revenues

Provide details of the method followed.

RESPONSE:

- a. An accrual for gas used but not yet billed to customers is made for ratemaking purposes.
- b&c. Revenues for ratemaking purposes are reported on an as billed basis.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.16. If revenue accruing entries are made on the books at end of each fiscal period, give entries made accordingly at the end of the test year and at the beginning of the year. State whether they are reversed for ratemaking purposes.

RESPONSE:

The entries are not reversed for rate making purposes.

The following actual entry was made at the beginning of the test year (August 31, 2009):

<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
173.0 Accrued Utility Revenue		\$1,893,000
495.0 Other Gas Revenues	\$1,893,000	

The following entry is anticipated to be made at the end of the test year (August 31, 2010):

<u>Account Description</u>	<u>Debit</u>	<u>Credit</u>
173.0 Accrued Utility Revenue		\$566,000
495.0 Other Gas Revenues	\$566,000	

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.17. State whether any adjustments have been made to expenses in order to present such expenses on a basis comparable to the manner in which revenues are presented in this proceeding (i.e.—accrued, billed or cash).

RESPONSE: None

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.18. If the utility has a Fuel Adjustment Clause:

III.E.18.a. State the base fuel cost per MCF chargeable against basic customers' rates during the test year. If there was any change in this basic fuel charge during the test year, give details and explanation thereof.

III.E.18.b. State the amount in which the fuel adjustment clause cost per MCF exceeds the fuel cost per MCF charged in base rates at the end of the test year.

III.E.18.c. If fuel cost deferment is used at the end of the test year, give

III.E.18.c.(i). The amount of deferred fuel cost contained in the operating statement that was deferred from the 12-month operating period immediately preceding the test year.

III.E.18.c.(ii). The amount of deferred fuel cost that was removed from the test period and deferred to the period immediately following the test year.

III.E.18.d. State the amount of Fuel Adjustment Clause revenues credited to the test year operating account.

III.E.18.e. State the amount of fuel cost charged to the operating expense account in the test year which is the basis of Fuel Adjustment Clause billings to customers in that year. Provide summary details of this charge.

III.E.18.f. From the recorded test year operating account, remove the Fuel Adjustment Clause Revenues. Also remove from the test year recorded operating account the excess of fuel cost over base rate fuel charges, which is the basis for the Fuel Adjustment charges. Explain any difference between FAC Revenues and excess fuel costs. [The above is intended to limit the operating account to existing customers' base rate revenues and expense deductions relative thereto].

RESPONSE:

III.E.18.a. There is not any base fuel cost per MCF chargeable against basic customers' rates during the test year.

III.E.18.b. There is not any base fuel cost per MCF chargeable against basic customers' rates during the test year.

III.E.18.c. There is not any fuel cost deferment used at the end of the test year.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.18.d. The total projected recovery for the GCR in the test year is \$369,290,472.

III.E.18.e. The amount of fuel cost including the E factor and IRC charges which is the basis of Fuel Adjustment Clause billings to customers in the test year is \$369,290 801. Attached are the summary details of this charge.

III.E.18.f. The difference between FAC Revenues and fuel costs including the E factor and IRC charges in the test year is \$329 a difference that is virtually nonexistent.

Philadelphia Gas Works
Levelized Gas Cost Rate
Budget Filing - September 1, 2009

Formula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Total Firm GCR Sales (Mcf)			50,580,353	GCR 3
Net Natural Gas Expense	\$ 72,622,725	\$ 338,613,465	\$ 411,236,190	
Purchased Electric Expense	\$ -	\$ 1,025,100	\$ 1,025,100	
C = Total Applicable GCR Expense	\$ 72,622,725	\$ 339,638,565	\$ 412,261,290	GCR 5
SSC = C / S	\$ 1.4358	\$ 6.7148	\$ 8.1506	
Adjustment For:				
Interest	(65,150)	(1,595,549)	(1,660,699)	GCR 6A
Prior Reconciliation	\$ 4,788,315	\$ (40,445,924)	\$ (35,677,609)	GCR 8
E = Adjustments to GCR Expenses	\$ 4,703,165	\$ (42,041,473)	\$ (37,338,308)	
GAC = E / S	\$ 0.0930	\$ (0.8312)	\$ (0.7382)	
Interruptible Revenue Credit			\$ 5,832,181	GCR 7
IRC = Interruptible Revenue Credit / S			\$ 0.1114	
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 369,290,801	
<u>GCR = SSC + GAC - IRC</u>			\$ 7.3011	

SSC in effect 9/01/09	\$ 1.4338	\$ 6.7053	\$ 8.1390	
GAC in effect 9/01/09	\$ 0.0929	\$ (0.8300)	\$ (0.7372)	
IRC in effect 9/01/09			\$ (0.1112)	
GCR in effect 09/01/09			\$ 7.2907	GCR 2

Recovery Test on:

Firm Sales (Mcf)	50,580,353	
= Total Projected Recovery	\$ 369,290,472	GCR 2
Compared To		
Net Applicable GCR Expenses	\$ 369,290,801	
= Net Over/(Under) Recovery	\$ (329)	GCR 8

Degree Days 4,412

**PROJECTED APPLICABLE FUEL EXPENSE
SUMMARY
Sept 2009 - Aug 2010**

	09/01/2009	10/01/2009	11/01/2009	12/01/2009	01/01/2010	02/01/2010	03/01/2010	04/01/2010	05/01/2010	06/01/2010	07/01/2010	08/01/2010	TOTAL
NATURAL GAS BILLED	5,871,656	5,835,791	6,189,081	6,377,222	6,376,460	6,424,542	6,372,040	6,899,045	6,822,820	6,865,149	6,822,118	6,817,891	72,822,726
DEMAND CHARGE	20,136,968	26,548,080	31,412,193	41,888,250	46,458,566	41,013,316	40,116,320	28,134,076	22,383,443	16,865,060	14,777,694	14,014,808	341,535,189
COMMODITY CHARGE	20,510,522	32,383,871	37,801,275	48,265,472	52,834,028	47,437,867	48,480,360	33,993,120	28,189,282	20,924,209	20,599,212	19,832,768	414,558,894
TOTAL NATURAL GAS BILLED	46,519,146	64,767,742	75,402,549	96,530,944	105,769,054	94,875,725	95,068,720	63,026,241	56,401,545	44,654,419	42,001,024	40,645,467	1,468,916,819
INTERRUPTIBLE CREDIT	98,428	247,446	535,791	916,537	1,019,510	849,244	688,140	381,460	166,266	79,589	89,355	91,828	5,153,909
SENDOUT VOLUME IN MCF	19,658	51,003	90,409	140,750	147,257	125,395	103,281	58,313	24,991	12,460	13,545	14,091	801,416
DIST CONVERSION FACTOR	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320
PRICE \$/DKT	4.862	4.701	5.743	6.310	6.711	6.663	6.457	6.006	6.860	6.194	6.264	6.319	6.319
GAS USED FOR UTILITY	57,464	95,513	245,472	532,704	709,102	762,653	664,872	364,908	140,102	8,700	70,760	33,492	3,685,741
NATURAL GAS TO STORAGE	(13,739,570)	(11,528,946)	(618,177)	-	-	-	-	(6,260,707)	(8,564,142)	(7,744,759)	(7,875,196)	(7,104,336)	(62,423,531)
FROM STORAGE PGW	-	80,244	4,119,519	16,895,114	22,280,773	16,836,572	10,777,551	3,274,502	-	-	-	-	73,863,474
NET NATURAL GAS STORAGE	(13,739,570)	(11,448,701)	3,690,442	16,895,114	22,280,773	16,836,572	10,777,551	(1,986,199)	(8,564,142)	(7,744,759)	(7,875,196)	(7,104,336)	11,539,643
LNG TO STORAGE	(479,875)	(1,745,430)	(3,680,871)	(1,791,376)	-	-	(3,442,782)	(2,763,460)	(1,695,468)	(754,405)	-	-	(16,519,638)
FROM LNG PGW	506,806	911,917	478,686	1,044,155	2,410,502	2,117,599	433,264	578,198	582,269	559,528	575,516	575,516	10,575,941
NET LNG STORAGE	126,930	(1,133,513)	(3,504,186)	(717,221)	2,410,502	2,117,599	(3,009,489)	(2,180,264)	(1,109,199)	(194,780)	575,516	575,516	(8,942,697)
NET NATURAL GAS EXPENSE	12,241,993	19,460,398	36,816,269	82,994,123	75,798,368	64,480,121	52,995,411	29,100,383	18,228,533	12,895,382	13,139,517	13,178,672	411,235,180
APPLICABLE GCR EXPENSE	12,241,993	19,460,398	36,816,269	82,994,123	75,798,368	64,480,121	52,995,411	29,100,383	18,228,533	12,895,382	13,139,517	13,178,672	411,235,180
NET NATURAL GAS EXPENSE	68,700	78,590	91,600	100,200	94,860	130,400	112,380	75,200	76,400	73,700	66,100	69,200	1,025,100
PURCHASED ELECTRIC	12,306,533	19,535,698	38,907,869	63,094,323	75,691,188	64,610,521	53,017,711	29,175,593	18,302,933	12,970,082	13,205,617	13,237,872	412,261,290
TOTAL APPLICABLE EXPENSES	1,042,237	1,538,701	3,776,119	6,534,480	10,270,094	9,077,794	7,198,540	4,985,338	2,405,366	1,415,437	1,140,077	1,068,189	50,560,363
TOTAL GCR FIRM SALES													

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.19. Provide growth patterns of usage and customer numbers per rate class, using historical and projected data.

RESPONSE: Please see attached spreadsheet.

PHILADELPHIA GAS WORKS
FIRM GAS SALES
4412 DO

	Avg Customers Actual 2007-08	Normalized Sales MMCF 2007-08	Average MCF per Customer Normalized	Avg Customers Act/Est 6 & 6 2008-09	Normalized Sales MMCF 2008-09	Average MCF per Customer Normalized	Test Year Avg Customers 2008-10	Sales Test Year MMCF 2009-10	Test Year Average MCF per Customer Normalized
NON-HEATING									
Residential	39,124.1	811.2	20.7	35,466.0	728.3	20.5	31,974.0	653.1	20.4
CRP	1,137.2	48.2	42.4	1,010.3	41.5	41.1	968.9	40.0	41.2
Commercial	5,365.8	1,651.4	307.8	5,265.9	1,623.3	308.3	5,406.8	1,628.9	301.4
Industrial	232.9	314.7	1,351.3	224.7	273.3	1,216.6	226.3	266.2	1,176.6
Municipal	333.4	295.8	887.2	332.6	230.7	663.7	332.0	270.3	814.3
Housing Authority-PHA	0	0	0	0	0	0	0	0	0
Natural Gas Vehicle	1.0	0.4	376.6	1.0	0.4	441.1	1.0	0.1	93.8

HEATING

Residential	351,877.7	28,594.5	81.2	353,295.1	28,695.4	81.2	351,630.2	28,783.5	81.9
CRP	76,533.8	10,097.5	131.5	76,822.7	10,038.9	127.4	80,405.1	10,354.5	128.8
Housing Authority-GS	2,006.0	222.7	111.0	1,950.0	198.7	101.9	1,958.0	209.4	107.1
Commercial	19,063.3	8,810.9	451.7	18,205.3	8,561.0	445.8	19,460.9	8,824.3	453.4
Industrial	557.9	649.8	1,164.7	551.8	655.4	1,187.6	552.0	722.9	1,309.7
Municipal	566.5	1,029.7	1,817.6	573.3	899.7	1,569.4	583.6	1,027.2	1,760.2
Housing Authority-PHA	934.8	699.6	839.0	865.7	603.7	697.4	832.8	593.7	712.9

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.20. Provide, for test year only, a schedule by tariff rates and by service classifications showing proposed increase and percent of increase.

RESPONSE:

Please see the attached schedules.

Philadelphia Gas Works
Allocated Class COS Study - 2009
Revenue at Company's Proposed Rates

	Rate Year 2010				Company's Proposed Rates				Amounts in \$000s			
	No. of Customers	No. of Annual Bills	Annual Sales (mcf)	Annual Sales	Cust. Charge	Delivery Charge			Cust. Revenue	GCR Revenue	USEC/REC Revenue	Total Full Tariff Rev.
1 Non-Heating:												
2 Residential	31,002	372,021	658,616		\$12.00	\$7.2977			4,464	4,809	1,382	15,461
3 Residential-Senior	1,942	23,306	34,450		\$12.00	\$7.2977			280	252	72	855
4 Commercial	5,025	60,300	1,314,572		\$18.00	\$5.0287			1,085	9,598	2,759	20,053
5 Industrial	206	2,467	215,345		\$50.00	\$6.4144			123	1,572	452	3,529
6 Municipal/MS	114	1,368	146,486		\$18.00	\$3.4344			25	1,070	307	1,905
7 Total Non-Heat Firm	38,289	459,462	2,369,469						5,977	17,300	4,973	41,803
8												
9 Heating:												
10 Residential	400,307	4,803,683	36,122,041		\$12.00	\$7.2977			57,644	263,731	75,809	660,792
11 Residential-Senior	31,728	380,740	3,025,947		\$12.00	\$7.2977			4,569	22,093	6,351	55,095
12 Commercial	18,271	219,246	7,232,733		\$18.00	\$3.0287			3,946	52,807	15,179	108,304
13 Industrial	510	6,120	454,809		\$50.00	\$6.4144			306	3,321	955	7,498
14 Municipal/MS	408	4,891	571,935		\$18.00	\$3.4344			88	4,176	1,200	7,428
15 PHA Rate 8	833	9,993	593,669		\$18.00	\$3.0990			180	4,334	1,246	8,787
16 PHA/MS	1,889	22,672	202,798		\$12.00	\$5.1784			272	1,481	426	3,228
17 PHA/GS-Senior	67	804	6,626		\$12.00	\$5.1784			9,648	48	14	106
18 Total Heat/Firm	454,012	5,448,149	48,210,558						67,015	351,990	101,179	851,239
19 Total Firm Sales	492,301	5,907,611	50,580,027						72,992	369,290	106,152	893,042
20												
21 Firm Transport												
22 Non-Heating:												
23 Residential	0	0	0		\$12.00	\$7.2977			0	0	0	0
24 Commercial	382	4,584	315,313		\$18.00	\$5.0287			83	1,586	662	2,330
25 Industrial	21	252	50,869		\$50.00	\$6.4144			13	326	107	446
26 Municipal/MS	218	2,616	123,866		\$18.00	\$3.4344			47	425	260	732
27 Total Non Heat FT	621	7,452	490,048						142	2,337	1,028	3,508
28												
29 Heating:												
30 Residential	0	0	0		\$12.00	\$7.2977			0	0	0	0
31 Commercial	1,190	14,280	1,591,524		\$18.00	\$5.0287			257	8,003	3,340	11,600
32 Industrial	42	504	268,130		\$50.00	\$6.4144			25	1,720	563	2,308
33 Municipal/MS	176	2,112	455,256		\$18.00	\$3.4344			38	1,564	955	2,557
34 Total Heat FT	1,408	16,896	2,314,910						320	11,287	4,858	16,465
35 Total FT	2,029	24,348	2,804,958						462	13,624	5,887	19,973
36												
37 Interruptible:												
38 Total PGW	129	1,546	770,488						94	7,920	8,013	8,013
39 GTS / IT Revenue	494,459	5,933,505	54,155,473						73,549	369,290	112,039	921,029
40												9,844
41 Proposed Tariff Revenue at Full Tariff Rates												
42 Less GCR Revenue												930,872
43 Distribution Tariff Revenue at Proposed Rates												369,290
44												561,583
45												42,504
46												519,080
												42,502

Target
Current Rates
Actual Increase

Philadelphia Gas Works RATE CASE 2010 Tariff Revenue at Current Rates													
Test Year 2010				Current PUC Approved Tariff Rates									
No. of Customers	No. of Annual Bills	Annual Deliveries (mcf)	Monthly Cust. Charge	GCR Charge	Univ. Service Charge	Restr. and Cons. Educ. Charge	Delivery Charge	Amounts in \$000s					
								Cust. Charge Revenue	GCR Charge Revenue	Univ. Service Charge Revenue	Restr. & Cons. Ed. Charge Rev.	Delivery Charge Revenue	Total Full Tariff Revenue
7 Non-Heating:													
8 Residential	31,002	372,021	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	4,464	4,809	1,367	15	4,073	14,728
9 Residential-Sector	1,942	23,306	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	280	252	72	1	213	817
10 Commercial	5,025	60,300	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,244.9	1,085	9,598	2,729	30	6,895	20,337
11 Industrial	206	2,467	\$50.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,246.5	123	1,572	447	5	1,130	3,277
12 Municipal/MS	114	1,368	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$3,817.8	25	1,070	304	3	559	1,961
13 Total Non-Heat Firm	38,289	459,462						5,977	17,300	4,919	54	12,870	41,120
14													
15 Heating:													
16 Residential	400,307	4,803,683	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	57,644	263,731	74,989	820	223,379	620,563
17 Residential-Sector	31,728	380,740	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$6,184.00	4,569	22,093	6,282	69	18,712	51,725
18 Commercial	18,271	219,246	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,244.9	3,946	52,807	15,015	164	37,935	109,868
19 Industrial	510	6,120	\$50.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,246.5	306	3,321	944	10	2,386	6,967
20 Municipal/MS	408	4,891	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$3,817.8	88	4,176	1,187	13	2,184	7,648
21 PHA Rate 8	833	9,993	\$18.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,188.9	180	4,334	1,232	13	3,080	8,841
22 PHA/GS	1,889	22,672	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,281.7	272	1,481	421	5	1,071	3,249
23 PHA/GS- Senior	67	804	\$12.00	\$7,301.10	\$2,076.00	\$0.0227	\$5,281.7	10	48	14		35	107
24 Total Heat Firm	454,012	5,448,149						67,015	331,990	100,085	1,094	288,782	808,967
25 Total Heat & Non-Heat Firm	492,301	5,907,611						72,992	369,290	105,004	1,146	301,652	880,087
26													
27 Firm Transport													
28 Non-Heating:													
29 Residential	0	0	\$12.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,184.00	0	0	0	0	0	0
30 Commercial	382	4,584	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	83	655	655	7	1,654	2,398
31 Industrial	21	252	\$50.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	13	366	106	1	267	386
32 Municipal/MS	218	2,616	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$3,817.8	47	257	257	3	473	780
33 Total Non Heat FT	621	7,452						142	0	1,017	11	2,394	3,364
34													
35 Heating:													
36 Residential	0	0	\$12.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,184.00	0	0	0	0	0	0
37 Commercial	1,190	14,280	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,244.9	257	3,304	3,304	36	8,347	11,945
38 Industrial	42	504	\$50.00	\$2,076.00	\$2,076.00	\$0.0227	\$5,246.5	25	36	557	6	1,407	1,995
39 Municipal/MS	176	2,112	\$18.00	\$2,076.00	\$2,076.00	\$0.0227	\$3,817.8	35	28	945	10	1,738	2,732
40 Total Heat FT	1,408	16,896						320	0	4,806	53	11,492	16,671
41 Total FT	2,029	24,348						462	0	5,823	64	13,886	20,235
42													
43 Total Interruptible	129	1,546						94				7,920	8,013
44 Total PGW	494,459	5,933,505						73,549	369,290	110,827	1,212	323,458	878,335
45 GTS / IT Revenue												315,538	9,844
46 SSFC GCR / Rounding													182
47 Current Tariff Revenue at Full Tariff Rates													888,368
48 Less: GCR Revenue													369,290
49 Distribution Tariff Revenue													519,078

Rate Increase
Typical Monthly Bill
4412 Degree Days

Residential Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	92.0	Mcf	\$ 2.0987
Delivery Charge	92.0	Mcf	\$ 6.1840
GCR Factor	92.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 12.00
Annual Bill/Effect on Annual Bill			\$ 1,577.71
Effect on Average Monthly Bill			\$ 131.48

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 7.2977	\$ 1.1137	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 12.00	\$ -	\$ -
	\$ 1,680.17	\$ 102.46	6.5%
	\$ 140.01	\$ 8.54	

Commercial Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	393.0	Mcf	\$ 2.0987
Delivery Charge	393.0	Mcf	\$ 5.2449
GCR Factor	393.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 18.00
Annual Bill/Effect on Annual Bill			\$ 5,971.37
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 5.0287	\$ (0.2162)	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 18.00	\$ -	\$ -
	\$ 5,886.40	\$ (84.97)	-1.4%
		\$ (7.08)	

Industrial Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	885.0	Mcf	\$ 2.0987
Delivery Charge	885.0	Mcf	\$ 5.2465
GCR Factor	885.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 50.00
Annual Bill/Effect on Annual Bill			\$ 13,561.98
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 6.4144	\$ 1.1679	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 50.00	\$ -	\$ -
	\$ 14,595.57	\$ 1,033.59	7.6%
		\$ 86.13	

PHA Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	712.0	Mcf	\$ 2.0987
Delivery Charge	712.0	Mcf	\$ 5.1889
GCR Factor	712.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 18.00
Annual Bill/Effect on Annual Bill			\$ 10,603.15
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 5.0990	\$ (0.0899)	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 18.00	\$ -	\$ -
	\$ 10,539.15	\$ (64.01)	-0.6%
		\$ (5.33)	

PHA/GS Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	107.0	Mcf	\$ 2.0987
Delivery Charge	107.0	Mcf	\$ 5.2817
GCR Factor	107.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 12.0000
Annual Bill/Effect on Annual Bill			\$ 1,714.92
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 5.1784	\$ (0.1033)	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 12.00	\$ -	\$ -
	\$ 1,703.87	\$ (11.05)	-0.6%
		\$ (0.92)	

Municipal Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	1,420.0	Mcf	\$ 2.0987
Delivery Charge	1,420.0	Mcf	\$ 3.8178
GCR Factor	1,420.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 18.00
Annual Bill/Effect on Annual Bill			\$ 18,984.99
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 3.4344	\$ (0.3834)	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 18.00	\$ -	\$ -
	\$ 18,440.56	\$ (544.43)	-2.9%
		\$ (45.37)	

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.21. If a gas company is affiliated with another utility segment, such as a water or electric segment, explain the effects, if any, upon allocation factors used in the gas rate filing of current or recent rate increases allowed to the other utility segment (or segments) of the company.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.22. Provide supporting data detailing curtailment adjustments, procedures and policies.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.23. Submit a schedule showing fuel cost in excess of base compared to fuel cost recovery for the period two months prior to test year and the test year.

RESPONSE: Not Applicable

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.24. Supply a detailed analysis of Purchased Gas for the test year and the twelve month period prior to the test year.

RESPONSE:

Please see attached.

**Projected Applicable Fuel Expense
SUMMARY**

FY 2008-09 Actuals 6 & 6

	ACTUAL SEPTEMBER	ACTUAL OCTOBER	ACTUAL NOVEMBER	ACTUAL DECEMBER	ACTUAL JANUARY	ACTUAL FEBRUARY	ESTIMATED MARCH	ESTIMATED APRIL	ESTIMATED MAY	ESTIMATED JUNE	ESTIMATED JULY	ESTIMATED AUGUST	TOTAL
NATURAL GAS BILLED	35,561,710	40,735,549	53,877,247	55,955,295	69,057,861	54,883,137	52,299,081	29,252,022	23,893,641	19,850,190	22,505,103	21,540,048	490,830,882
INTERRUPTIBLE CREDIT	261,426	732,426	1,470,069	2,221,720	1,800,567	1,910,177	1,602,867	359,150	156,608	77,975	83,813	86,167	10,824,979
SENDOUT VOLUME IN MCF	25,658	72,143	159,624	224,875	161,899	204,804	173,307	73,253	33,656	16,490	16,399	16,404	1,167,442
DAKT CONVERSION FACTOR	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	
PRICE \$/DKT	9.861	8.836	8.924	8.573	9.602	8.033	8.297	4.761	4.566	4.878	4.952	5.089	
GAS USED FOR UTILITY	(773)	194,764	472,651	1,083,862	1,407,282	1,448,760	1,290,622	359,069	109,468	9,353	58,774	26,163	6,492,106
NATURAL GAS TO STORAGE	(19,364,516)	(10,316,182)	(6,946,127)	(2,685,751)	195,689	(863,241)	(2,890,868)	(5,922,717)	(8,579,335)	(6,586,775)	(10,874,527)	(9,800,612)	(68,864,113)
FROM STORAGE PGW	1,029,676	6,097,660	6,504,726	24,376,384	52,224,957	26,204,789	17,495,048	1,899,464	-	-	-	-	139,039,610
FT FROM STORAGE	-	-	-	-	-	-	621,400	357,769	26,439	-	-	-	1,005,636
NET NATURAL GAS STORAGE	(18,364,837)	(5,221,322)	(443,399)	22,182,633	52,420,316	25,281,548	14,504,239	(4,323,253)	(8,578,335)	(6,586,775)	(10,874,527)	(9,800,612)	48,172,897
LNG TO STORAGE	-	(2,596,126)	(1,123,435)	(161,163)	(39,597)	-	-	-	-	-	-	-	(4,320,421)
FROM LNG PGW	608,911	727,871	832,801	1,511,313	3,531,458	1,742,744	642,347	608,416	626,696	608,416	626,696	626,696	13,093,394
FT FROM LNG	-	-	-	-	-	-	-	-	-	-	-	-	-
NET LNG STORAGE	608,911	(2,268,255)	(290,634)	1,350,150	3,891,761	1,742,744	642,347	608,416	626,696	608,416	626,696	626,696	8,777,943
NET NATURAL GAS EXPENSE	16,543,329	32,318,762	51,200,475	55,922,416	122,162,119	78,289,462	64,482,178	24,768,965	16,894,928	11,852,902	12,116,884	12,263,590	529,664,437
APPLICABLE GCR EXPENSE	16,543,329	32,318,762	51,200,475	55,922,416	122,162,119	78,289,462	64,482,178	24,768,965	16,894,928	11,852,902	12,116,884	12,263,590	529,664,437
NET NATURAL GAS EXPENSE	61,900	72,052	91,471	106,458	118,327	116,516	112,100	75,100	76,200	73,500	65,900	69,100	1,029,023
PURCHASED ELECTRIC													
TOTAL APPLICABLE EXPENSES	16,605,229	32,390,814	51,291,946	56,028,874	122,280,446	78,404,407	64,604,276	24,844,065	16,971,126	11,925,802	12,182,584	12,332,690	530,693,460
TOTAL FIRM GCR APPLICABLE SALES	1,099,000	1,406,906	3,398,837	7,193,130	9,221,074	8,674,697	6,708,311	5,052,560	2,410,205	1,414,126	1,144,442	1,100,764	48,024,983

**PROJECTED APPLICABLE FUEL EXPENSE
SUMMARY**
Sept 2009 - Aug 2010

	09/01/2009	10/01/2009	11/01/2009	12/01/2009	01/01/2010	02/01/2010	03/01/2010	04/01/2010	05/01/2010	06/01/2010	07/01/2010	08/01/2010	TOTAL
NATURAL GAS BILLED													
DEMAND CHARGE	5,871,566	5,835,791	6,189,081	6,377,222	6,375,480	6,424,542	6,372,040	5,959,045	6,822,820	5,855,149	5,822,118	5,817,901	72,622,725
COMMODITY CHARGE	20,135,966	25,548,080	31,412,193	41,888,250	46,455,565	41,013,315	40,118,320	25,134,075	22,353,443	15,069,060	14,777,084	14,014,808	341,935,169
TOTAL NATURAL GAS BILLED	26,010,522	32,383,871	37,601,275	48,265,472	52,934,026	47,437,857	46,490,360	33,993,120	28,186,262	20,924,209	20,599,212	19,832,709	414,558,894
INTERRUPTIBLE CREDIT	98,426	247,445	535,791	915,537	1,019,510	849,244	689,140	391,490	195,288	79,599	89,355	91,826	5,132,909
SENDOUT VOLUME IN MCF	19,558	51,003	90,409	140,750	147,257	125,395	103,281	55,313	24,991	12,450	13,845	14,091	801,415
DKT CONVERSION FACTOR	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	
PRICE \$/DKT	4.852	4.701	6.743	6.310	6.711	6.563	6.487	6.005	6.050	6.194	6.254	6.319	
GAS USED FOR UTILITY	57,454	95,513	245,472	532,704	709,102	782,853	664,872	364,906	140,102	8,700	70,750	33,492	3,985,741
NATURAL GAS TO STORAGE													
FROM STORAGE PGW	(13,735,570)	(11,528,945)	(618,177)	16,895,114	22,280,773	16,536,572	10,777,551	(5,290,707)	(8,554,142)	(7,744,759)	(7,475,195)	(7,104,335)	(62,423,531)
NET NATURAL GAS STORAGE	(13,735,570)	(11,446,701)	3,500,442	16,895,114	22,280,773	16,536,572	10,777,551	(1,986,106)	(8,554,142)	(7,744,759)	(7,475,195)	(7,104,335)	11,539,543
LNG													
TO STORAGE	(475,875)	(1,745,430)	(3,980,871)	(1,761,378)	-	-	(3,442,752)	(2,758,490)	(1,695,468)	(754,408)	-	-	(16,818,539)
FROM LNG PGW	505,806	811,517	476,856	1,044,155	2,410,502	2,117,590	433,264	575,195	586,259	559,525	575,515	575,515	10,575,941
NET LNG STORAGE	129,930	(1,133,813)	(3,504,155)	(717,221)	2,410,502	2,117,590	(3,009,488)	(2,180,294)	(1,109,199)	(194,780)	575,515	575,515	(6,042,597)
NET NATURAL GAS EXPENSE	12,241,993	19,450,398	36,816,269	62,894,123	75,790,388	64,480,121	52,905,411	29,100,303	18,226,533	12,899,352	13,130,517	13,178,572	411,238,190
APPLICABLE GCR EXPENSE													
NET NATURAL GAS EXPENSE	12,241,993	19,450,398	36,816,269	62,894,123	75,790,388	64,480,121	52,905,411	29,100,303	18,226,533	12,899,352	13,130,517	13,178,572	411,238,190
PURCHASED ELECTRIC	66,700	78,500	91,600	100,200	94,900	130,400	112,300	75,200	76,400	73,700	66,100	89,200	1,025,100
TOTAL APPLICABLE EXPENSES	12,308,693	19,538,898	36,907,869	63,094,323	75,885,188	64,610,521	53,017,711	29,175,503	18,302,933	12,970,052	13,205,617	13,237,572	412,261,290
TOTAL GCR FIRM SALES	1,942,237	1,538,701	3,775,118	6,534,480	10,270,084	9,077,754	7,195,540	4,985,336	2,408,355	1,415,437	1,140,077	1,098,189	50,580,353

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.25. Submit calculations supporting energy cost per MCF and operating ratio used to determine increase in costs other than production to serve additional load.

RESPONSE:

Please see attached.

Philadelphia Gas Works
Levelized Gas Cost Rate
Budget Filing - September 1, 2009

Formula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Total Firm GCR Sales (Mcf)			50,580,353	GCR 3

Net Natural Gas Expense	\$ 72,622,725	\$ 338,613,465	\$ 411,236,190	
Purchased Electric Expense	\$ -	\$ 1,025,100	\$ 1,025,100	
C = Total Applicable GCR Expense	\$ 72,622,725	\$ 339,638,565	\$ 412,261,290	GCR 5
SSC = C / S	\$ 1.4358	\$ 6.7148	\$ 8.1506	

Adjustment For:

Interest	(65,150)	(1,595,549)	(1,660,699)	
Prior Reconciliation	\$ 4,768,315	\$ (40,445,924)	\$ (35,677,609)	GCR 6A
E = Adjustments to GCR Expenses	\$ 4,703,165	\$ (42,041,473)	\$ (37,338,308)	GCR 8
GAC = E / S	\$ 0.0930	\$ (0.8312)	\$ (0.7382)	

Interruptible Revenue Credit			\$ 5,632,181	GCR 7
IRC = Interruptible Revenue Credit / S			\$ 0.1114	

Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 369,290,801	
<u>GCR = SSC + GAC - IRC</u>			\$ 7.3011	

SSC in effect 9/01/09	\$ 1.4338	\$ 6.7053	\$ 8.1390	
GAC in effect 9/01/09	\$ 0.0929	\$ (0.8300)	\$ (0.7372)	
IRC in effect 9/01/09			\$ (0.1112)	
GCR in effect 09/01/09			\$ 7.2907	GCR 2

Recovery Test on:

Firm Sales (Mcf)			50,580,353	
= Total Projected Recovery			\$ 369,290,472	GCR 2
Compared To				
Net Applicable GCR Expenses			\$ 369,290,801	
= Net Over/(Under) Recovery			\$ (329)	GCR 8

Degree Days			4,412	
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Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.26. Submit detailed calculations for bulk gas transmission service costs under supply and/or interconnection agreements.

RESPONSE:

PGW does not have bulk gas transmission service under supply and/or interconnection agreements.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.27. Submit a schedule for gas producing units retired or scheduled for retirement subsequent to the test year showing station, units, MCF capacity, hours of operation during test year, net output produced and cents/MCF of maintenance and fuel expenses.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.28. Provide a statement explaining the details of firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities, including determination of costs, terms of contract, and other pertinent information.

RESPONSE:

PGW does not have firm gas purchase contracts with any utilities. PGW does not have an affiliate.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.29. Provide intrastate operations percentages by expense categories for two years prior to the test year.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.30. Provide a schedule showing suppliers, MCF purchased, cost (small purchases from independent suppliers may be grouped); emergency purchases, listing same information; curtailments during the year; gas put into and taken out of storage; line loss, and any other gas input or output not in the ordinary course of business.

RESPONSE:

See attached schedule.

Exh.A-III.E.30.

	MCF @1032 BTU	COSTS
Spot Purchases - Transco	33,024,818	\$ 189,807,369
Transco Supply 2	1,658,915	\$ 9,768,708
Transco Supply 6	591,085	\$ 3,144,550
Transco Supply 7	1,666,667	\$ 9,364,240
Transco Supply 8	295,543	\$ 1,558,550
Transco Supply 10	87,209	\$ 392,400
Transco Supply 12	295,543	\$ 1,593,625
Transco Supply 20	295,543	\$ 1,470,350
Spot Purchases - Tetco	14,733,749	\$ 82,239,275
Tetco Supply 1	88,092	\$ 510,964
Tetco Supply 13	6,436,962	\$ 39,982,825
Tetco Supply 17	295,543	\$ 1,470,100
Supply Subtotal	59,469,668	341,302,956
Supply Transportation Charges		\$ 2,974,908
Storage Injection and Withdrawal Charges		\$ 659,443
Received Gas Cost		\$ 344,937,307
Supply for FT	2,100,416	\$ -
Transportation Fuel	(3,289,212)	\$ -
Total City Gate Delivered (PGW)	58,280,872	\$ 344,937,307
Storage		
PGW Storage Injected	10,599,629	\$ 62,423,831
FT Payback Storage	464,140	\$ (2,768,027)
LNG Liquified	2,262,530	\$ 16,618,638
LNG Trucking	(130,814)	
FT Payback LNG	39,318	\$ (233,111)
To Storage	13,234,803	\$ 76,041,331
PGW Storage Withdrawal	10,485,650	\$ 73,963,474
Withdrawal for FT	657,752	\$ -
PGW LNG Vaporization	1,302,994	\$ 10,575,941
LNG for FT	117,954	\$ -
From Storage	12,564,351	\$ 84,539,415
Natural Gas Supply	57,610,420	
Plant Use	(153,762)	
Storage Inj /Wd Fuel	(512,481)	
	56,944,177	
Company Use	(567,896)	
	56,376,281	
Line loss or Unaccounted for gas	(2,220,821)	
Total Sales	54,155,460	

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.31. Provide a schedule showing the determination of the fuel costs included in the base cost of fuel.

RESPONSE:

All of PGW's fuel costs are included in the fuel adjustment clause (GCR). Attached is a schedule showing the fuel costs and the calculation of the GCR.

Philadelphia Gas Works
Levelized Gas Cost Rate
Budget Filing - September 1, 2009

Formula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Total Firm GCR Sales (Mcf)			50,580,353	GCR 3

Net Natural Gas Expense	\$ 72,622,725	\$ 338,613,465	\$ 411,236,190	
Purchased Electric Expense	\$ -	\$ 1,025,100	\$ 1,025,100	
C = Total Applicable GCR Expense	\$ 72,622,725	\$ 339,638,565	\$ 412,261,290	GCR 5
SSC = C / S	\$ 1.4358	\$ 6.7148	\$ 8.1506	

Adjustment For:

Interest	(65,150)	(1,595,549)	(1,660,699)	GCR 6A
Prior Reconciliation	\$ 4,768,315	\$ (40,445,924)	\$ (35,677,609)	GCR 8
E = Adjustments to GCR Expenses	\$ 4,703,165	\$ (42,041,473)	\$ (37,338,308)	
GAC = E / S	\$ 0.0930	\$ (0.8312)	\$ (0.7382)	

Interruptible Revenue Credit			\$ 5,632,181	GCR 7
IRC = Interruptible Revenue Credit / S			\$ 0.1114	

Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 369,290,801	
GCR = SSC + GAC - IRC			\$ 7.3011	

SSC in effect 9/01/09	\$ 1.4338	\$ 6.7053	\$ 8.1390	
GAC in effect 9/01/09	\$ 0.0929	\$ (0.8300)	\$ (0.7372)	
IRC in effect 9/01/09			\$ (0.1112)	
GCR in effect 09/01/09			\$ 7.2907	GCR 2

Recovery Test on:

Firm Sales (Mcf)		50,580,353		
= Total Projected Recovery		\$ 369,290,472		GCR 2
Compared To				
Net Applicable GCR Expenses		\$ 369,290,801		
= Net Over/(Under) Recovery		\$ (329)		GCR 8

Degree Days			4,412	
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Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.32. Provide a schedule showing the calculation of any deferred fuel costs shown in Account 174. Also, explain the accounting, with supporting detail, for any associated income taxes.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.33. Submit a schedule showing maintenance expenses, gross plant and the relation of maintenance expenses thereto as follows:

III.E.33.(i) Gas Production Maintenance Expenses per MCF production, per \$1,000 MCF production, and per \$1,000 of Gross Production Plant;

III.E.33.(ii) Transmission Maintenance Expenses per MMCF mile and per \$1,000 of Gross Transmission Plant;

III.E.33.(iii) Distribution Maintenance Expenses per customer and per \$1,000 of Gross Distribution Plant;

III.E.33.(iv) Storage Maintenance Expenses per MMCF of Storage Capacity and \$1,000 of Gross Storage Plant. This schedule shall include three years prior to the test year, the test year and one year's projection beyond the test year.

RESPONSE:

Please see the attached schedule, Exhibit A – III.E.33

PHILADELPHIA GAS WORKS
SCHEDULE OF MAINTENANCE EXPENSES AND GROSS PLANT

	TWELVE MONTHS ENDED			
	<u>August 31, 2010</u>	<u>August 31, 2009</u>	<u>August 31, 2008</u>	<u>August 30, 2007</u>
1) Gas Production Maintenance Expenses	\$507,056	\$904,370	\$463,469	\$533,522
Gross Plant Production	\$47,640,900	\$47,245,741	\$47,041,233	\$46,541,544
Per Mcf Production	N/A	N/A	N/A	N/A
Per \$1000 Mcf Production	N/A	N/A	N/A	N/A
Per \$1000 of Gross Production Plant	\$10.64	\$19.14	\$9.85	\$11.46
2) Transmission Maintenance Expenses	\$726,432	\$1,049,978	\$730,251	\$738,858
Gross Transmission Expenses	\$0	\$0	\$0	\$0
Per Mmcft mile	N/A	N/A	N/A	N/A
Per \$1000 of Gross Transmission Plant	N/A	N/A	N/A	N/A
3) Distribution Maintenance Expense	\$11,883,077	\$17,073,443	\$14,459,454	\$13,003,002
Gross Distribution Plant	\$1,390,346,280	\$1,349,402,912	\$1,298,265,014	\$1,247,922,730
Total Customers	494,798	504,000	505,000	506,000
Per Customer	\$24.02	\$33.88	\$28.63	\$25.70
Per \$1000 of Gross Distribution Plant	\$8.55	\$12.65	\$11.14	\$10.42
4) Storage Maintenance Expense	\$5,151,961	\$5,630,334	\$5,899,006	\$6,065,509
Gross Storage Plant	\$128,651,535	\$127,856,365	\$126,738,056	\$125,753,292
Maximum Gross Storage Capacity (Mmcft)	4,299	4,299	4,299	4,299
Per Mmcft of Storage Capacity	\$1,198.38	\$1,309.65	\$1,372.15	\$1,410.88
Per \$1000 of Gross Storage Plant	\$40.05	\$44.04	\$46.54	\$48.23

Philadelphia Gas Works Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.34. Prepare a 3-column schedule of expenses, as described below for the following periods (supply sub-accounts, if significant, to clarify basic accounts):

III.E.34.a. Column 1—Test Year

III.E.34.b. Column 2 and 3—The two previous years

Provide the annual recorded expense by accounts. (Identify all accounts used but not specifically listed below.)

*NATURAL GAS PRODUCTION
EXPENSES
NATURAL GAS PRODUCTION AND
GATHERING
OPERATION*

750 Operation supervision and engineering
751 Production maps and records
752 Gas wells expenses
753 Field lines expenses
754 Field compressor station expenses
755 Field compressor station fuel and power
756 Field measuring and regulating station expenses
757 Purification expenses
758 Gas well royalties
759 Other expenses
760 Rents
Total

MAINTENANCE

761 Maintenance supervision and engineering
762 Maintenance of structures and improvements
763 Maintenance of producing gas wells
764 Maintenance of field lines
765 Maintenance of field compressor station equipment
766 Maintenance of field measuring and regulating station equipment
767 Maintenance of purification equipment
768 Maintenance of drilling and cleaning equipment
769 Maintenance of other equipment
Total
Total Natural Gas Production and Gathering

Philadelphia Gas Works Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

PRODUCTS EXTRACTION

OPERATION

770	Operation supervision and engineering
771	Operation labor
772	Gas shrinkage
773	Fuel
774	Power
775	Materials
776	Operation supplies and expenses
777	Gas processed by others
778	Royalties on products extracted
779	Marketing expenses
780	Products purchased for resale
781	Variation in products inventory
782	Extracted products used by the utility—Credit
783	Rents
	Total

MAINTENANCE

784	Maintenance supervision and engineering
785	Maintenance of structures and improvements
786	Maintenance of extraction and refining equipment
787	Maintenance of pipe lines
788	Maintenance of extracted products storage equipment
789	Maintenance of compressor equipment
790	Maintenance of gas measuring and regulating equipment
791	Maintenance of other equipment
	Total
	Total Products Extraction

***EXPLORATION AND
DEVELOPMENT EXPENSES***

OPERATION

795	Delay rentals
796	Nonproductive well drilling
797	Abandoned leases
798	Other exploration
	Total Exploration and Development

Philadelphia Gas Works Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

OTHER GAS SUPPLY EXPENSES

OPERATION

800	Natural gas well head purchases
801	Natural gas field line purchases
802	Natural gas gasoline plant outlet purchases
803	Natural gas transmission line purchases
804	Natural gas city gate purchases
805	Other gas purchases
806	Exchange gas
807	Purchased gas expenses
808	Gas withdrawn from storage—Debit
809	Gas delivered to storage—Credit
810	Gas used for compressor station fuel—Credit
811	Gas used for other products extraction—Credit
812	Gas used for other utility operations—Credit
813	Other gas supply expenses
	Total
	Total Other Gas Supply Expenses
	Total Production Expenses

UNDERGROUND STORAGE EXPENSES

OPERATION

814	Operation supervision and engineering
815	Maps and records
816	Wells expenses
817	Lines expenses
818	Compressor station expenses
819	Compressor station fuel and power
820	Measuring and regulating station expenses
821	Purification expenses
822	Exploration and development
823	Gas losses
824	Other expenses
825	Storage wells royalties
826	Rents
	Total

MAINTENANCE

830	Maintenance supervision and engineering
831	Maintenance of structures and improvements
832	Maintenance of reservoirs and wells
833	Maintenance of lines

Philadelphia Gas Works Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

- 834 Maintenance of compressor station equipment
- 835 Maintenance of measuring and regulating station equipment
- 836 Maintenance of purification equipment
- 837 Maintenance of other equipment
- Total
- Total Underground Storage Expenses

OTHER STORAGE EXPENSES

OPERATION

- 840 Operation supervision and engineering
- 841 Operation labor and expenses
- 842 Rents
- 842.1 Fuel
- 842.2 Power
- 842.3 Gas Losses
- Total

MAINTENANCE

- 843 Maintenance supervision and engineering
- 844 Maintenance of structures and improvements
- 845 Maintenance of gas holders
- 846 Maintenance of purification equipment
- 847 Maintenance of liquefaction equipment
- 848 Maintenance of vaporizing equipment
- 848.1 Maintenance of compressor equipment
- 848.2 Maintenance of measuring and regulating equipment
- 848.3 Maintenance of other equipment
- Total
- Total Other Storage Expenses

TRANSMISSION EXPENSES

OPERATION

- 850 Operation supervision and engineering
- 851 System control and load dispatching
- 852 Communications system expenses
- 853 Compressor station labor and expenses
- 854 Gas for compressor station fuel
- 855 Other fuel and power for compressor stations
- 856 Mains expenses
- 857 Measuring and regulating station expenses
- 858 Transmission and compression of gas by others

Philadelphia Gas Works Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

859 Other expenses
860 Rents
Total

MAINTENANCE

861 Maintenance supervision and engineering
862 Maintenance of structures and improvements
863 Maintenance of mains
864 Maintenance of compressor station equipment
865 Maintenance of measuring and regulating station equipment
866 Maintenance of communication equipment
867 Maintenance of other equipment
Total
Total Transmission Expenses

DISTRIBUTION EXPENSES

OPERATION

870 Operation supervision and engineering
871 Distribution load dispatching
872 Compressor station labor and expenses
873 Compressor station fuel and power
874 Mains and services expenses
875 Measuring and regulating station expenses—General
876 Measuring and regulating station expenses—Industrial
877 Measuring and regulating station expenses—City gate check stations
878 Meter and house regulator expenses
879 Customer installations expenses
880 Other expenses
881 Rents
Total

MAINTENANCE

885 Maintenance supervision and engineering
886 Maintenance of structures and improvements
887 Maintenance of mains
888 Maintenance of compressor station equipment
889 Maintenance of measuring and regulating station equipment—General
890 Maintenance of measuring and regulating station equipment—Industrial
891 Maintenance of measuring and regulating station equipment—City gate check
station
892 Maintenance of services
893 Maintenance of meters and house regulators
894 Maintenance of other equipment

Philadelphia Gas Works Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

Total
Total Distribution Expenses

CUSTOMER ACCOUNTS EXPENSES

OPERATION

901 Supervision
902 Meter reading expenses
903 Customer records and collection expenses
904 Uncollectible accounts
905 Miscellaneous customer accounts expenses
Total Customer Accounts Expenses

CUSTOMER SERVICE EXPENSES

OPERATION

909 Supervision
910 Customer assistance expenses
911 Informational advertising expenses
912 Miscellaneous customer service expenses
Total Customer Service Expenses

SALES PROMOTION EXPENSES

OPERATION

915 Supervision
916 Demonstrating and selling expenses
917 Promotional advertising expenses
918 Miscellaneous sales promotion expenses
Total Sales Promotion Expenses

***ADMINISTRATIVE AND
GENERAL EXPENSES***

OPERATION

920 Administrative and general salaries
921 Office supplies and expenses
922 Administrative expenses transferred—Credit
923 Outside service employed
924 Property insurance
925 Injuries and damages
926 Employee pensions and benefits

Philadelphia Gas Works Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

- 927 Franchise requirements
- 928 Regulatory commission expenses
- 929 Duplicate charges—Credit
- 930.1 Institutional or goodwill advertising expense
- 930.2 Miscellaneous general expense
- 931 Rents
- Total Administrative and General Expenses

MAINTENANCE

- 932 Maintenance of general plant
- Total Administrative and General Expense
- Total Operation Expenses and Purchased Power
- Total Maintenance Expense
- Total Operation and Maintenance Expense

RESPONSE:

Please see the attached schedule, Exhibit A – III.E.34.

PHILADELPHIA GAS WORKS
COMPARATIVE OPERATING STATEMENTS
TWELVE MONTHS ENDED AUGUST 31, 2010, 2009 & 2008

OPERATING EXPENSES	August 31, 2010	August 31, 2009	August 31, 2008
STEAM PRODUCTION			
7010 Operational Labor	114,746	252,525	246,627
7020 Boiler Fuel	182,438	421,296	270,162
7030 Miscellaneous	316,652	270,238	382,557
7060 Maintenance of Structures & Improvements	30,824	29,742	3,712
7070 Maintenance of Boiler Plant Equipment	192,213	286,202	87,854
7080 Maintenance of Other Steam Production Equipment	1,982	9,359	9,546
MANUFACTURED GAS PRODUCTION			
7120 Other Power Expenses	1,150,774	1,161,993	1,105,665
7170 LPG Expenses	-	29	-
GAS RAW MATERIAL			
7340 Duplicate Charges Credit	(1,029,320)	(897,638)	(995,384)
7350 Miscellaneous Production Expenses	1,019,109	1,382,196	1,102,387
7400 Maintenance Supervision and Engineering	-	172,512	98,213
7410 Maintenance of Structures & Improvements	110,837	85,821	57,209
7420 Maintenance of Production Equipment	171,420	320,735	206,932
OTHER GAS SUPPLY EXPENSES			
8040 Natural Gas City Gate Purchase	414,559,055	478,759,380	559,302,108
8072 Purchased Gas Measuring Stations	385,494	411,784	448,258
8074 Purchased Gas Calculation Expenses	-	-	-
8075 Purchased Gas Expenses	19,241,767	20,438,007	21,642,798
8081 Gas Withdrawn from Storage	89,307,236	150,887,051	113,225,887
8082 Gas Delivered to Storage	(83,810,291)	(83,787,069)	(160,590,367)
8120 Gas Used for Other Utility Operations	(32,847,115)	(34,834,950)	(35,205,445)
8130 Other Gas Supply Expenses	13,266,994	15,599,552	12,868,022
OTHER STORAGE EXPENSES			
8400 Operation Supervision & Engine	945,771	683,743	676,668
8410 Operation Labor & Expense	2,108,846	2,639,715	2,687,744
8421 Fuel	178,249	263,659	382,669
8422 Power	619,755	521,404	599,536
8431 Maintenance Supervision & Engineering	678,634	723,236	756,824
8432 Maintenance Structures & Improvement	1,033,349	672,045	1,051,616
8433 Maintenance Gas Holders	454,821	744,190	495,209
8434 Maintenance Purification Equipment	11,097	14,646	44,788
8435 Maintenance Liquefaction Equipment	314,225	950,591	423,601
8436 Maintenance Vaporizing Equipment	761,571	733,554	667,442
8437 Maintenance Compressor Equipment	384,480	232,691	(367,696)
8438 Maintenance Measuring & Regulating Equipment	263,835	314,687	217,536
8439 Maintenance Other Equipment	1,250,149	1,244,699	2,609,691
TRANSMISSION EXPENSES			
8500 Operation Supervision & Engineering	777,377	550,703	591,858
DISTRIBUTION EXPENSES			
8700 Operation Supervision & Engineering	726,432	1,049,977	730,252
8710 Load Dispatching	1,277,600	1,285,969	1,159,387
8740 Mains & Services Expenses	3,086,004	3,230,247	2,990,445
8750 Measure & Regulate Station Expenses	1,144,237	1,088,156	969,241
8770 Measure & Regulate Station Expenses	400,652	499,985	448,316
8780 Meter & House Regulator Expenses	16,116,093	18,043,986	17,682,495
8790 Customer Installation Expenses	1,505,641	1,296,867	1,153,440
8800 Other Expenses	11,254,823	10,507,218	9,953,335
8810 Rents	7,000	4,265	4,492
8850 Maintenance Supervision & Engineering	981,083	453,500	385,825
8870 Maintenance of Mains	7,164,459	8,952,909	6,882,801
8890 Maintenance of Measuring & Regulating	1,030,135	768,364	721,040
8910 Maintenance of Measuring & Regulating	427,775	314,238	382,718
8920 Maintenance of Services	2,279,825	2,284,463	1,759,283
8930 Maintenance of Meters & House Regulators	3,250,549	4,299,969	4,327,790

PHILADELPHIA GAS WORKS
COMPARATIVE OPERATING STATEMENTS
TWELVE MONTHS ENDED AUGUST 31, 2010, 2009 & 2008

CUSTOMER ACCOUNTS EXPENSES				
9010	Supervision	410,622	584,215	891,801
9020	Meter Reading Expenses	811,401	547,492	742,605
9030	Customer Records & Collection	27,857,577	25,753,912	23,911,226
9040	Uncollectible Accounts	43,883,000	42,000,000	37,000,000
9080	Customer Assistance Expenses	8,340,500	8,176,125	5,453,313
ADMINISTRATIVE & GENERAL				
9200	Administrative & General Salary	10,922,755	13,591,312	13,555,989
9210	Office Supplies Expense	17,027,840	18,234,450	13,508,929
9220	Administrative Expense Transferred	(17,753,000)	(18,258,271)	(17,511,704)
9230	Outside Services Employed	2,152,000	1,286,810	1,873,178
9240	Property Insurance	1,805,458	1,382,505	1,155,484
9250	Injuries & Damages	7,805,917	4,897,578	8,103,368
9260	Employee Pension & Benefits	95,161,470	80,578,435	77,500,581
9280	Regulatory Commission Expenses	4,184,000	3,628,938	3,779,510
9290	Duplicate Charges	(3,940,000)	(7,458,533)	(6,388,283)
9301	General Advertising Expenses	400,000	12,568	743,488
9302	Miscellaneous General Expenses	1,490,000	1,353,705	1,442,492
9310	Rents	290,000	242,786	242,824
MAINTENANCE				
9350	Maintenance General Plant	-	-	-
TOTAL OPERATING EXPENSES		<u>\$ 683,438,000</u>	<u>\$ 791,876,468</u>	<u>\$ 740,437,870</u>
OTHER EXPENSES				
4030	Depreciation Expenses	38,607,000	37,781,591	38,523,397
4081	Taxes Other than Income Taxes	8,875,000	8,588,227	5,677,098
TOTAL DEPRECIATION & TAXES		<u>\$ 45,482,000</u>	<u>\$ 44,369,818</u>	<u>\$ 45,200,495</u>
INTEREST EXPENSES				
4270	Interest on Long Term Debt	61,771,000	63,601,770	56,074,720
4280	Amortization of Debt Discount & Expense	2,903,000	3,678,757	3,858,761
4281	Amortization of Loss on Required Debt	5,734,000	9,603,053	5,456,849
4290	Amortization of Premium on Debt	(2,528,000)	(2,576,579)	(2,876,372)
4310	Other Interest Expenses	11,245,000	4,853,244	5,628,755
4320	Allowance for Borrowed Funds Used During Construction	(885,000)	(247,437)	(337,915)
TOTAL INTEREST EXPENSES		<u>\$ 78,282,000</u>	<u>\$ 78,912,808</u>	<u>\$ 68,005,898</u>

Note: Account number 8790, Customer Installation Expense, includes an offset associated with appliance repairs and other revenues. The Philadelphia Gas Works includes these revenues as part of other operating revenue on the income statement.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.35. Submit a schedule showing the Gross Receipts Tax Base used in computing Pennsylvania Gross Receipts Tax Adjustment.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.36. State the amount of gas, in Mcf, obtained through various suppliers in past years.

RESPONSE:

The following volumes are in MCF.

Fiscal 2006-07:	57,695,903
Fiscal 2007-08:	55,343,369
Fiscal 2008-09:	53,550,949

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.37. In determining pro forma expense, exclude cost of gas adjustments applicable to fuel adjustment clause and exclude fuel adjustment clause revenues, so that the operating statement is on the basis of base rates only.

RESPONSE: Not applicable.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.38. Identify company's policy with respect to replacing customers lost through attrition.

RESPONSE: The Marketing Department actively pursues all new residential, commercial and major accounts which involve both new construction and rehabilitation projects. The Marketing Department also actively participates in trade organizations nationally and locally in order to receive information about the planning and development of new projects in Philadelphia.

Philadelphia Gas Works' Base Rate Filing

III. BALANCE SHEET AND OPERATING STATEMENT

III.E.39. Identify procedures developed to govern relationship between the respondent and potential customers—*i.e.*, basically expansion, alternate energy requirements, availability of supply, availability of distribution facilities, ownership of metering and related facilities.

RESPONSE: Procedures developed to govern relationship between the respondent and potential customers—*i.e.*, basically expansion, alternate energy requirements, availability of supply, availability of distribution facilities, ownership of metering and related facilities are defined in the Rules and Regulations section of the Gas Service Tariff – Pa. P.U.C. No. 2 (present and proposed). The present and proposed Rules and Regulations sections are provided in response to IV.B.6.

Philadelphia Gas Works Base Rate Filing

IV. RATE STRUCTURE

IV.B.1. Provide a Cost of Service Study showing the rate of return under the present and proposed tariffs for all customer classifications. The study should include a summary of the allocated measures of value, operating revenues, operating expenses and net return for each of the customer classifications at original cost and at the 5-year trended original cost.

RESPONSE: See the testimony of Howard Gorman (PGW St. 8) and the Cost of Service Study.

Philadelphia Gas Works Base Rate Filing

IV. RATE STRUCTURE

IV.B.2. Provide a statement of testimony describing the complete methodology of the cost of service study.

RESPONSE: See the testimony of Howard Gorman (PGW St. 8) and the Cost of Service Study.

Philadelphia Gas Works Base Rate Filing

IV. RATE STRUCTURE

IV.B.3. Provide a complete description and back-up calculations for all allocation factors.

RESPONSE: See the testimony of Howard Gorman (PGW St. 8) and the Cost of Service Study.

Philadelphia Gas Works' Base Rate Filing

IV. RATE STRUCTURE

IV.B.4. Provide an exhibit for each customer classification showing the following data for the test year and the four previous years:

IV.B.4.a. The maximum coincident peak day demand.

IV.B.4.b. The maximum coincident 3-day peak day demand.

IV.B.4.c. The average monthly consumption in MCF during the Primary Heating Season (November-March).

IV.B.4.d. The average monthly consumption in MCF during the Non-heating season (April-October).

IV.B.4.e. The average daily consumption in MCF for each 12-month period.

RESPONSE:

See attached excel worksheets

Exh.A-IV.B.4. (a)

PEAK DAY HISTORY

PREVIOUS FIVE YEARS

<u>FISCAL YEAR</u>	<u>DATE</u>	<u>DEGREE F AVG TEMP</u>	<u>MCF SENDOUT</u>	<u>N.G.</u>	<u>L.N.G.</u>
2004-2005	01/18/05	15	591,133	455,735	135,398
2005-2006	12/14/05	21	490,923	450,912	40,011
2006-2007	02/05/07	14	589,588	438,350	151,238
2007-2008	02/11/08	23	533,349	423,165	110,184
2008-2009	01/16/09	15	574,126	448,737	125,389

Exh.A-IV.B.4. (b)

3 DAY PEAK ANALYSIS

Winter Peak Season	Date	Average Temperature	Hi Temperature	Low Temperature	Total Sendout (mcfs)	Firm Sendout (mcfs)
2003-2004	Jan 14	20	24	12	514,424	501,989
2003-2004	Jan 15	14	24	6	578,880	570,609
2003-2004	Jan 16	23	28	17	538,111	533,127
2004-2005	Jan 21	14	22	8	578,200	539,136
2004-2005	Jan 22	19	23	14	562,716	527,118
2004-2005	Jan 23	15	24	9	590,559	552,862
2005-2006	Dec 12	30	40	18	390,077	373,832
2005-2006	Dec 13	22	30	15	463,325	442,636
2005-2006	Dec 14	21	25	18	490,906	470,977
2006-2007	Feb 5	14	18	11	589,588	546,382
2006-2007	Feb 6	18	22	13	554,591	507,463
2006-2007	Feb 7	22	28	18	537,293	495,549
2007 - 2008	Feb 10	26	49	13	440,385	383,392
2007 - 2008	Feb 11	23	26	18	533,349	467,873
2007 - 2008	Feb 12	33	48	24	454,077	394,446
2008 - 2009	Jan 15	21	28	15	516,111	460,730
2008 - 2009	Jan 16	15	22	10	574,126	516,475
2008 - 2009	Jan 17	24	34	16	534,063	481,924

c. The average monthly consumption in MCF during the primary heating season (November-March).

Rate Class	Rate Class Name	Ave.Monthly Cons. (MCF) Nov. to March Testyear 09-10 3714 DEG DAYS	Ave.Monthly Cons. (MCF) Nov. to March Budget Yr 08-09 3622 DEG DAYS	Ave.Monthly Cons. (MCF) Nov. to March Budget Yr 07-08 3345 DEG DAYS	Ave.Monthly Cons. (MCF) Nov. to March Budget Yr 06-07 3159 DEG DAYS	Ave.Monthly Cons. (MCF) Nov. to March Budget Yr 05-06 3335 DEG DAYS
RC-1	Residential Non-Heat	81,544	86,320	90,163	122,308	198,167
	Residential Non-Heat-AC	-	-	-	-	-
RC-2	Residential Heat	5,834,203	5,535,156	5,053,508	5,074,913	4,957,500
	Residential Heat-AC	-	-	-	-	-
RC-3	Commercial Non-Heat	143,677	143,117	149,914	165,029	178,462
	Commercial Non-Heat-AC	-	-	-	-	-
RC-4	Commercial Heat	1,019,636	1,015,484	985,912	1,045,957	1,075,751
	Commercial Heat-AC	-	-	-	-	-
RC-5	Industrial Non-Heat	25,481	29,378	28,866	33,633	39,110
RC-6	Industrial Heat	65,431	62,691	61,221	82,559	90,068
RC-7	Municipal Non-Heat	18,939	20,690	20,656	34,505	36,161
	Municipal Non-Heat-AC	-	-	-	-	-
RC-8	Municipal Heat	94,123	92,348	87,365	134,252	140,168
	Municipal Heat-AC	-	-	-	-	-
RC-9	Housing Auth Non-Heat	-	-	-	27	-
RC-10	Housing Auth Heat	87,541	90,347	89,486	76,525	75,426
RC-11	BPS Small	15,205	21,429	26,538	19,041	23,360
RC-12	BPS Large	87,083	140,750	145,940	203,561	212,758
RC-13	BPS A/C	97	132	55	4,878	5,923
RC-14	LBS Small	9,127	12,487	63,886	48,962	32,731
RC-15	LBS Large-Indirect	1,321	2,547	25	3,132	14,425
RC-16	LBS Large-Direct	-	-	-	-	1,512
RC-17	LBS XLarge-Indirect	3,046	3,979	2,993	2,967	2,948
RC-18	LBS XLarge-Direct	-	-	4,408	3,070	538
RC-19	Co-Gen Indirect	800	964	1,048	935	1,874
RC-20	GTS Sales	-	1,904	1,712	384	576
RC-21	NGV Firm	27	34	28	-	10
	Total	7,487,283	7,259,758	6,813,723	7,056,636	7,087,469
	FT Non-Heat	60,023	42,588	38,324	-	-
	FT Heat	316,351	232,107	175,707	-	-
	Total FT	376,374	274,695	214,031	-	-

IV. RATE STRUCTURE

IV.B.5. Submit a Bill Frequency Analysis for each rate. The analysis should include the rate schedule and block interval, the number of bills at each interval, the cumulative number of bills at each interval, the Mcf or therms at each interval, the cumulative Mcf or therms at each interval, the accumulation of Mcf or therms passing through each interval, and the revenue at each interval for both the present rate and the proposed rates. The Analysis should show only those revenues collected from the basic tariff.

RESPONSE:

PGW's present rate schedule does not have block rates and PGW's proposed rates do not incorporate block rates.

Philadelphia Gas Works Base Rate Filing

IV. RATE STRUCTURE

IV.B.6. Supply copies of all present and proposed Gas Tariffs.

RESPONSE: Copies of all present and proposed Gas Tariffs are provided in Volume I of this filing.

Philadelphia Gas Works' Base Rate Filing

IV. RATE STRUCTURE

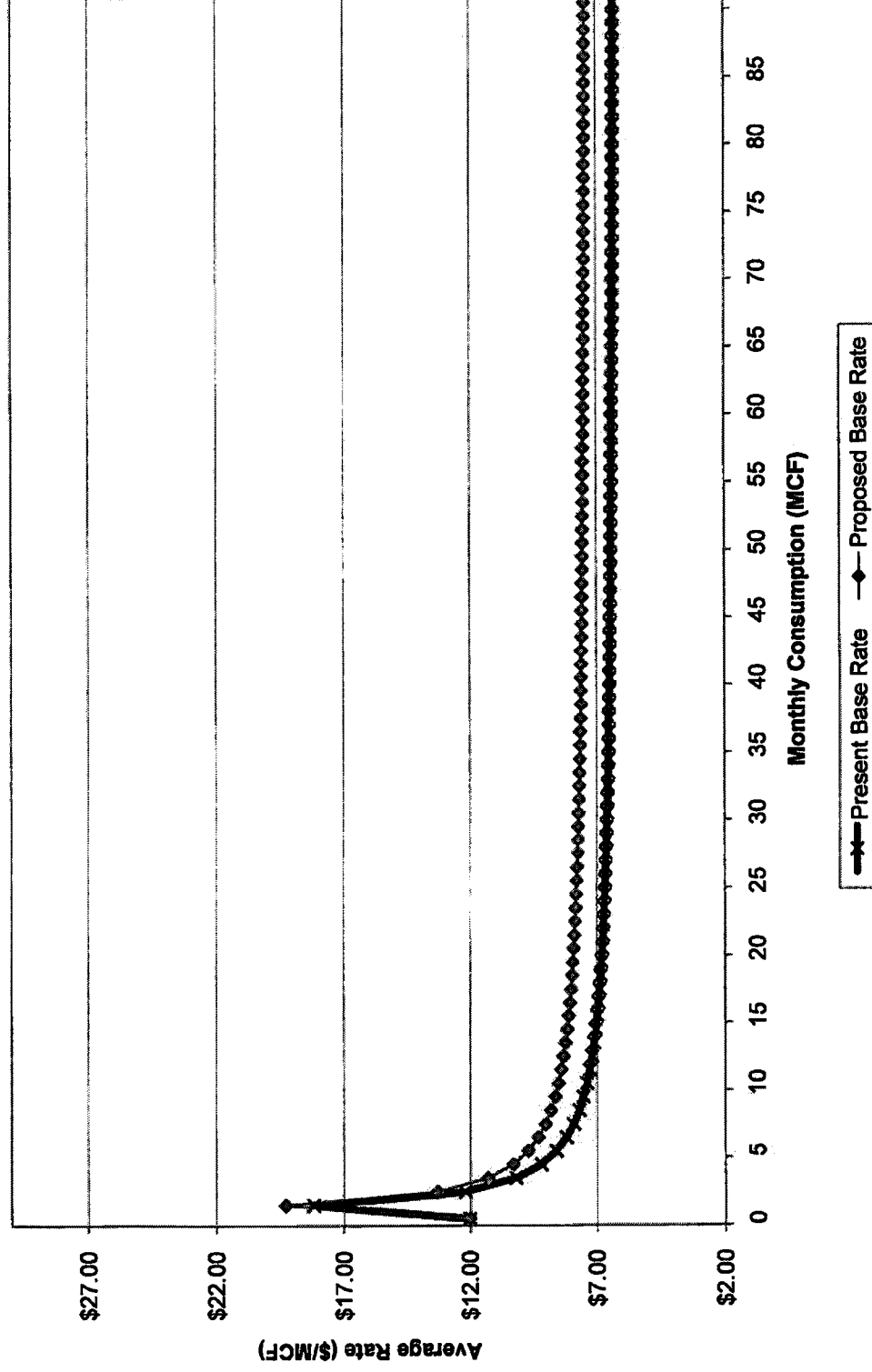
IV.B.7. Supply a graph of present and proposed base rates on hyperbolic cross section paper.

RESPONSE:

Please see the attached graphs.

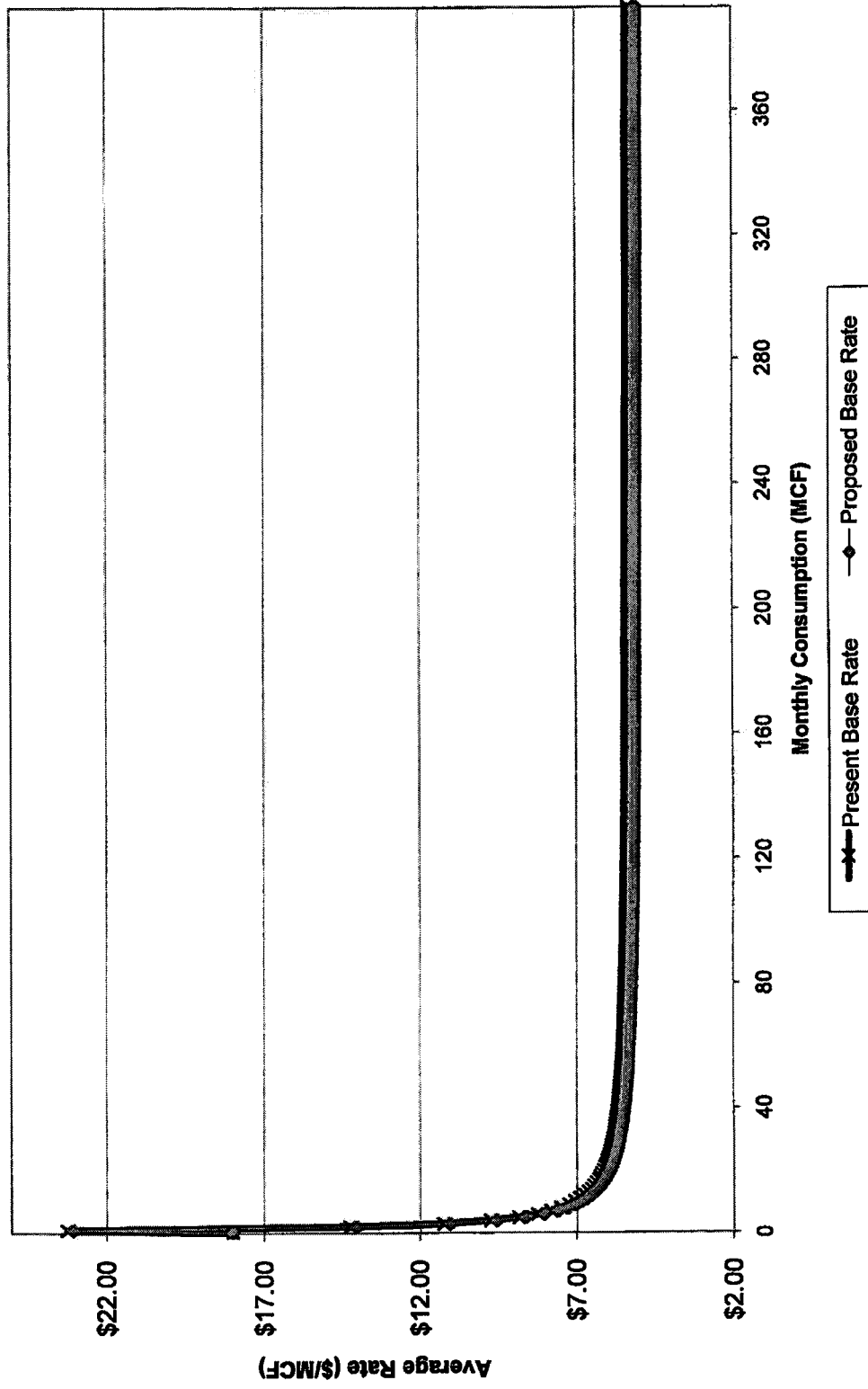
PHILADELPHIA GAS WORKS PRESENT AND PROPOSED RATES

RESIDENTIAL UNIT COST



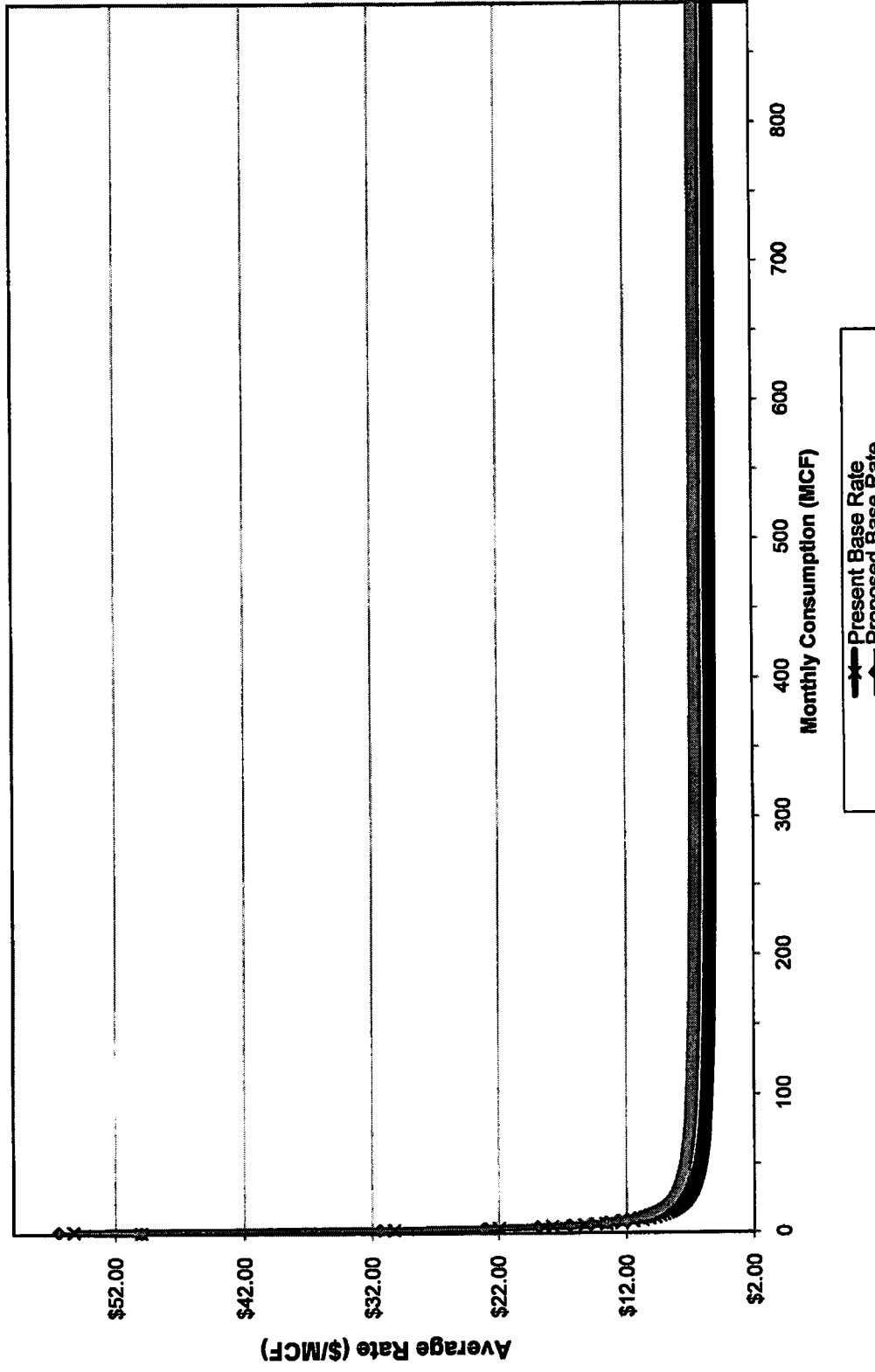
PHILADELPHIA GAS WORKS PRESENT AND PROPOSED RATES

COMMERCIAL UNIT COST



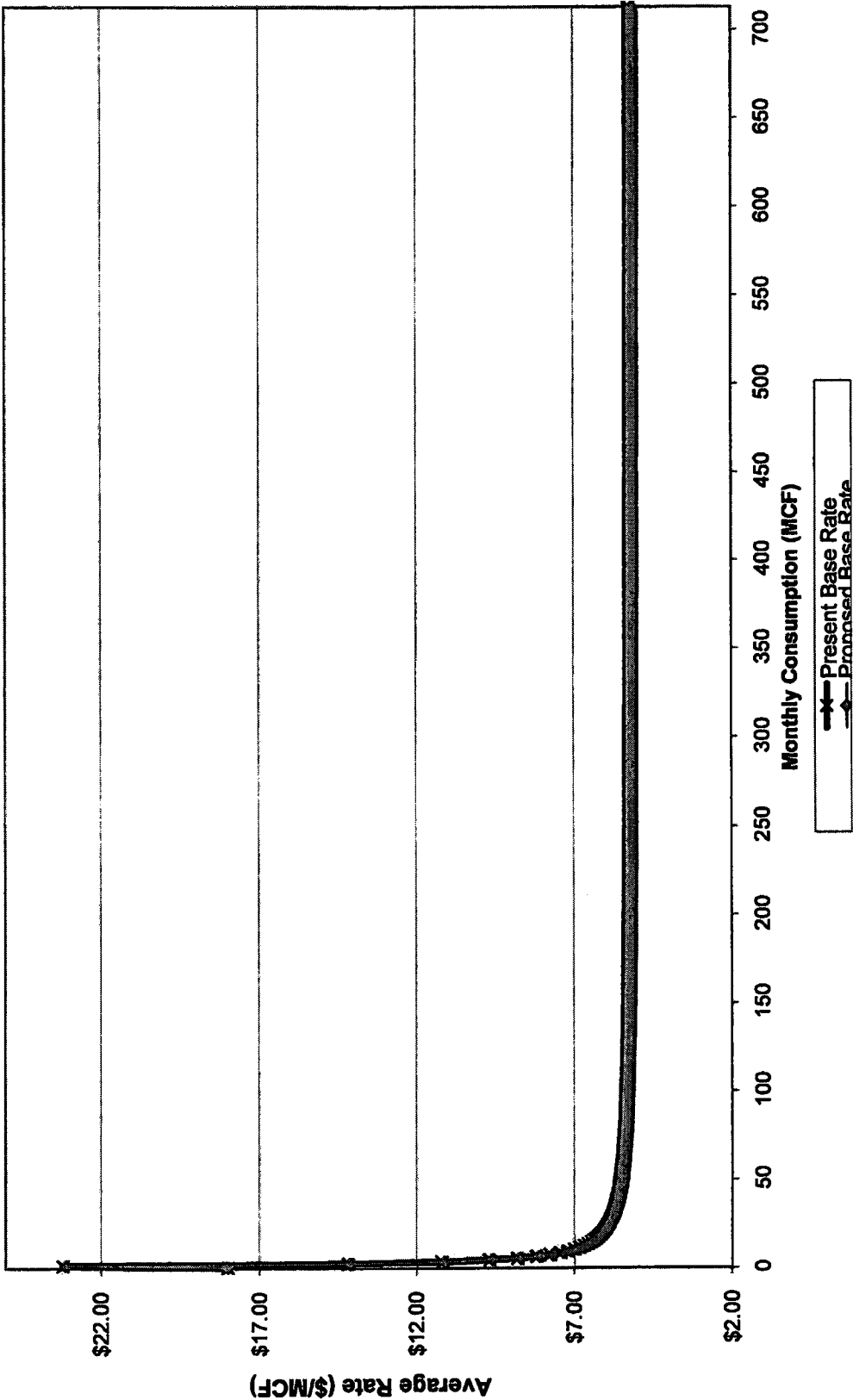
PHILADELPHIA GAS WORKS PRESENT AND PROPOSED RATES

INDUSTRIAL UNIT COST



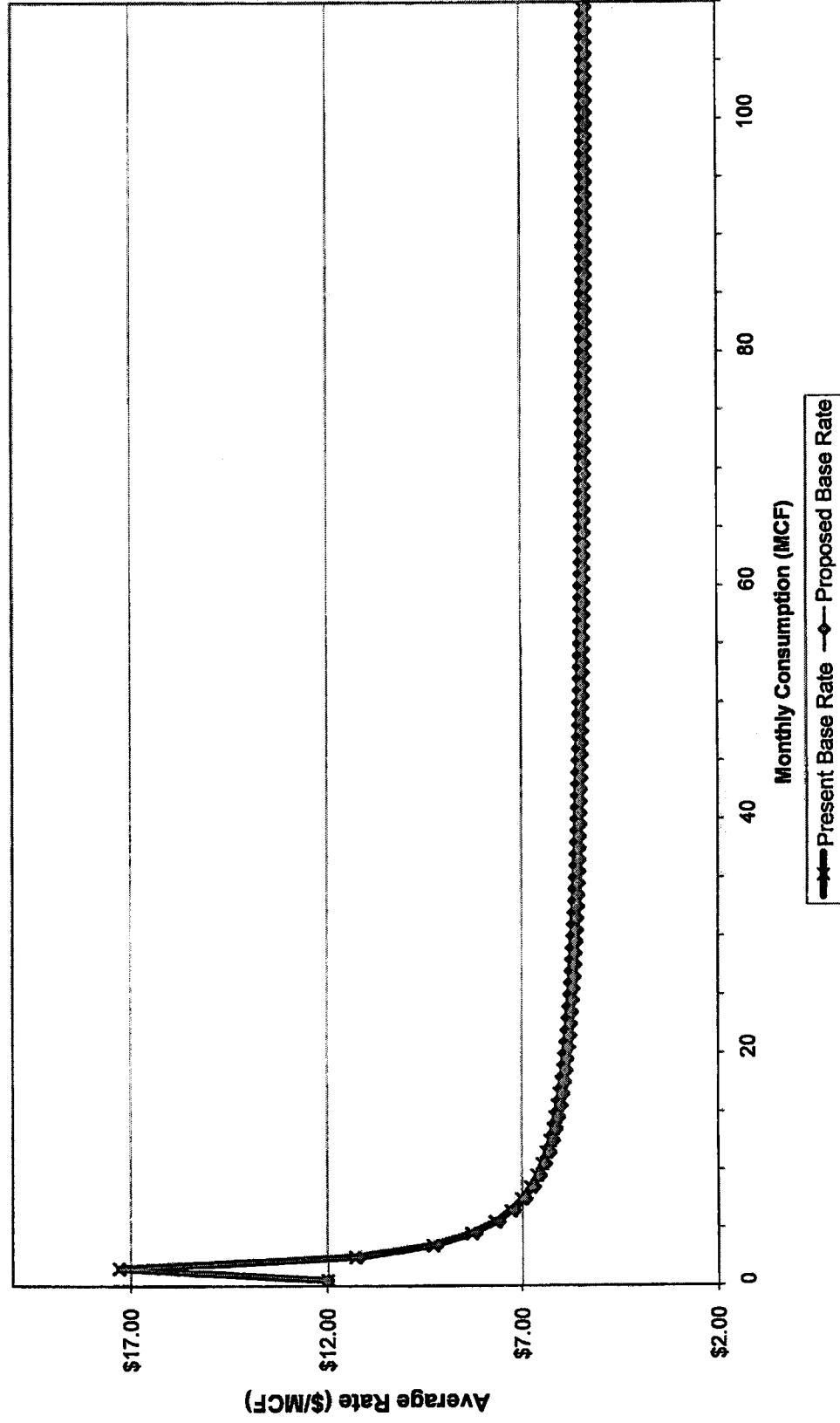
PHILADELPHIA GAS WORKS
PRESENT AND PROPOSED RATES

PHA UNIT COST



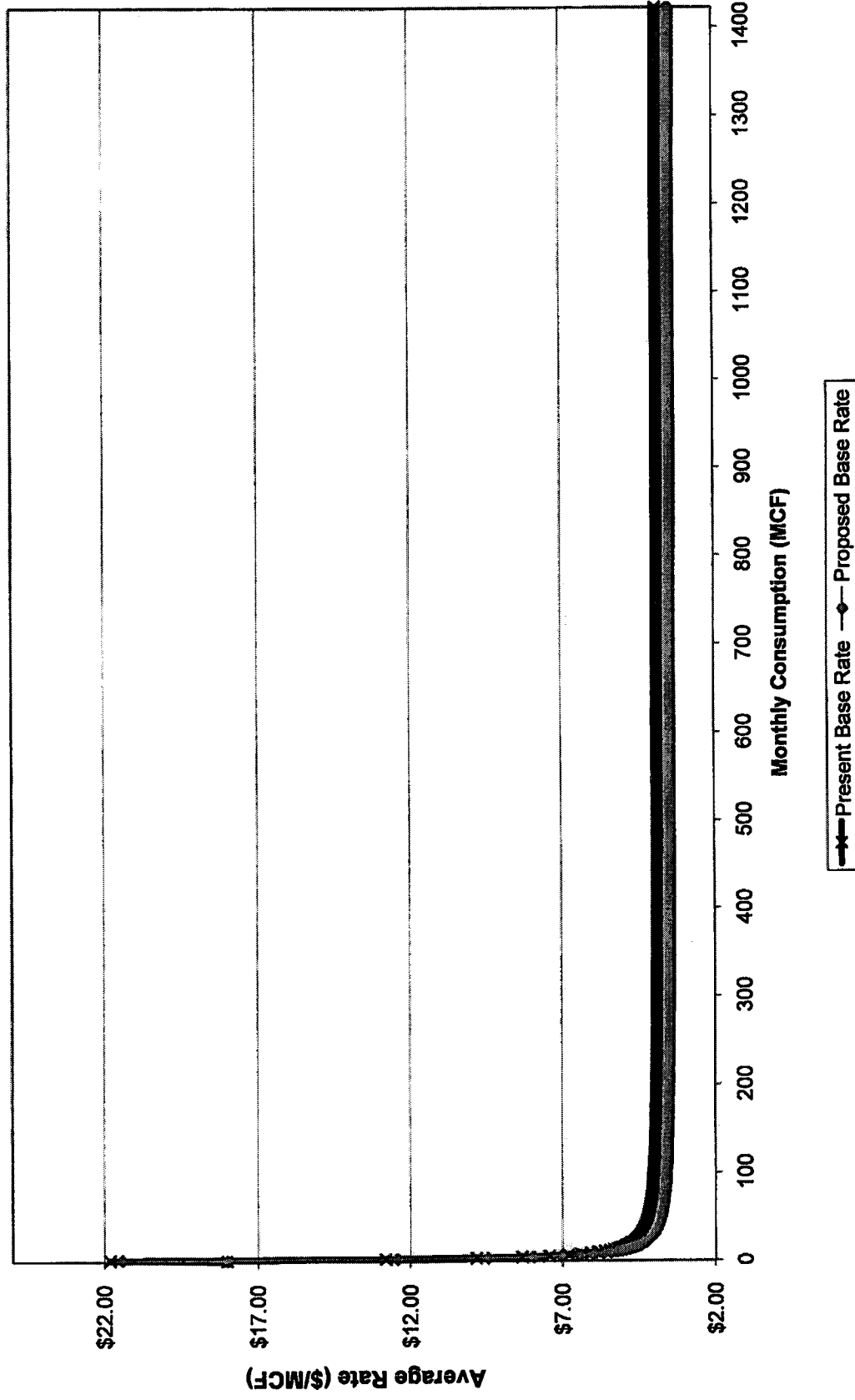
PHILADELPHIA GAS WORKS PRESENT AND PROPOSED RATES

PHAGS UNIT COST



PHILADELPHIA GAS WORKS PRESENT AND PROPOSED RATES

MUNICIPAL UNIT COST



Philadelphia Gas Works Base Rate Filing

IV. RATE STRUCTURE

IV.B.8. Supply a map showing the Gas System Facilities and Gas Service Areas. The map should include transmission lines, distribution lines, other companies' lines interconnecting with the interconnecting points clearly designated, major compressor stations, gas storage areas and gas storage lines. The normal direction of gas flow within the transmission system should be indicated by arrows. Separate service areas within the system should be clearly designated.

RESPONSE: Following the lead of the industry, as well as PUC and federal policy guidelines regarding the security of information relating to energy transmission sites, PGW will no longer provide this data to the general public. However, upon request PGW will provide this information to the Commission and will also provide this information, upon written request, to parties to this proceeding that have legitimate business reasons to view this information.

Philadelphia Gas Works Base Rate Filing

IV. RATE STRUCTURE

IV.B.9. Supply a cost analysis supporting minimum charges for all rate schedules.

RESPONSE: See the testimony of Howard Gorman (PGW St. 8) and the Cost of Service Study.

Philadelphia Gas Works Base Rate Filing

IV. RATE STRUCTURE

IV.B.10. Supply a cost analysis supporting demand charges for all tariffs which contain demand charges.

RESPONSE: See the testimony of Howard Gorman (PGW St. 8) and the Cost of Service Study.

Philadelphia Gas Works' Base Rate Filing

IV. RATE STRUCTURE

IV.B.11. Supply the net fuel clause adjustment by month for the test year.

RESPONSE:

There is not a monthly fuel clause adjustment for the test year as the GCR is constant in the test year.

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2009 THROUGH AUGUST 2010

[illegible]

Philadelphia Gas Works' Base Rate Filing

IV. RATE STRUCTURE

IV.B.12 Supply a tabulation of base rate bills for each rate schedule comparing the existing rates to proposed rates. The tabulation should show the dollar difference and the per cent increase or decrease.

RESPONSE:

Please see the attached schedule.

Rate Increase
Typical Monthly Bill
4412 Degree Days

Residential Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	92.0	Mcf	\$ 2.0987
Delivery Charge	92.0	Mcf	\$ 6.1840
GCR Factor	92.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 12.00
Annual Bill/Effect on Annual Bill			\$ 1,577.71
Effect on Average Monthly Bill			\$ 131.48

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 7.2977	\$ 1.1137	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 12.00	\$ -	\$ -
\$ 1,680.17		\$ 102.46	6.5%
\$ 140.01		\$ 8.54	

Commercial Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	393.0	Mcf	\$ 2.0987
Delivery Charge	393.0	Mcf	\$ 5.2449
GCR Factor	393.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 18.00
Annual Bill/Effect on Annual Bill			\$ 5,971.37
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 5.0287	\$ (0.2162)	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 18.00	\$ -	\$ -
\$ 5,886.40		\$ (84.97)	-1.4%
		\$ (7.08)	

Industrial Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	885.0	Mcf	\$ 2.0987
Delivery Charge	885.0	Mcf	\$ 5.2465
GCR Factor	885.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 50.00
Annual Bill/Effect on Annual Bill			\$ 13,561.98
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 6.4144	\$ 1.1679	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 50.00	\$ -	\$ -
\$ 14,595.57		\$ 1,033.59	7.6%
		\$ 86.13	

PHA Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	712.0	Mcf	\$ 2.0987
Delivery Charge	712.0	Mcf	\$ 5.1889
GCR Factor	712.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 18.00
Annual Bill/Effect on Annual Bill			\$ 10,603.15
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 5.0990	\$ (0.0899)	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 18.00	\$ -	\$ -
\$ 10,539.15		\$ (64.01)	-0.6%
		\$ (5.33)	

PHA/GS Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	107.0	Mcf	\$ 2.0987
Delivery Charge	107.0	Mcf	\$ 5.2817
GCR Factor	107.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 12.0000
Annual Bill/Effect on Annual Bill			\$ 1,714.92
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 5.1784	\$ (0.1033)	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 12.00	\$ -	\$ -
\$ 1,703.87		\$ (11.05)	-0.6%
		\$ (0.92)	

Municipal Heating

<u>Unit Costs</u>	<u>Annual Usage</u>	<u>Unit</u>	<u>Current Rates</u>
Surcharges	1,420.0	Mcf	\$ 2.0987
Delivery Charge	1,420.0	Mcf	\$ 3.8178
GCR Factor	1,420.0	Mcf	\$ 7.3011
Customer Charge	12	Months	\$ 18.00
Annual Bill/Effect on Annual Bill			\$ 18,984.99
Effect on Average Monthly Bill			

	<u>Rate Change Update</u>	<u>Change In Annual Bill</u>	<u>Change In Rate</u>
Surcharges	\$ 2.0987	\$ -	\$ -
Delivery Charge	\$ 3.4344	\$ (0.3834)	\$ -
GCR Factor	\$ 7.3011	\$ -	\$ -
Customer Charge	\$ 18.00	\$ -	\$ -
\$ 18,440.56		\$ (544.43)	-2.9%
		\$ (45.37)	

Philadelphia Gas Works' Base Rate Filing

IV. RATE STRUCTURE

IV.B.13. Submit the projected demands for all customer classes for both purchased and produced gas for the three years following the test year filing.

RESPONSE: Please see attached spreadsheet.

GAS SALES

	Budget Year Sep-Aug 6 & 6 2009-2010	1st Est Yr Sep-Aug 6 & 6 2010-2011	2nd Est Yr Sep-Aug 6 & 6 2011-2012	3rd Est Yr Sep-Aug 6 & 6 2012-2013
NON-HEATING				
RESIDENTIAL	883,072	883,883	814,865	445,751
CRP	39,994	39,950	39,958	39,950
COMMERCIAL	1,314,572	1,257,608	1,210,529	1,189,760
INDUSTRIAL	215,348	209,810	208,240	204,056
MUNICIPAL	148,488	147,749	149,051	150,275
HOUSING AUTHORITY	-	-	-	-
NGV Firm	327	327	327	327
INTERRUPTIBLE				
BPS-SMALL	93,504	72,101	58,933	50,374
LBS-L DIRECT	-	-	-	-
LBS-XL DIRECT	-	-	-	-
TRI-GEN	-	-	-	-
BPS-LARGE	562,906	482,013	408,166	380,432
LBS-L INDIRECT	8,587	8,633	5,448	4,594
LBS-S INDIRECT	63,584	49,121	40,351	34,520
LBS-XL INDIRECT	22,294	17,236	14,220	12,166
CO-GEN INDIRECT	9,290	7,248	5,988	5,150
GRAYSFERRY	-	-	-	-
GTS SALES	-	-	-	-
BPS A/C	9,894	14,053	18,587	23,306
NGV	-	-	-	-
TOTAL INTERRUPTIBLE	770,160	628,405	551,704	510,540
TOTAL FIRM NON-HTG	2,369,796	2,239,827	2,120,970	2,010,119
TOTAL NON-HEATING	3,139,855	2,868,031	2,672,674	2,520,659
HEATING				
RESIDENTIAL	28,793,526	28,598,022	28,655,463	28,511,424
CRP	10,354,482	10,354,482	10,357,801	10,354,482
HOUSING AUTHORITY - GS	209,424	209,424	209,497	209,424
COMMERCIAL	7,232,733	7,189,121	7,195,982	7,236,811
INDUSTRIAL	454,909	447,969	444,422	443,115
MUNICIPAL	571,935	579,037	588,399	593,373
HOUSING AUTHORITY - PHA	593,669	590,090	586,755	582,985
TOTAL HEATING	48,210,557	48,066,124	48,036,289	47,931,593
TOTAL FIRM HTG & NON-HTG	50,580,353	50,305,751	50,187,270	49,941,712
TOTAL GAS SALES	51,350,513	50,934,155	50,708,973	50,462,252
FIRM TRANSPORT				
NON-HEATING				
RESIDENTIAL	-	-	-	-
COMMERCIAL	315,310	355,635	387,700	413,048
INDUSTRIAL	50,867	53,044	54,313	54,912
MUNICIPAL	123,861	123,861	123,794	117,127
HOUSING AUTHORITY	-	-	-	-
TOTAL NON-HEATING	490,038	532,540	565,807	585,087
HEATING				
RESIDENTIAL	-	-	-	-
COMMERCIAL	1,591,523	1,798,061	1,962,414	2,092,181
INDUSTRIAL	268,123	279,532	286,320	289,484
MUNICIPAL	455,282	455,282	455,519	466,081
HOUSING AUTHORITY - PHA	-	-	-	-
TOTAL HEATING	2,314,908	2,532,854	2,704,253	2,847,707
TOTAL FIRM TRANSPORT	2,804,947	3,065,494	3,270,060	3,432,793
TOTAL SALES & FIRM TRANSPORT	54,155,459	53,999,649	53,979,033	53,895,045
GTS TRANSPORT	19,548,273	19,673,436	19,795,467	19,825,014
TOTAL SALES & TRANSPORT	73,703,732	73,673,085	73,774,500	73,710,059

Philadelphia Gas Works' Base Rate Filing

IV. RATE STRUCTURE

IV.B.14. Supply an exhibit showing the gas deliveries to each customer class for the most recent 24 month period. The exhibit should identify the source of the gas, such as "purchased" (pipeline), "production" (includes purchases from local producers), "storage withdrawal," "propane/air," and "unaccounted for."

RESPONSE:

See attached schedule.

Gas Deliveries

	<u>Fiscal 2008</u>	<u>Fiscal 2009</u>
NON-HEATING:		
Residential	801,921	754,832
Residential - A/C	2	1
Commercial	1,381,455	1,276,907
Commercial - A/C	13,540	11,867
Industrial	235,406	219,093
Municipal	146,846	172,227
Municipal - A/C	5,473	5,254
Housing Authority	0	0
NGV Firm	<u>357</u>	<u>475</u>
Total Firm Non-heating	2,585,001	2,440,757
Interruptible-Commercial & Industrial		
BPS -S Indirect	140,799	126,237
BPS -O Indirect	913,387	861,685
BPS -H Indirect	9,838	0
LBS-XL direct	22,180	0
LBS-XL Indirect	24,802	32,805
LBS-L direct	0	0
LBS-L Indirect	643	21,246
LBS-S Indirect	634,615	89,136
CG-Indirect	14,309	14,310
GTS - retail sales	130,046	14,710
NGV indirect	<u>0</u>	<u>0</u>
Total Interruptible	1,790,719	1,170,130
Heating:		
Residential	34,346,933	36,914,572
Residential - A/C	148	57
Commercial	6,979,930	7,025,675
Commercial - A/C	3,549	4,461
Industrial	421,464	410,537
Municipal	566,494	584,819
Municipal - A/C	0	0
Housing Authority	<u>621,846</u>	<u>644,293</u>
Total Heating	42,940,362	45,584,414
FT Non-heating:		
FT Residential	21	110
FT Commercial	181,661	259,091
FT Industrial	46,681	39,105
FT Municipal	105,134	94,656
FT Housing Authority	<u>0</u>	<u>0</u>
Total Non-heating	333,797	392,962
FT Heating:		
FT Residential	9,873	12,507
FT Commercial	770,329	1,153,514
FT Industrial	166,612	178,102
FT Municipal	326,067	356,193
FT Housing Authority	<u>0</u>	<u>0</u>
Total Heating	1,272,880	1,700,316
Total Firm Transportation	1,608,678	2,093,277
Unbilled adjustment	61,729	-12,364
(+) Utility Use	716,682	737,720
Gas transportation	9,828,058	12,651,292
Interruptible Transportation	<u>7,497,327</u>	<u>7,879,559</u>
Total Delivered	67,126,555	72,544,784
Unaccounted for	<u>2,198,284</u>	<u>2,384,818</u>
Total Delivered	69,324,819	74,909,602

Gas Sources

Storage Withdrawals	12,972,996	13,453,668
LNG Vaporization	1,280,180	1,545,034
Gas Transport	17,767,698	20,889,957
Pipeline	<u>37,303,947</u>	<u>39,020,945</u>
TOTAL SOURCES	69,324,819	74,909,602

Philadelphia Gas Works' Base Rate Filing

52 Pa.Code § 53.62

§ 53.62. Additional information to be filed by gas utilities with gross annual intrastate operating revenues in excess of \$40 million seeking a change in base rates.

In addition to information otherwise required to be filed by a jurisdictional natural gas distributor with gross intrastate annual operating revenues in excess of \$40 million seeking a change in its base rates, each gas utility shall also file updates to the information required by § 53.64(c) (relating to filing requirements for natural gas distributors with gross intrastate annual operating revenues in excess of \$40 million). In the case of a gas utility purchasing gas as defined at § 53.61(a) (relating to purpose) from an affiliated interest, it shall also file updates to the information required at § 53.65 (relating to special provisions relating to natural gas distributors with gross intrastate annual operating revenues in excess of \$40 million with affiliated interests). These updates shall be made at the time the base rate case under 66 Pa.C.S. § 1308 (relating to voluntary changes in rates) is originally filed. Deficiencies in filing will be treated as set forth at § 53.51(c) (relating to general).

RESPONSE:

PGW hereby incorporates by reference 1307(f) Case R-2008-2021348 comprised of its exhibits and testimony filed on February 1, 2008 and March 1, 2008. Rates are effective through August 2009.

PGW hereby incorporates by reference 1307(f) Case R-2009-2088076 comprised of its exhibits and testimony filed on February 1, 2009 and March 1, 2009. Rates are effective through August 2010.

Copies of the filings can be provided upon request.

See attached quarterly filing update of purchased gas costs as follows:

R-2008-2021348:

- 1st Quarterly Filing – January 1, 2009
- 2nd Quarterly Filing – March 1, 2009
- 3rd Quarterly Filing – June 1, 2009
- 4th Quarterly Filing – September 1, 2009

R-2009-2088076:

- 1st Quarterly Filing – December 1, 2009

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December 23, 2008

James McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg.
2nd Fl., 400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission v. Philadelphia
Gas Works
Docket No. R-2008-2073938

Dear Secretary McNulty:

On behalf of Philadelphia Gas Works ("PGW") attached please find the following documents: which constitutes PGW's compliance tariff in the above docket. Included are the following:

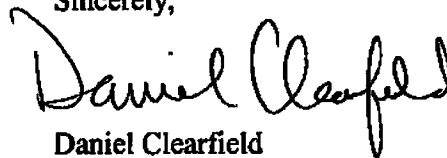
- (1) PGW's compliance tariff, Supplement No. 29 to PGW's Gas Service Tariff No. 2
- (2) Supporting schedules and a proof of revenue for the \$60 million rate increase authorized by the PUC's December 19, 2008 Order;
- (3) Supporting schedules to implement a revision to PGW's GCR rate; and
- (4) Supplement No. 26 to Supplier Tariff No. 1 to reflect a change required as a result of the GCR change.

HAR:84208.1/PHI211-255739

James McNulty
December 23, 2008
Page 2

Please contact me or Greg Stunder at PGW if there are any questions or if additional information is required.

Sincerely,

A handwritten signature in black ink that reads "Daniel Clearfield". The signature is fluid and cursive, with the first name "Daniel" and last name "Clearfield" clearly distinguishable.

Daniel Clearfield
For WolfBlock LLP

DC/lww

Enclosure

cc: Greg Stunder, Esq. w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of PGW's Compliance Filing upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL & FIRST CLASS MAIL

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Daniel Clearfield, Esquire

Dated: December 23, 2008

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PHILADELPHIA GAS WORKS

:
:
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:
:
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Docket No. R-2008-2073938

PHILADELPHIA GAS WORKS' COMPLIANCE FILING

TABLE OF CONTENTS

1. Supplement No. 29 to PGW Gas Service Tariff No. 2
2. Proof of Revenue – Proposed Rates
3. GCR January 1, 2008 Revision – Supporting Data
4. Supplement No. 26 to Supplier Tariff No. 1

PHILADELPHIA GAS WORKS

GAS SERVICE TARIFF



Issued by: Thomas Knudsen
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

List of Changes Made by this Tariff Supplement

GAS COST RATE (GCR) – SECTION 1307f, II DEFINITIONS (PAGE No. 67)

In the definition of "GAC," the "GAC" value effective January 1, 2009 increases from \$(0.05105) per Ccf to \$(0.00828) per Ccf.

In the definition of "IRC," the "IRC" value effective January 1, 2009 decreases from \$0.02166 per Ccf to \$0.02059 per Ccf.

In the definition of "SSC," the "SSC" value effective January 1, 2009 decreases from \$1.33798 per Ccf to \$1.09894 per Ccf.

GAS COST RATE (GCR) – SECTION 1307f, III COMPUTATION OF GAS COST RATE (Page No. 68)

The Gas Cost Rate (GCR) effective January 1, 2009 decreases from \$1.26527 per Ccf to \$1.07007 per Ccf.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective January 1, 2009 decreases from \$0.29180 per Ccf to \$0.22590 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services decreases from \$1.26527 per Ccf to \$1.07007 per Ccf, effective January 1, 2009. The following Delivery Charges increase effective January 1, 2009: from \$0.49894 to \$0.61840 per Ccf for Residential Customers; from \$0.42779 to \$0.52817 per Ccf for Public Housing Customers; from \$0.43711 to \$0.52449 per Ccf for Commercial and Municipal Customers; and from \$0.43684 to \$0.52465 per Ccf for Industrial Customers.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service decreases from \$1.26527 per Ccf to \$1.07007 per Ccf, effective January 1, 2009. The Delivery Charge for Municipal Service increases from \$0.32125 per Ccf to \$0.38178 per Ccf, effective January 1, 2009.

PHILADELPHIA GAS WORKS

PHILADELPHIA HOUSING AUTHORITY SERVICE – RATE PHA (Page No. 90)

The GCR for Philadelphia Housing Authority Service decreases from \$1.26527 per Ccf to \$1.07007 per Ccf, effective January 1, 2009. The Delivery Charge for Philadelphia Housing Authority Service increases from \$0.43607 per Ccf to \$0.51889 per Ccf, effective January 1, 2009.

INTERRUPTIBLE CUSTOMER CHARGE

The Customer Charge for the following have increased as noted below.

Type	Tariff Page No.	From	To
BPS-Small	93	\$43.00	\$51.00
BPS-LARGE M1	93	\$43.00	\$51.00
BPS-LARGE M2	93	\$92.00	\$108.00
LBS-S Indirect	97	\$123.00	\$145.00
LBS-L Direct	97	\$215.00	\$254.00
LBS-L Indirect	97	\$215.00	\$254.00
LBS-XL Direct	97	\$307.00	\$362.00
LBS-XL Indirect	97	\$307.00	\$362.00
CO-GEN Indirect	131	\$307.00	\$362.00
BPS A/C	93	\$43.00	\$51.00

INTERRUPTIBLE TRANSPORTATION SERVICE – RATE IT (Page No. 115)

Distribution Charges increase effective January 1, 2009 as follows:

	<u>FROM:</u>	<u>TO:</u>
<u>DISTRIBUTION CHARGE</u>	<u>Rate (\$) Per Mcf / Dth Delivered</u>	<u>Rate (\$) Per Mcf / Dth Delivered</u>
IT-A:	1.54 / 1.48	1.88 / 1.81
IT-B:	0.75 / 0.72	0.91 / 0.87
IT-C:	0.58 / 0.56	0.71 / 0.68
IT-D:	0.53 / 0.51	0.63 / 0.61
IT-E:	0.51 / 0.49	0.61 / 0.58

**DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE (Pages 135-136)**

The GCR for NGVS Firm decreases from \$1.26527 per Ccf to \$1.07007 per Ccf, effective January 1, 2009. The Delivery Charge for NGVS Firm increases from \$0.09254 per Ccf to \$0.13212 per Ccf, effective January 1, 2009.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Twenty Ninth Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Gas Service Tariff _____	First Revised 15
2. Application and Contract for Gas Service _____	First Revised 17
3. Credit and Deposit _____	First Revised 21
4. Billing and Payment _____	First Revised 26
5. Termination and/or Discontinuance of Gas Service _____	First Revised 30
6. Termination of Service for Safety Reasons and Curtailment of Service/ Service Continuity _____	First Revised 38
7. Inquiry, Review, Dispute, and Appeals Process _____	First Revised 41
8. Customer's Responsibility for Company's Property _____	First Revised 44
9. Conditions of Service, Point of Delivery, and Application of Rates _____	47
10. Extensions And Rights-Of-Way _____	First Revised 50
11. Meters: Measurements, Readings, Errors, and Tests _____	First Revised 53
12. Service Charges and Miscellaneous Fees and Provisions _____	First Revised 57
13. Universal Service And Energy Conservation Programs _____	First Revised 59
14. Gas Choice Enrollment and Switching _____	63
15. Supplier of Last Resort _____	First Revised 65

	Page Number
RATES (Cover Page) _____	66
Gas Cost Rate _____	Twenty Fifth Revised 67
Revenue Reconciliation Adjustment (RRA) Rider _____	70
Senior Citizen Discount _____	72
Migration/Reverse Migration Rider _____	75
Exit Fee Rider _____	77
Restructuring and Consumer Education Surcharge _____	Eleventh Revised 79
Universal Services Surcharge _____	Twenty Fifth Revised 81
General Service - Rate GS _____	Twenty Sixth Revised 83
Municipal Service - Rate MS _____	Twenty Sixth Revised 87
Philadelphia Housing Authority Service –Rate PHA _____	Twenty Sixth Revised 90
Boiler and Power Plant Service – Rate BPS _____	Second Revised 93
Load Balancing Service – RATE LBS _____	Second Revised 97
Daily Balancing Service – Rate DB _____	101
Interruptible Transportation Service – Rate IT _____	111
Gas Transportation Service - Rate GTS - Firm Service _____	118
Gas Transportation Service - Rate GTS - Interruptible _____	124
Cogeneration Service - Rate CG _____	Second Revised 131
Developmental Natural Gas Vehicle Service - Rate NGVS Firm Service	Second Revised 135
Developmental Natural Gas Vehicle Service - Rate NGVS Interruptible Service _____	139
SPECIAL PROVISION – Air Conditioning Rider _____	143
SPECIAL PROVISION – Compressed Natural Gas Rider _____	145
SPECIAL PROVISION – Emergency/Unauthorized Use Gas Rider _____	147
WEATHER NORMALIZATION ADJUSTMENT CLAUSE _____	149

GAS COST RATE (GCR) – SECTION 1307(f)

I. PROVISION FOR ADJUSTMENT

The Gas Cost Rate shall be applied to each Mcf (1,000 cubic feet) for Firm Retail Sales Service Gas supplied under Rates Schedules GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates calculated in a manner set forth below, pursuant to 66 Pa.C.S. §1307(f). Such rates for Firm Sales Service Gas may be increased or decreased from time to time under the procedures set forth in Section II.B. below to reflect changes in the level of Gas costs incurred or projected to be incurred by PGW related to Sales Service.

II. DEFINITIONS

C - The current cost of Natural Gas and other raw materials determined as follows: (a) for all types of Gas, project the cost for each purchase (adjusted for net current Gas stored) for the computation year plus (b) the of (1) the projected book value of non-current Gas at the beginning of the computation year minus (2) the projected book value of non-current Gas at the end of the computation year. In addition to any cost authorized by the Commission, the cost of Natural Gas may include any item included in the definition of Natural Gas costs set forth in 66 Pa.C.S. § 1307(h) ("Definition"). The Factor "C" includes two components – Commodity Costs and Demand Costs which are defined as follows: Commodity Costs - the actual cost of natural gas and purchased electric for firm customers that does not include the fixed costs associated with the transportation and storage of natural gas; and Demand Costs - the fixed costs associated with the transportation and storage of natural gas for firm customers.

Computation Year - The 12-month forecast period as identified in the Company's annual 1307 (f) filing and each quarterly GCR filing.

E - Experienced net over billing (or under billing) of the cost of Natural Gas and other raw materials applicable to the GCR reported in the most recent Section 1307(f) proceeding. Such over billings (or under billings) will be made with interest at the rate and method set forth by the Pennsylvania Public Utility Commission. Additionally, supplier refunds received prior to the end of the August billing period will be included in the Factor "E." The Factor "E" includes two components – Commodity Costs and Demand Costs which are defined above in the Factor "C" definition.

Firm Sales Service - The service provided to Customers who receive firm supply service from PGW. The term does not include the service provided to Customers who receive interruptible supply service from PGW.

GAC - The "E" factor component of the GCR, representing the net overcollection or undercollection of Natural Gas and other raw materials costs. The currently effective GAC is \$(0.02077) per Ccf for Commodity Costs and \$0.01248 per Ccf for Demand Costs, for service on or after January 1, 2009. The total Gac is \$(0.00828) per Ccf. (I)

GCR - Gas Cost Rate determined to the nearest one-hundredth cent (\$0.0001) to be applied to each Mcf of Gas supplied under Rates GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates and is equal to the SSC plus the GAC minus the IRC.

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.02059 per Ccf for service on or after January 1, 2009. (D)

Natural Gas or Gas - The volumes of gas purchased or manufactured by the Company that is delivered to the Company's Customers, plus such portion of the Company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas,

(I) – Increase; (D) – Decrease

PHILADELPHIA GAS WORKS

liquefied propane and naphtha.

S - Projected applicable Mcf of Gas to be billed to Customers during the computation year.

SSC-Sales Service Charge - The purchased Gas costs determined to the nearest $\frac{1}{100}$ of a cent (\$0.0001). The currently effective SSC is \$0.96075 per Ccf for Commodity Costs and \$0.13819 per Ccf for Demand Costs, for service on or after January 1, 2009. The total SSC is \$1.09894 per Ccf.

(D)

(D) – Decrease

III. COMPUTATION OF GAS COST RATE

A. The GCR shall be computed to the nearest one-thousandth cent (\$0.00001) in accordance with the formula set forth below as the terms are defined in Section II:

$$\begin{aligned} \text{SSC} &= \text{C/S} \\ \text{GAC} &= \text{E/S} \\ \text{GCR} &= \text{SSC} + \text{GAC} - \text{IRC} \end{aligned}$$

B. Each Gas Cost Rate so computed shall be applied to Customers' bills for twelve monthly billing periods commencing with September.

The currently effective Gas Cost Rate is \$1.07007 per Ccf, for service on or after January 1, 2009. (D)

IV. REPORTING REQUIREMENTS

A. The Company's rates are subject to quarterly adjustments for recovery of the Gas Cost Rate under procedures set forth in Section 1307 (f) of the Public Utility Code.

B. The filing of the Company's annual Section 1307(f) filing, annual Gas Cost Rate, effective during the billing period of September through August, shall be submitted to the Commission by March 1 of each year, with a February 1 pre-filing date.

C. The application of the Gas Cost Rate shall be subject to review and audit by the Commission at such intervals as the Commission shall determine.

D. If it shall be determined, from audit by the Commission, or by final order entered after notice and hearing, that the application of this clause has resulted in the overcollection or undercollection of revenues, then the Company shall apply such over/undercollection as a credit or debit against future Gas Cost Rates.

V. PROVISION FOR INCLUSION OF SPECIFIC NON-GAS EXPENSES

The computation of the Gas Cost Rate may include such Non-Gas expenses as may be authorized by this tariff and annually authorized by the Commission.

VI. INTERRUPTIBLE REVENUE CREDIT (IRC)

A. The GCR rate shall be credited with an Interruptible Revenue Credit (IRC) equal to the margin realized from interruptible sales under PGW's Interruptible Sales Tariff Rates: BPS, LBS; and CG (Total Margin Revenue).

B. The IRC shall be set each year in the Company's 1307(f) proceeding to reflect the Total Margin Revenue. The rate per Mcf shall be calculated by dividing the Total Margin Revenue by total applicable firm sales. For the period September 1, 2003 through August 31, 2004 the IRC shall be initially set to reflect the Total Margin Revenue authorized by the Commission in its final order at M-00021612 (entered March 31, 2003).

(D) - Decrease

UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE

Universal service and energy conservation program and related costs will be recovered by a Universal Service and Energy Conservation Surcharge applicable to all volumes of Gas delivered.

1. The Surcharge will recover: 1) the discounts provided to Customers pursuant to the Customer Responsibility Program (CRP); 2) the discounts provided to Customers pursuant to the Senior Citizen Discount; 3) the costs of the Conservation Works Program (CWP); and, 4) for Customers entering the CRP program on or after September 1, 2003, past due arrearages forgiven pursuant to paragraph A (6) of the CRP/CAP Program Design Stipulation approved by the Commission by its order at M-00021612 (entered March 31, 2003).
2. Computation of the Universal Service and Energy Conservation Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307(f) of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
3. Once the surcharge is in place it will be automatically adjusted effective March 1, June 1, September 1, and December 1 of each year in accordance with Section 1307(f) quarterly adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the total universal service and energy conservation program costs approved for annual recovery by the estimated applicable throughput in Mcfs.
4. The Universal Service and Energy Conservation Surcharge shall take effect upon the effective date of this Tariff.

Current Universal Service and Energy Conservation Surcharge = \$ 0.22590/Ccf.

(D)

(D) - Decrease

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this
Rate Schedule on or after January 1, 2009

AVAILABILITY

Available for any purpose where the Company's distribution mains adjacent to the proposed Gas
Service location are, or can economically be made, suitable to supply the quantities of Gas or
Transportation Services required.

RATES**CUSTOMER CHARGE (per Meter (except parallel meters)):**

\$ 12.00	per month for Residential and Public Housing Authority Customers.
\$ 18.00	per month for Commercial and Municipal Customers
\$ 50.00	per month for Industrial Customers

Plus,

GCR (not applicable to GS Customers who transport gas through a qualified NGS):

\$ 1.07007	per Ccf for Residential and Public Housing	(D)
\$ 1.07007	per Ccf for Commercial and Municipal Customers	(D)
\$ 1.07007	per Ccf for Industrial Customers	(D)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.61840	per Ccf for Residential	(I)
\$0.52817	per Ccf for Public Housing	(I)
\$0.52449	per Ccf for Commercial and Municipal Customers	(I)
\$0.52465	per Ccf for Industrial Customers	(I)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and Restructuring and Consumer
Education Surcharge.

(D) – Decrease; (I) – Increase

MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after January 1, 2009.

AVAILABILITY

Available to properties owned or occupied by the City of Philadelphia or the Board of Education, or any of their respective agencies or instrumentalities, for any type of Gas Service, unless purchased for resale to others, and where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required; provided, however, that the rate shall not be available to Commercial Tenants of any such property.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters):

\$ 18.00 per month

Plus,

GCR (not applicable to MS Customers who transport Gas through a qualified NGS):

\$ 1.07007 per Ccf (D)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.38178 per Ccf (I)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge.

Also,

The following Riders may apply:

(D) – Decrease; (I) – Increase

PHILADELPHIA GAS WORKS

PHILADELPHIA HOUSING AUTHORITY SERVICE - RATE PHA

Rate: Applicable to all Retail Sales Service or Transportation Services rendered pursuant to this Rate
Schedule on or after January 1, 2009

AVAILABILITY

Available for all Gas usage in multiple dwelling Residential buildings containing 10 or more dwelling units, owned and operated by the Philadelphia Housing Authority, where cooking shall be performed exclusively with Gas and where Gas Service shall be supplied through one or more single point metering arrangements at locations where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required.

This rate is also available for all Gas usage in single and multiple dwelling Residential buildings, containing less than 10 dwelling units, provided, and only so long as, Gas is used exclusively for cooking, water heating and space heating for all such Residential buildings owned and operated by the Philadelphia Housing Authority, except (a) buildings operated by the Philadelphia Housing Authority, prior to the original effective date of this rate (January 1, 1969), and (b) buildings for which, in the judgment of the Company, such Gas Service cannot be provided economically.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters);

\$18.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 1.07007 per Ccf **(D)**

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) Delivery Charge:

\$0.51889 per Ccf **(I)**

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease; (I) – Increase

PHILADELPHIA GAS WORKS

BOILER AND POWER PLANT SERVICE - RATE BPS

Rate: Applicable to all Retail Sales Service rendered pursuant to this Rate Schedule on or after
September 1, 2003

AVAILABILITY

This rate is available for Customers with Alternate Fuel Capability, where the Company's distribution system is, or can economically be made available to supply the service. Gas Service under this rate shall not be available as a replacement of firm Retail Sales Service or firm Transportation Service, unless the Customer can demonstrate to the Company's satisfaction that it has the capacity and plans to continue to take Gas Service on an interruptible basis for at least one year. The Company's determination as to whether the service would amount to such replacement shall be final. Service under this rate shall be available to (a) any facility which was served pursuant to Rate BPS as of September 1, 1994, and (b) any applicant for service under this rate executing a Service Agreement, contracting for not less than 2,500 Mcf of Gas per year under the terms of this Tariff, in which shall be defined minimum quantities of gas to be delivered. The number of Customers to receive service under this rate may be limited by the Company in order to maintain adequate and efficient Gas Service generally. When, in the judgment of the Company, it is not economically feasible to separately meter small incidental pilot usage, it may be billed under this rate. The BPS rate class has three components: BPS-S, BPS-L and BPS-H.

MINIMUM QUANTITY REQUIREMENTS:

New BPS-S Customers must contract for not less than 2,500 Mcf of Gas per year.

BPS-L Customers must contract for not less than 5,000 Mcf of Gas per year.

BPS-H Customers must contract for not less than 5,000 Mcf of Gas per year.

RATE

CUSTOMER CHARGE:

\$51.00 per month for Customers with annual consumption of less than 10,000 Mcf. (I)

\$108.00 per month for Customers with annual consumption of between 10,000 Mcf and 100,000 Mcf, inclusive. (I)

\$150.00 per month for Customers with annual consumption greater than 100,000 Mcf.

Plus

VARIABLE DISTRIBUTION AND COMMODITY CHARGE:

BPS-S: The charge per Mcf shall be calculated by Company within a range computed to be from 20% above to 20% below the numerical average of the high and the low posted reseller tank wagon price for No.2 oil, at Philadelphia.

BPS-L: The charge per Mcf shall be calculated by Company within a range computed to be from 20% above to 20% below the numerical average of the high and the low posted reseller tank car price for No.2 oil, at Philadelphia.

BPS-H: The charge per Mcf calculated by Company shall be set at a level not greater than the rate charged to Customers under BPS-L nor less than the rate charged to Customers under rate LBS-S.

(I) = Increase

LOAD BALANCING SERVICE - RATE LBS

Rate: Applicable to all Retail Services rendered pursuant to this Rate Schedule on or after September 1, 2003

AVAILABILITY

This rate is available for use in industrial and commercial establishments and multi-family residential buildings for seasonal Gas uses, where the Company's facilities are, or can economically be made, available to supply the service. Gas Service under this rate shall not be a replacement of firm Retail Sales Service or firm Transportation Service. The Company's determination as to whether the service would amount to such a replacement shall be final. An applicant for service under this rate shall be required to execute a Service Agreement, contracting for an Annual Contract Quantity of not less than 5,000 Mcf of Gas under the terms of this Tariff, in which shall be defined minimum daily quantities of Gas to be delivered. The number of Customers to receive service under this rate, at any single time, may be limited by the Company in order to maintain adequate and efficient Gas Service generally. When, in the judgment of the Company, it is not economically feasible to separately meter small incidental pilot usage, it may be billed under this rate. The LBS rate class has three components: LBS-S, LBS-L and LBS-XL.

MINIMUM QUANTITY REQUIREMENTS:

LBS-S Customers must contract for not less than 5,000 Mcf of Gas per year.

LBS-L Customers must contract for not less than 80,000 Mcf of Gas per year.

LBS-XL Customers must contract for not less than 350,000 Mcf of Gas per year.

RATES**CUSTOMER CHARGE:**

\$145.00 per month for Customers with annual consumption of less than 80,000 Mcf. (I)

\$254.00 per month for Customers with annual consumption of between 80,000 Mcf and 350,000 Mcf, inclusive. (I)

\$362.00 per month for Customers with annual consumption greater than 350,000 Mcf. (I)

Plus

VARIABLE DISTRIBUTION AND COMMODITY CHARGE:

The charge per Mcf shall be calculated by Company within a range computed to be from 10% above to 20% below the numerical average of the high and the low posted consumer tank car price for No. 6 oil, having a sulphur content of 0.5% at Philadelphia. Prices for LBS-S, LBS-L and LBS-XL will be calculated as separate rates.

All pricing information is as published by the Journal of Commerce, or a successor publication, or where none exists, a publication selected by the Company pending final approval of the Commission, as posted in the first 12 issues of the calendar month in which the calculation is made. This price is adjusted for Btu equivalence. Provided further that the rate per Mcf is not less than one hundred and ten percent (110%) of the incremental Gas costs for Gas sold under this rate schedule plus an adjustment for all applicable taxes, as determined by the Company.

(I) = Increase

CHARGES

1. MONTHLY BILL

The monthly bill shall consist of the sum of the monthly Customer charge and the Distribution Charge as detailed below:

<u>CUSTOMER CHARGE</u>	<u>(\$ Per Meter Per Month)</u> <u>(Parallel Meters are considered one meter)</u>
IT-A:	125
IT-B:	225
IT-C:	225
IT-D:	225
IT-E:	350

<u>DISTRIBUTION CHARGE</u>	<u>Rate (\$ Per Mcf / Dth Delivered)</u>	
IT-A:	1.88 / 1.81	(I)
IT-B:	0.91 / 0.87	(I)
IT-C:	0.71 / 0.68	(I)
IT-D:	0.63 / 0.61	(I)
IT-E:	0.61 / 0.58	(I)

(I) – Increase

COGENERATION SERVICE – RATE CG

Rate: Applicable to all Retail Sales Service rendered pursuant to this Rate Schedule on or after
September 1, 2003

AVAILABILITY

This service is available to any new or existing Commercial or Industrial Customer for Gas use in any form of combined cooling, heating and power production where there is a sequential production of energy and useful thermal energy from the same fuel source or in the sequential production of electrical energy and useful thermal energy from the same fuel source by a qualifying facility as defined in Section 201 of the Public Utility Regulatory Policies Act of 1978, regularly meeting the efficiency standards set forth in Chapter 18 of the Federal Regulations, Sections 292.205 (a) and (b). The Customer must certify that qualifying status has been granted by the Federal Energy Regulatory Commission or must demonstrate to the Company its ability to utilize waste heat created from one process by using Natural Gas in a second process. The waste heat may be generated from any form, such as power production, heating, cooling, or process applications. The waste heat recovered may be used for any domestic, Commercial or Industrial applications. The determination by the Company as to the Customer's ability to co-generate will be final. This service will be available where the Company's facilities are, or can economically be made, available to supply the service; but Gas Service under this rate shall not be a replacement of Gas Service under any rate providing for uninterruptible Gas Service. The Company's determination as to whether the service would amount to such a replacement shall be final. An Applicant for service under this rate shall be required to execute a service agreement in which shall be defined maximum and minimum quantities of Gas to be delivered. The number of Customers to receive service under this rate, at any single time, may be limited by the Company in order to maintain adequate and efficient Gas Service generally.

CHARACTER OF SERVICE

Service under this rate schedule is interruptible, and shall be subordinate to all firm services. Customer is advised of their responsibility to maintain capability of satisfying their requirements during any period when service is interrupted. Interruptions may occur for economic or operational considerations at any time; however, service under this rate schedule will be interrupted based upon the price priority of rate schedule LBS, No. 6 fuel oil alternate service; the service providing the lowest net contribution to be interrupted first.

RATES**CUSTOMER CHARGE:**

\$362.00 per month.

(I)

Plus

COMMODITY And DISTRIBUTION CHARGE:

The monthly Commodity Charge for each one hundred cubic feet of Gas used shall be set equal to the average commodity cost of Gas purchased and delivered to PGW's gate stations, including an allowance for Unaccounted for losses where applicable, plus a fixed Distribution Charge of 7.5 cents per Ccf.

(I) = Increase

PHILADELPHIA GAS WORKS

DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE

Rate: Applicable to all Retail Sales Service rendered pursuant to this Rate Schedule on or after
January 1, 2009

AVAILABILITY

This service is available to provide uncompressed Natural Gas to any Customer for the exclusive purpose of compressing such Gas for use as fuel for motor vehicles. The compression of the Natural Gas to the pressure required for use as a motor vehicle fuel will be conducted by the Customer, at the Customer's designated premises. Service shall only be available where the Company's distribution system is, or can economically be made available to supply the service. Each Customer will be required to execute a service agreement which will specify terms and conditions of service.

CHARACTER OF SERVICE

Service under this rate schedule is firm and shall only be interrupted in the case of operating emergencies experienced by the Company.

MONTHLY RATE

CUSTOMER CHARGE:

\$35.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 1.07007 per Ccf (D)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) Delivery Charge:

\$0.13212 per Ccf (I)

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease; (I) – Increase

Grand Total 54

Exhibit KSD-6 - Final Order

Philadelphia Gas Works

FY2008-09

Allocation of Rate Increase to Customer Classes

<u>Customer Class</u>	<u>(A)</u> <u>Delivery</u> <u>Charge</u> <u>Per Mcf</u>	<u>(B)</u> <u>Delivery</u> <u>Charge</u> <u>Revenue</u>	<u>(C)</u> <u>Customer</u> <u>Charge</u> <u>Revenue</u>	<u>(D)</u> <u>Total</u> <u>Revenue</u>	<u>(E)</u> <u>Percent</u> <u>of Total</u> <u>Revenue</u>	<u>(F)</u> <u>Allocation</u> <u>of Rate</u> <u>Increase</u>	<u>(G)</u> <u>Annual</u> <u>Sales</u> <u>(Mcf)</u>	<u>(H)</u> <u>Delivery</u> <u>Charge</u> <u>Increase</u>	<u>(I)</u> <u>Increased</u> <u>Delivery</u> <u>Charge</u>	<u>(J)</u> <u>Delivery Chg</u> <u>Per Mcf</u> <u>% Increase</u>
				<u>(B) + (C)</u>						
Residential	\$4.9894	\$ 197,720,467	66,597,252	\$ 264,317,719	78.90%	\$ 47,339,433	39,628,105	\$1.1946	\$6.1840	24%
Commercial	\$4.3711	\$ 46,379,408	5,386,176	\$ 51,765,584	15.45%	\$ 9,271,241	10,610,466	\$0.8738	\$5.2449	20%
Industrial	\$4.3684	\$ 4,699,450	574,900	\$ 5,274,350	1.57%	\$ 944,639	1,075,783	\$0.8781	\$5.2485	20%
Municipal	\$3.2125	\$ 4,487,546	233,208	\$ 4,720,754	1.41%	\$ 845,489	1,396,901	\$0.6053	\$3.8178	19%
NGV	\$0.9254	\$ 303	420	\$ 723	0.00%	\$ 129	327	\$0.3958	\$1.3212	43%
PHA - GS	\$4.2779	\$ 950,477	294,768	\$ 1,245,245	0.37%	\$ 223,024	222,183	\$1.0038	\$5.2817	23%
PHA	\$4.3607	\$ 2,881,593	174,312	\$ 3,055,905	0.91%	\$ 547,314	660,810	\$0.8282	\$5.1889	19%
Interruptible	\$ -	\$ -	123,563	\$ 123,563	0.04%	\$ 22,130				
IT - Cost Based	various	\$ 4,040,344	463,274	\$ 4,503,618	1.34%	\$ 806,600	8,339,502			
		\$ 261,159,588	73,847,873	\$ 335,007,461	100.00%	\$ 60,000,000	61,934,078			
It - Unmigrated		1,766,686	102,600	1,869,286						
		\$ 262,926,273	\$ 73,950,473	\$ 336,876,746						

Exhibit KSD-7 - Final Order

Philadelphia Gas Works

FY2008-09

Allocation of Rate Increase to IT Classes

Class	Class Volumes		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
	(Mcf) Not Less Than:	IT Delivery Charge	IT Delivery Charge	Delivery Charge Revenue	Reclassify Forecasted Incremental Load	Customer Charge Revenue	Total Revenue	Percent of Total Revenue	Allocation of Rate Increase	Annual Sales	Delivery Charge Increase	Increased IT Delivery Charge	% Increase
ITA	2,500	\$1.54	\$ 258,241	\$ 51,875	\$ 310,116	6.98%	\$ 56,313	167,689	\$0.34	\$1.88	\$1.81	22%	
ITB	5,000	\$0.75	\$ 1,401,948	\$ 224,100	\$ 1,626,048	36.81%	\$ 295,271	1,869,264	\$0.16	\$0.91	\$0.87	21%	
ITC	10,000	\$0.58	\$ 253,858	\$ 158,513	\$ 495,171	11.15%	\$ 89,917	710,985	\$0.13	\$0.71	\$0.68	22%	
ITD	25,000	\$0.53	\$ 1,074,544	\$ 74,475	\$ 1,149,019	25.87%	\$ 208,648	2,027,441	\$0.10	\$0.63	\$0.61	19%	
ITE	80,000	\$0.51	\$ 832,163	\$ 29,400	\$ 861,563	19.40%	\$ 158,450	1,631,592	\$0.10	\$0.61	\$0.58	19%	
			\$ 3,820,755	\$ 158,513	\$ 4,441,917	100.00%	\$ 808,600	6,407,072					
ITN05		\$0.11	\$ 61,077	\$ 624	\$ 61,701			555,244					
Fore. Incremental Load		\$0.58	\$ 158,513	\$ (158,513)	\$ -								
			\$ 4,040,344	\$ -	\$ 4,503,618			6,962,315					
			\$ 1,766,686	\$ 102,600	\$ 1,869,286			1,377,187					
IT2 to IT8			\$ 5,807,030	\$ -	\$ 6,372,904			8,339,502					

Final Order

Philadelphia Gas Works

FY2008-09

Allocation of Customer Charge Increase to Interruptible Customers

	<u>Number of Customers</u>	<u>Number of Annual Bills</u>	<u>Monthly Customer Charge</u>	<u>Customer Charge Revenue</u>	<u>Percent of Total Revenue</u>	<u>Allocation of Rate Increase</u>	<u>Customer Charge Increase</u>	<u>Increased Customer Charge</u>	
BPS-Small	77	926	\$43	\$ 39,818	32.22%	\$ 7,131	\$8	\$51	\$ 47,226
BPS-LARGE M1	65	780	\$43	\$ 33,540	27.14%	\$ 6,007	\$8	\$51	\$ 39,780
BPS-LARGE M2	9	105	\$92	\$ 9,660	7.82%	\$ 1,730	\$16	\$108	\$ 11,340
BPS-LARGE M3	0	0	\$150	\$ -	0.00%	-	-	\$150	\$ -
LBS-S Indirect	10	122	\$123	\$ 15,006	12.14%	\$ 2,688	\$22	\$145	\$ 17,690
LBS-L Direct	0	0	\$215	\$ -	0.00%	-	-	\$254	\$ -
LBS-L Indirect	2	19	\$215	\$ 4,085	3.31%	\$ 732	\$39	\$254	\$ 4,826
LBS-XL Direct	2	24	\$307	\$ 7,368	5.96%	\$ 1,320	\$55	\$362	\$ 8,688
LBS-XL Indirect	1	12	\$307	\$ 3,684	2.98%	\$ 660	\$55	\$362	\$ 4,344
CO-GEN Indirect	2	28	\$307	\$ 8,596	6.96%	\$ 1,540	\$55	\$362	\$ 10,136
BPS A/C	4	42	\$43	\$ 1,806	1.46%	\$ 323	\$8	\$51	\$ 2,142
NGV	0	0	\$35	\$ -	0.00%	-	-	\$35	\$ -
Total Interruptible Sales	172	2,058		\$ 123,563	100.00%	\$ 22,130			\$ 146,172

Statement

Known per dekatherm natural gas prices are used through the month of November, 2008. Where known and quantifiable, actual per dekatherm prices for locked-in quantities of gas are used for all other months. Any remaining volumes not locked-in for price for the months of December 2008 through February 2009 are based on the NYMEX Futures Closing Prices of 11-3-08. For the period of March 2009 through November 2009, the average price of the NYMEX Futures Closing Prices of 11-3-08 and the November 2008 Global Insight Forecast were used. The latest applicable pipeline tariff transportation and fuel charges from specific basin points have been incorporated into these pricing determinants. Forecasted temperatures for the period are assumed to be normal (i.e. the forecast incorporates the normal 4,464 degree-day pattern).

1ST QUARTER FILING

FILED - JANUARY 1, 2009

TABLE OF CONTENTS

Levelized Gas Cost Rate.....	Schedule 1
Sales & Volumes.....	Schedule 2
Projected Applicable Fuel Expense.....	Schedule 3
Interruptible Revenue Credit – Fiscal Year 2009	Schedule 4a
IRC Finalized Reconciliation – September 2006 To August 2007.....	Schedule 4b
Interest Rate Calculation.....	Schedule 5a
Interest Calculation.....	Schedule 5b
Interest Adjustment Calculation.....	Schedule 5b1
Interest on Natural Gas Refunds.....	Schedule 5c
Demand and Commodity Interest Calculation.....	Schedule 5d
GCR Statement of Reconciliation – December 2008 Through November 2009...	Schedule 6
GCR Statement of Reconciliation – September 2008 Through November 2008...	Schedule 7
GCR Finalized Statement of Reconciliation - Fiscal Year 2007-2008.....	Schedule 8
Calculation of Recovered Charges.....	Schedule 9
Changes in Rates.....	Schedule 10
Universal Service & Energy Conservation Surcharge (USC).....	Schedule 11
FY 09 USC - Statement of Reconciliation.....	Schedule 12
FY 08 USC - Finalized Statement of Reconciliation	Schedule 13
Unaccounted For Factor (UAF).....	Schedule 14
Natural Gas Prices.....	Schedule 15
Actual Natural Gas Billed.....	Schedule 16
Summary of Fuels Purchased.....	Schedule 17

Philadelphia Gas Works

Levelized Gas Cost Rate

1st Quarter Filing

Filed - January 1, 2009

Formula:

$$GCR = SSC + GAC - IRC$$

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			51,269,089	(Schedule 2)
Net Natural Gas Expense	\$ 73,840,422	\$ 512,334,423	\$ 586,174,845	
Purchased Electric Expense	\$ -	\$ 1,023,500	\$ 1,023,500	
C = Total Applicable GCR Expense	\$ 73,840,422	\$ 513,357,923	\$ 587,198,345	(Schedule 3)
SSC = C / S	\$ 1.4403	\$ 10.0130	\$ 11.4533	
Adjustment For:				
Prior Reconciliation	\$ 6,670,616	\$ (11,095,999)	\$ (4,425,384)	
E = Adjustments to GCR Expenses	\$ 6,670,616	\$ (11,095,999)	\$ (4,425,384)	(Schedule 7)
GAC = E / S	\$ 0.1301	\$ (0.2164)	\$ (0.0863)	
Interruptible Revenue Credit			\$ 11,001,737	(Schedule 4a)
IRC = Interruptible Revenue Credit / S			\$ 0.2146	
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 571,771,224	
<u>GCR = SSC + GAC - IRC</u>			\$ 11.1524	
SSC in effect 1/01/09	\$ 1.3819	\$ 9.6076	\$ 10.9894	
GAC in effect 1/01/09	\$ 0.1248	\$ (0.2077)	\$ (0.0828)	
IRC in effect 1/01/09			\$ (0.2059)	
GCR in effect 1/01/09			\$ 10.7007	(Schedule 9)
Recovery Test on:				
Firm Sales (Mcf)			51,269,089	
= Total Projected Recovery			\$ 571,769,354	(Schedule 8)
Compared To				
Net Applicable GCR Expenses			\$ 571,771,224	
= Net Over/(Under) Recovery			\$ (1,870)	(Schedule 6)
Degree Days			4,464	

SALES & VOLUMES

December 2008 Through November 2009

MONTH	TOTAL VOLUMES 1	FIRM TRANSPORT VOLUMES 2	TOTAL BILLED SALES 3 = 1 - 2	INTERRUPTIBLE SALES 4	TOTAL GCR FIRM SALES 5 = 3 - 4	SENIOR CITIZEN DISCOUNT SALES 6	TOTAL APPLICABLE VOLUMES 7 = 5 - 6 + 2
DECEMBER 2008	7,119,059	298,801	6,820,258	217,703	6,602,555	87,836	6,813,721
JANUARY 2009	11,021,380	427,451	10,593,929	243,136	10,350,794	143,211	10,635,034
FEBRUARY	9,814,856	387,118	9,427,738	200,384	9,227,354	126,179	9,488,293
MARCH	7,797,547	317,095	7,480,452	157,486	7,322,966	98,213	7,541,848
APRIL	5,346,922	219,652	5,127,270	84,720	5,042,549	66,839	5,195,361
MAY	2,573,023	121,586	2,451,437	36,646	2,414,792	29,100	2,507,277
JUNE	1,556,964	92,929	1,464,035	15,211	1,448,824	13,989	1,527,764
JULY	1,268,834	79,415	1,189,419	15,504	1,173,916	10,856	1,242,474
AUGUST	1,221,400	78,038	1,143,362	14,912	1,128,450	10,384	1,196,104
SEPTEMBER	1,144,808	74,856	1,069,952	18,002	1,051,950	9,511	1,117,295
OCTOBER	1,835,441	112,350	1,723,091	52,525	1,570,566	16,414	1,766,502
NOVEMBER	4,139,593	212,113	3,927,481	93,106	3,834,374	44,148	4,002,339
TOTAL	54,839,827	2,421,403	52,418,424	1,149,334	51,269,089	656,480	53,034,012

**PROJECTED APPLICABLE FUEL EXPENSE
SUMMARY**

DECEMBER 2008 - NOVEMBER 2009

	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	TOTAL
NATURAL GAS BILLED													
DEMAND CHARGE	6,927,620	6,526,309	6,946,758	6,493,753	5,934,821	5,898,266	5,530,153	5,894,768	5,932,192	5,923,588	5,888,808	6,353,449	73,840,422
COMMODITY CHARGE	87,969,617	89,528,401	87,882,265	88,574,851	40,138,943	35,803,988	26,420,409	25,269,781	24,868,246	25,870,555	37,880,596	37,439,386	607,316,001
TOTAL NATURAL GAS BILLED	94,897,237	96,054,710	94,829,023	95,068,604	46,073,764	41,692,254	31,950,562	31,164,549	30,836,438	31,794,143	43,769,404	43,892,835	681,156,423
INTERRUPTIBLE CREDIT	(2,089,934)	(2,366,496)	(1,872,062)	(1,816,206)	(627,537)	(276,314)	(120,577)	(122,861)	(120,346)	(142,032)	(404,706)	(761,756)	(10,820,800)
SENDOUT VOLUME IN MCF	204,868	226,212	188,105	146,093	80,124	35,235	15,263	15,572	14,879	17,850	49,857	87,759	1,085,454
DKT CONVERSION FACTOR	1.0360	1.0360	1.0360	1.0360	1.0360	1.0360	1.0360	1.0360	1.0360	1.0360	1.0360	1.0360	12.4320
PRICE \$/DKT	9.768	10.009	10.119	9.992	7.660	7.667	7.825	7.816	7.785	7.771	7.836	8.599	102.086
GAS USED FOR UTILITY	(1,151,694)	(1,426,933)	(1,627,558)	(1,418,006)	(499,928)	(184,121)	(21,977)	(97,258)	(46,137)	(143,472)	(190,155)	(424,053)	(7,234,340)
NATURAL GAS													
TO STORAGE	-	-	-	647,883	9,262,145	18,456,462	17,181,269	16,600,403	16,836,495	16,525,160	13,525,943	286,526	107,301,805
FROM STORAGE PGW	22,995,389	36,002,271	33,888,167	19,799,737	2,289,157	308,539	-	-	-	-	1,034,907	13,494,576	129,853,173
FT FROM STORAGE	1,664,957	2,539,230	2,091,953	1,314,428	420,749	27,828	-	-	-	-	88,312	655,458	6,782,763
NET NATURAL GAS STORAGE	22,995,389	36,002,271	33,888,167	19,222,154	(6,972,847)	(18,147,823)	(17,161,269)	(16,600,403)	(16,936,488)	(16,525,160)	(12,460,736)	13,227,650	22,561,366
LNG													
TO STORAGE	150,429	-	-	2,876,755	3,053,560	2,198,931	891,557	-	-	326,668	2,333,208	2,502,142	14,910,189
FROM LNG PGW	1,183,782	3,408,839	3,288,495	589,086	798,163	748,827	716,237	737,112	737,112	712,651	729,493	1,252,698	14,552,484
FT FROM LNG	477,967	152,484	199,226	160,469	-	-	-	-	-	-	-	-	1,020,166
NET LNG STORAGE	666,647	3,408,839	3,288,495	(2,279,689)	(2,346,348)	(1,351,104)	(168,320)	737,112	737,112	388,984	(1,603,715)	(1,539,447)	222,295
NET NATURAL GAS EXPENSE	95,229,251	111,665,490	98,205,928	79,873,872	35,836,899	21,530,972	14,861,419	15,071,178	15,192,571	16,370,504	29,050,196	84,284,543	596,174,945
APPLICABLE GGR EXPENSE													
NET NATURAL GAS EXPENSE	95,229,251	111,665,490	98,205,925	79,078,872	35,836,898	21,530,972	14,861,419	15,071,175	15,192,571	16,370,504	29,050,196	84,284,543	596,174,945
PURCHASED ELECTRIC	100,000	94,700	130,100	112,100	75,160	76,200	73,800	85,900	88,100	66,700	76,600	91,800	1,023,590
TOTAL APPLICABLE EXPENSES	95,329,251	111,760,190	98,336,025	79,190,972	36,711,903	21,607,172	14,934,919	15,157,075	15,280,671	16,437,204	29,126,796	84,376,343	607,198,535
TOTAL FIRM SALES	6,802,565	10,350,794	9,227,354	7,822,866	5,042,649	2,414,792	1,446,824	1,173,918	1,129,460	1,051,950	1,070,566	1,534,374	51,269,088

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2009

Fiscal Year 2007 Reconciliation \$ (692,770) (Schedule 4b)

<u>MONTH</u>		<u>MARGIN</u>
September-07	Actual	\$ 531,778
October	Actual	\$ 315,204
November	Actual	\$ 1,166,910
December	Actual	\$ 1,625,112
January-08	Actual	\$ 1,963,960
February	Actual	\$ 1,859,319
March	Actual	\$ 1,476,652
April	Actual	\$ 494,401
May	Actual	\$ 378,291
June	Actual	\$ 104,816
July	Actual	\$ 121,668
<u>August</u>	Actual	\$ <u>149,245</u>
Fiscal Year 2008 Margin		\$ 10,187,353

FY 2008 Act/Est Margin and FY 2007 Reconciliation	\$ 9,494,583	
Fiscal Year 2008 Actual Credit	\$ <u>6,233,125</u>	(Schedule 7)
Reconciliation as of August 2008	\$ 3,261,459	

Fiscal Year 2006 Actual Margin	\$ 5,982,878	
Fiscal Year 2007 Actual Margin	\$ 7,050,602	(Schedule 4b)
<u>Fiscal Year 2008 Actual Margin</u>	\$ <u>10,187,353</u>	
3 Year Average - FY 2009 Estimated Margin	\$ 7,740,278	
Reconciliation as of August 2008	\$ <u>3,261,459</u>	
Fiscal Year 2009 Interruptible Revenue Credit	\$ 11,001,737	

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2007 - FINALIZED RECONCILIATION

Fiscal Year 2006 Reconciliation **\$ (199,413)**

<u>MONTH</u>		<u>MARGIN</u>
September-06	Actual	\$ 894,803
October	Actual	\$ 639,723
November	Actual	\$ 701,998
December	Actual	\$ 548,712
January-07	Actual	\$ 797,009
February	Actual	\$ 1,191,020
March	Actual	\$ 746,231
April	Actual	\$ 502,955
May	Actual	\$ 523,500
June	Actual	\$ 183,900
July	Actual	\$ 84,049
<u>August</u>	<u>Actual</u>	<u>\$ 236,703</u>
Fiscal Year 2007 Margin	Actual	\$ 7,050,602

FY 2007 Actual Margin and FY 2006 Reconciliation	\$ 6,851,189
Fiscal Year 2007 Actual Credit	\$ <u>7,543,959</u>
Reconciliation as of August 2007	\$ (692,770)

CALENDAR YEAR 2007
PHILADELPHIA GAS WORKS
INTEREST RATE CALCULATION

	Split Month	01/01/2007	03/01/2007	04/01/2007	06/01/2007	07/01/2007	08/01/2007	10/01/2007	12/01/2007	01/01/2008
SSC In Effect		\$ 10.5207	\$ 10.7437	\$ 10.6688	\$ 11.0493	\$ 11.4318	\$ 11.1212	\$ 10.8108	\$ 10.7887	\$ 10.7888
GAC In Effect		\$ 0.2341	\$ 0.0731	\$ (0.0878)	\$ (0.3257)	\$ (0.5636)	\$ (0.5637)	\$ (0.5637)	\$ (0.3088)	\$ (0.0638)
IRC In Effect		\$ (0.1429)	\$ (0.1440)	\$ (0.1452)	\$ (0.1441)	\$ (0.1430)	\$ (0.1398)	\$ (0.1381)	\$ (0.1366)	\$ (0.1370)
Total Effective		\$ 10.6119	\$ 10.6726	\$ 10.4338	\$ 10.5796	\$ 10.7262	\$ 10.4180	\$ 10.1108	\$ 10.3444	\$ 10.5779

MONTH	NET COST OF FUEL (1)	FIRM SALES (2)	C FACTOR RECOVERY RATE (3)	C FACTOR REVENUES BILLED (4)=(2)*(3)	ADJUSTMENT FOR ACTUAL REVENUE (5)	ADJUSTED C FACTOR REVENUES BILLED (6)=(4)*(5)	OVER/ (UNDER) RECOVERY (7)=(6)-(1)	INTEREST RATE (8)
	(\$)		(\$)	(\$)	(\$)	(\$)	(\$)	
JANUARY 2007	81,878,580	6,923,635	10.8207	74,918,450	1.0002	74,932,634	(6,945,926)	
FEBRUARY	101,961,779	9,985,002	10.8207	107,828,109	0.9999	107,820,140	5,858,361	
MARCH	68,095,395	8,026,777	10.7437	86,237,808	0.9965	85,934,376	17,838,981	
APRIL	44,358,505	5,203,029	10.6668	55,499,670	1.0003	55,517,737	11,159,232	
MAY	19,662,516	2,477,760	10.6668	26,429,770	0.9996	26,418,713	6,756,197	
JUNE	15,195,939	1,345,657	11.0493	14,870,778	0.9973	14,830,661	(365,278)	
JULY	15,079,471	1,165,528	11.4318	13,324,083	0.9984	13,302,133	(1,777,338)	
AUGUST	13,302,465	995,532	11.4318	11,380,728	0.9703	11,043,003	(2,259,462)	
SEPTEMBER	15,629,317	1,160,336	11.1212	12,904,324	0.9562	12,338,490	(3,290,827)	
OCTOBER	17,808,685	1,262,457	10.8106	13,647,913	1.0015	13,668,571	(4,140,114)	
NOVEMBER	51,459,250	3,234,389	10.8106	34,857,563	1.0000	34,857,373	(16,601,877)	
DECEMBER	78,589,668	7,036,638	10.7897	75,923,213	1.0035	76,189,948	(2,399,720)	
	523,021,550	48,786,939		527,822,229		526,853,779	3,832,229	8%

**FISCAL YEAR 2008
PHILADELPHIA GAS WORKS
INTEREST CALCULATION**

	Split Month	Split Month	Split Month
09/01/2007	12/01/2007	01/01/2008	07/01/2008
\$ 10,8168 \$	10,7897 \$	10,7688 \$	11,0944 \$
\$ (0,5937) \$	(0,3008) \$	(0,0839) \$	(0,3394) \$
\$ (0,1381) \$	(0,1388) \$	(0,1379) \$	(0,1378) \$
\$ 10,1108 \$	10,3444 \$	10,5579 \$	10,7228 \$
			11,8731 \$
			13,0238 \$

SSC in Effect
GAC in Effect
IRC in Effect
Total Effective

Month	NET COST OF FUEL (1) (\$)	FIRM SALES (2)	C FACTOR		ADJUSTMENT FOR ACTUAL REVENUE		C FACTOR		OVER/ (UNDER) RECOVERY		INTEREST RATE (8) (\$)	TIME FACTOR (9)	INTEREST EXPENSE (10)=(7)*(9) (\$)	INTEREST ON REFUNDS 11 (\$)	TOTAL INTEREST 12=(10+11) (\$)
			RECOVERY RATE (3) (\$)	REVENUES BILLED (4)=(2)*(3) (\$)	ADJUSTMENT REVENUE (5) (\$)	BILLED REVENUES (6)=(4)-(5) (\$)	RECOVERY (7)=(6)-(1) (\$)								
SEPTEMBER 2007	16,629,317	1,160,336	10.8106	12,643,924	0.956	11,993,993	(3,635,424)	5%	18/12	(436,261)	0	(436,261)			
OCTOBER	17,808,685	1,262,457	10.8106	13,647,913	1.002	13,668,571	(4,140,114)	8%	17/12	(469,213)	0	(469,213)			
NOVEMBER	51,458,250	3,224,369	10.8106	34,857,583	1.000	34,857,373	(16,601,877)	8%	16/12	(1,770,867)	0	(1,770,867)			
DECEMBER	76,589,668	7,036,638	10.7887	75,923,213	1.004	76,189,948	(2,369,720)	8%	15/12	(239,972)	0	(239,972)			
JANUARY 2008	83,672,610	7,926,980	10.7688	86,384,067	1.000	86,348,631	1,876,021	6%	14/12	117,321	0	117,321			
FEBRUARY	76,410,711	7,827,171	10.7688	84,289,239	1.000	84,281,114	7,870,403	6%	13/12	511,576	0	511,576			
MARCH	62,938,685	8,820,413	10.9166	74,455,721	1.001	74,502,865	11,584,180	6%	12/12	893,851	0	893,851			
APRIL	34,227,732	4,411,145	11.0644	48,808,673	1.000	48,798,245	14,570,513	6%	11/12	801,378	0	801,378			
MAY	28,312,908	2,150,657	11.0644	23,795,729	1.000	23,801,924	(2,510,984)	6%	10/12	(126,549)	23,280	(102,269)			
JUNE	19,454,821	1,518,116	12.3503	18,781,516	0.993	18,637,461	(817,470)	8%	9/12	(36,786)	150,000	113,214			
JULY	19,685,017	1,115,708	13.6362	15,213,977	0.998	15,177,678	(4,507,339)	6%	8/12	(180,284)	136,086	(44,198)			
AUGUST	12,261,684	1,047,640	13.6362	14,285,903	0.995	14,207,401	1,955,717	6%	7/12	68,450	131,400	199,851			
Total	488,441,188	45,502,650		501,945,357		501,465,093	3,023,905			(1,066,355)	440,786	(625,569)			
Interest from Schedule 5b1												1,188,586			
Total Interest												563,016			

[illegible]

11) Interest is calculated at 8% (See Schedule 5a) and was previously paid at 6%

**FISCAL YEAR 2008
PHILADELPHIA GAS WORKS
INTEREST ON NATURAL GAS REFUNDS**

<u>MONTH</u>	<u>NATURAL GAS REFUNDS</u> (9) (\$)	<u>INTEREST RATE</u> (10)	<u>TIME FACTOR</u> (11)	<u>INTEREST ON REFUNDS</u> (13)=(9)*(10)*(11) (\$)
SEPTEMBER 07	0	6%	18/12	0
OCTOBER	0	6%	17/12	0
NOVEMBER	0	6%	16/12	0
DECEMBER	0	6%	15/12	0
JANUARY 08	0	6%	14/12	0
FEBRUARY	0	6%	13/12	0
MARCH	0	6%	12/12	0
APRIL	0	6%	11/12	0
MAY	465,806	6%	10/12	23,290
JUNE	3,333,333	6%	9/12	150,000
JULY	3,402,390	6%	8/12	136,096
AUGUST	<u>3,754,298</u>	6%	7/12	<u>131,400</u>
TOTAL	10,955,827			440,786

FISCAL YEAR 2008
PHILADELPHIA GAS WORKS
DEMAND AND COMMODITY INTEREST CALCULATION

MONTH	(1) OVER/ (UNDER) RECOVERY (1) (\$)	DEMAND CHARGE OVER/(UNDER) RECOVERY (2) (\$)	COMMODITY CHARGE OVER/(UNDER) RECOVERY (3)=(1)-(2) (\$)	INTEREST RATE (4) (%)	TIME FACTOR (5) (%)	DEMAND INTEREST EXPENSE (6)=(2)*(4)*(5) (\$)	COMMODITY INTEREST EXPENSE (7)=(3)*(4)*(5) (\$)	TOTAL INTEREST EXPENSE (8)=(6)+(7) (\$)	INTEREST ON REFUNDS (9) (\$)	TOTAL INTEREST (10)=(8)+(9) (\$)
SEPTEMBER 2007	(3,636,424)	(4,080,861)	445,827	8%	18/12	(489,714)	53,463	(436,251)	0	(436,251)
OCTOBER	(4,140,114)	(3,928,482)	(213,632)	8%	17/12	(445,001)	(24,212)	(469,213)	0	(469,213)
NOVEMBER	(16,801,877)	(1,558,822)	(15,043,266)	8%	16/12	(169,263)	(1,604,614)	(1,770,887)	0	(1,770,887)
DECEMBER	(2,399,720)	3,376,212	(5,776,932)	8%	15/12	337,821	(577,883)	(239,972)	0	(239,972)
JANUARY 2008	1,876,021	8,009,893	(3,333,873)	8%	14/12	350,693	(233,371)	117,321	0	117,321
FEBRUARY	7,870,403	8,648,932	2,221,471	8%	13/12	367,181	144,398	511,578	0	511,578
MARCH	11,564,180	3,448,759	8,114,422	8%	12/12	208,986	488,966	693,851	0	693,851
APRIL	14,570,513	947,001	14,223,512	8%	11/12	19,085	782,283	801,378	0	801,378
MAY	(2,510,984)	(1,793,750)	(717,234)	6%	10/12	(88,687)	(35,852)	(124,539)	23,280	(102,259)
JUNE	(817,470)	(2,878,389)	2,060,920	6%	9/12	(128,528)	92,741	(36,788)	159,000	119,214
JULY	(4,507,339)	(2,970,316)	(1,637,023)	6%	8/12	(118,513)	(61,481)	(180,294)	136,086	(44,198)
AUGUST	1,855,717	(3,139,882)	5,095,580	6%	7/12	(108,892)	178,345	68,453	131,400	199,851
TOTAL FY 2008	3,023,905	(2,516,578)	5,540,481			(267,328)	(798,028)	(1,065,355)	440,786	(625,569)
JANUARY 2007	(6,946,928)	3,118,287	(10,064,213)	2%	28/12	135,128	(436,116)	(300,988)	0	(300,988)
FEBRUARY	5,858,361	8,739,224	(880,863)	2%	25/12	280,801	(38,703)	244,098	0	244,098
MARCH	17,838,981	8,114,688	11,724,283	2%	24/12	244,588	468,972	713,559	0	713,559
APRIL	11,159,232	2,827,423	8,631,809	2%	23/12	100,718	327,053	427,771	0	427,771
MAY	6,788,187	(2,059,191)	8,825,388	2%	22/12	(75,870)	323,698	247,727	0	247,727
JUNE	(365,278)	(3,144,000)	2,778,722	2%	21/12	(110,040)	97,255	(12,785)	0	(12,785)
JULY	(1,777,398)	(2,837,789)	1,060,431	2%	20/12	(84,562)	36,348	(48,214)	0	(48,214)
AUGUST	(2,258,482)	(3,656,838)	1,268,487	2%	19/12	(112,605)	41,058	(71,547)	0	(71,547)
TOTAL 2007	30,284,787	5,692,704	23,272,083			348,124	820,462	1,168,586		1,168,586
GRAND TOTAL	33,268,672	4,478,128	28,812,544	0	0	100,788	21,434	122,231	440,786	563,018

(1) See Schedule 5b

(2) See Schedule 5d

GCR

STATEMENT OF RECONCILIATION

DECEMBER 2008 THROUGH NOVEMBER 2009

	NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER/(UNDER) RECOVERY	E FACTOR DISTRIBUTED ON GCR	CUMULATIVE OVER/(UNDER) RECOVERY
	1	2	3	4 = (2 - 3)	5 = (1 - 4)	6	7	8	9 = (7 + 8 - 6)	10	11
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
November 2008 OVER-COLLECTION		MCF									
DECEMBER 2008 Estimated	95,328,261	6,602,655	0.2146	1,416,830	93,909,421	12.8527	83,540,149	(10,426)	(10,378,687)	569,911	(9,808,786)
JANUARY 2009 Estimated	111,760,190	10,360,794	0.2146	2,221,157	109,638,033	11.8767	120,863,114	2,368	11,326,949	893,447	2,410,611
FEBRUARY Estimated	99,336,025	9,227,364	0.2146	1,980,880	96,355,345	10.7007	98,739,145	8,011	2,391,211	786,476	5,498,288
MARCH Estimated	79,191,972	7,322,968	0.2146	1,871,421	77,320,551	10.7007	78,360,889	11,000	761,308	632,095	6,991,701
APRIL Estimated	35,711,908	5,042,649	0.2146	1,082,071	34,629,837	10.7007	63,968,801	14,213	18,343,177	435,257	26,768,134
MAY Estimated	21,606,272	2,414,792	0.2146	518,186	21,088,086	10.7007	25,839,980	17,469	4,769,343	208,437	31,737,918
JUNE Estimated	14,934,919	1,448,824	0.2146	310,900	14,624,018	10.7007	15,503,431	16,280	897,694	125,068	32,760,968
JULY Estimated	15,137,076	1,173,916	0.2146	261,968	14,885,167	10.7007	12,981,719	19,731	(2,303,716)	101,329	30,569,279
AUGUST Estimated	15,251,571	1,128,460	0.2146	242,152	15,009,518	10.7007	12,075,208	20,104	(2,914,206)	97,404	27,741,477
SEPTEMBER Estimated	16,437,294	1,061,960	0.2146	226,736	16,211,468	10.7007	11,286,801	21,280	(4,933,667)	90,801	22,896,891
OCTOBER Estimated	29,128,696	1,670,566	0.2146	369,494	28,770,212	10.7007	17,876,226	20,782	(10,473,194)	144,198	12,189,896
NOVEMBER Estimated	54,376,153	3,634,374	0.2146	822,811	53,553,362	10.7007	41,630,489	20,328	(12,692,639)	339,971	(1,870)
Total	587,198,345	51,269,089		11,001,737	576,198,608		571,606,704	163,660	(4,427,352)	4,425,384	(1,870)

STATEMENT OF RECONCILIATION

SEPTEMBER 2008 THROUGH NOVEMBER 2008

[illegible]

RECONCILIATION OF DEMAND CHARGES

2006-2007 OVER-COLLECTION						
	DEMAND CHARGES LESS SSPC	FIRM SALES	DEMAND CHARGE IN EFFECT	DEMAND CHARGES BILLED	MONTHLY DEMAND OVER/UNDER	CUMULATIVE DEMAND OVER/UNDER
	1	2	3	4=(2-3)	5=(4-1)	6
SEPTEMBER 2006	5,277,593	1,089,000	1,4100	1,949,636	(3,628,047)	(1,691,044)
OCTOBER	6,624,701	1,483,686	1,4166	2,102,081	(5,722,046)	(9,413,064)
NOVEMBER	6,366,282	3,619,666	1,4186	5,136,331	(1,266,931)	(9,870,616)
						2,137,004

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2007 THROUGH AUGUST 2008

	1	2	3 = (1+2)	4	5	6 = (4-5)	7 = (3-5)	8	9	10	11 = (9+10-7)	12	13
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2006-2007 OVER-COLLECTION													24,904,131
2006-2007 INTEREST													3,387,020
AC RIDER ADJUSTMENT													(1,922,203)
TOTAL "E" FACTOR													26,369,943
SEPTEMBER 2007	Actual												22,433,769
OCTOBER	Actual												17,646,878
NOVEMBER	Actual												(866,865)
DECEMBER	Actual												(6,523,813)
JANUARY 2008	Actual												(4,280,366)
FEBRUARY	Actual												3,187,763
MARCH	Actual												13,832,146
APRIL	Actual												27,240,789
MAY	Actual												24,916,918
JUNE	Actual												26,927,382
JULY	Actual												26,294,517
AUGUST	Actual												30,802,871

• Revised

RECONCILIATION OF DEMAND CHARGES

	1	2	3	4 = (2+3)	5	6	7 = (4-1)	8	9	10	11 = (9-10-7)	12	13
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2006-2007 OVER-COLLECTION													
SEPTEMBER 2007	Actual												
6,786,998	1,160,336	1,446	1,446	1,876,047	(4,080,961)	(1,943,947)	2,137,804						
OCTOBER	Actual												
8,770,882	1,262,457	1,4607	1,4607	1,944,070	(3,925,492)	(6,870,429)							
NOVEMBER	Actual												
6,268,487	3,224,389	1,4607	1,4607	4,709,868	(1,668,022)	(7,429,890)							
DECEMBER	Actual												
6,932,463	7,030,938	1,4680	1,4680	10,308,876	(3,376,212)	(4,082,639)							
JANUARY	Actual												
6,937,219	7,926,980	1,4693	1,4693	11,647,112	(5,009,893)	(967,856)							
FEBRUARY	Actual												
6,891,630	7,827,171	1,4693	1,4693	11,800,482	(5,848,932)	(6,606,957)							
MARCH	Actual												
6,382,688	6,820,413	1,4416	1,4416	9,332,446	(3,445,768)	(10,058,744)							
APRIL	Actual												
6,890,086	4,411,146	1,4139	1,4139	6,237,097	(3,417,081)	(10,462,746)							
MAY	Actual												
4,834,681	2,160,557	1,4138	1,4138	3,040,901	(1,783,759)	(3,693,995)							
JUNE	Actual												
5,018,103	1,819,116	1,4085	1,4085	2,138,714	(2,871,388)	(5,730,608)							
JULY	Actual												
4,836,777	1,116,708	1,4031	1,4031	1,866,461	(2,970,316)	(2,780,290)							
AUGUST	Actual												
4,609,016	1,047,640	1,4031	1,4031	1,469,888	(3,139,862)	(378,672)							

CALCULATION OF RECOVERED CHARGES**1st QUARTER FILING - FILED JANUARY 1, 2009****DECEMBER 2008 - NOVEMBER 2009**

	100% of Dec.	50% of January	10.5 Months	Total	
				(MCF)	(\$)
Firm Sales (Mcf)	6,602,555	5,175,397	39,491,137	51,269,089	
GCR (\$ / Mcf)	12.65	12.65	10.70		
Total GCR Projected Recovery (\$)	83,540,149	65,482,744	422,582,811		\$ 571,605,704
SSPC and Migration Revenue (\$)					\$ 163,850
Total Projected Recovery (\$)					\$ 571,769,354

Change In Rates 1st Quarter Filing

Rates Effective January 1, 2009

Distribution Charge

	<u>Delivery</u>		<u>Restructuring & Consumer Education</u>		<u>Universal Service & Engr. Cons.</u>		<u>Surcharge</u>		<u>Distribution Charge / Mcf</u>
	<u>Charge</u>		<u>Charge</u>		<u>Charge</u>		<u>Charge</u>		
Residential GS	\$6.1940		\$0.0218		\$2.2590		\$2.2808		\$8.4648
Commercial GS/MUNGS	\$6.2449		\$0.0218		\$2.2590		\$2.2808		\$7.5257
Industrial GS	\$5.2465		\$0.0218		\$2.2590		\$2.2808		\$7.5273
Phila.Housing Authority (PHA)	\$5.1889		\$0.0218		\$2.2590		\$2.2808		\$7.4697
Municipal (MS)	\$3.8178		\$0.0218		\$2.2590		\$2.2808		\$6.0986
Phila.Housing Authority (GS)	\$5.2817		\$0.0218		\$2.2590		\$2.2808		\$7.5826

Proposed Rates

	<u>09/01/08</u>		<u>09/01/08</u>		<u>02/01/08</u>		<u>01/01/09</u>		<u>01/01/09</u>		<u>01/01/09</u>	
	<u>Distribution Charge</u>		<u>GCR</u>		<u>Commodity Rate</u>		<u>Distribution Charge</u>		<u>GCR</u>		<u>Commodity Rate</u>	<u>Decrease</u>
	(4)		(2)		(3)=(1)+(2)		(4)		(5)		(6)=(4)+(5)	(7)=(6)-(3)
Residential GS	\$7.9282		\$12.6527		\$20.5819		\$8.4648		\$10.7007		\$19.1655	(\$1.4164)
Commercial GS/MUNGS	\$7.3109		\$12.6527		\$19.9638		\$7.5257		\$10.7007		\$18.2284	(\$1.7372)
Industrial GS	\$7.3082		\$12.6527		\$19.9609		\$7.5273		\$10.7007		\$18.2280	(\$1.7328)
Phila.Housing Authority (PHA)	\$7.3005		\$12.6527		\$19.9532		\$7.4697		\$10.7007		\$18.1704	(\$1.7828)
Municipal (MS)	\$6.1523		\$12.6527		\$18.8050		\$6.0986		\$10.7007		\$18.7993	(\$2.0067)
Phila.Housing Authority (GS)	\$7.2177		\$12.6527		\$19.8704		\$7.5625		\$10.7007		\$18.2632	(\$1.6072)

* Excludes Customer Charge

PHILADELPHIA GAS WORKS
1st QUARTER FILING - FILED JANUARY 1, 2009
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE

	<u>Expenses in the Surcharge</u>	
Conservation Works Program (CWP)	\$ 2,330,000	
Customer Responsibility Program (CRP) Discount	\$ 107,402,439	
Senior Citizen Discount	\$ 11,858,282	*
August 2008 Under Collection	\$ 6,411,075	
Total \$ to be Recovered	\$ 127,799,805	
Total Applicable Volumes	Mcf 53,034,012	

	<u>Rate in Effect 09-01-2008</u>		<u>Rate as of 01-01-2009</u>	
	<u>100% of December</u>	<u>50% of January</u>	<u>10.6 Months</u>	<u>Total</u>
				(MCF) (\$)
Applicable Volumes (Mcf)	6,813,721	5,317,517	40,902,774	53,034,012
USC Rates in Effect	\$ 2.9180	\$ 2.9180	<u>2.2590</u>	
Total USC Expense Recovered	<u>\$ 19,882,438</u>	<u>\$ 15,516,514</u>	<u>\$ 92,400,853</u>	<u>\$ 127,799,805</u>

* This is the Senior Citizen Discount on the Delivery Charge, GCR and Restructuring Surcharge which is used to calculate the Universal Services Surcharge. The total senior citizen discount is \$13,244,210.

STATEMENT OF RECONCILIATION
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE

SEPTEMBER 2008 THROUGH NOVEMBER 2008

<u>Month</u>	<u>Applicable</u>	<u>USC</u>	<u>USC</u>	<u>USC</u>	<u>Monthly</u>	<u>Cumulative</u>
<u>FY 08 Reconciliation</u>	<u>Volumes</u>	<u>Charge</u>	<u>Revenue</u>	<u>Billed</u>	<u>Over/(Under)</u>	<u>Over/(Under)</u>
					<u>Recovery</u>	<u>Recovery</u>
September 2008 Actual	1,149,257	\$ 3,0733	\$ 3,532,010	\$	\$ 3,344,495	(\$18,270,180)
October Estimated	1,556,991	\$ 2,9180	\$ 4,543,300	\$	\$ (189,160)	(\$14,925,684)
November Estimated	3,752,111	\$ 2,9180	\$ 10,948,660	\$	\$ 7,166,510	(\$10,193,225)
					\$ 3,782,150	(\$6,411,075)
<u>USC Expenses</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>			
Conservation Works	\$ 11,229	\$ 100,000	\$ 200,000			
CRP Discount	\$ (750,946)	\$ (1,384,314)	\$ 5,234,462			
CRP Forgiveness	\$ 593,860	\$ 687,470	\$ 705,098			
Senior Citizen Discount	\$ 333,372	\$ 407,684	\$ 1,026,950			
	\$ 187,515	\$ (189,160)	\$ 7,166,510			

<u>CRP Participation</u>	
Average participation rate (Actual)	75,819
Rate case participation rate	(76,500)
CRP Over (Under) participation	(681)
<u>Average Shortfall Per CRP Participant</u>	
CRP Discount	\$ (750,946)
Average participation rate	75,819
Average shortfall per CRP participant	\$ (10)

STATEMENT OF RECONCILIATION

SEPTEMBER 2007 THROUGH AUGUST 2008

Month	FY 07 Reconciliation	FY 06 Adjusted Expenses	AAC Rider Adjustment
Jan	100	100	0
Feb	100	100	0
Mar	100	100	0
Apr	100	100	0
May	100	100	0
Jun	100	100	0
Jul	100	100	0
Aug	100	100	0
Sep	100	100	0
Oct	100	100	0
Nov	100	100	0
Dec	100	100	0
Total	1200	1200	0

Month	Applicable Volume	USC Charge	USC Revenue Billed	USC Expenses	Monthly Over/(Under) Recovery	Cumulative Over/(Under) Recovery
September 2007	1,163,267	\$ 2,4848	\$ 2,865,019	\$ (1,264,373)	\$ 4,219,391	\$ (13,973,877)
October	1,509,331	\$ 2,9171	\$ 3,033,850	\$ (630,874)	\$ 3,664,524	\$ (10,309,353)
November	2,285,988	\$ 2,3171	\$ 7,637,134	\$ 5,267,644	\$ 2,370,489	\$ (7,929,864)
December	7,136,113	\$ 2,2664	\$ 16,172,930	\$ 18,266,791	\$ (3,096,862)	\$ (11,026,726)
January 2008	8,064,063	\$ 2,2158	\$ 17,868,739	\$ 25,205,817	\$ (7,339,078)	\$ (18,365,804)
February	7,978,382	\$ 2,2158	\$ 17,878,903	\$ 22,238,100	\$ (6,811,197)	\$ (22,847,000)
March	8,944,442	\$ 2,2570	\$ 16,368,050	\$ 21,439,268	\$ (5,071,216)	\$ (28,018,216)
April	4,504,655	\$ 2,4894	\$ 11,254,930	\$ 13,628,689	\$ (2,374,759)	\$ (30,392,975)
May	2,212,577	\$ 2,4894	\$ 5,527,902	\$ 3,717,534	\$ 1,810,368	\$ (32,583,607)
June	1,594,428	\$ 2,8635	\$ 4,478,741	\$ 1,867,010	\$ 2,592,731	\$ (32,985,878)
July	1,165,884	\$ 3,2288	\$ 3,763,581	\$ 189,318	\$ 3,604,246	\$ (32,381,630)
August	1,092,994	\$ 3,2288	\$ 3,529,840	\$ (588,610)	\$ 4,115,461	\$ (16,270,180)
AC Rider Adjustment						\$ (461,827)
						\$ (16,193,289)

- **Revised**

	SEP-97	OCT-97	NOV-97	DEC-97	JAN-98	FEB-98	MAR-98	APR-98	MAY-98	JUN-98	JUL-98	AUG-98	TOTAL
USDC EXPENSES													
Conservation Works	\$ 7,494	\$ 263,720	\$ 47,808	\$ 16,592	\$ 135,167	\$ 130,818	\$ 228,878	\$ 160,530	\$ 332,665	\$ 223,810	\$ 645,188	\$ 2,383,063	\$ 85,822,083
CRP Discount	\$ (2,283,842)	\$ (1,921,654)	\$ 3,825,026	\$ 16,592,129	\$ 22,100,760	\$ 19,288,128	\$ 16,702,469	\$ 11,380,937	\$ 4,000,335	\$ (1,140,719)	\$ (2,176,906)	\$ 12,176,906	\$ 85,822,083
CRP Forgiveness	\$ 690,628	\$ 689,418	\$ 640,388	\$ 669,346	\$ 708,667	\$ 648,635	\$ 877,512	\$ 748,170	\$ 756,078	\$ 1,512,152	\$ 7,115,265	\$ 8,051,231	\$ 85,822,083
CRP Citizens	\$ 331,317	\$ 358,042	\$ 1,860,736	\$ 1,860,736	\$ 2,281,223	\$ 2,204,620	\$ 1,816,028	\$ 1,275,804	\$ 922,174	\$ 442,532	\$ 380,859	\$ 327,076	\$ 12,665,233
Senior Citizen Discount	\$ (1,254,373)	\$ (308,674)	\$ 5,257,375	\$ 19,269,751	\$ 28,205,817	\$ 22,288,100	\$ 21,439,266	\$ 13,629,889	\$ 3,717,534	\$ 1,487,502	\$ 199,316	\$ (598,610)	\$ 110,352,510

• Revised

CRP Participation									
Average participation rate (Actual)	78,235 (78,500)	77,903 (78,500)	78,878 (78,500)	76,399 (78,500)	80,958 (78,500)	80,807 (78,500)	79,890 (78,500)	77,828 (78,500)	78,903 (78,500)
Rate case participation rate	(265)	1,103	2,178	2,899	4,465	4,307	3,360	1,328	103
CRP Over (Under) participation									
Average Shortfall Per CRP Participant									
CRP Discount	\$ 16,582,128	\$ 22,100,760	\$ 19,268,129	\$ 19,702,409	\$ 11,380,037	\$ 2,178,193	\$ (400,339)	\$ (1,140,719)	\$ (2,176,908)
Average participation rate	78,235	77,903	78,878	76,399	80,958	80,807	79,890	77,828	78,903
Average shortfall per CRP participant	\$ 218	\$ 285	\$ 245	\$ 236	\$ 141	\$ 27	\$ (5)	\$ (15)	\$ (28)

Unaccounted For Factor (UAF)
1st Qtr Filing
Filed January 1, 2009

<u>Fiscal Year</u>	<u>Firm Sendout</u> <u>(Mcf)</u>	<u>Accounted For Gas</u> <u>(Mcf)</u>	<u>Unaccounted For</u> <u>(Mcf)</u>	<u>5 Year</u> <u>Average</u>
2003-04	58,697,275	56,267,326	2,429,949	
2004-05	58,113,854	53,902,476	2,211,378	
2005-06	48,873,601	46,924,147	1,949,454	
2006-07	51,467,061	49,345,353	2,121,698	
2007-08	<u>49,560,831</u>	<u>47,848,723</u>	<u>1,712,108</u>	
Total	284,712,623	254,288,035	10,424,588	3.9%

Filed January 1, 2009

[illegible]

Actual Natural Gas Billed

	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>
Williams	\$ 1,866,946	\$ 1,967,281	\$ 2,093,343
Texas Eastern	\$ 1,848,957	\$ 1,801,578	\$ 1,925,586
Dominion	\$ 134,908	\$ 133,324	\$ 132,191
Equitrans	\$ 42,027	\$ 41,976	\$ 41,754
Spot Purchases -Transco	\$ -	\$ 6,663	\$ -
Spot Purchases -Tetco	\$ 66,599	\$ 1,121,558	\$ 677,475
Transco Supply1	\$ -	\$ -	\$ -
Transco Supply2	\$ 2,638,255	\$ 2,737,145	\$ 3,537,280
Transco Supply3	\$ 2,056,075	\$ 1,937,500	\$ 1,962,972
Transco Supply4	\$ -	\$ -	\$ -
Transco Supply5	\$ -	\$ -	\$ -
Transco Supply6	\$ 2,050,650	\$ 1,660,825	\$ 1,212,224
Transco Supply7	\$ 4,248,355	\$ 1,852,232	\$ 1,759,779
Transco Supply8	\$ 9,821,200	\$ 5,504,519	\$ 5,134,955
Transco Supply9	\$ -	\$ -	\$ -
Transco Supply10	\$ 4,146,620	\$ 4,417,098	\$ 2,008,032
Transco Supply11	\$ -	\$ -	\$ -
Transco Supply12	\$ 1,847,600	\$ 1,938,500	\$ 1,198,549
Transco Supply13	\$ -	\$ -	\$ -
Transco Supply14	\$ 1,761,575	\$ 1,733,904	\$ 1,530,153
Transco Supply15	\$ -	\$ -	\$ -
Transco Supply16	\$ -	\$ -	\$ -
Transco Supply17	\$ 97,920	\$ -	\$ -
Transco Supply18	\$ -	\$ -	\$ -
Transco Supply19	\$ -	\$ -	\$ -
Transco Supply20	\$ 4,008,300	\$ 4,044,238	\$ 3,902,730
Transco Supply21	\$ 2,052,975	\$ 1,619,750	\$ 1,682,050
Tetco Supply1	\$ 641,736	\$ 451,958	\$ 549,101
Tetco Supply2	\$ -	\$ -	\$ -
Tetco Supply3	\$ -	\$ -	\$ 63,020
Tetco Supply4	\$ -	\$ -	\$ -
Tetco Supply5	\$ -	\$ -	\$ -
Tetco Supply6	\$ -	\$ -	\$ -
Tetco Supply7	\$ 853,618	\$ -	\$ -
Tetco Supply8	\$ -	\$ -	\$ -
Tetco Supply9	\$ -	\$ -	\$ -
Tetco Supply10	\$ -	\$ -	\$ -
Tetco Supply11	\$ -	\$ -	\$ -
Tetco Supply12	\$ -	\$ -	\$ -
Tetco Supply13	\$ 337,900	\$ 337,900	\$ 327,000
Tetco Supply14	\$ 3,704,864	\$ 4,080,450	\$ 3,994,500
Tetco Supply15	\$ -	\$ -	\$ -
Tetco Supply16	\$ -	\$ -	\$ -
<u>Tetco Supply17</u>	\$ 3,698,300	\$ 3,902,900	\$ 2,815,922
Total Costs	\$ 47,814,381	\$ 41,299,295	\$ 36,548,617
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 99,221	\$ 19,167	\$ 13,094
Adjustment/Reconciliation	\$ 127,514	\$ (207,830)	\$ (1)
Total Natural Gas Billed	\$ 48,141,116	\$ 41,110,632	\$ 36,561,710

Philadelphia Gas Works
Summary of Fuels Purchased
Three Months Ending September 2008

	Actual			Total	Projected 4th Qtr Filing Jul-08	Projected 4th Qtr Filing Aug-08	Projected 4th Qtr Filing Sep-08	Total	Actual Over/Under vs Projected			
	Jul-08	Aug-08	Sep-08						Jul-08	Aug-08	Sep-08	Total
Total Natural Gas Billed	\$ 48,141,116	\$ 41,110,832	\$ 38,861,710	\$ 125,813,458	\$ 47,399,248	\$ 47,073,679	\$ 48,480,003	\$ 140,953,229	\$ 741,868	\$ (5,963,347)	\$ (9,918,293)	\$ (16,130,771)
Less Interruptible Credit	\$ 367,951	\$ 378,068	\$ 201,428	\$ 1,005,445	\$ 319,374	\$ 235,695	\$ 320,657	\$ 876,628	\$ 49,877	\$ 140,371	\$ (59,129)	\$ 129,819
Gas Used For Utility	\$ 189,369	\$ (88,184)	\$ (773)	\$ 87,289	\$ 299,483	\$ 171,458	\$ 227,114	\$ 868,032	\$ (100,097)	\$ (257,650)	\$ (227,887)	\$ (585,533)
	\$ 47,803,789	\$ 40,820,780	\$ 38,301,055	\$ 124,725,614	\$ 48,810,411	\$ 48,666,828	\$ 45,932,333	\$ 139,406,571	\$ 793,368	\$ (5,846,069)	\$ (9,631,278)	\$ (14,683,957)
Pipeline Storage												
(To)	\$ 28,807,517	\$ (22,304,730)	\$ (19,394,516)	\$ (70,308,763)	\$ (27,478,631)	\$ (31,363,520)	\$ (28,318,559)	\$ (86,158,710)	\$ (1,130,886)	\$ 9,098,790	\$ 9,924,043	\$ 14,861,947
From	\$ -	\$ 29,585	\$ 1,029,579	\$ 1,059,164	\$ -	\$ -	\$ -	\$ 29,585	\$ -	\$ 29,585	\$ 1,029,279	\$ 1,059,864
Net Pipeline Storage	\$ 28,807,517	\$ (22,275,145)	\$ (18,364,937)	\$ (69,247,299)	\$ (27,478,631)	\$ (31,363,520)	\$ (28,318,559)	\$ (86,158,710)	\$ (1,130,886)	\$ 9,068,375	\$ 7,963,922	\$ 15,911,411
LNG Storage												
(To)	\$ 4,177	\$ -	\$ -	\$ 4,177	\$ -	\$ -	\$ (1,208,173)	\$ (1,208,173)	\$ 4,177	\$ -	\$ 1,208,173	\$ 1,210,350
From	\$ 608,622	\$ (8,351,088)	\$ 608,811	\$ (8,137,855)	\$ 567,188	\$ 689,384	\$ 850,008	\$ 1,886,578	\$ 39,434	\$ (7,020,472)	\$ (43,065)	\$ (7,024,123)
Net LNG Storage	\$ 610,799	\$ (8,351,088)	\$ 608,811	\$ (8,133,376)	\$ 567,188	\$ 689,384	\$ 850,008	\$ 1,886,405	\$ 43,611	\$ (7,020,472)	\$ 1,163,078	\$ (6,813,783)
Net Natural Gas	\$ 19,607,081	\$ 12,194,527	\$ 18,543,329	\$ 50,344,937	\$ 19,900,986	\$ 15,972,891	\$ 19,957,607	\$ 54,831,268	\$ (283,867)	\$ (3,778,164)	\$ (514,276)	\$ (4,586,329)
APPLICABLE GCR EXPENSES												
Net Natural Gas Expense	\$ 19,607,081	\$ 12,194,527	\$ 18,543,329	\$ 50,344,937	\$ 19,900,968	\$ 15,972,891	\$ 19,957,607	\$ 54,831,268	\$ (283,887)	\$ (3,778,164)	\$ (514,278)	\$ (4,586,329)
Electric	\$ 77,959	\$ 57,157	\$ 61,900	\$ 189,893	\$ 61,905	\$ 89,180	\$ 68,900	\$ 196,685	\$ 16,031	\$ (11,023)	\$ (4,709)	\$ 308
Total GCR Expenses	\$ 19,685,017	\$ 12,251,684	\$ 18,605,229	\$ 50,534,830	\$ 19,962,873	\$ 16,040,871	\$ 19,124,207	\$ 55,127,951	\$ (277,859)	\$ (3,789,187)	\$ (518,976)	\$ (4,886,021)

PHILADELPHIA GAS WORKS

GAS SUPPLIER TARIFF



**Issued by: Thomas Knudsen
President and CEO
PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122**

List of Changes Made by this Tariff

9.14. LOAD BALANCING SURCHARGE, 9.14.A. (Page No. 39)

The load balancing charge increases from \$39.2567 per design day Mcf to \$39.5305 per design day Mcf.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Twenty Sixth Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Table of Contents (continued) _____	7
Left Blank for Future Use _____	8
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Supplier Tariff _____	14
2. Availability _____	16
3. Character of Service _____	18
4. Supplier Qualification _____	20
5. Customer List _____	23
6. Supplier Selection Procedures _____	25
7. Supplier Obligations _____	29
8. Operational Requirements _____	33
9. Special Provisions _____	37
10. Nomination Procedure _____	44
11. Financial Security _____	46
12. Supplier Billing and Payment _____	48
13. Supplier Exit Procedures _____	54
14. Breach of Obligations _____	57
15. Standards of Conduct _____	60

9.14. LOAD BALANCING CHARGE.

9.14.A. Suppliers for all gas delivered under Firm Transportation Rates, of this Suppliers Tariff shall be charged at \$39.5305 per design day Mcf that is fulfilled by PGW storage and peaking assets, for recovery of those costs for Balancing Service, calculated in the manner set forth in the Commission's Order at M-00021612 (entered March 31, 2003) and as set forth below. Such rate for Balancing Service shall be increased or decreased, from time to time, in accordance with applicable law and procedures. (I)

9.14.B.Computation of Balancing Service Costs per Dth.

9.14.B.1.Formula. Balancing Service Costs, per design day Mcf, that is fulfilled by PGW storage and peaking assets, shall be computed to the nearest one-hundredth cent (\$0.0001) in accordance with the formula set forth below:

$$BSC = ((C - E) / (S))$$

Projected Balancing Service Costs, so computed, shall be charged to Suppliers of Firm Transportation Rates per Customer per design day Mcf that is fulfilled by PGW storage and peaking assets, for an enrollment month. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the PUC's regulations adopted pursuant thereto.

9.14.B.2. Definitions. In computing the Balancing Service Costs, per Dth, pursuant to the formula above, the following definitions shall apply:

"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (\$0.0001) to be charged to each design day Mcf that is fulfilled by PGW storage and peaking assets, under Rate Schedule Firm.

"C" - Cost in dollars: for all types of storage and related services, the fixed and variable costs for the projected period when rates will be in effect.

"E" - the net overcollection or undercollection of Balancing Service Costs.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the PUC for the Company's Section 1307(f) Tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate. Interest shall be computed monthly at the rate as provided for in Section 1307(f) of the Public Utility Code from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. Such over billings (or under billings) will be made with interest at the statutory rate.

"S" - projected Mcf of storage gas/LNG to be delivered to Customers to meet design day needs during the projected period when rates will be in effect.

(I) - Increase

Philadelphia Gas Works

Gregory J. Stunder
Senior Attorney



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February 27, 2009

VIA EXPRESS MAIL

James J. McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Pa. PUC v. Philadelphia Gas Works; R-2008-2021348,
March 1, 2009 Second Quarterly GCR Filing

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of PGW's March 1, 2009 Quarterly Gas Cost Rate ("GCR") filing. If you have any questions, please contact me.

Respectfully submitted,

Gregory J. Stunder

Enclosures

cc: All Parties of Record
Karen Moury, Esq., Director of Operations (w/enc.)
Robert F. Wilson, Bureau of Fixed Utility Services (w/enc.)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EXPRESS MAIL

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Gregory J. Anderson, Esq.

Date: February 27, 2009

Statement

Known per dekatherm natural gas prices are used through the month of January, 2009. Where known and quantifiable, actual per dekatherm prices for locked-in quantities of gas are used for all other months. Any remaining volumes not locked-in for price for the months of February 2009 through April 2009 are based on the NYMEX Futures Closing Prices of 1-13-09. For the period of May 2009 through February 2010, the average price of the NYMEX Futures Closing Prices of 1-13-09 and the January 2009 Global Insight Forecast were used. The latest applicable pipeline tariff transportation and fuel charges from specific basin points have been incorporated into these pricing determinants. Forecasted temperatures for the period are assumed to be normal (i.e. the forecast incorporates the normal 4,412 degree-day pattern).

MARCH 1, 2009

2ND QUARTER GCR FILING

TABLE OF CONTENTS

Levelized Gas Cost Rate.....	Schedule 1
Sales & Volumes.....	Schedule 2
Projected Applicable Fuel Expense.....	Schedule 3
GCR Statement of Reconciliation – March 2009 Through February 2010.....	Schedule 4
GCR Statement of Reconciliation – September 2008 Through February 2009....	Schedule 5
FY 2008 Interest Calculation (Revised).....	Schedule 5(b)
Demand and Commodity Interest Calculation (Revised).....	Schedule 5(d)
GCR Statement of Reconciliation – September 2007 Through August 2008.....	Schedule 6
Calculation of Recovered Charges.....	Schedule 7
Changes in Rates.....	Schedule 8
Universal Service & Energy Conservation Surcharge (USC)	Schedule 9(a)
Statement of Reconciliation – USC Surcharge – Sept. 2008 To February 2009...	Schedule 9(b)
Natural Gas Prices	Schedule 10
Actual Natural Gas Billed.....	Schedule 11
Summary of Fuels Purchased	Schedule 12

Philadelphia Gas Works
Levelized Gas Cost Rate
2nd Quarter Filing - March 1, 2009

Formula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			50,842,959	Schedule 2

Net Natural Gas Expense	\$	73,727,418	\$	401,808,095	\$	475,535,513	
Purchased Electric Expense	\$	-	\$	1,024,000	\$	1,024,000	
C = Total Applicable GCR Expense	\$	73,727,418	\$	402,832,095	\$	476,559,513	Schedule 3
SSC = C / S	\$	1.4501	\$	7.9231	\$	9.3732	

Adjustment For:

Prior Reconciliation	\$	(11,051,281)	\$	(18,093,469)	\$	(29,144,750)	
E = Adjustments to GCR Expenses	\$	(11,051,281)	\$	(18,093,469)	\$	(29,144,750)	Schedule 5
GAC = E / S	\$	(0.2174)	\$	(0.3559)	\$	(0.5732)	

Interruptible Revenue Credit	\$	11,001,737	Schedule 4
IRC = Interruptible Revenue Credit / S	\$	0.2164	

Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit	\$	436,413,027	
<u>GCR = SSC + GAC - IRC</u>	\$	8.5836	

SSC in effect 3/01/09	\$	1.4223	\$	7.7714	\$	9.1937	
GAC in effect 3/01/09	\$	(0.2132)	\$	(0.3491)	\$	(0.5623)	
IRC in effect 3/01/09					\$	(0.2122)	
GCR in effect 3/01/09	\$		\$		\$	8.4192	Schedule 7

Recovery Test on:

Firm Sales (Mcf)		50,842,959	
= Total Projected Recovery	\$	436,411,173	Schedule 7
Compared To			
Net Applicable GCR Expenses	\$	436,413,027	
= Net Over/(Under) Recovery	\$	(1,854)	Schedule 4

Degree Days		4,412	
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SALES & VOLUMES

March 2009 Through February 2010

MONTH	2009	FIRM		TOTAL		INTERRUPTIBLE		GCR FIRM		SENIOR		TOTAL APPLICABLE VOLUMES
		TOTAL VOLUMES	TRANSPORT VOLUMES	BILLED SALES	SALES	SALES	SALES	SALES	SALES	CITIZEN SALES	DISCOUNT SALES	
		1	2	3 = 1 - 2	4	5 = 3 - 4	6	7 = 5 - 6 + 2				
MARCH	2009	7,741,943	315,998	7,425,945	144,711	7,281,234	97,230	7,500,002				
APRIL		5,316,139	217,809	5,098,331	77,794	5,020,537	66,242	5,172,103				
MAY		2,564,735	120,052	2,444,683	32,209	2,412,474	28,921	2,503,605				
JUNE		1,547,893	91,231	1,456,661	11,899	1,444,762	13,834	1,522,159				
JULY		1,270,671	77,454	1,193,217	12,567	1,180,650	10,863	1,247,241				
AUGUST		1,223,127	75,193	1,147,934	12,329	1,135,605	10,391	1,200,408				
SEPTEMBER		1,143,006	72,500	1,070,506	14,379	1,056,128	9,517	1,119,111				
OCTOBER		1,813,550	108,277	1,705,273	46,466	1,658,807	16,277	1,750,807				
NOVEMBER		4,063,729	204,475	3,859,254	87,224	3,772,030	43,433	3,933,073				
DECEMBER		7,002,801	329,203	6,673,598	138,849	6,534,749	78,106	6,785,846				
JANUARY	2010	10,863,288	471,500	10,391,787	144,713	10,247,074	127,150	10,591,425				
FEBRUARY		9,645,986	424,161	9,221,825	122,915	9,098,910	111,354	9,411,717				
TOTAL		54,196,869	2,507,855	51,689,014	846,055	50,842,959	613,317	52,737,497				

PROJECTED APPLICABLE FUEL EXPENSE SUMMARY

MARCH 2009 - FEBRUARY 2010

	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	TOTAL
NATURAL GAS BILLED	60,575,947	38,010,618	32,733,901	25,548,010	26,246,174	25,677,765	26,799,794	37,489,465	44,844,107	55,450,619	61,222,330	64,176,073	488,718,783
INTERRUPTIBLE CREDIT	(1,357,807)	(468,772)	(206,179)	(77,098)	(81,403)	(79,557)	(95,091)	(310,579)	(652,594)	(1,141,492)	(1,210,809)	(1,013,544)	(8,712,894)
SENDOUT VOLUME IN MCF	150,584	80,951	33,516	12,382	13,077	12,829	14,962	48,352	80,763	144,484	150,586	127,903	880,380
DKT CONVERSION FACTOR	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	
PRICE \$/DKT	8.737	5.827	5.951	6.034	6.022	6.009	6.188	6.224	6.967	7.656	7.781	7.678	
GAS USED FOR UTILITY	(1,290,633)	(505,034)	(168,610)	(24,003)	(62,723)	(41,948)	(89,210)	(137,445)	(340,750)	(702,101)	(849,594)	(937,871)	(5,159,612)
NATURAL GAS TO STORAGE	982,482	6,308,645	13,223,497	12,222,092	13,513,427	13,047,238	12,591,263	12,185,382	948,943	-	-	-	83,020,851
FROM STORAGE PGW	17,183,372	2,112,818	-	-	-	-	-	142,677	4,226,011	20,092,372	25,161,617	20,093,941	89,033,008
NET NATURAL GAS STORAGE	16,190,890	(4,193,827)	(13,223,497)	(12,222,092)	(13,513,427)	(13,047,238)	(12,591,263)	(12,042,705)	3,277,168	20,092,372	25,161,617	20,093,941	4,012,117
LNG TO STORAGE	5,069,007	2,877,001	1,640,274	813,364	-	-	369,309	1,744,537	2,989,044	-	-	-	15,482,537
FROM LNG PGW	947,885	636,119	636,609	607,120	623,099	623,099	602,013	612,705	585,920	1,217,807	2,675,182	2,489,320	12,159,858
NET LNG STORAGE	(4,221,123)	(2,240,882)	(1,000,665)	(206,244)	623,099	623,099	222,704	(1,131,832)	(2,383,124)	1,217,807	2,675,182	2,489,320	(3,322,881)
NET NATURAL GAS EXPENSE	69,897,274	28,584,103	18,144,950	13,016,573	13,191,719	13,132,420	14,206,904	23,873,893	44,744,836	74,917,005	87,018,917	74,806,919	476,535,513
APPLICABLE GCR EXPENSE	69,897,274	28,584,103	18,144,950	13,016,573	13,191,719	13,132,420	14,206,904	23,873,893	44,744,836	74,917,005	87,018,917	74,806,919	476,535,513
NET NATURAL GAS EXPENSE	112,100	75,100	76,200	73,500	85,900	59,100	68,700	76,500	91,600	100,100	94,800	130,400	1,024,000
PURCHASED ELECTRIC	70,009,374	28,658,203	18,221,150	13,090,073	13,257,619	13,161,520	14,273,604	23,952,383	44,836,438	75,017,105	87,113,717	74,837,319	476,559,513
TOTAL APPLICABLE EXPENSES	70,009,374	28,658,203	18,221,150	13,090,073	13,257,619	13,161,520	14,273,604	23,952,383	44,836,438	75,017,105	87,113,717	74,837,319	476,559,513
TOTAL GCR FIRM SALES	7,261,234	5,020,537	2,412,474	1,444,762	1,160,650	1,135,595	1,056,128	1,659,507	3,772,030	6,534,749	10,247,074	9,098,910	50,842,959

GCR

STATEMENT OF RECONCILIATION

MARCH 2009 THROUGH FEBRUARY 2010

	NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER/(UNDER) RECOVERY	E FACTOR DISTRIBUTED ON GCR	CUMULATIVE OVER/(UNDER) RECOVERY
	1	2	3	4 = (2 * 3)	5 = (1 - 4)	6	7	8	9 = (7 + 8 - 5)	10	11
	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
FEBRUARY 2009 OVER-COLLECTION											
MARCH	70,009,374	7,281,234	0.2164	1,575,562	68,433,812	9.5600	69,808,234	14,021	1,188,443	28,144,750	5,362,270
APRIL	28,659,203	5,020,537	0.2164	1,086,377	27,572,826	8.4192	42,288,904	(12,797)	14,683,281	4,173,828	22,923,477
MAY	18,221,150	2,412,474	0.2164	522,027	17,699,122	8.4192	20,311,104	4,928	2,616,910	1,382,905	28,923,292
JUNE	13,090,073	1,444,762	0.2164	312,627	12,777,446	8.4192	12,183,742	6,732	(808,971)	828,182	27,144,503
JULY	13,257,619	1,180,650	0.2164	255,477	13,002,142	8.4192	9,940,126	12,829	(3,049,187)	676,785	24,772,101
AUGUST	13,191,520	1,135,805	0.2164	245,730	12,945,791	8.4192	9,560,882	11,650	(3,373,259)	650,964	22,049,806
SEPTEMBER	14,273,604	1,056,128	0.2164	228,532	14,045,072	8.4192	8,891,749	16,726	(5,136,598)	605,405	17,518,613
OCTOBER	23,952,393	1,658,807	0.2164	359,944	23,593,450	8.4192	13,885,824	13,685	(9,613,940)	950,879	8,855,551
NOVEMBER	44,836,436	3,772,030	0.2164	816,217	44,020,219	8.4192	31,757,475	(2,724)	(12,285,467)	2,162,244	(1,247,672)
DECEMBER	75,017,105	6,534,749	0.2164	1,414,032	73,603,073	8.4192	55,017,358	(10,551)	(18,596,266)	3,745,919	(16,098,019)
JANUARY	87,113,717	10,247,074	0.2164	2,217,330	84,896,387	8.4192	86,272,169	(16,601)	1,359,182	5,873,939	(8,864,889)
FEBRUARY	74,837,319	9,099,910	0.2164	1,968,882	72,868,437	8.4192	76,605,543	10,163	3,647,289	5,215,775	(1,854)
Total	476,559,513	59,842,959		11,001,737	465,557,778	8.4192	436,363,111	48,062	(29,146,602)	29,144,750	

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2008 THROUGH FEBRUARY 2009

	DEMAND CHARGES	COMMODITY CHARGES	NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERMITTENT REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER/UNDER RECOVERY	NATURAL GAS REFUNDS	CUMULATIVE OVER/UNDER RECOVERY
	1	2	3 = (1+2)	4	5	6 = (4-5)	7 = (3-6)	8	9	10	11 = (9+10-7)	12	13
	\$	\$	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
2007-2008 OVER-COLLECTION													
2007-2008 INTEREST													
TOTAL "E" FACTOR													
SEPTEMBER 2008	Actual												
OCTOBER	5,370,657	13,172,672	18,543,329	1,099,000	0.1774	184,963	18,348,366	12,8382	14,021,704	(11,895)	(4,338,557)	30,863	30,502,871
NOVEMBER	5,636,213	26,662,549	32,298,762	1,406,906	0.2166	304,736	32,014,026	12,6527	17,771,264	(32,123)	(14,274,865)	0	12,524,690
DECEMBER	5,453,139	46,747,336	51,200,475	3,398,837	0.2166	736,188	50,464,287	12,6527	42,962,363	(88,446)	(7,890,369)	0	4,934,321
JANUARY	6,289,652	79,632,764	85,922,416	7,193,130	0.2166	1,568,032	84,364,384	12,6527	90,987,340	1,211	6,624,167	0	11,558,488
FEBRUARY	6,739,606	106,628,720	113,368,326	9,496,812	0.2113	2,006,202	111,362,125	11,6767	110,891,425	(23,716)	(494,416)	0	11,064,072
	Estimated	80,285,553	87,019,342	9,635,410	0.2059	1,963,931	85,035,411	10,7007	103,105,632	10,467	16,060,678	0	25,144,760

RECONCILIATION OF DEMAND CHARGES

	DEMAND CHARGES	FIRM SALES	DEMAND CHARGE IN EFFECT	DEMAND CHARGES BILLED	MONTHLY DEMAND OVER/UNDER	CUMULATIVE DEMAND OVER/UNDER
	1	2	3	4 = (2-3)	5 = (4-1)	6
	\$	\$	\$	\$	\$	\$
2006-2007 OVER-COLLECTION						
SEPTEMBER 2008	Actual					
OCTOBER	5,377,583	1,099,000	1,4100	1,549,535	(3,828,048)	(1,691,044)
NOVEMBER	6,651,209	1,406,906	1,4168	1,993,304	(3,657,905)	(5,348,949)
DECEMBER	5,508,080	3,398,837	1,4168	4,815,472	(6,041,557)	(6,041,557)
JANUARY	6,270,947	7,193,130	1,4168	10,181,227	3,920,280	(2,121,278)
FEBRUARY	6,720,012	9,496,812	1,3994	13,289,364	6,569,352	4,448,074
	Estimated	9,635,410	1,3819	13,315,173	6,603,207	11,051,281
						2,137,004

**FISCAL YEAR 2008
PHILADELPHIA GAS WORKS
INTEREST CALCULATION (1)**

	Split Month	Split Month	Split Month	Split Month	Split Month
09/01/2007	09/01/2007	12/01/2007	03/01/2008	06/01/2008	07/01/2008
SSC in Effect	\$ 11,4318	\$ 10,8106	\$ 10,7668	\$ 10,9166	\$ 12,3503
GAC in Effect	\$ (0.5637)	\$ (0.5637)	\$ (0.5639)	\$ (0.1283)	\$ (0.3354)
IRC in Effect	\$ (0.1430)	\$ (0.1395)	\$ (0.1370)	\$ (0.1370)	\$ (0.1378)
Total Effective	\$ 10,7251	\$ 10,1108	\$ 10,3444	\$ 10,6503	\$ 11,8731
				\$ 10,7228	\$ 13,0236

Month	NET COST OF FUEL (1)	FIRM SALES (2)	C FACTOR RECOVERY RATE (3)	C FACTOR REVENUES BILLED (4)=(2)*(3)	ADJUSTMENT FOR ACTUAL REVENUE (5)	C FACTOR REVENUES BILLED (6)=(4)*(5)	OVER/ (UNDER) RECOVERY (7)=(6)-(1)	INTEREST RATE (8)	TIME FACTOR (9)	INTEREST EXPENSE (10)=(7)*(8)*(9)	INTEREST ON REFUNDS 11	TOTAL INTEREST 12=(10+11)
SEPTEMBER 2007	15,629,317	1,160,336	11.1212	12,904,314	0.9562	12,338,480	(3,290,837)	8%	18/12	(394,900)	0	(394,900)
OCTOBER	17,808,685	1,262,457	10.8106	13,647,913	1.0015	13,668,571	(4,140,114)	8%	17/12	(469,213)	0	(469,213)
NOVEMBER	51,459,250	3,224,389	10.8106	34,857,583	1.0000	34,857,373	(16,601,877)	8%	16/12	(1,770,867)	0	(1,770,867)
DECEMBER	78,589,668	7,036,638	10.7897	75,923,213	1.0035	76,189,948	(2,399,720)	8%	15/12	(239,972)	0	(239,972)
JANUARY 2008	83,672,610	7,926,980	10.7688	85,364,067	0.9999	85,348,631	1,876,021	6%	14/12	117,321	0	117,321
FEBRUARY	76,410,711	7,827,171	10.7688	84,289,239	0.9999	84,281,114	7,870,403	6%	13/12	511,576	0	511,576
MARCH	62,938,685	6,820,413	10.9168	74,455,721	1.0006	74,502,865	11,564,180	6%	12/12	693,851	0	693,851
APRIL	34,227,732	4,411,145	11.0644	48,808,673	0.9998	48,798,245	14,570,513	6%	11/12	801,378	0	801,378
MAY	26,312,908	2,150,657	11.0644	23,795,729	1.0003	23,801,924	(2,510,984)	6%	10/12	(125,549)	23,290	(102,259)
JUNE	19,454,921	1,519,116	12.3503	18,761,515	0.9934	18,637,451	(817,470)	6%	9/12	(36,786)	150,000	113,214
JULY	19,885,017	1,115,708	13.6362	15,213,977	0.9976	15,177,678	(4,507,339)	6%	8/12	(180,294)	136,096	(44,198)
AUGUST	12,251,684	1,047,640	13.6362	14,285,803	0.9945	14,207,401	1,955,717	6%	7/12	68,450	131,400	199,851
Total	498,441,188	45,502,650		502,305,746		501,809,680	3,368,492			(1,025,004)	440,786	(584,218)
Interest from Schedule 5 (d)												1,188,586
Total Interest												604,368

* Revised

(1) Revised from 1st Qtr Filing

**FISCAL YEAR 2008
PHILADELPHIA GAS WORKS
DEMAND AND COMMODITY INTEREST CALCULATION ***

MONTH	(1) OVER/UNDER RECOVERY (1) (\$)	DEMAND CHARGE OVER/UNDER RECOVERY (2) (\$)	COMMODITY CHARGE OVER/UNDER RECOVERY (3)=(1)-(2) (\$)	INTEREST RATE (4)	TIME FACTOR (5)	DEMAND INTEREST EXPENSE (6)=(2)*(4)*(5) (\$)	COMMODITY INTEREST EXPENSE (7)=(3)*(4)*(5) (\$)	TOTAL INTEREST EXPENSE (8)=(6)+(7) (\$)	INTEREST ON REFUNDS (9) (\$)	TOTAL INTEREST (10)=(8)+(9) (\$)
SEPTEMBER 2007	(3,260,837)	(4,080,951)	780,114							
OCTOBER	(4,140,114)	(3,926,482)	(213,632)	8%	18/12	(489,714)	94,814	(394,900)	0	(394,900)
NOVEMBER	(16,601,877)	(1,588,622)	(15,043,256)	8%	17/12	(446,001)	(24,212)	(469,213)	0	(469,213)
DECEMBER	(2,399,720)	3,376,212	(6,775,932)	8%	16/12	(168,263)	(1,804,814)	(1,770,887)	0	(1,770,887)
JANUARY 2008	1,676,021	5,008,893	(3,333,873)	6%	15/12	337,821	(577,593)	(239,972)	0	(239,972)
FEBRUARY	7,870,403	5,848,932	2,221,471	6%	14/12	360,893	(233,371)	117,321	0	117,321
MARCH	11,594,180	3,449,758	8,114,422	6%	13/12	387,181	144,388	511,578	0	511,578
APRIL	14,570,513	347,001	14,223,512	6%	12/12	208,985	488,885	693,851	0	693,851
MAY	(2,510,984)	(1,763,750)	(717,234)	6%	11/12	19,085	782,283	801,378	0	801,378
JUNE	(917,470)	(2,878,389)	2,060,920	6%	10/12	(89,887)	(35,862)	(125,549)	23,290	(102,259)
JULY	(4,507,339)	(2,970,316)	(1,537,023)	6%	9/12	(128,528)	92,741	(38,788)	150,000	113,214
AUGUST	1,955,717	(3,139,862)	5,095,580	6%	8/12	(118,613)	(61,481)	(180,294)	138,098	(44,198)
TOTAL FY 2008	3,368,492	(2,516,576)	5,885,068		7/12	(108,895)	178,345	68,450	131,400	189,851
						(267,328)	(757,678)	(1,025,004)	440,768	(584,218)
JANUARY 2007	(8,945,928)	3,118,267	(10,064,213)	2%	28/12	135,128	(438,118)	(300,990)	0	(300,990)
FEBRUARY	5,859,361	6,739,224	(860,863)	2%	25/12	280,801	(38,703)	244,098	0	244,098
MARCH	17,838,881	6,114,688	11,724,293	2%	24/12	244,588	468,972	713,559	0	713,559
APRIL	11,159,232	2,627,423	8,531,809	2%	23/12	100,718	327,053	427,771	0	427,771
MAY	6,756,197	(2,089,191)	8,825,388	2%	22/12	(75,870)	323,588	247,727	0	247,727
JUNE	(385,278)	(3,144,000)	2,776,722	2%	21/12	(110,040)	97,255	(12,785)	0	(12,785)
JULY	(1,777,398)	(2,837,789)	1,060,431	2%	20/12	(84,592)	35,348	(59,245)	0	(59,245)
AUGUST	(2,259,482)	(3,555,958)	1,296,497	2%	19/12	(112,605)	41,058	(71,560)	0	(71,560)
TOTAL 2007	30,294,767	6,982,704	23,272,063			388,124	820,482	1,188,588		1,188,588
GRAND TOTAL	33,633,259	4,476,128	29,157,131	0	0	100,798	62,764	163,562	440,768	604,368

* Revised from 1st Qtr Filing
(1) See Schedule 5 (b)
(1) See Schedule 5 (b)

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2007 THROUGH AUGUST 2008

	1	2	3 = (1+2)	4	5	6 = (4+5)	7 = (3+6)	8	9	10	11 = (9+10+7)	12	13
	Demand Charges	Commodity Charges	Net Cost of Fuel	GCR Firm Sales	IRC Factor Applied	Interrupt. Revenue Credit	Applicable Expenses	GCR Factor Applied	GCR Revenue Billed	SSPC & Migration Revenue	Monthly Over/Under Recovery	Natural Gas Refunds	Cumulative Over/Under Recovery
	\$	\$	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
2006-2007 OVER-COLLECTION													
2006-2007 INTEREST													
AC RIDER ADJUSTMENT													
TOTAL "E" FACTOR													
SEPTEMBER 2007	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
OCTOBER	5,756,998	9,872,319	15,829,317	1,160,336	0.1396	161,925	15,497,392	10,4180	11,658,285	(28,046)	(3,935,173)	0	24,904,131
NOVEMBER	5,770,552	12,036,133	17,806,685	1,262,457	0.1361	171,820	17,636,865	10,1108	12,783,767	(34,093)	(4,887,191)	0	3,387,020
DECEMBER	6,340,910	45,118,340	51,459,250	3,224,389	0.1361	438,839	51,020,411	10,1108	32,600,859	5,979	(18,413,473)	0	(1,922,203)
JANUARY 2008	6,952,746	71,636,922	78,589,668	7,036,638	0.1366	960,953	77,628,616	10,3444	73,045,171	(73,076)	(4,666,716)	0	26,388,843
FEBRUARY	6,847,547	77,025,063	83,872,610	7,926,980	0.1370	1,085,956	82,898,614	10,5779	83,835,644	(5,802)	(1,243,228)	0	(8,623,613)
MARCH	5,885,125	70,545,586	76,410,711	7,827,171	0.1370	1,072,322	75,338,369	10,5779	82,787,051	(514)	7,448,148	0	(4,280,386)
APRIL	6,396,288	58,542,417	62,938,665	6,820,413	0.1370	934,397	62,004,268	10,8503	72,685,097	(16,427)	10,664,382	0	3,167,763
MAY	5,952,204	28,575,528	34,227,732	4,411,145	0.1370	604,327	33,623,405	10,7226	47,290,776	(288,726)	13,408,645	0	13,832,145
JUNE	5,032,723	21,310,661	26,312,908	2,160,657	0.1376	294,640	28,018,269	10,7226	23,056,638	160,050	(2,791,591)	0	24,915,015
JULY	4,944,767	14,421,188	19,456,821	1,519,116	0.1376	209,030	19,245,891	11,8731	17,917,345	7,579	(1,320,866)	0	26,827,382
AUGUST	4,610,378	15,140,250	19,685,017	1,115,708	0.1382	164,191	19,530,826	13,0236	14,495,860	(289)	(5,035,255)	0	28,294,617
Total	68,573,465	429,867,723	498,441,168	45,502,650	0.1382	6,233,125	482,208,063	13,0236	485,635,743	(249,579)	(6,821,899)	0	30,502,871

RECONCILIATION OF DEMAND CHARGES

	1	2	3	4 = (2+3)	5 = (4-1)	6
	Demand Charges Less SSPC	GCR Firm Sales	Demand Charge in Effect	Demand Charges Billed	Monthly Demand Over/Under	Cumulative Demand Over/Under
	\$	\$	\$	\$	\$	\$
2006-2007 OVER-COLLECTION						
SEPTEMBER 2007	Actual	Actual	Actual	Actual	Actual	Actual
OCTOBER	5,756,998	1,160,336	1,4445	1,676,047	(4,080,951)	(1,943,947)
NOVEMBER	5,770,552	1,262,457	1,4807	1,844,070	(3,926,482)	(5,870,429)
DECEMBER	6,268,467	3,224,389	1,4607	4,705,866	(1,598,622)	(7,429,050)
JANUARY 2008	6,932,463	7,036,638	1,4650	10,308,876	3,376,212	(4,052,838)
FEBRUARY	6,637,219	7,926,980	1,4693	11,647,112	5,009,883	857,955
MARCH	5,851,530	7,827,171	1,4693	11,500,462	5,648,932	6,806,987
APRIL	6,382,688	6,820,413	1,4416	9,832,446	3,449,769	10,055,744
MAY	5,980,098	4,411,145	1,4139	6,237,097	347,001	10,402,745
JUNE	4,834,651	2,160,657	1,4139	3,040,901	(1,793,750)	8,608,995
JULY	5,018,103	1,519,116	1,4085	2,136,714	(2,878,389)	5,730,606
AUGUST	4,635,777	1,115,708	1,4031	1,568,461	(2,970,316)	2,760,290
Total	4,608,818	1,047,640	1,4031	1,468,956	(3,139,862)	(379,572)

CALCULATION OF RECOVERED CHARGES**MARCH 1, 2009 - 2ND QUARTER FILING****MARCH 2009 - FEBRUARY 2010**

	<u>50% of March</u>	<u>11.5 Months</u>	<u>Total</u>
			(MCF) (\$)
Firm Sales (Mcf)	3,640,617	47,202,342	50,842,959
GCR (\$ / Mcf)	\$ 10.7007	\$ 8.4192	
Total GCR Projected Recovery	\$ 38,957,151	\$ 397,405,960	\$ 436,363,111
SSPC and Migration Revenue			\$ 48,062
Total Projected Recovery			\$ 436,411,173

Change In Rates 2nd Quarter Filing

Rates Effective March 1, 2009

Distribution Charge

	Delivery		Surcharges			Total
	Delivery Charge	Restructuring & Consumer Education	Universal Service & Ener. Cons.	Surcharges	Distribution Charge / Mcf	
Residential GS	\$6.1840	\$0.0218	\$2.4262	\$2.4480	\$8.6320	
Commercial GSMUNGS	\$5.2449	\$0.0218	\$2.4262	\$2.4480	\$7.6929	
Industrial GS	\$5.2465	\$0.0218	\$2.4262	\$2.4480	\$7.6945	
Phila.Housing Authority (PHA)	\$5.1889	\$0.0218	\$2.4262	\$2.4480	\$7.6369	
Municipal (MS)	\$3.8178	\$0.0218	\$2.4262	\$2.4480	\$6.2658	
Phila.Housing Authority (GS)	\$5.2817	\$0.0218	\$2.4262	\$2.4480	\$7.7297	

Proposed Rates

	<u>01/01/09 Distribution Charge (4)</u>	<u>01/01/09 GCR (2)</u>	<u>01/01/09 Commodity Rate (3)= (1)+(2)</u>	<u>03/01/09 Distribution Charge (4)</u>	<u>03/01/09 GCR (5)</u>	<u>03/01/09 Commodity Rate (6)= (4)+(5)</u>	<u>Decrease (7)= (6)-(3)</u>
Residential GS	\$8.4648	\$10.7007	\$19.1655	\$8.6320	\$8.4192	\$17.0512	(\$2.1143)
Commercial GS/MUNGS	\$7.5257	\$10.7007	\$18.2264	\$7.6929	\$8.4192	\$16.1121	(\$2.1143)
Industrial GS	\$7.5273	\$10.7007	\$18.2280	\$7.6945	\$8.4192	\$16.1137	(\$2.1143)
Phila.Housing Authority (PHA)	\$7.4697	\$10.7007	\$18.1704	\$7.6369	\$8.4192	\$16.0561	(\$2.1143)
Municipal (MS)	\$6.0986	\$10.7007	\$16.7993	\$6.2658	\$8.4192	\$14.6850	(\$2.1143)
Phila.Housing Authority (GS)	\$7.5625	\$10.7007	\$18.2632	\$7.7297	\$8.4192	\$16.1489	(\$2.1143)

PHILADELPHIA GAS WORKS
MARCH 1, 2009 - 2nd QUARTER FILING
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE

	Expenses in the Surcharge	
Conservation Works Program (CWP)	\$ 2,330,000	
Customer Responsibility Program (CRP) Discount	\$ 93,274,485	
Senior Citizen Discount	\$ 10,082,439	*
<u>February 2009 Under Collection</u>	<u>\$ 22,266,268</u>	
Total \$ to be Recovered	\$ 127,953,192	
 Total Applicable Volumes	 Mcf <u>52,737,497</u>	
 Universal Service & Energy Conservation Surcharge	 <u><u>\$ 2.4262</u></u>	

* This is the Senior Citizen Discount on the Delivery Charge, GCR and Restructuring Surcharge which is used to calculate the Universal Services Surcharge. The total senior citizen discount is \$11,562,760.

STATEMENT OF RECONCILIATION

UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE

SEPTEMBER 2008 THROUGH FEBRUARY 2009

Month	Applicable Volumes	USC Charge	USC Revenue Billed	USC Expenses	Monthly Over/(Under) Recovery	Cumulative Over/(Under) Recovery
FY 08 Reconciliation						
September 2008 Actual	1,149,257	\$ 3,0733	\$ 3,532,010	\$ 187,515	\$ 3,344,495	(\$14,925,884)
October Actual	1,482,696	\$ 2,9180	\$ 4,326,507	\$ 957,040	\$ 3,369,467	(\$11,556,217)
November Actual	3,509,352	\$ 2,9180	\$ 10,240,289	\$ 2,931,009	\$ 7,309,280	(\$4,246,937)
December Actual	7,361,027	\$ 2,9180	\$ 21,479,478	\$ 24,251,354	\$ (2,771,877)	(\$7,018,814)
January 2009 Estimated	9,767,225	\$ 2,5885	\$ 25,282,462	\$ 31,043,831	\$ (5,761,369)	(\$12,780,183)
February Estimated	9,901,309	\$ 2,2590	\$ 22,367,057	\$ 31,853,142	\$ (9,486,085)	(\$22,266,268)
USC Expenses	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
Conservation Works	\$ 11,229	\$ 156,514	\$ 10,208	\$ 371,865	\$ 200,000	\$ 200,000
CWP Adjustment - PUC Order 12-24-08	\$ -	\$ -	\$ -	\$ -	\$ (10,000)	\$ -
CRP Discount	\$ (750,946)	\$ (259,259)	\$ 1,289,458	\$ 21,083,334	\$ 27,828,511	\$ 28,605,973
CRP Forgiveness	\$ 583,860	\$ 644,823	\$ 567,872	\$ 663,036	\$ 709,505	\$ 727,132
Senior Citizen Discount	\$ 333,372	\$ 414,962	\$ 1,063,471	\$ 2,133,119	\$ 2,315,815	\$ 2,320,037
	\$ 187,515	\$ 957,040	\$ 2,931,009	\$ 24,251,354	\$ 31,043,831	\$ 31,853,142

CRP Participation

Average participation rate (Actual)

Rate case participation rate

CRP Over (Under) participation

Average Shortfall Per CRP Participant

CRP Discount

Average participation rate

Average shortfall per CRP participant

75,819	75,633	76,607	78,490
(76,500)	(76,500)	(76,500)	(76,500)
(881)	(867)	107	1,990
(750,946)	(259,259)	1,289,458	21,083,334
75,819	75,633	76,607	78,490
(10)	(3)	17	269

March 1, 2009

Schedule 10

Actual Natural Gas Billed

	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>
Williams	\$ 2,129,570	\$ 2,282,682	\$ 2,432,203
Texas Eastern	\$ 1,707,512	\$ 2,653,223	\$ 2,512,082
Dominion	\$ 122,767	\$ 129,814	\$ 134,801
Equitrans	\$ 39,277	\$ 48,079	\$ 48,631
Spot Purchases -Transco	\$ -	\$ 456	\$ 306,440
Spot Purchases -Tetco	\$ 1,658,569	\$ 1,501,362	\$ -
Transco Supply1	\$ -	\$ -	\$ -
Transco Supply2	\$ 3,653,585	\$ 2,609,750	\$ 1,034,000
Transco Supply3	\$ 1,960,750	\$ 1,598,100	\$ 1,552,580
Transco Supply4	\$ -	\$ -	\$ -
Transco Supply5	\$ -	\$ -	\$ -
Transco Supply6	\$ 1,402,125	\$ 44,940	\$ 656,800
Transco Supply7	\$ 1,537,755	\$ 2,057,800	\$ 796,200
Transco Supply8	\$ 4,832,921	\$ 2,336,400	\$ 4,222,200
Transco Supply9	\$ -	\$ -	\$ -
Transco Supply10	\$ 2,368,045	\$ 3,313,638	\$ 4,794,806
Transco Supply11	\$ -	\$ -	\$ -
Transco Supply12	\$ 1,236,900	\$ -	\$ -
Transco Supply13	\$ -	\$ -	\$ -
Transco Supply14	\$ 1,785,600	\$ 3,955,500	\$ 4,356,090
Transco Supply15	\$ -	\$ -	\$ -
Transco Supply16	\$ -	\$ -	\$ -
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply18	\$ -	\$ -	\$ -
Transco Supply19	\$ -	\$ -	\$ -
Transco Supply20	\$ 4,414,090	\$ 4,963,433	\$ 7,459,958
Transco Supply21	\$ 2,342,379	\$ 1,264,500	\$ 1,311,300
Transco Supply22	\$ -	\$ 3,919,500	\$ 4,161,750
 Tetco Supply1	 \$ 172,241	 \$ 1,064,550	 \$ 428,991
Tetco Supply2	\$ -	\$ 2,917,500	\$ 3,129,450
Tetco Supply3	\$ -	\$ -	\$ 5,647,606
Tetco Supply4	\$ -	\$ 1,137,750	\$ 1,226,825
Tetco Supply5	\$ -	\$ -	\$ -
Tetco Supply6	\$ -	\$ -	\$ -
Tetco Supply7	\$ -	\$ 1,485	\$ 1,069,097
Tetco Supply8	\$ -	\$ -	\$ -
Tetco Supply9	\$ -	\$ -	\$ -
Tetco Supply10	\$ -	\$ -	\$ -
Tetco Supply11	\$ -	\$ -	\$ -
Tetco Supply12	\$ -	\$ -	\$ -
Tetco Supply13	\$ 337,900	\$ 12,035,050	\$ 11,119,425
Tetco Supply14	\$ 4,149,350	\$ 3,969,000	\$ 4,202,050
Tetco Supply15	\$ -	\$ -	\$ -
Tetco Supply16	\$ -	\$ 1,275,540	\$ 1,955,541
Tetco Supply17	\$ 2,937,250	\$ 1,711,050	\$ 1,748,323
Total Costs	\$ 38,788,585	\$ 56,791,102	\$ 66,307,146
 Capacity Release Credits	 \$ 443,217	 \$ 165,608	 \$ 223,944
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 5,317	\$ 13,059	\$ 63,849
Adjustment/Reconciliation	\$ 1,498,430	\$ (3,092,522)	\$ (909,645)
Total Natural Gas Billed	\$ 40,735,549	\$ 53,877,247	\$ 65,685,295

Philadelphia Gas Works
Summary of Fuels Purchased
Three Months Ending December 2008

	Actual		Projected		Projected		Projected		Actual Over/Under vs Projected			
	Oct-08	Nov-08	Dec-08	Total	1st Qtr Filing Oct-08	1st Qtr Filing Nov-08	1st Qtr Filing Dec-08	Total	Oct-08	Nov-08	Dec-08	Total
Total Natural Gas Billed	\$ 40,735,549	\$ 53,877,247	\$ 65,885,295	\$ 160,298,091	\$ 40,937,579	\$ 64,727,881	\$ 74,497,137	\$ 180,162,597	\$ (202,030)	\$ (10,850,834)	\$ (8,811,842)	\$ (19,864,506)
Less Interruptible Credit	\$ 732,426	\$ 1,470,089	\$ 2,221,720	\$ 4,424,235	\$ 855,447	\$ 1,218,783	\$ 2,089,934	\$ 3,942,165	\$ 76,979	\$ 253,308	\$ 151,788	\$ 482,070
Gas Used For Utility	\$ 184,784	\$ 472,651	\$ 1,083,952	\$ 1,761,387	\$ 283,513	\$ 543,812	\$ 1,151,894	\$ 1,978,819	\$ (89,729)	\$ (70,981)	\$ (67,732)	\$ (227,422)
	\$ 39,808,339	\$ 51,934,507	\$ 62,379,613	\$ 154,122,459	\$ 39,898,619	\$ 62,987,486	\$ 71,275,509	\$ 174,241,614	\$ (190,280)	\$ (11,032,979)	\$ (8,895,898)	\$ (20,119,155)
Pipeline Storages												
(To)	\$ (10,318,182)	\$ (6,948,127)	\$ (2,885,731)	\$ (19,953,040)	\$ (6,947,399)	\$ (8,315,875)	\$ -	\$ (17,163,273)	\$ (1,471,783)	\$ 1,367,748	\$ (2,885,731)	\$ (2,789,767)
From	\$ 5,097,880	\$ 6,504,729	\$ 24,878,394	\$ 36,480,873	\$ 2,982,744	\$ 8,098,122	\$ 22,995,389	\$ 32,058,255	\$ 2,435,116	\$ 408,607	\$ 1,882,985	\$ 4,424,718
Net Pipeline Storages	\$ (5,221,322)	\$ (443,398)	\$ 22,192,663	\$ 16,527,833	\$ (6,984,655)	\$ (2,217,752)	\$ 22,995,389	\$ 14,894,981	\$ 663,333	\$ 1,774,354	\$ (802,736)	\$ 1,634,952
LNG Storages												
(To)	\$ (2,996,128)	\$ (1,123,435)	\$ (161,163)	\$ (4,280,724)	\$ (4,734,710)	\$ (8,650,835)	\$ (188,428)	\$ (11,583,774)	\$ 1,739,584	\$ 5,627,200	\$ 37,288	\$ 7,303,050
From	\$ 727,871	\$ 832,801	\$ 1,511,313	\$ 3,071,985	\$ 706,078	\$ 1,169,305	\$ 1,153,782	\$ 3,029,165	\$ 21,793	\$ (338,504)	\$ 357,531	\$ 42,820
Net LNG Storage	\$ (2,268,255)	\$ (290,634)	\$ 1,350,150	\$ (1,208,739)	\$ (4,028,633)	\$ (5,481,329)	\$ 955,354	\$ (8,554,609)	\$ 1,760,378	\$ 5,190,695	\$ 394,798	\$ 7,345,870
Net Natural Gas	\$ 32,318,782	\$ 51,200,475	\$ 85,922,416	\$ 169,441,653	\$ 30,085,331	\$ 55,268,404	\$ 95,228,251	\$ 180,579,988	\$ 2,233,431	\$ (4,067,929)	\$ (9,303,835)	\$ (11,136,333)
APPLICABLE GCR EXPENSES												
Net Natural Gas Expense	\$ 32,318,782	\$ 51,200,475	\$ 85,922,416	\$ 169,441,653	\$ 30,085,331	\$ 55,268,404	\$ 95,228,251	\$ 180,579,988	\$ 2,233,431	\$ (4,067,929)	\$ (9,303,835)	\$ (11,136,333)
Electric	\$ 72,052	\$ 91,471	\$ 108,458	\$ 269,981	\$ 78,300	\$ 91,400	\$ 100,000	\$ 269,700	\$ (9,248)	\$ 71	\$ 6,458	\$ 291
Total GCR Expenses	\$ 32,390,814	\$ 51,291,946	\$ 86,028,874	\$ 169,711,634	\$ 30,163,631	\$ 55,359,804	\$ 95,328,251	\$ 180,849,688	\$ 2,227,183	\$ (4,067,858)	\$ (9,297,377)	\$ (11,136,052)

**PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF**



**Issued by: Thomas Knudsen
President and CEO**

**PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122**

PHILADELPHIA GAS WORKS

List of Changes Made by this Tariff Supplement

GAS COST RATE (GCR) – SECTION 1307f, II DEFINITIONS (PAGE No. 67)

In the definition of "GAC," the "GAC" value effective March 1, 2009 decreases from \$(0.00828) per Ccf to \$(0.05623) per Ccf.

In the definition of "IRC," the "IRC" value effective March 1, 2009 increases from \$0.02059 per Ccf to \$0.02122 per Ccf.

In the definition of "SSC," the "SSC" value effective March 1, 2009 decreases from \$1.09894 per Ccf to \$0.91937 per Ccf.

GAS COST RATE (GCR) – SECTION 1307f, III COMPUTATION OF GAS COST RATE (Page No. 68)

The Gas Cost Rate (GCR) effective March 1, 2009 decreases from \$1.07007 per Ccf to \$0.84192 per Ccf.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective March 1, 2009 increases from \$0.22590 per Ccf to \$0.24262 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services decreases from \$1.07007 per Ccf to \$0.84192 per Ccf, effective March 1, 2009.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service decreases from \$1.07007 per Ccf to \$0.84192 per Ccf, effective March 1, 2009.

PHILADELPHIA HOUSING AUTHORITY SERVICE – RATE PHA (Page No. 90)

The GCR for Philadelphia Housing Authority Service decreases from \$1.07007 per Ccf to \$0.84192 per Ccf, effective March 1, 2009.

**DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE (Pages 135-136)**

The GCR for NGVS Firm decreases from \$1.07007 per Ccf to \$0.84192 per Ccf, effective March 1, 2009.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Thirty First Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Gas Service Tariff _____	First Revised 15
2. Application and Contract for Gas Service _____	First Revised 17
3. Credit and Deposit _____	First Revised 21
4. Billing and Payment _____	First Revised 26
5. Termination and/or Discontinuance of Gas Service _____	First Revised 30
6. Termination of Service for Safety Reasons and Curtailment of Service/ Service Continuity _____	First Revised 38
7. Inquiry, Review, Dispute, and Appeals Process _____	First Revised 41
8. Customer's Responsibility for Company's Property _____	First Revised 44
9. Conditions of Service, Point of Delivery, and Application of Rates _____	47
10. Extensions And Rights-Of-Way _____	First Revised 50
11. Meters: Measurements, Readings, Errors, and Tests _____	First Revised 53
12. Service Charges and Miscellaneous Fees and Provisions _____	First Revised 57
13. Universal Service And Energy Conservation Programs _____	First Revised 59
14. Gas Choice Enrollment and Switching _____	63
15. Supplier of Last Resort _____	First Revised 65

	Page Number
RATES (Cover Page) _____	66
Gas Cost Rate _____	Twenty Seventh Revised 67
Revenue Reconciliation Adjustment (RRA) Rider _____	70
Senior Citizen Discount _____	72
Migration/Reverse Migration Rider _____	75
Exit Fee Rider _____	77
Restructuring and Consumer Education Surcharge _____	Twelfth Revised 79
Universal Services Surcharge _____	Twenty Seventh Revised 81
General Service - Rate GS _____	Twenty Eighth Revised 83
Municipal Service - Rate MS _____	Twenty Eighth Revised 87
Philadelphia Housing Authority Service –Rate PHA _____	Twenty Eighth Revised 90
Boiler and Power Plant Service – Rate BPS _____	Second Revised 93
Load Balancing Service – RATE LBS _____	Second Revised 97
Daily Balancing Service – Rate DB _____	101
Interruptible Transportation Service – Rate IT _____	111
Gas Transportation Service - Rate GTS - Firm Service _____	118
Gas Transportation Service - Rate GTS - Interruptible _____	124
Cogeneration Service - Rate CG _____	Second Revised 131
Developmental Natural Gas Vehicle Service - Rate NGVS Firm Service	Fourth Revised 135
Developmental Natural Gas Vehicle Service - Rate NGVS Interruptible Service _____	139
SPECIAL PROVISION – Air Conditioning Rider _____	143
SPECIAL PROVISION – Compressed Natural Gas Rider _____	145
SPECIAL PROVISION – Emergency/Unauthorized Use Gas Rider _____	147
WEATHER NORMALIZATION ADJUSTMENT CLAUSE _____	149

GAS COST RATE (GCR) -- SECTION 1307(f)**I. PROVISION FOR ADJUSTMENT**

The Gas Cost Rate shall be applied to each Mcf (1,000 cubic feet) for Firm Retail Sales Service Gas supplied under Rates Schedules GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates calculated in a manner set forth below, pursuant to 66 Pa.C.S. §1307(f). Such rates for Firm Sales Service Gas may be increased or decreased from time to time under the procedures set forth in Section II.B. below to reflect changes in the level of Gas costs incurred or projected to be incurred by PGW related to Sales Service.

II. DEFINITIONS

C - The current cost of Natural Gas and other raw materials determined as follows: (a) for all types of Gas, project the cost for each purchase (adjusted for net current Gas stored) for the computation year plus (b) the of (1) the projected book value of non-current Gas at the beginning of the computation year minus (2) the projected book value of non-current Gas at the end of the computation year. In addition to any cost authorized by the Commission, the cost of Natural Gas may include any item included in the definition of Natural Gas costs set forth in 66 Pa.C.S. § 1307(h) ("Definition"). The Factor "C" includes two components – **Commodity Costs** and **Demand Costs** which are defined as follows: **Commodity Costs** - the actual cost of natural gas and purchased electric for firm customers that does not include the fixed costs associated with the transportation and storage of natural gas; and **Demand Costs** - the fixed costs associated with the transportation and storage of natural gas for firm customers.

Computation Year - The 12-month forecast period as identified in the Company's annual 1307 (f) filing and each quarterly GCR filing.

E - Experienced net over billing (or under billing) of the cost of Natural Gas and other raw materials applicable to the GCR reported in the most recent Section 1307(f) proceeding. Such over billings (or under billings) will be made with interest at the rate and method set forth by the Pennsylvania Public Utility Commission. Additionally, supplier refunds received prior to the end of the August billing period will be included in the Factor "E." The Factor "E" includes two components – **Commodity Costs** and **Demand Costs** which are defined above in the Factor "C" definition.

Firm Sales Service - The service provided to Customers who receive firm supply service from PGW. The term does not include the service provided to Customers who receive interruptible supply service from PGW.

GAC - The "E" factor component of the GCR, representing the net overcollection or undercollection of Natural Gas and other raw materials costs. The currently effective GAC is \$(0.03491) per Ccf for Commodity Costs and \$(0.02132) per Ccf for Demand Costs, for service on or after March 1, 2009. The total Gac is \$(0.05623) per Ccf. (D)

GCR - Gas Cost Rate determined to the nearest one-hundredth cent (\$0.0001) to be applied to each Mcf of Gas supplied under Rates GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates and is equal to the SSC plus the GAC minus the IRC.

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.02122 per Ccf for service on or after March 1, 2009. (I)

Natural Gas or Gas - The volumes of gas purchased or manufactured by the Company that is delivered to the Company's Customers, plus such portion of the Company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas,

(D) – Decrease ; (I) – Increase

PHILADELPHIA GAS WORKS

liquefied propane and naphtha.

S - Projected applicable Mcf of Gas to be billed to Customers during the computation year.

SSC—Sales Service Charge - The purchased Gas costs determined to the nearest $\frac{1}{100}$ of a cent (\$0.0001). The currently effective SSC is \$0.77714 per Ccf for Commodity Costs and \$0.14223 per Ccf for Demand Costs, for service on or after March 1, 2009. The total SSC is \$0.91937 per Ccf.

(D)

(D) – Decrease

PHILADELPHIA GAS WORKS

III. COMPUTATION OF GAS COST RATE

A. The GCR shall be computed to the nearest one-thousandth cent (\$0.00001) in accordance with the formula set forth below as the terms are defined in Section II:

$$\begin{aligned} \text{SSC} &= \text{C/S} \\ \text{GAC} &= \text{E/S} \\ \text{GCR} &= \text{SSC} + \text{GAC} - \text{IRC} \end{aligned}$$

B. Each Gas Cost Rate so computed shall be applied to Customers' bills for twelve monthly billing periods commencing with September.

The currently effective Gas Cost Rate is \$0.84192 per Ccf, for service on or after March 1, 2009. (D)

IV. REPORTING REQUIREMENTS

A. The Company's rates are subject to quarterly adjustments for recovery of the Gas Cost Rate under procedures set forth in Section 1307 (f) of the Public Utility Code.

B. The filing of the Company's annual Section 1307(f) filing, annual Gas Cost Rate, effective during the billing period of September through August, shall be submitted to the Commission by March 1 of each year, with a February 1 pre-filing date.

C. The application of the Gas Cost Rate shall be subject to review and audit by the Commission at such intervals as the Commission shall determine.

D. If it shall be determined, from audit by the Commission, or by final order entered after notice and hearing, that the application of this clause has resulted in the overcollection or undercollection of revenues, then the Company shall apply such over/undercollection as a credit or debit against future Gas Cost Rates.

V. PROVISION FOR INCLUSION OF SPECIFIC NON-GAS EXPENSES

The computation of the Gas Cost Rate may include such Non-Gas expenses as may be authorized by this tariff and annually authorized by the Commission.

VI. INTERRUPTIBLE REVENUE CREDIT (IRC)

A. The GCR rate shall be credited with an Interruptible Revenue Credit (IRC) equal to the margin realized from interruptible sales under PGW's Interruptible Sales Tariff Rates: BPS, LBS; and CG (Total Margin Revenue).

B. The IRC shall be set each year in the Company's 1307(f) proceeding to reflect the Total Margin Revenue. The rate per Mcf shall be calculated by dividing the Total Margin Revenue by total applicable firm sales. For the period September 1, 2003 through August 31, 2004 the IRC shall be initially set to reflect the Total Margin Revenue authorized by the Commission in its final order at M-00021612 (entered March 31, 2003).

(D) - Decrease

UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE

Universal service and energy conservation program and related costs will be recovered by a Universal Service and Energy Conservation Surcharge applicable to all volumes of Gas delivered.

1. The Surcharge will recover: 1) the discounts provided to Customers pursuant to the Customer Responsibility Program (CRP); 2) the discounts provided to Customers pursuant to the Senior Citizen Discount; 3) the costs of the Conservation Works Program (CWP); and, 4) for Customers entering the CRP program on or after September 1, 2003, past due arrearages forgiven pursuant to paragraph A (6) of the CRP/CAP Program Design Stipulation approved by the Commission by its order at M-00021612 (entered March 31, 2003).
2. Computation of the Universal Service and Energy Conservation Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307(f) of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
3. Once the surcharge is in place it will be automatically adjusted effective March 1, June 1, September 1, and December 1 of each year in accordance with Section 1307(f) quarterly adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the total universal service and energy conservation program costs approved for annual recovery by the estimated applicable throughput in Mcfs.
4. The Universal Service and Energy Conservation Surcharge shall take effect upon the effective date of this Tariff.

Current Universal Service and Energy Conservation Surcharge = \$ 0.24262/Ccf.

(I)

(I) - Increase

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after March 1, 2009

AVAILABILITY

Available for any purpose where the Company's distribution mains adjacent to the proposed Gas Service location are, or can economically be made, suitable to supply the quantities of Gas or Transportation Services required.

RATES

CUSTOMER CHARGE (per Meter (except parallel meters)):

\$ 12.00	per month for Residential and Public Housing Authority Customers.
\$ 18.00	per month for Commercial and Municipal Customers
\$ 50.00	per month for Industrial Customers

Plus,

GCR (not applicable to GS Customers who transport gas through a qualified NGS):

\$ 0.84192	per Ccf for Residential and Public Housing	(D)
\$ 0.84192	per Ccf for Commercial and Municipal Customers	(D)
\$ 0.84192	per Ccf for Industrial Customers	(D)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.61840	per Ccf for Residential
\$0.52817	per Ccf for Public Housing
\$0.52449	per Ccf for Commercial and Municipal Customers
\$0.52465	per Ccf for Industrial Customers

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and Restructuring and Consumer Education Surcharge.

(D) – Decrease

MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after March 1, 2009.

AVAILABILITY

Available to properties owned or occupied by the City of Philadelphia or the Board of Education, or any of their respective agencies or instrumentalities, for any type of Gas Service, unless purchased for resale to others, and where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required; provided, however, that the rate shall not be available to Commercial Tenants of any such property.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters):

\$ 18.00 per month

Plus,

GCR (not applicable to MS Customers who transport Gas through a qualified NGS):

\$ 0.84192 per Ccf

(D)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.38178 per Ccf

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge.

Also,

The following Riders may apply:

(D) – Decrease

PHILADELPHIA HOUSING AUTHORITY SERVICE - RATE PHA

Rate: Applicable to all Retail Sales Service or Transportation Services rendered pursuant to this Rate
Schedule on or after March 1, 2009

AVAILABILITY

Available for all Gas usage in multiple dwelling Residential buildings containing 10 or more dwelling units, owned and operated by the Philadelphia Housing Authority, where cooking shall be performed exclusively with Gas and where Gas Service shall be supplied through one or more single point metering arrangements at locations where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required.

This rate is also available for all Gas usage in single and multiple dwelling Residential buildings, containing less than 10 dwelling units, provided, and only so long as, Gas is used exclusively for cooking, water heating and space heating for all such Residential buildings owned and operated by the Philadelphia Housing Authority, except (a) buildings operated by the Philadelphia Housing Authority, prior to the original effective date of this rate (January 1, 1969), and (b) buildings for which, in the judgment of the Company, such Gas Service cannot be provided economically.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters);

\$18.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.84192 per Ccf (D)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) Delivery Charge:

\$0.51889 per Ccf

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease

PHILADELPHIA GAS WORKS

**DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE**

Rate: Applicable to all Retail Sales Service rendered pursuant to this Rate Schedule on or after
March 1, 2009

AVAILABILITY

This service is available to provide uncompressed Natural Gas to any Customer for the exclusive purpose of compressing such Gas for use as fuel for motor vehicles. The compression of the Natural Gas to the pressure required for use as a motor vehicle fuel will be conducted by the Customer, at the Customer's designated premises. Service shall only be available where the Company's distribution system is, or can economically be made available to supply the service. Each Customer will be required to execute a service agreement which will specify terms and conditions of service.

CHARACTER OF SERVICE

Service under this rate schedule is firm and shall only be interrupted in the case of operating emergencies experienced by the Company.

MONTHLY RATE

CUSTOMER CHARGE:

\$35.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.84192 per Ccf (D)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) **Delivery Charge:**

\$0.13212 per Ccf

(B) **Surcharges:**

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease

PHILADELPHIA GAS WORKS

GAS SUPPLIER TARIFF



**Issued by: Thomas Knudsen
President and CEO
PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122**

List of Changes Made by this Tariff

9.14. LOAD BALANCING SURCHARGE, 9.14.A. (Page No. 39)

The load balancing charge decreases from \$39.5305 per design day Mcf to \$39.5001 per design day Mcf.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Twenty Eighth Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Table of Contents (continued) _____	7
Left Blank for Future Use _____	8
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Supplier Tariff _____	14
2. Availability _____	16
3. Character of Service _____	18
4. Supplier Qualification _____	20
5. Customer List _____	23
6. Supplier Selection Procedures _____	25
7. Supplier Obligations _____	29
8. Operational Requirements _____	33
9. Special Provisions _____	37
10. Nomination Procedure _____	44
11. Financial Security _____	46
12. Supplier Billing and Payment _____	48
13. Supplier Exit Procedures _____	54
14. Breach of Obligations _____	57
15. Standards of Conduct _____	60

9.14. LOAD BALANCING CHARGE.

9.14.A. Suppliers for all gas delivered under Firm Transportation Rates, of this Suppliers Tariff shall be charged at \$39.5001 per design day Mcf that is fulfilled by PGW storage and peaking assets, for recovery of those costs for Balancing Service, calculated in the manner set forth in the Commission's Order at M-00021612 (entered March 31, 2003) and as set forth below. Such rate for Balancing Service shall be increased or decreased, from time to time, in accordance with applicable law and procedures.

(D)

9.14.B. Computation of Balancing Service Costs per Dth.

9.14.B.1. Formula. Balancing Service Costs, per design day Mcf, that is fulfilled by PGW storage and peaking assets, shall be computed to the nearest one-hundredth cent (\$0.0001) in accordance with the formula set forth below:

$$BSC = ((C - E) / (S))$$

Projected Balancing Service Costs, so computed, shall be charged to Suppliers of Firm Transportation Rates per Customer per design day Mcf that is fulfilled by PGW storage and peaking assets, for an enrollment month. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the PUC's regulations adopted pursuant thereto.

9.14.B.2. Definitions. In computing the Balancing Service Costs, per Dth, pursuant to the formula above, the following definitions shall apply:

"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (\$0.0001) to be charged to each design day Mcf that is fulfilled by PGW storage and peaking assets, under Rate Schedule Firm.

"C" - Cost in dollars: for all types of storage and related services, the fixed and variable costs for the projected period when rates will be in effect.

"E" - the net overcollection or undercollection of Balancing Service Costs.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the PUC for the Company's Section 1307(f) Tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate. Interest shall be computed monthly at the rate as provided for in Section 1307(f) of the Public Utility Code from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. Such over billings (or under billings) will be made with interest at the statutory rate.

"S" - projected Mcf of storage gas/LNG to be delivered to Customers to meet design day needs during the projected period when rates will be in effect.

(D) - Decrease

Philadelphia Gas Works

Gregory J. Stunder
Senior Attorney



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Email: greg.stunder@pgworks.com

May 29, 2009

VIA EXPRESS MAIL

James J. McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Pa. PUC v. Philadelphia Gas Works; R-2008-2021348,
June 1, 2009 Third Quarterly GCR Filing

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of PGW's June 1, 2009 Quarterly Gas Cost Rate ("GCR") filing. If you have any questions, please contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "G. Stunder", is written over a circular stamp. The stamp contains the name "Stunder" in a serif font.

Stunder

Enclosures

cc: All Parties of Record
Karen Moury, Esq., Director of Operations (w/enc.)
Robert F. Wilson, Bureau of Fixed Utility Services (w/enc.)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EXPRESS MAIL

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Date: May 29, 2009



Gregory J. Sturges, Esq.

Statement

Known per dekatherm natural gas prices are used through the month of May, 2009. Where known and quantifiable, actual per dekatherm prices for locked-in quantities of gas are used for all other months. Any remaining volumes not locked-in for price for the months of June 2009 through August 2009 are based on the NYMEX Futures Closing Prices of 5-7-09. For the period of September 2009 through May 2010, the average price of the NYMEX Futures Closing Prices of 5-7-09 and the May 2009 Global Insight Forecast were used. The latest applicable pipeline tariff transportation and fuel charges from specific basin points have been incorporated into these pricing determinants. Forecasted temperatures for the period are assumed to be normal (i.e. the forecast incorporates the normal 4,412 degree-day pattern).

JUNE 1, 2009

3rd QUARTER GCR FILING

TABLE OF CONTENTS

Levelized Gas Cost Rate.....	Schedule 1
Sales & Volumes.....	Schedule 2
Projected Applicable Fuel Expense.....	Schedule 3
GCR Statement of Reconciliation – June 2009 Through May 2010.....	Schedule 4
GCR Statement of Reconciliation – September 2008 Through May 2009.....	Schedule 5
Calculation of Recovered Charges.....	Schedule 6
Changes in Rates.....	Schedule 7
Universal Service & Energy Conservation Surcharge (USC).....	Schedule 8
USC - Statement of Reconciliation – September 2008 Through May 2009.....	Schedule 9
Natural Gas Prices	Schedule 10
Actual Natural Gas Billed	Schedule 11
Summary of Fuels Purchased	Schedule 12

Philadelphia Gas Works
Levelized Gas Cost Rate
3rd Quarter Filing - June 1, 2009

Formula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			50,824,893	Schedule 2
Net Natural Gas Expense	\$ 70,562,713	\$ 335,216,816	\$ 405,779,529	
Purchased Electric Expense	\$ -	\$ 1,024,600	\$ 1,024,600	
C = Total Applicable GCR Expense	\$ 70,562,713	\$ 336,241,416	\$ 406,804,129	Schedule 3
SSC = C / S	\$ 1.3883	\$ 6.6157	\$ 8.0040	
Adjustment For:				
Interest				
Prior Reconciliation	\$ (8,767,167)	\$ (21,128,924)	\$ (29,894,090)	
E = Adjustments to GCR Expenses	\$ (8,767,167)	\$ (21,128,924)	\$ (29,894,090)	Schedule 5
GAC = E / S	\$ (0.1725)	\$ (0.4157)	\$ (0.5882)	
Interruptible Revenue Credit			\$ 11,001,737	Schedule 4
IRC = Interruptible Revenue Credit / S			\$ 0.2165	
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 385,908,302	
<u>GCR = SSC + GAC - IRC</u>			\$ 7.1994	
SSC in effect 06/01/09	\$ 1.3849	\$ 6.5992	\$ 7.9841	
GAC in effect 06/01/09	\$ (0.1721)	\$ (0.4146)	\$ (0.5867)	
IRC in effect 06/01/09			\$ (0.2159)	
GCR in effect 06/01/09			\$ 7.1815	Schedule 7
Recovery Test on:				
Firm Sales (Mcf)			50,824,893	
= Total Projected Recovery			\$ 365,908,590	Schedule 6
Compared To				
Net Applicable GCR Expenses			\$ 365,908,302	
= Net Over/(Under) Recovery			\$ (1,712)	Schedule 4
Degree Days			4,412	

SALES & VOLUMES**June 2009 Through May 2010**

MONTH	FIRM		TOTAL BILLED SALES	INTERRUPTIBLE SALES	TOTAL GCR FIRM SALES	SENIOR CITIZEN DISCOUNT SALES	TOTAL APPLICABLE VOLUMES
	TOTAL VOLUMES	TRANSPORT VOLUMES	3 = 1 - 2	4	5 = 3 - 4	6	7 = 5 - 6 + 2
JUNE 2009	1,574,282	109,941	1,464,342	14,831	1,449,511	14,370	1,545,082
JULY	1,280,496	93,393	1,187,103	15,144	1,171,960	11,189	1,254,164
AUGUST	1,232,533	91,221	1,141,312	14,897	1,126,415	10,686	1,206,950
SEPTEMBER	1,149,444	87,855	1,061,589	17,732	1,043,857	9,919	1,121,793
OCTOBER	1,799,794	109,303	1,690,491	45,675	1,644,816	16,948	1,737,171
NOVEMBER	4,060,210	189,284	3,870,926	80,860	3,790,065	45,609	3,933,741
DECEMBER	6,978,976	293,008	6,685,968	125,814	6,560,154	81,669	6,771,494
JANUARY 2010	10,878,323	444,437	10,433,886	131,259	10,302,627	132,935	10,614,129
FEBRUARY	9,621,400	403,302	9,218,098	111,776	9,106,322	115,905	9,393,718
MARCH	7,643,672	333,651	7,310,022	92,046	7,217,975	90,020	7,461,606
APRIL	5,305,499	253,185	5,052,314	52,037	5,000,277	61,638	5,191,824
MAY	2,584,481	151,236	2,433,245	22,332	2,410,912	27,159	2,534,990
TOTAL	54,109,111	2,559,816	51,549,295	724,402	50,824,893	618,047	52,766,661

PROJECTED APPLICABLE FUEL EXPENSE SUMMARY

JUNE 2009 - MAY 2010

	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	TOTAL
NATURAL GAS BILLED	6,194,368	6,169,567	6,165,915	5,728,882	5,691,354	5,787,420	5,984,716	5,982,955	6,034,659	5,978,418	5,441,308	5,403,262	70,682,713
DEMAND CHARGE	14,903,334	15,861,006	17,685,431	17,427,245	24,589,710	28,264,769	39,001,793	42,897,102	37,809,473	33,409,017	28,884,249	28,736,171	327,176,291
COMMODITY CHARGE	21,097,692	22,029,673	23,851,345	23,169,127	30,291,065	34,052,178	44,956,509	48,880,057	43,544,032	39,395,435	34,325,557	32,138,433	397,738,004
TOTAL NATURAL GAS BILLED	74,615	77,838	78,317	88,789	217,276	910,289	886,134	927,788	787,548	648,082	349,044	149,987	4,795,657
INTERRUPTIBLE CREDIT	15,432	15,758	15,501	18,452	47,529	84,150	130,919	136,586	116,312	96,782	54,149	23,238	783,809
SENDOUT VOLUME IN MCF	1,0320	1,0320	1,0320	1,0320	1,0320	1,0320	1,0320	1,0320	1,0320	1,0320	1,0320	1,0320	1,0320
DKT CONVERSION FACTOR	4.685	4.786	4.886	4.663	4.430	5.876	6.337	6.582	6.561	6.568	6.248	6.264	6.264
PRICE \$/DKT	5,926	70,201	32,849	61,173	100,780	322,152	684,166	869,532	894,771	842,643	481,731	168,052	4,623,875
GAS USED FOR UTILITY													
NATURAL GAS TO STORAGE	(10,069,327)	(10,704,176)	(12,485,185)	(11,287,983)	(10,551,728)	(25,411)	-	-	-	-	(7,888,506)	(12,639,263)	(75,628,580)
FROM STORAGE PGW	825,706	646,583	646,583	623,954	626,736	632,777	1,198,888	2,889,659	2,329,330	607,618	580,604	588,006	97,141,500
NET NATURAL GAS STORAGE	(10,069,327)	(10,704,176)	(12,485,185)	(11,287,983)	(10,292,870)	7,467,518	20,084,839	24,534,767	20,167,401	18,188,869	(1,688,641)	(12,426,081)	21,511,921
LNG TO STORAGE	-	-	-	(491,069)	(1,742,874)	(4,104,959)	(1,698,076)	-	-	(3,308,271)	(2,694,021)	(1,750,895)	(15,778,166)
FROM LNG PGW	825,706	646,583	646,583	623,954	626,736	632,777	1,198,888	2,889,659	2,329,330	607,618	580,604	588,006	11,697,302
NET LNG STORAGE	825,706	646,583	646,583	142,786	(1,116,138)	(3,572,182)	(496,189)	2,889,659	2,329,330	(2,700,653)	(2,113,416)	(1,162,889)	(4,080,864)
NET NATURAL GAS EXPENSE	11,573,530	11,823,922	11,921,556	11,860,967	18,564,001	37,115,104	63,034,680	74,307,162	64,278,444	53,383,046	29,684,723	18,232,424	495,779,529
APPLICABLE GCR EXPENSE													
NET NATURAL GAS EXPENSE	11,573,530	11,823,922	11,921,556	11,860,967	18,564,001	37,115,104	63,034,680	74,307,162	64,278,444	53,383,046	29,684,723	18,232,424	495,779,529
PURCHASED ELECTRIC	73,600	66,900	69,100	66,700	78,500	91,600	100,200	94,800	130,400	112,300	75,200	76,400	1,024,600
TOTAL APPLICABLE EXPENSES	11,647,030	11,889,822	11,990,656	11,927,667	18,642,501	37,206,704	63,134,880	74,401,962	64,408,844	53,495,346	29,759,923	18,308,824	496,804,129
TOTAL GCR FIRM SALES	1,449,511	1,171,960	1,126,415	1,043,657	1,644,816	3,790,065	6,580,164	10,302,827	9,106,322	7,217,876	5,000,277	2,410,912	80,824,883

GCR

STATEMENT OF RECONCILIATION

JUNE 2009 THROUGH MAY 2010

	NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER/UNDER RECOVERY	E FACTOR DISTRIBUTED ON GCR	CUMULATIVE OVER/UNDER RECOVERY
	1	2	3	4= (2 * 3)	5 = (1 - 4)	6	7	8	9 = (7 + 8 - 5)	10	11
	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
MAY 2009 OVER-COLLECTION											
JUNE	Estimated	1,449,511	0.2165	313,766	11,333,263	7.8004	11,306,663	(1,734)	(28,304)	852,571	824,267
JULY	Estimated	1,171,960	0.2165	253,667	11,636,136	7.1815	8,416,427	5,613	(3,214,095)	689,321	(1,700,507)
AUGUST	Estimated	1,126,415	0.2165	243,828	11,736,828	7.1815	8,088,353	4,296	(3,643,179)	662,533	(4,681,153)
SEPTEMBER	Estimated	1,043,857	0.2165	225,957	11,701,710	7.1815	7,486,458	9,689	(4,195,663)	613,974	(8,262,843)
OCTOBER	Estimated	1,644,816	0.2165	358,043	18,286,458	7.1815	11,812,247	14,547	(6,458,665)	967,445	(13,755,062)
NOVEMBER	Estimated	3,790,065	0.2165	820,411	36,386,293	7.1815	27,218,365	6,857	(9,161,081)	2,229,234	(20,686,910)
DECEMBER	Estimated	6,560,154	0.2165	1,420,034	61,714,826	7.1815	47,111,747	10,894	(14,592,184)	3,858,539	(31,420,555)
JANUARY	Estimated	10,302,627	0.2165	2,230,143	72,171,809	7.1815	73,988,314	(37,788)	1,778,717	6,059,780	(23,582,058)
FEBRUARY	Estimated	64,408,844	0.2165	1,971,187	62,437,657	7.1815	65,397,052	(24,195)	2,935,201	5,356,140	(15,290,718)
MARCH	Estimated	53,495,346	0.2165	1,562,429	51,932,918	7.1815	51,835,888	993	(96,037)	4,245,455	(11,141,300)
APRIL	Estimated	29,769,923	0.2165	1,082,378	28,677,545	7.1815	35,909,493	8,784	7,240,732	2,941,054	(959,515)
MAY	Estimated	2,410,912	0.2165	521,875	17,786,950	7.1815	17,313,958	12,738	(480,244)	1,418,046	(1,712)
Total		50,824,893		11,001,737	395,802,392		365,895,996	10,594	(29,895,803)	29,894,090	

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2008 THROUGH MAY 2009

	1	2	3 = (1 + 2)	4	5	6 = (4 * 5)	7 = (3 - 6)	8	9	10	11 = (9 + 10 - 7)	12	13
	DEMAND CHARGES	COMMODITY CHARGES	NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER/UNDER RECOVERY	NATURAL GAS REFUNDS	CUMULATIVE OVER/UNDER RECOVERY
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2007-2008 OVER-COLLECTION													
2007-2008 INTEREST													
TOTAL "E" FACTOR													
SEPTEMBER * 2008	5,370,557	13,234,572	18,605,229	1,099,000	0.1774	184,583	18,410,266	12.6382	14,021,704	(11,895)	(4,400,457)	30,893	26,737,575
OCTOBER * Actual	5,636,213	28,754,901	32,390,814	1,406,906	0.2168	304,735	32,086,078	12.6327	17,771,284	(32,123)	(14,348,937)	0	12,388,738
NOVEMBER * Actual	5,453,138	46,838,607	51,291,846	3,398,837	0.2168	736,188	50,555,758	12.6527	42,962,353	(66,343)	(7,689,738)	0	4,731,000
DECEMBER * Actual	6,289,652	79,739,222	86,028,874	7,193,130	0.2168	1,669,032	84,470,842	12.6527	90,987,340	1,211	6,617,709	0	11,248,709
JANUARY * 2009	8,435,388	118,848,080	122,281,446	9,211,074	0.2113	1,945,839	120,335,607	11.6767	106,485,137	(11,417)	(13,881,887)	0	(2,633,176)
FEBRUARY Actual	6,111,744	72,302,663	78,414,407	8,874,697	0.2059	1,827,300	76,587,107	10.7007	94,948,381	22,064	18,383,339	0	15,750,161
MARCH Actual	6,430,719	63,796,666	70,228,794	6,690,089	0.2091	1,398,563	68,828,221	9.5900	63,294,682	44,372	(5,469,157)	0	10,281,004
APRIL Estimated	5,888,989	19,729,886	25,628,875	4,598,919	0.2122	958,386	24,672,507	8.4192	37,944,682	(14,992)	13,257,164	0	23,516,157
MAY Estimated	6,173,488	8,113,852	14,287,378	2,353,834	0.2122	507,572	13,779,407	8.4192	20,164,167	1,172	6,375,933	0	29,894,090

RECONCILIATION OF DEMAND CHARGES

	1	2	3	4 = (2 * 3)	5 = (4 - 1)	6
	DEMAND CHARGES LESS SSPC	FIRM SALES	DEMAND CHARGE IN EFFECT	DEMAND CHARGES BILLED	MONTHLY DEMAND OVER/UNDER	CUMULATIVE DEMAND OVER/UNDER
	\$	\$	\$	\$	\$	\$
2007-2008 UNDER-COLLECTION *						
SEPTEMBER 2008	5,377,583	1,099,000	1,4100	1,549,635	(3,828,048)	(379,572)
OCTOBER Actual	5,651,209	1,406,906	1,4168	1,893,304	(3,657,505)	(4,207,820)
NOVEMBER Actual	5,508,090	3,398,837	1,4168	4,818,472	(892,608)	(7,885,524)
DECEMBER Actual	6,270,947	7,193,130	1,4168	10,191,227	3,920,280	(8,588,133)
JANUARY 2009	8,416,111	9,211,074	1,3984	12,869,516	6,473,405	(4,637,853)
FEBRUARY Actual	6,091,349	8,874,697	1,3918	12,283,944	6,172,595	1,836,652
MARCH Actual	6,408,953	6,690,089	1,4021	9,380,173	2,971,220	8,008,146
APRIL Estimated	5,876,396	4,608,919	1,4223	6,410,191	533,795	10,979,367
MAY Estimated	6,180,745	2,353,834	1,4223	3,404,750	(2,745,985)	11,813,161
						8,767,167

* Revised

CALCULATION OF RECOVERED CHARGES

JUNE 1, 2009 - 3RD QUARTER FILING

	<u>50% of June</u>	<u>11.5 Months</u>	<u>Total</u>
			(MCF) (\$)
Firm Sales (Mcf)	724,756	50,100,137	50,824,893
GCR (\$ / Mcf)	\$ 8.4192	\$ 7.1815	
Total GCR Projected Recovery	<u>\$ 6,101,862</u>	<u>\$ 359,794,134</u>	<u>\$ 365,895,996</u>
SSPC and Migration Revenue			<u>\$ 10,594</u>
Total Projected Recovery			<u>\$ 365,906,590</u>

Change In Rates 3rd Quarter Filing

Rates Effective June 1, 2009

Distribution Charge

	<u>Delivery Charge</u>	<u>Restructuring & Consumer Education</u>	<u>Surcharges</u>		<u>Total</u>
			<u>Universal Service & Ener. Cons.</u>	<u>Surcharges</u>	
Residential GS	\$6.1840	\$0.0218	\$2.4125	\$2.4343	\$8.6183
Commercial GS/MUNGS	\$5.2449	\$0.0218	\$2.4125	\$2.4343	\$7.6792
Industrial GS	\$5.2465	\$0.0218	\$2.4125	\$2.4343	\$7.6808
Phila.Housing Authority (PHA)	\$5.1889	\$0.0218	\$2.4125	\$2.4343	\$7.6232
Municipal (MS)	\$3.8178	\$0.0218	\$2.4125	\$2.4343	\$6.2521
Phila.Housing Authority (GS)	\$5.2817	\$0.0218	\$2.4125	\$2.4343	\$7.7160

Proposed Rates

	<u>03/01/09 Distribution Charge</u> (1)	<u>03/01/09 GCR</u> (2)	<u>03/01/09 Commodity Rate</u> (3)=(1)+(2)	<u>06/01/09 Distribution Charge</u> (4)	<u>06/01/09 GCR</u> (5)	<u>06/01/09 Commodity Rate</u> (6)=(4)+(5)	<u>Decrease</u> (7)=(6)-(3)
Residential GS	\$8.6320	\$8.4192	\$17.0512	\$8.6183	\$7.1815	\$15.7998	(\$1.2514)
Commercial GS/MUNGS	\$7.6929	\$8.4192	\$16.1121	\$7.6792	\$7.1815	\$14.8607	(\$1.2514)
Industrial GS	\$7.6945	\$8.4192	\$16.1137	\$7.6808	\$7.1815	\$14.8623	(\$1.2514)
Phila.Housing Authority (PHA)	\$7.6369	\$8.4192	\$16.0561	\$7.6232	\$7.1815	\$14.8047	(\$1.2514)
Municipal (MS)	\$6.2658	\$8.4192	\$14.6850	\$6.2521	\$7.1815	\$13.4336	(\$1.2514)
Phila.Housing Authority (GS)	\$7.7297	\$8.4192	\$16.1489	\$7.7160	\$7.1815	\$14.8975	(\$1.2514)

PHILADELPHIA GAS WORKS
JUNE 1, 2009 - 3rd QUARTER FILING
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE

	<u>Expenses in the Surcharge</u>	
Conservation Works Program (CWP)	\$ 2,305,000	
Customer Responsibility Program (CRP) Discount	\$ 89,080,435	
Senior Citizen Discount	\$ 9,285,011	*
<u>May 2009 Under Collection</u>	<u>\$ 26,627,184</u>	
Total \$ to be Recovered	\$ 127,297,630	
 Total Applicable Volumes	 Mcf <u>52,766,661</u>	
 Universal Service & Energy Conservation Surcharge	 <u><u>\$ 2.4125</u></u>	

* This is the Senior Citizen Discount on the Delivery Charge, GCR and Restructuring Surcharge which is used to calculate the Universal Services Surcharge. The total senior citizen discount is \$10,776,149.

STATEMENT OF RECONCILIATION
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE
SEPTEMBER 2008 THROUGH MAY 2009

<u>Month</u>	<u>Applicable</u>	<u>USC</u>	<u>USC</u>	<u>USC</u>	<u>Monthly</u>	<u>Cumulative</u>
<u>FY 08 Reconciliation</u>	<u>Volumes</u>	<u>Charge</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Over/(Under)</u>	<u>Over/(Under)</u>
			<u>Billed</u>		<u>Recovery</u>	<u>Recovery</u>
						<u>(\$18,270,180)</u>
September 2008 Actual	1,149,257	\$ 3,0733	\$ 3,532,010	\$ (1,080,813)	\$ 4,612,823	(\$13,657,356)
October Actual	1,482,696	\$ 2,9180	\$ 4,326,507	\$ 600,196	\$ 3,726,311	(\$9,931,045)
November Actual	3,509,352	\$ 2,9180	\$ 10,240,289	\$ 3,134,982	\$ 7,105,307	(\$2,825,738)
December Actual	7,361,027	\$ 2,9180	\$ 21,479,478	\$ 24,811,028	\$ (3,331,551)	(\$6,157,289)
January 2009 Actual	9,430,800	\$ 2,5985	\$ 24,411,827	\$ 33,140,602	\$ (8,728,976)	(\$14,886,264)
February Actual	9,073,118	\$ 2,5980	\$ 20,496,173	\$ 31,084,881	\$ (10,588,706)	(\$26,474,973)
March Actual	6,892,672	\$ 2,3426	\$ 16,146,774	\$ 22,203,818	\$ (6,057,044)	(\$31,532,017)
April Estimated	4,672,028	\$ 2,4282	\$ 11,335,269	\$ 9,931,103	\$ 1,404,167	(\$30,127,850)
May Estimated	2,493,237	\$ 2,4282	\$ 6,049,082	\$ 2,548,425	\$ 3,500,666	(\$26,627,184)
<u>USC Expenses</u>	<u>Sept-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>
						<u>Mar-09</u>
						<u>Apr-09</u>
						<u>May-09</u>
Conservation Works	\$ 11,229	\$ 158,514	\$ 10,208	\$ 371,865	\$ 412,599	\$ 10,385
CWP Adjustment - PUC Order 12-24-08	\$ -	\$ -	\$ -	\$ -	\$ (10,000)	\$ -
CRP Discount *	\$ (2,019,274)	\$ (616,103)	\$ 1,493,431	\$ 21,643,008	\$ 28,506,857	\$ 19,333,334
CRP Forgiveness	\$ 593,860	\$ 644,823	\$ 567,872	\$ 663,036	\$ 620,828	\$ 595,793
Senior Citizen Discount	\$ 333,372	\$ 414,962	\$ 1,063,471	\$ 2,133,119	\$ 2,610,318	\$ 1,659,277
* Revised	\$ (1,080,813)	\$ 600,196	\$ 3,134,982	\$ 24,811,028	\$ 33,140,602	\$ 31,084,881
						\$ 22,203,818
						\$ 9,931,103
						\$ 2,548,425

<u>CRP Participation</u>						
Average participation rate (Actual)	75,819	75,633	76,607	78,490	79,615	81,495
Rate case participation rate	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)
CRP Over (Under) participation	(681)	(867)	107	1,990	3,115	4,995
<u>Average Shortfall Per CRP Participant</u>						
CRP Discount	(2,019,274)	(616,103)	1,493,431	21,643,008	28,506,857	19,333,334
Average participation rate	75,819	75,633	76,607	78,490	79,615	81,495
Average shortfall per CRP participant	(27)	(6)	19	276	371	345
						233

Actual Natural Gas Billed

	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>
Williams	\$ 2,450,677	\$ 2,249,108	\$ 2,438,863
Texas Eastern	\$ 2,550,363	\$ 2,509,171	\$ 2,442,364
Dominion	\$ 141,769	\$ 137,791	\$ 128,913
Equitrans	\$ 48,468	\$ 48,596	\$ 48,028
Spot Purchases -Transco	\$ 24,083	\$ 21,319	\$ 25,938
Spot Purchases -Tetco	\$ 1,998,308	\$ 670,600	\$ -
Transco Supply1	\$ -	\$ -	\$ -
Transco Supply2	\$ 3,587,600	\$ 2,908,765	\$ 1,319,234
Transco Supply3	\$ 1,416,000	\$ 1,230,600	\$ 1,284,175
Transco Supply4	\$ -	\$ -	\$ -
Transco Supply5	\$ -	\$ -	\$ -
Transco Supply6	\$ 1,302,211	\$ -	\$ -
Transco Supply7	\$ 995,000	\$ 2,246,192	\$ 1,063,019
Transco Supply8	\$ 3,701,400	\$ 1,495,200	\$ 1,986,200
Transco Supply9	\$ -	\$ -	\$ -
Transco Supply10	\$ 4,693,385	\$ 2,650,606	\$ 2,453,635
Transco Supply11	\$ -	\$ -	\$ -
Transco Supply12	\$ 1,510,639	\$ 690,200	\$ -
Transco Supply13	\$ -	\$ -	\$ -
Transco Supply14	\$ 2,301,750	\$ 2,046,800	\$ 1,677,706
Transco Supply15	\$ -	\$ -	\$ -
Transco Supply16	\$ -	\$ -	\$ -
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply18	\$ -	\$ -	\$ -
Transco Supply19	\$ -	\$ -	\$ -
Transco Supply20	\$ 2,855,100	\$ 3,411,800	\$ 2,839,600
Transco Supply21	\$ 1,932,913	\$ 1,005,200	\$ 1,102,050
Transco Supply22	\$ 4,223,750	\$ 3,801,000	\$ 4,127,650
 Tetco Supply1	\$ 533,402	\$ 1,168,226	\$ 643,200
Tetco Supply2	\$ 4,581,200	\$ 3,900,400	\$ 4,318,300
Tetco Supply3	\$ 1,263,630	\$ -	\$ -
Tetco Supply4	\$ 1,260,925	\$ 1,148,000	\$ 1,249,300
Tetco Supply5	\$ -	\$ -	\$ -
Tetco Supply6	\$ -	\$ -	\$ -
Tetco Supply7	\$ 957,497	\$ 633,836	\$ 631,997
Tetco Supply8	\$ -	\$ -	\$ -
Tetco Supply9	\$ -	\$ -	\$ -
Tetco Supply10	\$ -	\$ -	\$ -
Tetco Supply11	\$ -	\$ -	\$ -
Tetco Supply12	\$ -	\$ -	\$ -
Tetco Supply13	\$ 12,323,925	\$ 12,481,900	\$ 12,870,325
Tetco Supply14	\$ 4,268,700	\$ 3,831,800	\$ 4,157,100
Tetco Supply15	\$ -	\$ -	\$ -
Tetco Supply16	\$ 4,993,664	\$ 1,693,300	\$ 2,083,848
<u>Tetco Supply17</u>	\$ 2,600,745	\$ 2,349,060	\$ 2,600,745
Total Costs	\$ 68,517,105	\$ 54,329,470	\$ 51,492,190
 Capacity Release Credits	\$ 232,889	\$ 195,695	\$ 220,346
Off System Sales	\$ 27,146	\$ -	\$ -
Gas Transportation Purchases	\$ 17,340	\$ 24,674	\$ 4,837
Adjustment/Reconciliation	\$ 263,381	\$ 113,299	\$ 2,718,113
Total Natural Gas Billed	\$ 69,057,861	\$ 54,663,137	\$ 54,435,486

Philadelphia Gas Works
Summary of Fuels Purchased
Three Months Ending March 2009

	<u>Actual</u>			<u>Projected</u>			<u>Projected</u>			<u>Actual Over/Under vs. Projected</u>		
	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>2nd Qtr Filing</u>	<u>2nd Qtr Filing</u>	<u>2nd Qtr Filing</u>	<u>2nd Qtr Filing</u>	<u>Mar-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Total</u>	<u>Total</u>
Total Natural Gas Billed	\$ 60,057,881	\$ 54,663,137	\$ 54,435,488	\$ 70,000,173	\$ 60,709,177	\$ 60,575,947	\$ 181,285,287	\$ 181,285,287	\$ (8,046,040)	\$ (8,140,461)	\$ (13,126,813)	\$ (13,126,813)
Less Interruptible Credit	\$ 1,800,567	\$ 1,910,177	\$ 1,870,948	\$ 2,472,280	\$ 1,769,391	\$ 1,357,807	\$ 5,599,478	\$ 5,599,478	\$ 140,788	\$ 513,141	\$ (17,788)	\$ (17,788)
Gas Used For Utility	\$ 1,407,252	\$ 1,448,760	\$ 1,188,591	\$ 1,415,666	\$ 1,481,083	\$ 1,290,633	\$ 4,187,382	\$ 4,187,382	\$ (32,323)	\$ (104,042)	\$ (144,779)	\$ (144,779)
	\$ 65,850,042	\$ 51,304,200	\$ 51,377,947	\$ 66,112,227	\$ 57,458,703	\$ 57,927,507	\$ 181,498,437	\$ 181,498,437	\$ (6,154,503)	\$ (6,549,560)	\$ (12,966,246)	\$ (12,966,246)
<u>Pipeline Storages</u>												
(To)	\$ 195,659	\$ (555,241)	\$ (1,728,951)	\$ -	\$ -	\$ (932,482)	\$ (932,482)	\$ (932,482)	\$ (555,241)	\$ (734,469)	\$ (1,494,051)	\$ (1,494,051)
From	\$ 52,224,657	\$ 26,206,786	\$ 16,605,897	\$ 43,680,320	\$ 25,549,252	\$ 17,183,372	\$ 86,412,944	\$ 86,412,944	\$ 657,537	\$ 1,422,625	\$ 10,624,499	\$ 10,624,499
Net Pipeline Storages	\$ 52,420,316	\$ 25,251,545	\$ 16,876,946	\$ 43,680,320	\$ 25,549,252	\$ 16,190,890	\$ 85,420,462	\$ 85,420,462	\$ (287,704)	\$ 888,156	\$ 9,130,448	\$ 9,130,448
<u>LNG Storage</u>												
(To)	\$ (39,697)	\$ -	\$ (79,365)	\$ -	\$ -	\$ (5,089,007)	\$ (5,089,007)	\$ (5,089,007)	\$ -	\$ 4,989,842	\$ 4,949,945	\$ 4,949,945
From	\$ 3,831,458	\$ 1,742,744	\$ 1,889,731	\$ 3,481,079	\$ 3,881,287	\$ 847,885	\$ 8,210,251	\$ 8,210,251	\$ (2,139,543)	\$ 1,021,848	\$ (688,318)	\$ (688,318)
Net LNG Storage	\$ 3,891,761	\$ 1,742,744	\$ 1,790,366	\$ 3,481,079	\$ 3,881,287	\$ (4,221,123)	\$ 3,141,243	\$ 3,141,243	\$ (2,139,543)	\$ 8,011,489	\$ 4,283,628	\$ 4,283,628
Net Natural Gas	\$ 122,162,119	\$ 78,289,462	\$ 70,047,359	\$ 113,273,628	\$ 88,888,242	\$ 69,897,274	\$ 270,060,142	\$ 270,060,142	\$ (8,560,750)	\$ 150,085	\$ 447,828	\$ 447,828
<u>APPLICABLE GCR EXPENSES</u>												
Net Natural Gas Expense	\$ 122,162,119	\$ 78,289,462	\$ 70,047,359	\$ 113,273,628	\$ 88,888,242	\$ 69,897,274	\$ 270,060,142	\$ 270,060,142	\$ (8,560,750)	\$ 150,085	\$ 447,828	\$ 447,828
Electric	\$ 119,327	\$ 115,915	\$ 179,425	\$ 94,700	\$ 130,100	\$ 112,100	\$ 336,900	\$ 336,900	\$ (14,185)	\$ 67,325	\$ 77,767	\$ 77,767
Total GCR Expenses	\$ 122,281,446	\$ 78,414,407	\$ 70,226,784	\$ 113,368,328	\$ 87,019,342	\$ 70,009,373	\$ 270,397,041	\$ 270,397,041	\$ (8,604,835)	\$ 217,410	\$ 525,595	\$ 525,595

PHILADELPHIA GAS WORKS

GAS SERVICE TARIFF



Issued by: Thomas Knudsen
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

PHILADELPHIA GAS WORKS

List of Changes Made by this Tariff Supplement

GAS COST RATE (GCR) – SECTION 1307f, II DEFINITIONS (PAGE No. 67)

In the definition of "GAC," the "GAC" value effective June 1, 2009 decreases from \$(0.05623) per Ccf to \$(0.05867) per Ccf.

In the definition of "IRC," the "IRC" value effective June 1, 2009 increases from \$0.02122 per Ccf to \$0.02159 per Ccf.

In the definition of "SSC," the "SSC" value effective June 1, 2009 decreases from \$0.91937 per Ccf to \$0.79841 per Ccf.

GAS COST RATE (GCR) – SECTION 1307f, III COMPUTATION OF GAS COST RATE (Page No. 68)

The Gas Cost Rate (GCR) effective June 1, 2009 decreases from \$0.84192 per Ccf to \$0.71815 per Ccf.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective June 1, 2009 decreases from \$0.24262 per Ccf to \$0.24125 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services decreases from \$0.84192 per Ccf to \$0.71815 per Ccf, effective June 1, 2009.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service decreases from \$0.84192 per Ccf to \$0.71815 per Ccf, effective June 1, 2009.

PHILADELPHIA HOUSING AUTHORITY SERVICE – RATE PHA (Page No. 90)

The GCR for Philadelphia Housing Authority Service decreases from \$0.84192 per Ccf to \$0.71815 per Ccf, effective June 1, 2009.

**DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE (Pages 135-136)**

The GCR for NGVS Firm decreases from \$0.84192 per Ccf to \$0.71815 per Ccf, effective June 1, 2009.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Thirty Third Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Gas Service Tariff _____	First Revised 15
2. Application and Contract for Gas Service _____	First Revised 17
3. Credit and Deposit _____	First Revised 21
4. Billing and Payment _____	First Revised 26
5. Termination and/or Discontinuance of Gas Service _____	First Revised 30
6. Termination of Service for Safety Reasons and Curtailment of Service/ Service Continuity _____	First Revised 38
7. Inquiry, Review, Dispute, and Appeals Process _____	First Revised 41
8. Customer's Responsibility for Company's Property _____	First Revised 44
9. Conditions of Service, Point of Delivery, and Application of Rates _____	47
10. Extensions And Rights-Of-Way _____	First Revised 50
11. Meters: Measurements, Readings, Errors, and Tests _____	First Revised 53
12. Service Charges and Miscellaneous Fees and Provisions _____	First Revised 57
13. Universal Service And Energy Conservation Programs _____	First Revised 59
14. Gas Choice Enrollment and Switching _____	63
15. Supplier of Last Resort _____	First Revised 65

PHILADELPHIA GAS WORKS

	Page Number
RATES (Cover Page) _____	66
Gas Cost Rate _____	Twenty Eighth Revised 67
Revenue Reconciliation Adjustment (RRA) Rider _____	70
Senior Citizen Discount _____	72
Migration/Reverse Migration Rider _____	75
Exit Fee Rider _____	77
Restructuring and Consumer Education Surcharge _____	Twelfth Revised 79
Universal Services Surcharge _____	Twenty Eighth Revised 81
General Service - Rate GS _____	Twenty Ninth Revised 83
Municipal Service - Rate MS _____	Twenty Ninth Revised 87
Philadelphia Housing Authority Service –Rate PHA _____	Twenty Ninth Revised 90
Boiler and Power Plant Service – Rate BPS _____	Second Revised 93
Load Balancing Service – RATE LBS _____	Second Revised 97
Daily Balancing Service – Rate DB _____	101
Interruptible Transportation Service – Rate IT _____	111
Gas Transportation Service - Rate GTS - Firm Service _____	118
Gas Transportation Service - Rate GTS - Interruptible _____	124
Cogeneration Service - Rate CG _____	Second Revised 131
Developmental Natural Gas Vehicle Service - Rate NGVS Firm Service	Fifth Revised 135
Developmental Natural Gas Vehicle Service - Rate NGVS Interruptible Service _____	139
SPECIAL PROVISION – Air Conditioning Rider _____	143
SPECIAL PROVISION – Compressed Natural Gas Rider _____	145
SPECIAL PROVISION – Emergency/Unauthorized Use Gas Rider _____	147
WEATHER NORMALIZATION ADJUSTMENT CLAUSE _____	149

GAS COST RATE (GCR) – SECTION 1307(f)**I. PROVISION FOR ADJUSTMENT**

The Gas Cost Rate shall be applied to each Mcf (1,000 cubic feet) for Firm Retail Sales Service Gas supplied under Rates Schedules GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates calculated in a manner set forth below, pursuant to 66 Pa.C.S. §1307(f). Such rates for Firm Sales Service Gas may be increased or decreased from time to time under the procedures set forth in Section II.B. below to reflect changes in the level of Gas costs incurred or projected to be incurred by PGW related to Sales Service.

II. DEFINITIONS

C - The current cost of Natural Gas and other raw materials determined as follows: (a) for all types of Gas, project the cost for each purchase (adjusted for net current Gas stored) for the computation year plus (b) the of (1) the projected book value of non-current Gas at the beginning of the computation year minus (2) the projected book value of non-current Gas at the end of the computation year. In addition to any cost authorized by the Commission, the cost of Natural Gas may include any item included in the definition of Natural Gas costs set forth in 66 Pa.C.S. § 1307(h) ("Definition"). The Factor "C" includes two components – Commodity Costs and Demand Costs which are defined as follows: Commodity Costs - the actual cost of natural gas and purchased electric for firm customers that does not include the fixed costs associated with the transportation and storage of natural gas; and Demand Costs - the fixed costs associated with the transportation and storage of natural gas for firm customers.

Computation Year - The 12-month forecast period as identified in the Company's annual 1307 (f) filing and each quarterly GCR filing.

E - Experienced net over billing (or under billing) of the cost of Natural Gas and other raw materials applicable to the GCR reported in the most recent Section 1307(f) proceeding. Such over billings (or under billings) will be made with interest at the rate and method set forth by the Pennsylvania Public Utility Commission. Additionally, supplier refunds received prior to the end of the August billing period will be included in the Factor "E." The Factor "E" includes two components – Commodity Costs and Demand Costs which are defined above in the Factor "C" definition.

Firm Sales Service - The service provided to Customers who receive firm supply service from PGW. The term does not include the service provided to Customers who receive interruptible supply service from PGW.

GAC - The "E" factor component of the GCR, representing the net overcollection or undercollection of Natural Gas and other raw materials costs. The currently effective GAC is \$(0.04146) per Ccf for Commodity Costs and \$(0.01721) per Ccf for Demand Costs, for service on or after June 1, 2009. The total Gac is \$(0.05867) per Ccf. (D)

GCR - Gas Cost Rate determined to the nearest one-hundredth cent (\$0.0001) to be applied to each Mcf of Gas supplied under Rates GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates and is equal to the SSC plus the GAC minus the IRC.

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.02159 per Ccf for service on or after June 1, 2009. (I)

Natural Gas or Gas - The volumes of gas purchased or manufactured by the Company that is delivered to the Company's Customers, plus such portion of the Company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas,

(D) – Decrease ; (I) – Increase

PHILADELPHIA GAS WORKS

liquefied propane and naphtha.

S - Projected applicable Mcf of Gas to be billed to Customers during the computation year.

SSC-Sales Service Charge - The purchased Gas costs determined to the nearest $\frac{1}{100}$ of a cent (\$0.0001). The currently effective SSC is \$0.65992 per Ccf for Commodity Costs and \$0.13849 per Ccf for Demand Costs, for service on or after June 1, 2009. The total SSC is \$0.79841 per Ccf.

(D)

(D) – Decrease

PHILADELPHIA GAS WORKS

III. COMPUTATION OF GAS COST RATE

A. The GCR shall be computed to the nearest one-thousandth cent (\$0.00001) in accordance with the formula set forth below as the terms are defined in Section II:

$$\begin{aligned}\text{SSC} &= \text{C/S} \\ \text{GAC} &= \text{E/S} \\ \text{GCR} &= \text{SSC} + \text{GAC} - \text{IRC}\end{aligned}$$

B. Each Gas Cost Rate so computed shall be applied to Customers' bills for twelve monthly billing periods commencing with September.

The currently effective Gas Cost Rate is \$0.71815 per Ccf, for service on or after June 1, 2009.

(D)

IV. REPORTING REQUIREMENTS

A. The Company's rates are subject to quarterly adjustments for recovery of the Gas Cost Rate under procedures set forth in Section 1307 (f) of the Public Utility Code.

B. The filing of the Company's annual Section 1307(f) filing, annual Gas Cost Rate, effective during the billing period of September through August, shall be submitted to the Commission by March 1 of each year, with a February 1 pre-filing date.

C. The application of the Gas Cost Rate shall be subject to review and audit by the Commission at such intervals as the Commission shall determine.

D. If it shall be determined, from audit by the Commission, or by final order entered after notice and hearing, that the application of this clause has resulted in the overcollection or undercollection of revenues, then the Company shall apply such over/undercollection as a credit or debit against future Gas Cost Rates.

V. PROVISION FOR INCLUSION OF SPECIFIC NON-GAS EXPENSES

The computation of the Gas Cost Rate may include such Non-Gas expenses as may be authorized by this tariff and annually authorized by the Commission.

VI. INTERRUPTIBLE REVENUE CREDIT (IRC)

A. The GCR rate shall be credited with an Interruptible Revenue Credit (IRC) equal to the margin realized from interruptible sales under PGW's Interruptible Sales Tariff Rates: BPS, LBS; and CG (Total Margin Revenue).

B. The IRC shall be set each year in the Company's 1307(f) proceeding to reflect the Total Margin Revenue. The rate per Mcf shall be calculated by dividing the Total Margin Revenue by total applicable firm sales. For the period September 1, 2003 through August 31, 2004 the IRC shall be initially set to reflect the Total Margin Revenue authorized by the Commission in its final order at M-00021612 (entered March 31, 2003).

(D) - Decrease

UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE

Universal service and energy conservation program and related costs will be recovered by a Universal Service and Energy Conservation Surcharge applicable to all volumes of Gas delivered.

1. The Surcharge will recover: 1) the discounts provided to Customers pursuant to the Customer Responsibility Program (CRP); 2) the discounts provided to Customers pursuant to the Senior Citizen Discount; 3) the costs of the Conservation Works Program (CWP); and, 4) for Customers entering the CRP program on or after September 1, 2003, past due arrearages forgiven pursuant to paragraph A (6) of the CRP/CAP Program Design Stipulation approved by the Commission by its order at M-00021612 (entered March 31, 2003).
2. Computation of the Universal Service and Energy Conservation Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307(f) of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
3. Once the surcharge is in place it will be automatically adjusted effective March 1, June 1, September 1, and December 1 of each year in accordance with Section 1307(f) quarterly adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the total universal service and energy conservation program costs approved for annual recovery by the estimated applicable throughput in Mcfs.
4. The Universal Service and Energy Conservation Surcharge shall take effect upon the effective date of this Tariff.

Current Universal Service and Energy Conservation Surcharge = \$ 0.24125/Ccf.

(D)

(D) - Decrease

PHILADELPHIA GAS WORKS

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this
Rate Schedule on or after June 1, 2009

AVAILABILITY

Available for any purpose where the Company's distribution mains adjacent to the proposed Gas
Service location are, or can economically be made, suitable to supply the quantities of Gas or
Transportation Services required.

RATES

CUSTOMER CHARGE (per Meter (except parallel meters)):

\$ 12.00	per month for Residential and Public Housing Authority Customers.
\$ 18.00	per month for Commercial and Municipal Customers
\$ 50.00	per month for Industrial Customers

Plus,

GCR (not applicable to GS Customers who transport gas through a qualified NGS):

\$ 0.71815	per Ccf for Residential and Public Housing	(D)
\$ 0.71815	per Ccf for Commercial and Municipal Customers	(D)
\$ 0.71815	per Ccf for Industrial Customers	(D)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.61840	per Ccf for Residential
\$0.52817	per Ccf for Public Housing
\$0.52449	per Ccf for Commercial and Municipal Customers
\$0.52465	per Ccf for Industrial Customers

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and Restructuring and Consumer
Education Surcharge.

(D) – Decrease

MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after June 1, 2009.

AVAILABILITY

Available to properties owned or occupied by the City of Philadelphia or the Board of Education, or any of their respective agencies or instrumentalities, for any type of Gas Service, unless purchased for resale to others, and where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required; provided, however, that the rate shall not be available to Commercial Tenants of any such property.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters):

\$ 18.00 per month

Plus,

GCR (not applicable to MS Customers who transport Gas through a qualified NGS):

\$ 0.71815 per Ccf

(D)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.38178 per Ccf

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge.

Also,

The following Riders may apply:

(D) – Decrease

PHILADELPHIA HOUSING AUTHORITY SERVICE - RATE PHA

Rate: Applicable to all Retail Sales Service or Transportation Services rendered pursuant to this Rate
Schedule on or after June 1, 2009

AVAILABILITY

Available for all Gas usage in multiple dwelling Residential buildings containing 10 or more dwelling units, owned and operated by the Philadelphia Housing Authority, where cooking shall be performed exclusively with Gas and where Gas Service shall be supplied through one or more single point metering arrangements at locations where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required.

This rate is also available for all Gas usage in single and multiple dwelling Residential buildings, containing less than 10 dwelling units, provided, and only so long as, Gas is used exclusively for cooking, water heating and space heating for all such Residential buildings owned and operated by the Philadelphia Housing Authority, except (a) buildings operated by the Philadelphia Housing Authority, prior to the original effective date of this rate (January 1, 1969), and (b) buildings for which, in the judgment of the Company, such Gas Service cannot be provided economically.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters);

\$18.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.71815 per Ccf (D)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of Item (A) and (B), below):

(A) Delivery Charge:

\$0.51889 per Ccf

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease

PHILADELPHIA GAS WORKS

**DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE**

Rate: Applicable to all Retail Sales Service rendered pursuant to this Rate Schedule on or after
June 1, 2009

AVAILABILITY

This service is available to provide uncompressed Natural Gas to any Customer for the exclusive purpose of compressing such Gas for use as fuel for motor vehicles. The compression of the Natural Gas to the pressure required for use as a motor vehicle fuel will be conducted by the Customer, at the Customer's designated premises. Service shall only be available where the Company's distribution system is, or can economically be made available to supply the service. Each Customer will be required to execute a service agreement which will specify terms and conditions of service.

CHARACTER OF SERVICE

Service under this rate schedule is firm and shall only be interrupted in the case of operating emergencies experienced by the Company.

MONTHLY RATE

CUSTOMER CHARGE:

\$35.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.71815 per Ccf (D)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) Delivery Charge:

\$0.13212 per Ccf

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease

PHILADELPHIA GAS WORKS

GAS SUPPLIER TARIFF



**Issued by: Thomas Knudsen
President and CEO
PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122**

List of Changes Made by this Tariff

9.14. LOAD BALANCING SURCHARGE, 9.14.A. (Page No. 39)

The load balancing charge increases from \$39.5001 per design day Mcf to \$42.2161 per design day Mcf.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Twenty Eighth Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Table of Contents (continued) _____	7
Left Blank for Future Use _____	8
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Supplier Tariff _____	14
2. Availability _____	16
3. Character of Service _____	18
4. Supplier Qualification _____	20
5. Customer List _____	23
6. Supplier Selection Procedures _____	25
7. Supplier Obligations _____	29
8. Operational Requirements _____	33
9. Special Provisions _____	37
10. Nomination Procedure _____	44
11. Financial Security _____	46
12. Supplier Billing and Payment _____	48
13. Supplier Exit Procedures _____	54
14. Breach of Obligations _____	57
15. Standards of Conduct _____	60

PHILADELPHIA GAS WORKS

9.14. LOAD BALANCING CHARGE.

9.14.A. Suppliers for all gas delivered under Firm Transportation Rates, of this Suppliers Tariff shall be charged at \$42.2161 per design day Mcf that is fulfilled by PGW storage and peaking assets, for recovery of those costs for Balancing Service, calculated in the manner set forth in the Commission's Order at M-00021612 (entered March 31, 2003) and as set forth below. Such rate for Balancing Service shall be increased or decreased, from time to time, in accordance with applicable law and procedures.

(I)

9.14.B.Computation of Balancing Service Costs per Dth.

9.14.B.1. Formula. Balancing Service Costs, per design day Mcf, that is fulfilled by PGW storage and peaking assets, shall be computed to the nearest one-hundredth cent (\$0.0001) in accordance with the formula set forth below:

$$BSC = ((C - E) / (S))$$

Projected Balancing Service Costs, so computed, shall be charged to Suppliers of Firm Transportation Rates per Customer per design day Mcf that is fulfilled by PGW storage and peaking assets for an enrollment month. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the PUC's regulations adopted pursuant thereto.

9.14.B.2. Definitions. In computing the Balancing Service Costs, per Dth, pursuant to the formula above, the following definitions shall apply:

"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (\$0.0001) to be charged to each design day Mcf that is fulfilled by PGW storage and peaking assets, under Rate Schedule Firm.

"C" - Cost in dollars: for all types of storage and related services, the fixed and variable costs for the projected period when rates will be in effect.

"E" - the net overcollection or undercollection of Balancing Service Costs.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the PUC for the Company's Section 1307(f) Tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate. Interest shall be computed monthly at the rate as provided for in Section 1307(f) of the Public Utility Code from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. Such over billings (or under billings) will be made with interest at the statutory rate.

"S" - projected Mcf of storage gas/LNG to be delivered to Customers to meet design day needs during the projected period when rates will be in effect.

(I) - Increase

Philadelphia Gas Works

Gregory J. Stunder
Senior Attorney



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 684-6878 – Fax (215) 684-6798
Email: greg.stunder@pgworks.com

August 31, 2009

VIA EXPRESS MAIL

James J. McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Pa. PUC v. Philadelphia Gas Works; R-2008-2021348,
September 1, 2009 Fourth Quarterly GCR Filing

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of PGW's September 1, 2009 Quarterly Gas Cost Rate ("GCR") filing. If you have any questions, please contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder", is written over a printed name. The signature is stylized and cursive.

Gregory J. Stunder

Enclosures

cc: All Parties of Record
Karen Moury, Esq., Director of Operations (w/enc.)
Robert F. Wilson, Bureau of Fixed Utility Services (w/enc.)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL AND REGULAR MAIL

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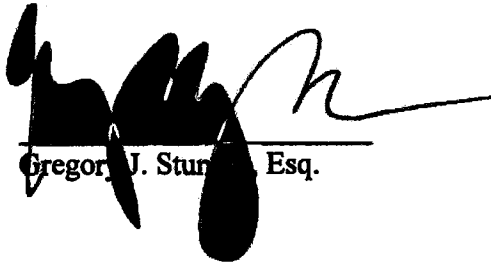
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2067 Massachusetts Avenue
Cambridge MA 02140



Gregory J. Sturges, Esq.

Date: August 31, 2009

Statement

Known per dekatherm natural gas prices are used through the month of August, 2009. Where known and quantifiable, actual per dekatherm prices for locked-in quantities of gas are used for all other months. Any remaining volumes not locked-in for price for the months of September 2009 through November 2009 are based on the NYMEX Futures Closing Prices of 8-6-09. For the period of December 2009 through August 2010, the average price of the NYMEX Futures Closing Prices of 8-6-09 and the August 2009 Global Insight Forecast were used. The latest applicable pipeline tariff transportation and fuel charges from specific basin points have been incorporated into these pricing determinants. Forecasted temperatures for the period are assumed to be normal (i.e. the forecast incorporates the normal 4,412 degree-day pattern).

SEPTEMBER 1, 2009

4th QUARTER GCR FILING

TABLE OF CONTENTS

Levelized Gas Cost.....	Schedule 1
Sales and Volumes.....	Schedule 2
Projected Applicable Fuel Expense.....	Schedule 3
Interruptible Revenue Credit – Fiscal Year 2010	Schedule 4a
IRC Finalized Reconciliation – September 2007 To August 2008.....	Schedule 4b
Interest Rate Calculation.....	Schedule 5a
Interest Calculation.....	Schedule 5b
Interest Adjustment Calculation.....	Schedule 5b1
Interest on Natural Gas Refunds.....	Schedule 5c
Demand and Commodity Interest Calculation.....	Schedule 5d
GCR Statement of Reconciliation – September 2009 Through August 2010.....	Schedule 6
GCR Statement of Reconciliation – September 2008 Through August 2009.....	Schedule 7
GCR Calculation of Recovered Charges.....	Schedule 8
Changes in Rates.....	Schedule 9
Universal Service & Energy Conservation Surcharge.....	Schedule 10a
Universal Service & Energy Conservation Surcharge Reconciliation.....	Schedule 10b
Restructuring & Consumer Education Surcharge – Fiscal Year 2009.....	Schedule 11
Natural Gas Prices.....	Schedule 12
Actual Natural Gas Billed.....	Schedule 13
Summary of Fuels Purchased.....	Schedule 14

Philadelphia Gas Works
Levelized Gas Cost Rate
4th Quarter Filing - September 1, 2009

Formula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			50,707,793	Schedule 2
Net Natural Gas Expense	\$ 68,672,085	\$ 320,832,736	\$ 389,504,821	
Purchased Electric Expense	\$ -	\$ 1,025,100	\$ 1,025,100	
C = Total Applicable GCR Expense	\$ 68,672,085	\$ 321,857,836	\$ 390,529,921	Schedule 3
SSC = C / S	\$ 1.3543	\$ 6.3473	\$ 7.7016	
Adjustment For:				
Interest	(88,177)	(863,471)	(951,648)	Schedule 5d
Prior Reconciliation	\$ 4,949,344	\$ (29,068,756)	\$ (24,119,413)	Schedule 7
E = Adjustments to GCR Expenses	\$ 4,861,167	\$ (29,932,227)	\$ (25,071,061)	
GAC = E / S	\$ 0.0959	\$ (0.5903)	\$ (0.4944)	
Interruptible Revenue Credit			\$ 5,783,506	Schedule 4a
IRC = Interruptible Revenue Credit / S			\$ 0.1141	
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 359,675,355	
<u>GCR = SSC + GAC - IRC</u>			\$ 7.0931	
SSC in effect 09/01/09	\$ 1.3537	\$ 6.3445	\$ 7.6982	
GAC in effect 09/01/09	\$ 0.0958	\$ (0.5900)	\$ (0.4942)	
IRC in effect 09/01/09			\$ (0.1140)	
GCR in effect 09/01/09			\$ 7.0900	Schedule 8
Recovery Test on:				
Firm Sales (Mcf)			50,707,793	
= Total Projected Recovery			\$ 359,673,802	Schedule 8
Compared To				
Net Applicable GCR Expenses			\$ 359,675,355	
= Net Over/(Under) Recovery			\$ (1,553)	Schedule 6
Degree Days			4,412	

SALES & VOLUMES**September 2009 Through August 2010**

<u>MONTH</u>	<u>TOTAL</u>	<u>FIRM</u>	<u>TOTAL</u>	<u>INTERRUPTIBLE</u>	<u>TOTAL</u>	<u>SENIOR</u>	<u>TOTAL</u>
	<u>VOLUMES</u> <u>1</u>	<u>TRANSPORT</u> <u>VOLUMES</u> <u>2</u>	<u>BILLED</u> <u>SALES</u> <u>3 = 1 - 2</u>	<u>SALES</u> <u>4</u>	<u>GCR FIRM</u> <u>SALES</u> <u>5 = 3 - 4</u>	<u>CITIZEN</u> <u>DISCOUNT</u> <u>SALES</u> <u>6</u>	<u>APPLICABLE</u> <u>VOLUMES</u> <u>7 = 5 - 6 + 2</u>
SEPTEMBER 2009	1,138,978	78,871	1,060,106	18,687	1,041,419	9,920	1,110,370
OCTOBER	1,792,793	100,356	1,692,436	49,532	1,642,904	16,949	1,726,312
NOVEMBER	4,055,186	181,599	3,873,587	87,745	3,785,842	45,613	3,921,828
DECEMBER	6,976,320	286,936	6,689,384	136,599	6,552,785	81,675	6,758,045
JANUARY 2010	10,897,947	440,687	10,457,260	144,053	10,313,206	132,945	10,620,947
FEBRUARY	9,636,919	398,842	9,238,077	122,686	9,115,391	115,915	9,398,318
MARCH	7,644,594	328,065	7,316,529	100,939	7,215,590	90,028	7,453,628
APRIL	5,300,075	246,333	5,053,742	56,952	4,996,790	61,643	5,181,480
MAY	2,570,220	142,817	2,427,403	24,566	2,402,836	27,161	2,518,493
JUNE	1,535,342	112,915	1,422,427	11,945	1,410,482	12,869	1,510,528
JULY	1,244,027	94,795	1,149,232	13,113	1,136,119	9,938	1,220,976
AUGUST	1,199,874	92,193	1,107,681	13,254	1,094,427	9,170	1,177,450
TOTAL	53,992,275	2,504,411	51,487,864	780,071	50,707,793	613,828	52,598,376

**PROJECTED APPLICABLE FUEL EXPENSE
SUMMARY**

SEPTEMBER 2009 - AUGUST 2010

	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	TOTAL
NATURAL GAS BILLED													
DEMAND CHARGE	5,701,979	5,652,869	5,828,300	6,059,512	6,057,745	6,111,242	6,027,378	5,470,763	5,431,454	5,466,772	5,428,032	5,426,322	66,972,085
COMMODITY CHARGE	16,135,881	24,819,986	26,785,330	38,287,108	39,708,317	38,226,164	28,011,393	24,207,778	25,239,297	19,738,407	19,518,364	20,237,135	320,004,971
TOTAL NATURAL GAS BILLED	21,838,371	30,482,876	34,613,630	44,346,620	45,766,062	41,337,406	34,038,768	29,678,541	30,661,750	25,205,178	25,046,396	25,663,458	389,977,056
INTERRUPTIBLE CREDIT	85,788	238,636	821,982	900,627	974,805	824,958	681,536	350,928	140,923	69,871	77,320	80,881	4,926,235
SENDOUT VOLUME IN MCF	19,446	51,843	91,308	142,143	149,899	127,564	105,038	89,263	25,953	12,430	13,648	13,792	811,728
DKT CONVERSION FACTOR	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	3.0320
PRICE \$/DKT	4.275	4.449	5.540	6.140	6.301	6.262	6.103	5.738	5.342	5.447	5.491	5.581	5.581
GAS USED FOR UTILITY	56,086	101,215	303,725	643,517	832,452	949,386	776,708	434,113	181,859	32,941	68,220	19,512	4,398,711
NATURAL GAS TO STORAGE	(10,515,529)	(10,640,784)	(489,239)	-	-	-	-	(7,053,275)	(13,205,221)	(13,132,041)	(13,617,824)	(14,078,045)	(82,722,739)
FROM STORAGE PGW	-	185,984	5,329,454	18,894,783	25,077,153	19,829,497	19,881,680	7,809,573	147,147	-	-	-	97,359,141
FT FROM STORAGE	-	2,360	77,771	517,894	755,763	608,901	251,140	36,008	-	-	-	-	2,247,836
NET NATURAL GAS STORAGE	(10,515,529)	(10,451,780)	4,860,215	18,894,783	25,077,153	19,829,497	19,881,680	748,298	(13,058,074)	(13,132,041)	(13,617,824)	(14,078,045)	14,635,402
LNG TO STORAGE	(476,021)	(1,735,183)	(3,782,621)	(1,847,328)	-	-	(3,020,995)	(2,453,782)	(1,494,786)	(882,353)	-	-	(16,373,108)
FROM LNG PGW	605,054	609,391	459,716	1,108,480	2,509,221	2,268,389	583,235	555,190	559,731	532,077	546,460	546,460	10,891,415
FT FROM LNG	-	-	97,283	78,362	74,856	37,681	61,682	-	-	-	-	-	349,734
NET LNG STORAGE	129,033	(1,125,792)	(3,312,905)	(440,845)	2,509,221	2,268,389	(2,437,760)	(1,908,592)	(935,055)	(330,315)	546,460	546,460	(4,461,591)
NET NATURAL GAS EXPENSE	11,310,001	10,567,453	35,335,234	61,256,394	71,645,179	61,760,979	50,144,345	27,731,205	16,358,839	11,837,210	11,828,482	12,031,500	389,504,821
APPLICABLE GCR EXPENSE													
NET NATURAL GAS EXPENSE	11,310,001	10,567,453	35,335,234	61,256,394	71,645,179	61,760,979	50,144,345	27,731,205	16,355,839	11,837,210	11,828,482	12,031,500	389,504,821
PURCHASED ELECTRIC	68,700	75,500	91,500	100,200	84,800	130,400	112,300	75,200	76,400	73,700	66,100	69,200	1,025,100
TOTAL APPLICABLE EXPENSES	11,378,701	10,642,953	35,426,734	61,356,594	71,639,979	61,891,379	50,256,645	27,806,405	16,432,239	11,710,910	11,895,592	12,090,700	390,529,921
TOTAL GCR FIRM SALES	1,041,419	1,642,904	3,785,842	6,582,785	10,313,208	9,115,391	7,216,580	4,996,790	2,402,838	1,410,462	1,136,119	1,094,427	50,707,783

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2009

Fiscal Year 2008 Reconciliation \$ 3,261,459 (Schedule 4b)

<u>MONTH</u>		<u>MARGIN</u>
September-08	Actual	\$ 139,560 *
October	Actual	\$ 488,713 *
November	Actual	\$ 1,084,309 *
December	Actual	\$ 1,083,757 *
January-09	Actual	\$ 590,846
February	Actual	\$ 626,037
March	Actual	\$ 381,999
April	Actual	\$ 352,072
May	Actual	\$ 72,595
June	Actual	\$ 150,458
July	Estimated	\$ 100,507
<u>August</u>	Estimated	\$ 118,439
Fiscal Year 2009 Margin		\$ 5,189,292

* Revised

FY 2009 Act/Est Margin and FY 2008 Reconciliation	\$ 8,450,750
Fiscal Year 2009 Actual Credit	\$ 10,142,993 (Schedule 7)
Reconciliation as of August 2009	\$ (1,692,243)

Fiscal Year 2007 Actual Margin	\$ 7,050,602
Fiscal Year 2008 Actual Margin	\$ 10,187,353 (Schedule 4b)
<u>Fiscal Year 2009 Act/Est Margin</u>	\$ 5,189,292
3 Year Average - FY 2010 Estimated Margin	\$ 7,475,749
Reconciliation as of August 2009	\$ (1,692,243)
Fiscal Year 2009 Interruptible Revenue Credit	\$ 5,783,506

Fiscal Year 2010 Firm Sales	50,707,793
------------------------------------	-------------------

Fiscal Year 2010 IRC Credit	\$ 0.1141
------------------------------------	------------------

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2008 - FINALIZED RECONCILIATION

Fiscal Year 2007 Reconciliation **\$ (692,770)**

<u>MONTH</u>		<u>MARGIN</u>
September-07	Actual	\$ 531,778
October	Actual	\$ 315,204
November	Actual	\$ 1,166,910
December	Actual	\$ 1,625,112
January-08	Actual	\$ 1,963,960
February	Actual	\$ 1,859,319
March	Actual	\$ 1,476,652
April	Actual	\$ 494,401
May	Actual	\$ 378,291
June	Actual	\$ 104,816
July	Actual	\$ 121,668
<u>August</u>	Actual	\$ <u>149,245</u>
Fiscal Year 2008 Margin		\$ 10,187,353

FY 2008 Act/Est Margin and FY 2007 Reconciliation	\$ 9,494,583
Fiscal Year 2008 Actual Credit	\$ <u>6,233,125</u>
Reconciliation as of August 2008	\$ 3,261,459

CALENDAR YEAR 2008
PHILADELPHIA GAS WORKS
INTEREST RATE CALCULATION

	01/01/2008	03/01/2008	04/01/2008	06/01/2008	07/01/2008	09/01/2008	10/01/2008	
SSC in Effect	\$ 10.7688	\$ 10.9168	\$ 11.0844	\$ 12.3503	\$ 13.6382	\$ 13.5080	\$ 13.3798	
GAC in Effect	\$ (0.0639)	\$ (0.1294)	\$ (0.2048)	\$ (0.3394)	\$ (0.4740)	\$ (0.4922)	\$ (0.5105)	
IRC in Effect	\$ (0.1370)	\$ (0.1370)	\$ (0.1370)	\$ (0.1378)	\$ (0.1386)	\$ (0.1776)	\$ (0.2166)	
Total Effective	\$ 10.5779	\$ 10.6502	\$ 10.7226	\$ 11.8731	\$ 13.0236	\$ 12.8382	\$ 12.8527	
MONTH	NET COST OF FUEL (1) (\$)	FIRM SALES (2)	C FACTOR RECOVERY RATE (3) (\$)	C FACTOR REVENUES BILLED (4)=(2)*(3) (\$)	ADJUSTMENT FOR ACTUAL REVENUE (5) (\$)	C FACTOR REVENUES BILLED (6)=(4)*(5) (\$)	OVER/ (UNDER) RECOVERY (7)=(6)-(1) (\$)	INTEREST RATE (8) %
JANUARY 2008	83,672,610	7,926,980	10.7698	85,384,331	0.9998	85,348,895	1,676,285	
FEBRUARY	76,410,711	7,827,171	10.7698	84,289,500	0.9999	84,281,375	7,870,664	
MARCH	62,938,685	6,820,413	10.9166	74,455,879	1.0006	74,503,023	11,564,338	
APRIL	34,227,732	4,411,145	11.0844	48,806,730	0.9998	48,788,303	14,570,571	
MAY	28,312,908	2,150,657	11.0844	23,795,757	1.0003	23,801,952	(2,510,956)	
JUNE	19,454,921	1,519,116	12.3503	18,761,525	0.9934	18,637,461	(817,460)	
JULY	19,685,017	1,115,708	13.6382	15,213,877	0.9976	15,177,878	(4,507,339)	
AUGUST	12,251,684	1,047,640	13.6382	14,285,803	0.9945	14,207,401	1,955,717	
SEPTEMBER*	18,977,677	1,099,000	13.5080	14,845,303	0.9938	14,753,317	(4,224,390)	
OCTOBER*	32,487,717	1,406,906	13.3798	18,824,186	0.9983	18,792,575	(13,705,142)	
NOVEMBER*	50,812,595	3,398,837	13.3798	45,475,914	0.9990	45,431,408	(5,381,195)	
DECEMBER*	96,028,874	7,193,130	13.3798	96,242,986	0.9997	96,216,380	10,187,486	
	523,271,131	45,916,703		540,381,893		539,948,740	16,678,609	8%

* Revised

INTEREST CALCULATION

Total

Interest from Schedule 5b1

Total Interest

**CALENDAR YEAR 2008
PHILADELPHIA GAS WORKS**

INTEREST ADJUSTMENT CALCULATION

MONTH	Split		Split		ADJUSTED																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
	Month	Month	C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR		C FACTOR	

(1) Interest is calculated at 8% (See Schedule 5a) and was previously paid at 6%

FISCAL YEAR 2009
PHILADELPHIA GAS WORKS
INTEREST ON NATURAL GAS REFUNDS

<u>MONTH</u>	NATURAL GAS REFUNDS (9) (\$)	INTEREST RATE (10)	TIME FACTOR (11)	INTEREST ON REFUNDS (13)=(9)*(10)*(11) (\$)
SEPTEMBER 08	30,893	6%	18/12	2,780
OCTOBER	0	6%	17/12	0
NOVEMBER	0	6%	16/12	0
DECEMBER	0	6%	15/12	0
JANUARY 09	0	6%	14/12	0
FEBRUARY	0	6%	13/12	0
MARCH	0	6%	12/12	0
APRIL	0	6%	11/12	0
MAY	0	6%	10/12	0
JUNE	0	6%	9/12	0
JULY	0	6%	8/12	0
AUGUST	0	6%	7/12	0
TOTAL	30,893			2,780

FISCAL YEAR 2009
PHILADELPHIA GAS WORKS
DEMAND AND COMMODITY INTEREST CALCULATION

MONTH	(1) OVER/ (UNDER) RECOVERY	DEMAND CHARGE OVER/(UNDER) RECOVERY	COMMODITY CHARGE OVER/(UNDER) RECOVERY	INTEREST RATE (4)	TIME FACTOR (5)	DEMAND		COMMODITY		TOTAL		(9)	TOTAL INTEREST ON REFUNDS	TOTAL INTEREST (10)=(8)+(9)
						INTEREST EXPENSE (6)=(2)*(4)*(5)	EXPENSE (7)=(3)*(4)*(5)	INTEREST EXPENSE (7)=(3)*(4)*(5)	EXPENSE (8)=(6)+(7)	INTEREST EXPENSE (8)=(6)+(7)	EXPENSE (9)			
	(1)	(2)	(3)=(1)-(2)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	(\$)	(\$)	(\$)			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
SEPTEMBER - 2008														
OCTOBER *	(4,224,343)	(4,200,496)	(23,847)	8%	18/12	(504,059)	(2,862)	(506,921)	2,780	(504,141)				(504,141)
NOVEMBER *	(13,705,142)	(3,657,135)	(10,048,008)	8%	17/12	(414,475)	(1,138,774)	(1,553,249)	0	(1,553,249)				(1,553,249)
DECEMBER *	(5,381,195)	(1,790,030)	(3,591,165)	8%	16/12	(190,937)	(383,058)	(573,994)	0	(573,994)				(573,994)
JANUARY 2009	10,187,486	3,920,280	6,267,206	8%	15/12	392,028	626,721	1,018,749	0	1,018,749				1,018,749
FEBRUARY	(11,185,157)	6,473,405	(17,658,562)	6%	14/12	453,138	(1,236,099)	(782,961)	0	(782,961)				(782,961)
MARCH	19,095,704	8,172,595	12,923,109	6%	13/12	401,219	840,002	1,241,221	0	1,241,221				1,241,221
APRIL	(3,412,441)	2,971,220	(6,383,661)	6%	12/12	178,273	(383,020)	(204,746)	0	(204,746)				(204,746)
MAY	15,410,359	286,184	15,114,175	6%	11/12	16,280	831,280	847,570	0	847,570				847,570
JUNE	6,156,693	(2,596,213)	8,752,906	6%	10/12	(129,811)	437,645	307,835	0	307,835				307,835
JULY	1,547,879	(3,693,045)	5,240,723	6%	9/12	(168,187)	235,833	69,646	0	69,646				69,646
AUGUST	(1,527,824)	(3,919,569)	2,291,745	6%	8/12	(152,763)	91,670	(61,113)	0	(61,113)				(61,113)
TOTAL FY 2009	(1,881,961)	(4,646,968)	2,765,007	6%	7/12	(162,644)	98,775	(63,869)	0	(63,869)				(63,869)
* Revised	11,079,857	(4,569,772)	15,649,629			(279,947)	16,113	(263,835)	2,780	(261,054)				(261,054)
JANUARY 2008	1,876,265	3,118,287	(1,442,022)	2%	28/12	135,126	(82,487)	72,639	0	72,639				72,639
FEBRUARY	7,870,884	6,739,224	1,131,440	2%	25/12	280,801	47,143	327,944	0	327,944				327,944
MARCH	11,564,338	6,114,688	5,449,651	2%	24/12	244,588	217,986	462,574	0	462,574				462,574
APRIL	14,570,571	2,627,423	11,943,148	2%	23/12	100,718	457,821	558,539	0	558,539				558,539
MAY	(2,510,956)	(2,069,191)	(441,765)	2%	22/12	(75,870)	(16,198)	(92,068)	0	(92,068)				(92,068)
JUNE	(817,460)	(3,144,000)	2,326,540	2%	21/12	(110,040)	81,429	(28,611)	0	(28,611)				(28,611)
JULY	(4,507,339)	(2,837,769)	(1,669,570)	2%	20/12	(84,592)	(55,652)	(140,245)	0	(140,245)				(140,245)
AUGUST	1,955,717	(3,555,958)	5,511,676	2%	19/12	(112,605)	174,536	61,931	0	61,931				61,931
TOTAL 2008	29,801,821	6,992,704	22,809,117			368,124	844,578	1,212,702		1,212,702				1,212,702
GRAND TOTAL	40,881,677	2,422,932	38,458,745	0	0	88,177	860,691	948,868	2,780	951,648				951,648

(1) See Schedule 5b
(2) See Schedule 5c

STATEMENT OF RECONCILIATION

SEPTEMBER 2009 THROUGH AUGUST 2010

AUGUST 2009 OVER-COLLECTION 2009-09 INTEREST										
TOTAL "E" FACTOR										
NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER(UNDER) RECOVERY	E FACTOR DISTRIBUTED ON GCR	CUMULATIVE OVER(UNDER) RECOVERY
1	2	3	4=(2*3)	5=(1-4)	6	7	8	9=(7+8-5)	10	11
\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
11,376,701	1,041,419	0.1141	118,780	11,257,922	7.1358	7,431,307	16,374	(3,911,241)	814,901	(3,286,340)
18,648,963	1,642,904	0.1141	187,382	18,458,571	7.0800	11,648,180	21,048	(6,785,334)	812,288	(9,273,356)
35,428,834	3,785,842	0.1141	431,768	34,988,071	7.0800	28,841,617	13,810	(1,133,811)	1,871,804	(15,541,162)
81,368,584	8,562,785	0.1141	747,362	60,609,203	7.0800	46,459,248	16,282	(26,435,876)	3,238,843	(26,435,026)
71,639,979	10,313,206	0.1141	1,176,279	70,463,700	7.0800	73,120,633	2,631,021	(14,131,611)	5,098,079	(18,704,928)
81,881,379	8,115,391	0.1141	1,038,981	80,851,717	7.0800	64,628,122	(14,268)	3,782,137	4,506,852	(10,435,936)
60,266,645	7,215,580	0.1141	622,878	49,433,667	7.0800	51,168,835	7,338	1,732,204	3,687,848	(6,136,183)
27,808,405	4,886,780	0.1141	569,912	27,236,493	7.0800	35,427,241	7,414	8,188,182	2,470,524	8,632,903
2,402,838	2,402,838	0.1141	274,087	16,158,182	7.0800	17,036,110	9,923	887,850	1,186,016	7,808,389
16,432,238	1,410,482	0.1141	160,873	11,550,037	7.0800	10,000,320	14,302	(1,635,414)	697,374	6,770,329
11,710,910	1,136,119	0.1141	128,581	10,574,829	7.0800	8,058,083	21,326	(3,688,603)	581,722	3,642,449
11,886,592	1,094,427	0.1141	124,828	11,965,876	7.0800	7,759,490	21,274	(4,188,111)	541,109	(1,653)
12,080,709	50,707,783		<u>124,828</u>	<u>11,965,876</u>		<u>7,759,490</u>	<u>107,907</u>	<u>(25,072,814)</u>	<u>541,109</u>	<u>1,653</u>
390,029,921			5,783,906	384,746,416		389,565,896			25,071,081	

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2008 THROUGH AUGUST 2009

	DEMAND CHARGES	COMMODITY CHARGES	NET COST OF FUEL	GCR FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE (CREDIT)	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER/UNDER RECOVERY	NATURAL GAS REFUNDS	CUMULATIVE OVER/UNDER RECOVERY
	1	2	3 = (1 + 2)	4	5	6 = (4 - 5)	7 = (3 - 6)	8	9	10	11 = (9 + 10 - 7)	12	13
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2007-2008 OVER-COLLECTION													
2007-2008 INTEREST													
TOTAL "E" FACTOR													
SEPTEMBER * 2008	Actual	5,743,105	13,234,572	1,099,000	0.1776	195,182	18,782,486	12,8392	14,021,704	(11,895)	(4,772,685)	30,893	30,502,871
OCTOBER *	Actual	5,835,443	26,862,274	1,406,806	0.2166	304,736	32,192,981	12,6527	17,771,264	(32,123)	(14,453,840)	0	504,388
NOVEMBER *	Actual	6,950,961	44,262,034	3,388,837	0.2166	736,188	50,076,407	12,6827	42,882,363	(66,343)	(7,180,387)	0	4,731,220
DECEMBER *	Actual	6,289,852	78,739,222	68,028,874	0.2166	1,558,032	84,470,842	12,6827	80,957,340	1,211	6,517,769	0	11,248,929
JANUARY 2009	Actual	6,435,366	115,846,080	122,281,446	0.2113	1,945,838	120,335,607	11,6767	108,465,137	(11,417)	(13,881,887)	0	(2,632,886)
FEBRUARY	Actual	6,111,744	72,302,963	78,414,407	0.2069	1,827,300	76,587,107	10,7007	94,948,381	22,064	18,383,339	0	16,760,391
MARCH	Actual	6,430,718	63,796,066	70,226,784	0.2091	1,398,863	68,828,221	9,5600	63,294,692	44,372	(5,488,157)	0	10,261,224
APRIL	Actual	5,948,579	16,947,534	4,373,233	0.2122	928,000	23,866,113	8,4182	36,909,123	(37,181)	12,905,830	0	23,167,053
MAY	Actual	6,730,009	8,261,279	13,981,288	0.2122	463,930	13,617,358	8,4182	18,441,508	(16,429)	4,908,721	0	28,075,774
JUNE	Actual	5,655,858	4,846,395	10,301,853	0.2141	295,504	10,008,449	7,8004	10,761,694	9,812	764,946	0	28,840,620
JULY	Estimated	5,446,208	5,312,750	10,758,957	0.2158	249,820	10,508,337	7,1816	9,303,128	10,346	(2,185,864)	0	26,644,757
AUGUST	Estimated	6,212,530	4,548,472	1,112,054	0.2159	240,089	10,520,903	7,1816	7,986,431	9,128	(2,525,344)	0	24,119,413

* Revised

RECONCILIATION OF DEMAND CHARGES

	DEMAND CHARGES	FIRM SALES	DEMAND CHARGE IN EFFECT	DEMAND CHARGES BILLED	MONTHLY DEMAND OVER/UNDER	CUMULATIVE DEMAND OVER/UNDER
	1	2	3	4 = (2 - 3)	5 = (4 - 1)	6
	\$	\$	\$	\$	\$	\$
2007-2008 UNDER-COLLECTION *						
SEPTEMBER 2008	Actual	5,750,031	1,4100	1,549,535	(4,200,496)	(4,580,088)
OCTOBER	Actual	5,650,439	1,4168	1,993,304	(3,867,136)	(8,237,202)
NOVEMBER	Actual	6,606,602	1,4168	4,815,472	(1,790,030)	(10,027,233)
DECEMBER	Actual	6,270,947	1,4168	10,191,227	3,920,280	(6,106,953)
JANUARY 2009	Actual	6,416,111	1,3894	12,889,516	6,473,405	366,452
FEBRUARY	Actual	6,091,349	1,3819	12,263,944	6,172,595	6,538,046
MARCH	Actual	6,408,953	1,4021	9,380,173	2,971,220	9,510,267
APRIL	Actual	5,923,866	1,4223	6,220,049	296,184	9,806,450
MAY	Actual	5,705,766	1,4223	3,109,553	(2,586,213)	7,210,238
JUNE	Actual	5,630,763	1,4036	1,937,719	(3,693,045)	3,617,183
JULY	Estimated	5,420,787	1,3849	1,601,188	(3,819,569)	(302,376)
AUGUST	Estimated	6,187,093	1,3849	1,540,125	(4,846,968)	(4,949,344)

* Revised

CALCULATION OF RECOVERED CHARGES**SEPTEMBER 1, 2009 - 4th QUARTER FILING**

	<u>50% September</u>	<u>11.5 Months</u>	<u>Total</u>
			(MCF) (\$)
GCR Firm Sales (Mcf)	520,709	50,187,083	50,707,793
GCR (\$ / Mcf)	\$ 7.1815	\$ 7.0900	
Total GCR Projected Recovery	<u>\$ 3,739,474</u>	<u>\$ 355,826,420</u>	<u>\$ 359,565,895</u>
SSPC and Migration Revenue			<u>\$ 107,907</u>
Total Projected Recovery			<u><u>\$ 359,673,802</u></u>

Change In Rates 4th Quarter Filing

Rates Effective September 1, 2009

Distribution Charge

	<u>Delivery</u>		<u>Surcharges</u>		<u>Total</u>
	<u>Delivery Charge</u>	<u>Restructuring & Consumer Education</u>	<u>Universal Service & Ener. Cons.</u>	<u>Surcharges</u>	<u>Distribution Charge / Mcf</u>
Residential GS	\$6.1840	\$0.0230	\$1.9752	\$1.9982	\$8.1822
Commercial GS/MUNGS	\$5.2449	\$0.0230	\$1.9752	\$1.9982	\$7.2431
Industrial GS	\$5.2465	\$0.0230	\$1.9752	\$1.9982	\$7.2447
Phila.Housing Authority (PHA)	\$5.1889	\$0.0230	\$1.9752	\$1.9982	\$7.1871
Municipal (MS)	\$3.8178	\$0.0230	\$1.9752	\$1.9982	\$5.8160
Phila.Housing Authority (GS)	\$5.2817	\$0.0230	\$1.9752	\$1.9982	\$7.2799

Proposed Rates

	<u>06/01/09</u>		<u>09/01/09</u>		<u>09/01/09</u>	<u>Commodity Rate</u> (6)=(4)+(5)	<u>Decrease</u> (7)=(6)-(3)
	<u>Distribution Charge</u> (1)	<u>GCR</u> (2)	<u>Distribution Charge</u> (4)	<u>GCR</u> (5)	<u>GCR</u> (5)		
Residential GS	\$8.6183	\$7.1815	\$8.1822	\$7.0900	\$7.0900	\$15.2722	(\$0.5276)
Commercial GS/MUNGS	\$7.6792	\$7.1815	\$7.2431	\$7.0900	\$7.0900	\$14.3331	(\$0.5276)
Industrial GS	\$7.6808	\$7.1815	\$7.2447	\$7.0900	\$7.0900	\$14.3347	(\$0.5276)
Phila.Housing Authority (PHA)	\$7.6232	\$7.1815	\$7.1871	\$7.0900	\$7.0900	\$14.2771	(\$0.5276)
Municipal (MS)	\$6.2521	\$7.1815	\$5.8160	\$7.0900	\$7.0900	\$12.9060	(\$0.5276)
Phila.Housing Authority (GS)	\$7.7160	\$7.1815	\$7.2799	\$7.0900	\$7.0900	\$14.3699	(\$0.5276)

PHILADELPHIA GAS WORKS
SEPTEMBER 1, 2009 - 4th QUARTER FILING
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE

	<u>Expenses in the Surcharge</u>	
Conservation Works Program (CWP)	\$ 2,300,000	
Customer Responsibility Program (CRP) Discount	\$ 76,254,714	
Senior Citizen Discount	\$ 9,133,060	*
<u>August 2009 Under Collection</u>	<u>\$ 16,202,550</u>	
Total \$ to be Recovered	\$ 103,890,324	
 Total Applicable Volumes	 Mcf <u>52,598,376</u>	
 Universal Service & Energy Conservation Surcharge	 <u><u>\$ 1.9752</u></u>	

* This is the Senior Citizen Discount on the Delivery Charge, GCR and Restructuring Surcharge which is used to calculate the Universal Services Surcharge. The total senior citizen discount is \$10,347,661.

STATEMENT OF RECONCILIATION

UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE

SEPTEMBER 2008 THROUGH AUGUST 2009

Month	Applicable Volumes	USC Charge	USC Revenue Billed	USC Expenses	Monthly Over/(Under) Recovery	Cumulative Over/(Under) Recovery (\$18,270,180)	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09
FY 08 Reconciliation																		
September 2008 Actual	1,149,257	\$ 3,0733	\$ 3,532,010	\$ (1,080,813)	\$ 4,612,823	\$ (13,657,356)												
October Actual	1,482,896	\$ 2,9180	\$ 4,326,507	\$ 600,196	\$ 3,726,311	\$ (9,931,045)												
November Actual	3,508,352	\$ 2,9180	\$ 10,240,289	\$ 3,134,982	\$ 7,105,307	\$ (2,825,738)												
December Actual	7,381,027	\$ 2,9180	\$ 21,479,478	\$ 24,811,028	\$ (3,331,551)	\$ (6,157,289)												
January 2009 Actual	9,430,800	\$ 2,9885	\$ 24,411,627	\$ 33,140,602	\$ (8,728,976)	\$ (14,886,264)												
February Actual	9,073,118	\$ 2,2590	\$ 20,496,173	\$ 31,084,881	\$ (10,588,708)	\$ (25,474,973)												
March Actual	8,892,672	\$ 2,3428	\$ 16,146,774	\$ 22,247,707	\$ (6,100,933)	\$ (31,575,906)												
April Actual	4,524,599	\$ 2,4262	\$ 10,977,591	\$ 12,575,139	\$ (1,597,556)	\$ (33,173,464)												
May Actual	2,271,078	\$ 2,4262	\$ 5,510,090	\$ 4,022,467	\$ 1,487,623	\$ (31,685,841)												
June Actual	1,457,018	\$ 2,4184	\$ 3,525,038	\$ (607,920)	\$ 4,132,957	\$ (27,552,883)												
July Estimated	1,231,710	\$ 2,4125	\$ 2,971,500	\$ (3,292,572)	\$ 6,284,072	\$ (21,268,811)												
August Estimated	1,165,442	\$ 2,4125	\$ 2,859,878	\$ (2,228,383)	\$ 5,086,261	\$ (16,202,550)												
USC Expenses																		
Conservation Works	\$ 11,229	\$ 156,514	\$ 10,208	\$ 371,865	\$ 412,599	\$ 10,385	\$ 429,322	\$ 230,406	\$ 224,514	\$ 116,571	\$ 175,000	\$ 250,000						
CWP Adjustment - PUC Order 12-24-08	\$ -	\$ -	\$ -	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CRP Discount *	\$ (2,019,274)	\$ (816,103)	\$ 1,493,431	\$ 21,643,008	\$ 29,506,857	\$ 28,095,299	\$ 19,333,334	\$ 10,522,599	\$ 2,481,813	\$ (1,778,422)	\$ (4,436,466)	\$ (3,432,201)						
CRP Forgiveness	\$ 593,860	\$ 644,823	\$ 587,872	\$ 663,036	\$ 620,828	\$ 595,793	\$ 781,885	\$ 721,385	\$ 755,265	\$ 729,753	\$ 704,757	\$ 700,587						
Senior Citizen Discount*	\$ 333,372	\$ 414,962	\$ 1,063,471	\$ 2,133,119	\$ 2,610,318	\$ 2,383,404	\$ 1,703,166	\$ 1,100,739	\$ 960,876	\$ 324,178	\$ 264,137	\$ 255,231						
* Revised	\$ (1,080,813)	\$ 600,196	\$ 3,134,982	\$ 24,811,028	\$ 33,140,602	\$ 31,084,881	\$ 22,247,707	\$ 12,575,139	\$ 4,022,467	\$ (607,920)	\$ (3,292,572)	\$ (2,226,383)						

CRP Participation																		
Average participation rate (Actual)	75,819	75,633	76,607	78,490	79,615	81,495	83,047	84,783	85,487	86,726								
Rate case participation rate	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)								
CRP Over (Under) participation	(881)	(867)	107	1,980	3,115	4,985	5,547	8,283	8,987	9,226								
Average Shortfall Per CRP Participant																		
CRP Discount	(2,019,274)	(816,103)	1,493,431	21,643,008	29,506,857	28,095,299	19,333,334	10,522,599	2,481,813	(1,778,422)								
Average participation rate	75,819	75,633	76,607	78,490	79,615	81,495	83,047	84,783	85,487	86,726								
Average shortfall per CRP participant	(27)	(8)	19	278	371	345	233	124	28	(21)								

**RESTRUCTURING &
CONSUMER EDUCATION SURCHARGE RECONCILIATION
FISCAL YEAR 2010**

<u>Month</u>		<u>Firm Volumes</u>	<u>Restructuring & Consumer Education Surcharge</u>	<u>Revenue Billed</u>
September *	Actual	580,334	\$0.0218	\$12,651
October	Actual	1,498,259	\$0.0218	\$32,662
November	Actual	3,556,865	\$0.0218	\$77,540
December	Actual	7,461,552	\$0.0218	\$162,662
January 2009	Actual	9,557,937	\$0.0218	\$208,363
February	Actual	9,193,300	\$0.0218	\$200,414
March	Actual	6,981,645	\$0.0218	\$152,200
April	Actual	4,583,245	\$0.0218	\$99,915
May	Actual	2,297,898	\$0.0218	\$50,094
June	Actual	1,471,136	\$0.0218	\$32,071
July	Estimated	1,242,929	\$0.0218	\$27,096
<u>August</u>	Estimated	<u>1,196,128</u>	\$0.0218	<u>\$26,076</u>
Total		49,621,227		\$1,081,743

* Recovered from 50% of September's billed sales

Restructuring Surcharge Undercollection	\$	3,527,945
FY 2009 R&CES Recovered Through August 2009	\$	<u>1,081,743</u>
Under Collection	\$	(2,446,202)
 FY 2010 Recovery (Remaining Balance / 2 Years)	\$	(1,223,101)
 FY 2010 Firm Volumes		53,212,204
 FY 2010 Restructuring Surcharge / Mcf	\$	0.0230

September 1, 2009

Schedule 12

Actual Natural Gas Billed

	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>
Williams	\$ 2,208,403	\$ 2,122,350	\$ 2,020,236
Texas Eastern	\$ 2,024,829	\$ 1,722,743	\$ 1,774,689
Dominion	\$ 125,243	\$ 131,824	\$ 125,486
Equitrans	\$ 45,375	\$ 45,768	\$ 45,375
Spot Purchases -Transco	\$ 47,126	\$ 23,075	\$ 5,658
Spot Purchases -Tetco	\$ -	\$ -	\$ -
Transco Supply1	\$ -	\$ -	\$ -
Transco Supply2	\$ 5,191,880	\$ 5,241,308	\$ 4,980,814
Transco Supply3	\$ -	\$ -	\$ -
Transco Supply4	\$ -	\$ -	\$ -
Transco Supply5	\$ -	\$ -	\$ -
Transco Supply6	\$ 1,546,500	\$ 1,598,050	\$ 1,546,500
Transco Supply7	\$ 586,775	\$ 1,147,113	\$ 2,112,851
Transco Supply8	\$ 2,422,900	\$ 1,898,150	\$ 1,981,500
Transco Supply9	\$ -	\$ -	\$ -
Transco Supply10	\$ 1,050,000	\$ 1,212,100	\$ 1,142,100
Transco Supply11	\$ -	\$ -	\$ -
Transco Supply12	\$ 783,750	\$ 809,159	\$ 783,750
Transco Supply13	\$ -	\$ -	\$ -
Transco Supply14	\$ -	\$ -	\$ -
Transco Supply15	\$ -	\$ -	\$ -
Transco Supply16	\$ -	\$ -	\$ -
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply18	\$ -	\$ -	\$ -
Transco Supply19	\$ -	\$ -	\$ -
Transco Supply20	\$ 639,000	\$ 675,800	\$ 669,000
Transco Supply21	\$ -	\$ -	\$ -
Transco Supply22	\$ -	\$ -	\$ -
 Tetco Supply1	 \$ 861,740	 \$ 668,392	 \$ 338,399
Tetco Supply2	\$ -	\$ -	\$ -
Tetco Supply3	\$ -	\$ -	\$ -
Tetco Supply4	\$ 657,600	\$ 628,990	\$ 562,800
Tetco Supply5	\$ -	\$ -	\$ -
Tetco Supply6	\$ -	\$ -	\$ -
Tetco Supply7	\$ -	\$ -	\$ -
Tetco Supply8	\$ -	\$ -	\$ -
Tetco Supply9	\$ -	\$ -	\$ -
Tetco Supply10	\$ -	\$ -	\$ -
Tetco Supply11	\$ -	\$ -	\$ -
Tetco Supply12	\$ -	\$ -	\$ -
Tetco Supply13	\$ 1,155,648	\$ 372,000	\$ 360,000
Tetco Supply14	\$ 1,300,500	\$ 1,134,600	\$ 1,197,000
Tetco Supply15	\$ -	\$ -	\$ -
Tetco Supply16	\$ -	\$ -	\$ -
Tetco Supply17	\$ 723,000	\$ 747,100	\$ 723,000
Total Costs	\$ 21,370,268	\$ 20,178,522	\$ 20,369,167
 Capacity Release Credits	 \$ 331,142	 \$ 445,143	 \$ 434,781
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 7,245	\$ 10,381	\$ 7,781
Adjustment/Reconciliation	\$ 573,079	\$ 481,002	\$ (1,306,615)
Total Natural Gas Billed	\$ 22,281,735	\$ 21,115,048	\$ 19,505,104

	Actual			Projected 3rd Qtr Filing Apr-08	Projected 3rd Qtr Filing May-08	Projected 3rd Qtr Filing Jun-08	Total	Actual Over/Under vs Projected			
	Apr-08	May-08	Jun-08					Apr-08	May-08	Jun-08	Total
Total Natural Gas Billed	\$ 22,281,735	\$ 21,115,048	\$ 19,605,104	\$ 22,728,044	\$ 23,904,819	\$ 21,087,892	\$ 67,731,555	\$ (447,305)	\$ (2,788,771)	\$ (1,592,886)	\$ (4,828,688)
Less Interruptible Credit	\$ 552,517	\$ 131,028	\$ 172,263	\$ 375,368	\$ 132,879	\$ 74,615	\$ 582,880	\$ 177,151	\$ (1,851)	\$ 97,848	\$ 272,948
Gas Used For Utility	\$ 470,081	\$ 228,923	\$ 84,237	\$ 488,268	\$ 117,764	\$ 5,928	\$ 591,988	\$ 1,783	\$ 11,159	\$ 78,311	\$ 171,253
	\$ 21,259,137	\$ 20,755,097	\$ 19,248,598	\$ 21,865,360	\$ 23,654,176	\$ 21,017,151	\$ 68,556,707	\$ (628,243)	\$ (2,898,079)	\$ (1,766,547)	\$ (5,283,869)
<u>Pipeline Storages</u>											
(To)	\$ (4,093,983)	\$ (8,198,940)	\$ (9,552,871)	\$ (4,588,142)	\$ (10,088,561)	\$ (10,088,327)	\$ (24,727,030)	\$ 474,159	\$ 1,890,821	\$ 518,358	\$ 2,891,136
From	\$ 7,439,746	\$ 535,038	\$ (4,802)	\$ 7,614,016	\$ -	\$ -	\$ 7,614,016	\$ (174,270)	\$ 535,038	\$ (4,802)	\$ 388,154
Net Pipeline Storages	\$ 3,345,763	\$ (7,663,904)	\$ (9,557,573)	\$ 3,045,875	\$ (10,088,561)	\$ (10,088,327)	\$ (17,113,013)	\$ 298,888	\$ 2,425,657	\$ 511,754	\$ 2,327,288
<u>LNG Storage</u>											
(To)	\$ (74)	\$ -	\$ (20,858)	\$ -	\$ -	\$ -	\$ -	\$ (74)	\$ -	\$ (20,894)	\$ (20,958)
From	\$ 263,572	\$ 864,426	\$ 573,408	\$ 622,520	\$ 646,583	\$ 625,708	\$ 1,894,789	\$ (358,848)	\$ 217,883	\$ (52,298)	\$ (193,363)
Net LNG Storage	\$ 263,498	\$ 864,426	\$ 552,524	\$ 622,520	\$ 646,583	\$ 625,708	\$ 1,894,789	\$ (359,022)	\$ 217,863	\$ (73,182)	\$ (214,341)
Net Natural Gas	\$ 24,888,398	\$ 13,955,619	\$ 10,243,555	\$ 25,553,775	\$ 14,211,178	\$ 11,573,530	\$ 51,338,483	\$ (685,377)	\$ (255,559)	\$ (1,328,975)	\$ (2,270,911)
<u>APPLICABLE GCR EXPENSES</u>											
Net Natural Gas Expense	\$ 24,888,398	\$ 13,955,619	\$ 10,243,555	\$ 25,553,775	\$ 14,211,178	\$ 11,573,530	\$ 51,338,483	\$ (685,377)	\$ (255,559)	\$ (1,328,975)	\$ (2,270,911)
Electric	\$ 25,715	\$ 25,689	\$ 58,388	\$ 75,100	\$ 79,200	\$ 73,500	\$ 234,800	\$ (49,385)	\$ (50,531)	\$ (15,102)	\$ (115,019)
Total GCR Expenses	\$ 24,884,113	\$ 13,981,288	\$ 10,301,953	\$ 25,628,875	\$ 14,287,378	\$ 11,647,030	\$ 51,563,282	\$ (734,762)	\$ (306,090)	\$ (1,345,077)	\$ (2,385,929)

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Thomas Knudsen
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

List of Changes Made by this Tariff Supplement

GAS COST RATE (GCR) – SECTION 1307f, II DEFINITIONS (PAGE No. 67)

In the definition of "GAC," the "GAC" value effective September 1, 2009 increases from \$(0.05867) per Ccf to \$(0.04942) per Ccf.

In the definition of "IRC," the "IRC" value effective September 1, 2009 decreases from \$0.02159 per Ccf to \$0.01140 per Ccf.

In the definition of "SSC," the "SSC" value effective September 1, 2009 decreases from \$0.79841 per Ccf to \$0.76982 per Ccf.

GAS COST RATE (GCR) – SECTION 1307f, III COMPUTATION OF GAS COST RATE (Page No. 68)

The Gas Cost Rate (GCR) effective September 1, 2009 decreases from \$0.71815 per Ccf to \$0.70900 per Ccf.

RESTRUCTURING AND CONSUMER EDUCATION SURCHARGE (PAGE No. 79)

The Restructuring and Consumer Education Surcharge effective September 1, 2009 increases from \$0.00218 per Ccf to \$0.00230 per Ccf.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective September 1, 2009 decreases from \$0.24125 per Ccf to \$0.19752 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services decreases from \$0.71815 per Ccf to \$0.70900 per Ccf, effective September 1, 2009.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service decreases from \$0.71815 per Ccf to \$0.70900 per Ccf, effective September 1, 2009.

PHILADELPHIA HOUSING AUTHORITY SERVICE – RATE PHA (Page No. 90)

The GCR for Philadelphia Housing Authority Service decreases from \$0.71815 per Ccf to \$0.70900 per Ccf, effective September 1, 2009.

**DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE (Pages 135-136)**

The GCR for NGVS Firm decreases from \$0.71815 per Ccf to \$0.70900 per Ccf, effective September 1, 2009.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Thirty Fourth Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Gas Service Tariff _____	First Revised 15
2. Application and Contract for Gas Service _____	First Revised 17
3. Credit and Deposit _____	First Revised 21
4. Billing and Payment _____	First Revised 26
5. Termination and/or Discontinuance of Gas Service _____	First Revised 30
6. Termination of Service for Safety Reasons and Curtailment of Service/ Service Continuity _____	First Revised 38
7. Inquiry, Review, Dispute, and Appeals Process _____	First Revised 41
8. Customer's Responsibility for Company's Property _____	First Revised 44
9. Conditions of Service, Point of Delivery, and Application of Rates _____	47
10. Extensions And Rights-Of-Way _____	First Revised 50
11. Meters: Measurements, Readings, Errors, and Tests _____	First Revised 53
12. Service Charges and Miscellaneous Fees and Provisions _____	First Revised 57
13. Universal Service And Energy Conservation Programs _____	First Revised 59
14. Gas Choice Enrollment and Switching _____	63
15. Supplier of Last Resort _____	First Revised 65

PHILADELPHIA GAS WORKS

	Page Number
RATES (Cover Page) _____	66
Gas Cost Rate _____	Twenty Ninth Revised 67
Revenue Reconciliation Adjustment (RRA) Rider _____	70
Senior Citizen Discount _____	72
Migration/Reverse Migration Rider _____	75
Exit Fee Rider _____	77
Restructuring and Consumer Education Surcharge _____	Thirteenth Revised 79
Universal Services Surcharge _____	Twenty Ninth Revised 81
General Service - Rate GS _____	Thirtieth Revised 83
Municipal Service - Rate MS _____	Thirtieth Revised 87
Philadelphia Housing Authority Service –Rate PHA _____	Thirtieth Revised 90
Boiler and Power Plant Service – Rate BPS _____	Second Revised 93
Load Balancing Service – RATE LBS _____	Second Revised 97
Daily Balancing Service – Rate DB _____	101
Interruptible Transportation Service – Rate IT _____	111
Gas Transportation Service - Rate GTS - Firm Service _____	118
Gas Transportation Service - Rate GTS - Interruptible _____	124
Cogeneration Service - Rate CG _____	Second Revised 131
Developmental Natural Gas Vehicle Service - Rate NGVS Firm Service _____	Sixth Revised 135
Developmental Natural Gas Vehicle Service - Rate NGVS Interruptible Service _____	139
SPECIAL PROVISION – Air Conditioning Rider _____	143
SPECIAL PROVISION – Compressed Natural Gas Rider _____	145
SPECIAL PROVISION – Emergency/Unauthorized Use Gas Rider _____	147
WEATHER NORMALIZATION ADJUSTMENT CLAUSE _____	149

GAS COST RATE (GCR) -- SECTION 1307(f)

I. PROVISION FOR ADJUSTMENT

The Gas Cost Rate shall be applied to each Mcf (1,000 cubic feet) for Firm Retail Sales Service Gas supplied under Rates Schedules GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates calculated in a manner set forth below, pursuant to 66 Pa.C.S. §1307(f). Such rates for Firm Sales Service Gas may be increased or decreased from time to time under the procedures set forth in Section II.B. below to reflect changes in the level of Gas costs incurred or projected to be incurred by PGW related to Sales Service.

II. DEFINITIONS

C - The current cost of Natural Gas and other raw materials determined as follows: (a) for all types of Gas, project the cost for each purchase (adjusted for net current Gas stored) for the computation year plus (b) the of (1) the projected book value of non-current Gas at the beginning of the computation year minus (2) the projected book value of non-current Gas at the end of the computation year. In addition to any cost authorized by the Commission, the cost of Natural Gas may include any item included in the definition of Natural Gas costs set forth in 66 Pa.C.S. § 1307(h) ("Definition"). The Factor "C" includes two components – Commodity Costs and Demand Costs which are defined as follows: Commodity Costs - the actual cost of natural gas and purchased electric for firm customers that does not include the fixed costs associated with the transportation and storage of natural gas; and Demand Costs - the fixed costs associated with the transportation and storage of natural gas for firm customers.

Computation Year - The 12-month forecast period as identified in the Company's annual 1307 (f) filing and each quarterly GCR filing.

E - Experienced net over billing (or under billing) of the cost of Natural Gas and other raw materials applicable to the GCR reported in the most recent Section 1307(f) proceeding. Such over billings (or under billings) will be made with interest at the rate and method set forth by the Pennsylvania Public Utility Commission. Additionally, supplier refunds received prior to the end of the August billing period will be included in the Factor "E." The Factor "E" includes two components – Commodity Costs and Demand Costs which are defined above in the Factor "C" definition.

Firm Sales Service - The service provided to Customers who receive firm supply service from PGW. The term does not include the service provided to Customers who receive interruptible supply service from PGW.

GAC - The "E" factor component of the GCR, representing the net overcollection or undercollection of Natural Gas and other raw materials costs. The currently effective GAC is \$(0.05900) per Ccf for Commodity Costs and \$(0.00958) per Ccf for Demand Costs, for service on or after September 1, 2009. The total Gac is \$(0.04942) per Ccf. (I)

GCR - Gas Cost Rate determined to the nearest one-hundredth cent (\$0.0001) to be applied to each Mcf of Gas supplied under Rates GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates and is equal to the SSC plus the GAC minus the IRC.

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$.01140 per Ccf for service on or after September 1, 2009. (D)

Natural Gas or Gas - The volumes of gas purchased or manufactured by the Company that is delivered to the Company's Customers, plus such portion of the Company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas,

(D) – Decrease ; (I) – Increase

liquefied propane and naphtha.

S - Projected applicable Mcf of Gas to be billed to Customers during the computation year.

SSC-Sales Service Charge - The purchased Gas costs determined to the nearest $\frac{1}{100}$ of a cent (\$0.0001). The currently effective SSC is \$0.63445 per Ccf for Commodity Costs and \$0.13537 per Ccf for Demand Costs, for service on or after September 1, 2009. The total SSC is \$0.76982 per Ccf.

(D)

(D) – Decrease

PHILADELPHIA GAS WORKS

III. COMPUTATION OF GAS COST RATE

A. The GCR shall be computed to the nearest one-thousandth cent (\$0.00001) in accordance with the formula set forth below as the terms are defined in Section II:

$$\begin{aligned}\text{SSC} &= \text{C/S} \\ \text{GAC} &= \text{E/S} \\ \text{GCR} &= \text{SSC} + \text{GAC} - \text{IRC}\end{aligned}$$

B. Each Gas Cost Rate so computed shall be applied to Customers' bills for twelve monthly billing periods commencing with September.

The currently effective Gas Cost Rate is \$0.70900 per Ccf, for service on or after September 1, 2009. (D)

IV. REPORTING REQUIREMENTS

A. The Company's rates are subject to quarterly adjustments for recovery of the Gas Cost Rate under procedures set forth in Section 1307 (f) of the Public Utility Code.

B. The filing of the Company's annual Section 1307(f) filing, annual Gas Cost Rate, effective during the billing period of September through August, shall be submitted to the Commission by March 1 of each year, with a February 1 pre-filing date.

C. The application of the Gas Cost Rate shall be subject to review and audit by the Commission at such intervals as the Commission shall determine.

D. If it shall be determined, from audit by the Commission, or by final order entered after notice and hearing, that the application of this clause has resulted in the overcollection or undercollection of revenues, then the Company shall apply such over/undercollection as a credit or debit against future Gas Cost Rates.

V. PROVISION FOR INCLUSION OF SPECIFIC NON-GAS EXPENSES

The computation of the Gas Cost Rate may include such Non-Gas expenses as may be authorized by this tariff and annually authorized by the Commission.

VI. INTERRUPTIBLE REVENUE CREDIT (IRC)

A. The GCR rate shall be credited with an Interruptible Revenue Credit (IRC) equal to the margin realized from interruptible sales under PGW's Interruptible Sales Tariff Rates: BPS, LBS; and CG (Total Margin Revenue).

B. The IRC shall be set each year in the Company's 1307(f) proceeding to reflect the Total Margin Revenue. The rate per Mcf shall be calculated by dividing the Total Margin Revenue by total applicable firm sales. For the period September 1, 2003 through August 31, 2004 the IRC shall be initially set to reflect the Total Margin Revenue authorized by the Commission in its final order at M-00021612 (entered March 31, 2003).

(D) - Decrease

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 = \$ 0.00230/Ccf

(I)

(I) – Increase

UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE

Universal service and energy conservation program and related costs will be recovered by a Universal Service and Energy Conservation Surcharge applicable to all volumes of Gas delivered.

1. The Surcharge will recover: 1) the discounts provided to Customers pursuant to the Customer Responsibility Program (CRP); 2) the discounts provided to Customers pursuant to the Senior Citizen Discount; 3) the costs of the Conservation Works Program (CWP); and, 4) for Customers entering the CRP program on or after September 1, 2003, past due arrearages forgiven pursuant to paragraph A (6) of the CRP/CAP Program Design Stipulation approved by the Commission by its order at M-00021612 (entered March 31, 2003).
2. Computation of the Universal Service and Energy Conservation Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307(f) of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
3. Once the surcharge is in place it will be automatically adjusted effective March 1, June 1, September 1, and December 1 of each year in accordance with Section 1307(f) quarterly adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the total universal service and energy conservation program costs approved for annual recovery by the estimated applicable throughput in Mcfs.
4. The Universal Service and Energy Conservation Surcharge shall take effect upon the effective date of this Tariff.

Current Universal Service and Energy Conservation Surcharge = \$ 0.19752/Ccf.

(D)

(D) - Decrease

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this
Rate Schedule on or after September 1, 2009

AVAILABILITY

Available for any purpose where the Company's distribution mains adjacent to the proposed Gas
Service location are, or can economically be made, suitable to supply the quantities of Gas or
Transportation Services required.

RATES

CUSTOMER CHARGE (per Meter (except parallel meters)):

\$ 12.00	per month for Residential and Public Housing Authority Customers.
\$ 18.00	per month for Commercial and Municipal Customers
\$ 50.00	per month for Industrial Customers

Plus,

GCR (not applicable to GS Customers who transport gas through a qualified NGS):

\$ 0.70900	per Ccf for Residential and Public Housing	(D)
\$ 0.70900	per Ccf for Commercial and Municipal Customers	(D)
\$ 0.70900	per Ccf for Industrial Customers	(D)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) **Delivery Charge:**

\$0.61840	per Ccf for Residential
\$0.52817	per Ccf for Public Housing
\$0.52449	per Ccf for Commercial and Municipal Customers
\$0.52465	per Ccf for Industrial Customers

(B) **Surcharges:**

Universal Service and Energy Conservation Surcharge; and Restructuring and Consumer
Education Surcharge.

(D) – Decrease

MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after September 1, 2009.

AVAILABILITY

Available to properties owned or occupied by the City of Philadelphia or the Board of Education, or any of their respective agencies or instrumentalities, for any type of Gas Service, unless purchased for resale to others, and where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required; provided, however, that the rate shall not be available to Commercial Tenants of any such property.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters):

\$ 18.00 per month

Plus,

GCR (not applicable to MS Customers who transport Gas through a qualified NGS):

\$ 0.70900 per Ccf (D)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) **Delivery Charge:**

\$0.38178 per Ccf

(B) **Surcharges:**

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge.

Also,

The following Riders may apply:

(D) – Decrease

PHILADELPHIA HOUSING AUTHORITY SERVICE - RATE PHA

Rate: Applicable to all Retail Sales Service or Transportation Services rendered pursuant to this Rate
Schedule on or after September 1, 2009

AVAILABILITY

Available for all Gas usage in multiple dwelling Residential buildings containing 10 or more dwelling units, owned and operated by the Philadelphia Housing Authority, where cooking shall be performed exclusively with Gas and where Gas Service shall be supplied through one or more single point metering arrangements at locations where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required.

This rate is also available for all Gas usage in single and multiple dwelling Residential buildings, containing less than 10 dwelling units, provided, and only so long as, Gas is used exclusively for cooking, water heating and space heating for all such Residential buildings owned and operated by the Philadelphia Housing Authority, except (a) buildings operated by the Philadelphia Housing Authority, prior to the original effective date of this rate (January 1, 1969), and (b) buildings for which, in the judgment of the Company, such Gas Service cannot be provided economically.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters):

\$18.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.70900 per Ccf (D)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of Item (A) and (B), below):

(A) Delivery Charge:

\$0.51889 per Ccf

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease

PHILADELPHIA GAS WORKS

DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE

Rate: Applicable to all Retail Sales Service rendered pursuant to this Rate Schedule on or after
September 1, 2009

AVAILABILITY

This service is available to provide uncompressed Natural Gas to any Customer for the exclusive purpose of compressing such Gas for use as fuel for motor vehicles. The compression of the Natural Gas to the pressure required for use as a motor vehicle fuel will be conducted by the Customer, at the Customer's designated premises. Service shall only be available where the Company's distribution system is, or can economically be made available to supply the service. Each Customer will be required to execute a service agreement which will specify terms and conditions of service.

CHARACTER OF SERVICE

Service under this rate schedule is firm and shall only be interrupted in the case of operating emergencies experienced by the Company.

MONTHLY RATE

CUSTOMER CHARGE:

\$35.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.70900 per Ccf

(D)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) **Delivery Charge:**

\$0.13212 per Ccf

(B) **Surcharges:**

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease

PHILADELPHIA GAS WORKS

GAS SUPPLIER TARIFF



**Issued by: Thomas Knudsen
President and CEO
PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122**

List of Changes Made by this Tariff

9.14. LOAD BALANCING SURCHARGE, 9.14.A. (Page No. 39)

The load balancing charge increases from \$42.2161 per design day Mcf to \$42.4177 per design day Mcf.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Thirtieth Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Table of Contents (continued) _____	7
Left Blank for Future Use _____	8
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Supplier Tariff _____	14
2. Availability _____	16
3. Character of Service _____	18
4. Supplier Qualification _____	20
5. Customer List _____	23
6. Supplier Selection Procedures _____	25
7. Supplier Obligations _____	29
8. Operational Requirements _____	33
9. Special Provisions _____	37
10. Nomination Procedure _____	44
11. Financial Security _____	46
12. Supplier Billing and Payment _____	48
13. Supplier Exit Procedures _____	54
14. Breach of Obligations _____	57
15. Standards of Conduct _____	60

9.14. LOAD BALANCING CHARGE.

9.14.A. Suppliers for all gas delivered under Firm Transportation Rates, of this Suppliers Tariff shall be charged at \$42.4177 per design day Mcf that is fulfilled by PGW storage and peaking assets, for recovery of those costs for Balancing Service, calculated in the manner set forth in the Commission's Order at M-00021612 (entered March 31, 2003) and as set forth below. Such rate for Balancing Service shall be increased or decreased, from time to time, in accordance with applicable law and procedures.

(i)

9.14.B. Computation of Balancing Service Costs per Dth.

9.14.B.1. Formula. Balancing Service Costs, per design day Mcf, that is fulfilled by PGW storage and peaking assets, shall be computed to the nearest one-hundredth cent (\$0.0001) in accordance with the formula set forth below:

$$BSC = ((C - E) / (S))$$

Projected Balancing Service Costs, so computed, shall be charged to Suppliers of Firm Transportation Rates per Customer per design day Mcf that is fulfilled by PGW storage and peaking assets for an enrollment month. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the PUC's regulations adopted pursuant thereto.

9.14.B.2. Definitions. In computing the Balancing Service Costs, per Dth, pursuant to the formula above, the following definitions shall apply:

"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (\$0.0001) to be charged to each design day Mcf that is fulfilled by PGW storage and peaking assets, under Rate Schedule Firm.

"C" - Cost in dollars: for all types of storage and related services, the fixed and variable costs for the projected period when rates will be in effect.

"E" - the net overcollection or undercollection of Balancing Service Costs.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the PUC for the Company's Section 1307(f) Tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate. Interest shall be computed monthly at the rate as provided for in Section 1307(f) of the Public Utility Code from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. Such over billings (or under billings) will be made with interest at the statutory rate.

"S" - projected Mcf of storage gas/LNG to be delivered to Customers to meet design day needs during the projected period when rates will be in effect.

(i) - Increase

Philadelphia Gas Works

Gregory J. Stunder
Senior Attorney



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 684-6878 – Fax (215) 684-6798
Email: greg.stunder@pgworks.com

November 30, 2009

VIA EXPRESS MAIL

James J. McNulty
Secretary
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

Re: Pa. PUC v. Philadelphia Gas Works; R-2009-2088076,
December 1, 2009 First Quarterly GCR Filing

Dear Secretary McNulty:

Enclosed for filing are an original and three (3) copies of PGW's December 1, 2009 Quarterly Gas Cost Rate ("GCR") filing. If you have any questions, please contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder", is written over the typed name.

Gregory J. Stunder

Enclosures

cc: All Parties of Record
Karen Moury, Esq., Director of Operations (w/enc.)
Robert F. Wilson, Bureau of Fixed Utility Services (w/enc.)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL AND REGULAR MAIL

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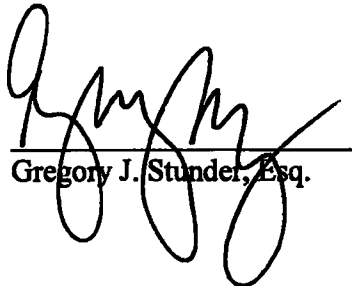
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2067 Massachusetts Avenue
Cambridge MA 02140



Gregory J. Stunder, Esq.

Date: November 30, 2009

Statement

Known per dekatherm natural gas prices are used through the month of November, 2009. Where known and quantifiable, actual per dekatherm prices for locked-in quantities of gas are used for all other months. Any remaining volumes not locked-in for price for the months of December, 2009 through February, 2010 are based on the NYMEX Futures Closing Prices of 11-3-09. For the period of March, 2010 through November, 2010, the average price of the NYMEX Futures Closing Prices of 11-3-09 and the November, 2009 Global Insight Forecast were used. The latest applicable pipeline tariff transportation and fuel charges from specific basin points have been incorporated into these pricing determinants. Forecasted temperatures for the period are assumed to be normal (i.e. the forecast incorporates the normal 4,412 degree-day pattern).

1ST QUARTER FILING - DECEMBER 1, 2009

TABLE OF CONTENTS

Levelized Gas Cost Rate.....	Schedule 1
Sales & Volumes.....	Schedule 2
Projected Applicable Fuel Expense.....	Schedule 3
Interruptible Revenue Credit – September 2008 To August 2009.....	Schedule 4a
IRC Finalized Reconciliation – September 2007 To August 2008.....	Schedule 4b
Interest Rate Calculation.....	Schedule 5a
Interest Calculation.....	Schedule 5b
Interest Adjustment Calculation.....	Schedule 5b1
Interest on Natural Gas Refunds.....	Schedule 5c
Demand and Commodity Interest Calculation.....	Schedule 5d
GCR Statement of Reconciliation – December 2009 Through November 2010...	Schedule 6
GCR Statement of Reconciliation – September 2009 Through November 2009...	Schedule 7
GCR Finalized Statement of Reconciliation - Fiscal Year 2008-2009.....	Schedule 8
Calculation of Recovered Charges.....	Schedule 9
Changes in Rates.....	Schedule 10
Universal Service & Energy Conservation Surcharge (USC).....	Schedule 11
USC Statement of Reconciliation - September 2009 Through November 2009...	Schedule 12
FY 09 USC - Finalized Statement of Reconciliation	Schedule 13
Unaccounted For Factor (UAF).....	Schedule 14
Natural Gas Prices.....	Schedule 15
Actual Natural Gas Billed.....	Schedule 16
Summary of Fuels Purchased.....	Schedule 17

Philadelphia Gas Works
Levelized Gas Cost Rate
1st Quarter Filing - December 1, 2009

Formula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			50,681,084	Schedule 2
Net Natural Gas Expense	\$ 67,642,928	\$ 313,215,875	\$ 380,858,803	
Purchased Electric Expense	\$ -	\$ 1,024,200	\$ 1,024,200	
C = Total Applicable GCR Expense	\$ 67,642,928	\$ 314,240,075	\$ 381,883,003	Schedule 3
SSC = C / S	\$ 1.3347	\$ 6.2003	\$ 7.5350	
Adjustment For:				
Prior Reconciliation	\$ 13,691,354	\$ (22,804,731)	\$ (9,113,377)	Schedule 7
E = Adjustments to GCR Expenses	\$ 13,691,354	\$ (22,804,731)	\$ (9,113,377)	
GAC = E / S	\$ 0.2701	\$ (0.4500)	\$ (0.1798)	
Interruptible Revenue Credit			\$ 5,769,594	Schedule 4a
IRC = Interruptible Revenue Credit / S			\$ 0.1138	
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 367,000,033	
<u>GCR = SSC + GAC - IRC</u>			\$ 7.2413	
SSC in effect 12/01/09	\$ 1.3362	\$ 6.2075	\$ 7.5437	
GAC in effect 12/01/09	\$ 0.2705	\$ (0.4505)	\$ (0.1800)	
IRC in effect 12/01/09			\$ (0.1140)	
GCR in effect 12/01/09			\$ 7.2497	Schedule 9
Recovery Test on:				
Firm Sales (Mcf)			50,681,084	
= Total Projected Recovery			\$ 367,001,377	Schedule 9
Compared To				
Net Applicable GCR Expenses			\$ 367,000,033	
= Net Over/(Under) Recovery			\$ 1,344	Schedule 8
Degree Days			4,412	

SALES & VOLUMES**December 2009 Through November 2010**

MONTH	FIRM			TOTAL BILLED SALES	INTERRUPTIBLE SALES	TOTAL GCR FIRM SALES	SENIOR CITIZEN DISCOUNT SALES	TOTAL APPLICABLE VOLUMES
	TOTAL VOLUMES	TRANSPORT VOLUMES	2					
	1	2	3 = 1 - 2	4	5 = 3 - 4	6	7 = 5 - 6 + 2	
DECEMBER 2009	6,988,563	277,814	6,710,749	140,960	6,569,789	81,690	6,765,913	
JANUARY 2010	10,892,465	427,716	10,464,749	161,720	10,303,029	132,972	10,597,773	
FEBRUARY	9,631,609	389,507	9,242,102	137,507	9,104,595	115,937	9,378,165	
MARCH	7,649,364	322,877	7,326,487	111,601	7,214,886	90,045	7,447,718	
APRIL	5,301,860	244,604	5,057,256	63,086	4,994,170	61,655	5,177,119	
MAY	2,580,792	143,079	2,437,713	29,722	2,407,991	27,167	2,523,903	
JUNE	1,550,369	114,931	1,435,438	14,634	1,420,804	12,948	1,522,787	
JULY	1,252,026	96,692	1,155,334	15,733	1,139,601	9,940	1,226,353	
AUGUST	1,205,704	94,360	1,111,344	15,879	1,095,465	9,171	1,180,654	
SEPTEMBER	1,142,633	88,800	1,053,833	19,785	1,034,048	8,501	1,114,347	
OCTOBER	1,801,240	120,592	1,680,648	49,484	1,631,164	14,502	1,737,254	
NOVEMBER	4,058,242	205,923	3,852,319	86,777	3,765,542	38,971	3,932,494	
TOTAL	54,054,868	2,526,896	51,527,972	846,888	50,681,084	603,500	52,604,480	

PROJECTED APPLICABLE FUEL EXPENSE SUMMARY

DECEMBER 2009 - NOVEMBER 2010

	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	TOTAL
NATURAL GAS BILLED													
DEMAND CHARGE	\$8,028,934	\$8,024,242	\$8,077,833	\$5,991,917	6,423,728	5,383,236	5,418,226	5,377,940	5,376,373	5,411,508	5,371,984	5,759,911	67,842,928
COMMODITY CHARGE	37,477,748	40,604,272	36,433,882	31,617,735	22,466,913	23,783,817	17,276,880	17,448,041	17,886,215	18,384,784	26,341,481	22,668,275	311,888,813
TOTAL NATURAL GAS BILLED	45,506,682	48,628,514	44,511,715	37,609,652	27,890,639	29,167,053	22,695,106	22,825,981	23,262,588	23,796,292	31,713,465	28,428,186	379,731,741
INTERRUPTIBLE CREDIT	882,760	1,058,380	885,449	656,192	375,768	166,916	81,653	90,764	82,356	114,161	284,359	525,138	5,222,935
SENDOUT VOLUME IN MCF	148,528	189,108	142,939	116,910	66,578	30,897	16,212	16,385	16,508	20,567	51,439	90,205	880,342
DKT CONVERSION FACTOR	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	1.0320	
PRICE \$/DKT	8.838	6.101	6.070	5.481	5.553	5.235	5.201	5.378	5.422	5.378	5.357	5.841	
GAS USED FOR UTILITY	604,261	834,746	948,911	712,940	426,685	176,815	31,049	63,686	28,321	66,017	125,764	289,587	4,305,885
NATURAL GAS													
TO STORAGE	16,880,691	22,030,087	17,161,255	11,682,250	7,389,429	169,499	-	-	-	-	-	-	(72,792,607)
FROM STORAGE	147,844	345,110	118,869	60,868	-	-	-	-	-	-	9,585	11,173,289	88,475,965
NET NATURAL GAS STORAGE	16,880,691	22,030,087	17,161,255	11,682,250	7,389,429	169,499	-	-	-	-	9,585	11,173,289	88,475,965
LNG													
TO STORAGE	(1,448,185)	2,480,697	2,037,573	(2,258,023)	(1,464,534)	(1,464,534)	(733,533)	-	-	(363,407)	(1,803,747)	(2,465,817)	(13,185,710)
FROM LNG	1,058,808	40,171	221,272	577,084	546,807	559,150	522,884	538,818	538,818	518,683	528,111	494,871	10,389,204
NET LNG STORAGE	(389,377)	2,480,697	2,037,573	(2,258,023)	(1,464,534)	(1,464,534)	(733,533)	-	-	-	-	6,708	429,237
NET NATURAL GAS EXPENSE	58,510,936	69,246,163	69,866,683	48,538,489	26,923,637	16,995,055	11,319,080	11,654,494	11,673,472	12,416,091	20,820,776	38,796,045	380,888,803
APPLICABLE GCR EXPENSE													
NET NATURAL GAS EXPENSE	58,510,936	69,246,163	69,866,683	48,538,489	26,923,637	16,995,055	11,319,080	11,654,494	11,673,472	12,416,091	20,820,776	38,796,045	380,888,803
PURCHASED ELECTRIC	100,100	94,800	130,400	112,300	79,200	79,400	73,700	66,100	69,200	66,500	78,200	91,300	1,024,200
TOTAL APPLICABLE EXPENSES	58,611,036	69,340,963	69,996,983	48,648,789	26,998,837	16,171,455	11,392,780	11,720,594	11,732,672	12,482,591	20,898,976	38,887,345	381,883,003
TOTAL GCR FIRM SALES	6,669,789	10,303,029	9,104,685	7,214,886	4,994,170	2,407,991	1,420,804	1,139,601	1,098,465	1,034,048	1,831,184	3,765,542	50,681,084

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2010

Fiscal Year 2008 Reconciliation \$ 3,261,459 (Schedule 4b)

<u>MONTH</u>		<u>MARGIN</u>
September-08	Actual	\$ 139,560
October	Actual	\$ 488,713
November	Actual	\$ 1,084,309
December	Actual	\$ 1,083,757
January-09	Actual	\$ 590,846
February	Actual	\$ 626,037
March	Actual	\$ 381,999
April	Actual	\$ 352,072
May	Actual	\$ 72,595
June	Actual	\$ 150,458
July	Actual	\$ 83,207
<u>August</u>	Actual	\$ <u>112,554</u>
Fiscal Year 2009 Margin		\$ 5,166,107

FY 2009 Actual Margin and FY 2008 Reconciliation	\$ 8,427,566	
Fiscal Year 2009 Actual Credit	\$ <u>10,125,993</u>	(Schedule 8)
Reconciliation as of August 2009	\$ (1,698,427)	

Fiscal Year 2007 Actual Margin	\$ 7,050,602	
Fiscal Year 2008 Actual Margin	\$ 10,187,353	(Schedule 4b)
<u>Fiscal Year 2009 Actual Margin</u>	\$ <u>5,166,107</u>	
3 Year Average - FY 2010 Estimated Margin	\$ 7,468,021	
Reconciliation as of August 2009	\$ <u>(1,698,427)</u>	
Fiscal Year 2010 Interruptible Revenue Credit	\$ 5,769,594	

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2008

Fiscal Year 2007 Reconciliation **\$ (692,770) (Schedule 4b)**

<u>MONTH</u>		<u>MARGIN</u>
September-07	Actual	\$ 531,778
October	Actual	\$ 315,204
November	Actual	\$ 1,166,910
December	Actual	\$ 1,625,112
January-08	Actual	\$ 1,963,960
February	Actual	\$ 1,859,319
March	Actual	\$ 1,476,652
April	Actual	\$ 494,401
May	Actual	\$ 378,291
June	Actual	\$ 104,816
July	Actual	\$ 121,668
<u>August</u>	Actual	\$ <u>149,245</u>
Fiscal Year 2008 Margin		\$ 10,187,353

FY 2008 Actual Margin and FY 2007 Reconciliation	\$ 9,494,583
Fiscal Year 2008 Actual Credit	\$ <u>6,233,125</u>
Reconciliation as of August 2008	\$ 3,261,459

CALENDAR YEAR 2008
PHILADELPHIA GAS WORKS
INTEREST RATE CALCULATION

	Split Month		Split Month		Split Month		Split Month	
	01/01/2008	03/01/2008	04/01/2008	06/01/2008	07/01/2008	08/01/2008	10/01/2008	
SSC in Effect	\$ 10.7688	\$ 10.9166	\$ 11.0644	\$ 12.3503	\$ 13.6382	\$ 13.5080	\$ 13.3798	
GAC in Effect	\$ (0.0639)	\$ (0.1294)	\$ (0.2048)	\$ (0.3394)	\$ (0.4740)	\$ (0.4922)	\$ (0.5106)	
IRC in Effect	\$ (0.1370)	\$ (0.1370)	\$ (0.1370)	\$ (0.1378)	\$ (0.1386)	\$ (0.1776)	\$ (0.2166)	
Total Effective	\$ 10.5779	\$ 10.6502	\$ 10.7226	\$ 11.8731	\$ 13.0236	\$ 12.8382	\$ 12.6527	

* Revised

**FISCAL YEAR 2009
PHILADELPHIA GAS WORKS
INTEREST CALCULATION**

Month	09/01/2008		10/01/2008		01/01/2009		02/01/2009		03/01/2009		04/01/2009		05/01/2009		07/01/2009				
	Split Month		Split Month		Split Month		Split Month		Split Month		Split Month		Split Month		Split Month				
SSC in Effect		\$	13.6362	\$	13.5080	\$	13.3788	\$	12.1846	\$	10.9894	\$	10.0918	\$	9.1937	\$	8.5939	\$	7.9841
GAC in Effect		\$	(0.4740)	\$	(0.4923)	\$	(0.5105)	\$	(0.2957)	\$	(0.0828)	\$	(0.3226)	\$	(0.5623)	\$	(0.5745)	\$	(0.5867)
IRC in Effect		\$	(0.1386)	\$	(0.1776)	\$	(0.2166)	\$	(0.2113)	\$	(0.2689)	\$	(0.2091)	\$	(0.2422)	\$	(0.2141)	\$	(0.2169)
Total Effective		\$	13.0236	\$	12.8381	\$	12.6527	\$	11.6767	\$	10.7007	\$	9.5599	\$	8.4192	\$	7.8003	\$	7.1815

Month	NET COST OF FUEL (1)	FIRM SALES (2)	C FACTOR		ADJUSTMENT FOR ACTUAL REVENUE		OVER/ (UNDER) RECOVERY (7)=(6)-(1)	INTEREST RATE (8)	TIME FACTOR (9)	INTEREST EXPENSE (10)=(7)*(8)*(9)	INTEREST ON REFUNDS (11)	TOTAL INTEREST (12)=(10 + 11)
			RECOVERY RATE (3)	REVENUES BILLED (4)=(2)*(3)	REVENUE (5)	REVENUES BILLED (6)=(4)*(5)						
SEPTEMBER 2008	18,977,677	1,099,000	13.5080	14,845,319	0.9938	14,753,334	(4,224,343)	8%	18/12	(508,921)	2,780	(504,141)
OCTOBER	32,497,717	1,406,906	13.3798	18,824,186	0.9983	18,792,575	(13,705,142)	8%	17/12	(1,553,249)	0	(1,553,249)
NOVEMBER	50,812,595	3,398,837	13.3798	45,475,914	0.9990	45,431,400	(5,381,195)	8%	16/12	(573,994)	0	(573,994)
DECEMBER	86,028,874	7,193,130	13.3798	96,242,986	0.9997	96,216,360	10,187,486	8%	15/12	1,018,749	0	1,018,749
JANUARY *	122,281,446	9,221,074	12.1846	112,355,348	0.9888	111,086,289	(11,185,157)	6%	14/12	(782,961)	0	(782,961)
FEBRUARY	78,414,407	8,874,697	10.9894	97,527,658	0.9998	97,510,111	19,095,704	6%	13/12	1,241,221	0	1,241,221
MARCH	70,226,784	6,690,089	10.0916	67,513,388	0.9896	66,814,343	(3,412,441)	6%	12/12	(204,746)	0	(204,746)
APRIL	24,894,113	4,373,233	9.1937	40,206,192	1.0024	40,304,472	15,410,359	6%	11/12	847,570	0	847,570
MAY	13,981,288	2,186,285	9.1937	20,100,047	1.0019	20,137,981	6,156,893	6%	10/12	307,835	0	307,835
JUNE	10,301,953	1,380,535	8.5889	11,857,309	0.9994	11,849,632	1,547,679	6%	9/12	69,646	0	69,646
JULY	10,075,761	1,162,540	7.9841	9,281,890	1.0121	9,393,797	(681,964)	6%	8/12	(27,279)	251	(27,028)
AUGUST	10,575,549	1,017,205	7.9841	8,121,515	1.0115	8,214,589	(2,360,960)	6%	7/12	(82,634)	4,772	(77,862)
* Revised												
Total	529,068,164	48,003,530		542,351,752		540,514,881	11,446,717			(246,765)	7,803	(238,962)
Interest from Schedule 5b1												1,212,702
Total Interest												973,740

INTEREST ADJUSTMENT CALCULATION

MONTH	Split			Split									
	NET COST OF FUEL (1)	FIRM SALES (2)	C FACTOR RECOVERY RATE (3)	C FACTOR REVENUES		C FACTOR REVENUES		ADJUSTED C FACTOR REVENUES		OVER/ (UNDER) RECOVERY (7)=(6)-(1)	INTEREST RATE ⁽¹⁾ (8)	TIME FACTOR (9)	INTEREST EXPENSE (10)=(7)*(8)*(9) (\$)
				BILLED (4)=(2)*(3)	ADJUSTMENT FOR ACTUAL REVENUE (5)	BILLED (6)=(4)*(5)	BILLED (4)=(2)*(3)	ADJUSTMENT FOR ACTUAL REVENUE (5)	BILLED (6)=(4)*(5)				
	01/01/2008	03/01/2008	04/01/208	06/01/2008	07/01/2008								
SSC in Effect	\$ 10.7688	\$ 10.8166	\$ 11.0644	\$ 12.3503	\$ 13.6362								
GAC in Effect	\$ (0.0539)	\$ (0.1294)	\$ (0.2048)	\$ (0.3394)	\$ (0.4740)								
IRC in Effect	\$ (0.1370)	\$ (0.1370)	\$ (0.1370)	\$ (0.1378)	\$ (0.1386)								
Total Effective	\$ 10.5779	\$ 10.6502	\$ 10.7226	\$ 11.8731	\$ 13.0236								
JANUARY 2008	83,672,610	7,926,980	10.7688	85,364,331	0.9998	85,348,895	1,676,285	2%	26/12	72,639			
FEBRUARY	76,410,711	7,827,171	10.7688	84,289,500	0.9999	84,281,375	7,870,664	2%	25/12	327,944			
MARCH	62,938,685	6,820,413	10.9166	74,455,879	1.0006	74,503,023	11,584,338	2%	24/12	462,574			
APRIL	34,227,732	4,411,145	11.0644	48,806,730	0.9998	48,798,303	14,570,571	2%	23/12	558,539			
MAY	26,312,908	2,150,657	11.0644	23,795,757	1.0003	23,801,952	(2,510,956)	2%	22/12	(92,068)			
JUNE	19,454,921	1,519,116	12.3503	18,761,525	0.9934	18,637,461	(817,460)	2%	21/12	(28,611)			
JULY	19,685,017	1,115,708	13.6362	15,213,977	0.9976	15,177,678	(4,507,339)	2%	20/12	(150,245)			
AUGUST	12,251,684	1,047,640	13.6362	14,285,803	0.9945	14,207,401	1,955,717	2%	19/12	61,931			
	334,954,268	32,818,830		364,973,503		364,756,089	29,801,821			1,212,702			

(1) Interest is calculated at 8% (See Schedule 5a) and was previously paid at 6%

FISCAL YEAR 2009
PHILADELPHIA GAS WORKS
INTEREST ON NATURAL GAS REFUNDS

<u>MONTH</u>	NATURAL GAS REFUNDS (9) (\$)	INTEREST RATE (10)	TIME FACTOR (11)	INTEREST ON REFUNDS (13)=(9)*(10)*(11) (\$)
SEPTEMBER 08	30,893	6%	18/12	2,780
OCTOBER	0	6%	17/12	0
NOVEMBER	0	6%	16/12	0
DECEMBER	0	6%	15/12	0
JANUARY 09	0	6%	14/12	0
FEBRUARY	0	6%	13/12	0
MARCH	0	6%	12/12	0
APRIL	0	6%	11/12	0
MAY	0	6%	10/12	0
JUNE	0	6%	9/12	0
JULY	6,275	6%	8/12	251
AUGUST	<u>136,343</u>	6%	7/12	<u>4,772</u>
TOTAL	173,510			7,803

FISCAL YEAR 2009
PHILADELPHIA GAS WORKS
DEMAND AND COMMODITY INTEREST CALCULATION

MONTH	(1) OVER/ (UNDER) RECOVERY (1) (\$)	DEMAND CHARGE OVER/(UNDER) RECOVERY (2) (\$)	COMMODITY CHARGE OVER/(UNDER) RECOVERY (3)=(1)-(2) (\$)	INTEREST RATE (4)	TIME FACTOR (5)	DEMAND INTEREST EXPENSE (6)=(2)*(4)*(5) (\$)	COMMODITY INTEREST EXPENSE (7)=(3)*(4)*(5) (\$)	TOTAL INTEREST EXPENSE (8)=(6)+(7) (\$)	(2) INTEREST ON REFUNDS (9) (\$)	TOTAL INTEREST (10)=(8)+(9) (\$)
SEPTEMBER 2008	(4,224,343)	(4,200,498)	(23,847)	8%	18/12	(504,059)	(2,882)	(506,921)	2,780	(504,141)
OCTOBER	(13,705,142)	(3,657,135)	(10,048,008)	8%	17/12	(414,475)	(1,138,774)	(1,553,249)	0	(1,553,249)
NOVEMBER	(5,381,195)	(1,790,030)	(3,591,165)	8%	16/12	(190,937)	(383,058)	(573,994)	0	(573,994)
DECEMBER	10,187,486	3,920,280	6,267,206	8%	15/12	382,028	628,721	1,018,749	0	1,018,749
JANUARY * 2009	(11,185,157)	6,487,388	(17,672,555)	8%	14/12	454,118	(1,237,079)	(782,961)	0	(782,961)
FEBRUARY	19,085,704	6,172,585	12,923,109	8%	13/12	401,219	840,002	1,241,221	0	1,241,221
MARCH	(3,412,441)	2,971,220	(6,383,661)	8%	12/12	178,273	(383,020)	(204,746)	0	(204,746)
APRIL	15,410,359	286,184	15,114,175	8%	11/12	16,280	831,280	847,570	0	847,570
MAY	6,156,693	(2,596,213)	8,752,906	8%	10/12	(128,811)	437,845	307,835	0	307,835
JUNE	1,547,679	(3,883,045)	5,240,723	8%	9/12	(168,187)	235,833	69,646	0	69,646
JULY	(881,984)	(3,953,344)	3,271,379	8%	8/12	(158,134)	130,855	(27,279)	251	(27,028)
AUGUST	(2,380,980)	(4,383,319)	2,022,359	8%	7/12	(153,416)	70,783	(82,634)	4,772	(77,862)
TOTAL FY 2009	11,448,717	(4,425,905)	15,872,622			(275,091)	28,326	(246,765)	7,803	(238,962)
* Revised										
JANUARY 2008	1,676,285	3,118,287	(1,442,002)	2%	28/12	135,126	(62,487)	72,639	0	72,639
FEBRUARY	7,870,664	6,739,224	1,131,440	2%	25/12	280,801	47,143	327,944	0	327,944
MARCH	11,564,338	6,114,688	5,449,651	2%	24/12	244,588	217,986	462,574	0	462,574
APRIL	14,570,571	2,627,423	11,943,148	2%	23/12	100,718	457,821	558,539	0	558,539
MAY	(2,510,956)	(2,089,191)	(441,765)	2%	22/12	(76,870)	(16,198)	(92,068)	0	(92,068)
JUNE	(817,460)	(3,144,000)	2,326,540	2%	21/12	(110,040)	81,429	(28,611)	0	(28,611)
JULY	(4,507,338)	(2,837,769)	(1,669,570)	2%	20/12	(94,592)	(65,652)	(160,245)	0	(160,245)
AUGUST	1,955,717	(3,555,958)	5,511,676	2%	19/12	(112,805)	174,538	61,931	0	61,931
TOTAL 2008	28,801,821	6,982,704	22,808,117			388,124	844,578	1,212,702		1,212,702
GRAND TOTAL	41,248,538	2,568,799	38,681,739	0	0	93,033	872,804	965,937	7,803	973,740

(1) See Schedule 5b

(2) See schedule 5c

GCR

STATEMENT OF RECONCILIATION

DECEMBER 2009 THROUGH NOVEMBER 2010

	NET COST OF FUEL 1	FIRM SALES 2	IRC FACTOR APPLIED 3	INTERRUPT. REVENUE CREDIT 4= (2 * 3)	APPLICABLE EXPENSES 5= (1 - 4)	GCR FACTOR APPLIED 6	GCR REVENUE BILLED 7	SSPC & MIGRATION REVENUE 8	MONTHLY OVER/(UNDER) RECOVERY 9= (7 + 8 - 6)	E FACTOR DISTRIBUTED ON GCR 10	CUMULATIVE OVER/(UNDER) RECOVERY 11
	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
November 2009 OVER-COLLECTION										9,113,377	
DECEMBER 2009 Estimated	58,611,036	6,566,789	0.1138	747,912	57,863,123	7.1689	47,104,402	3,615	(10,755,107)	1,181,387	(9,573,740)
JANUARY 2010 Estimated	69,340,963	10,303,029	0.1138	1,172,909	68,168,054	7.2497	74,683,869	3,284	6,528,078	1,852,671	(1,191,989)
FEBRUARY Estimated	59,996,983	9,104,896	0.1138	1,036,478	58,960,505	7.2497	66,006,682	2,131	7,047,208	1,637,171	7,492,390
MARCH Estimated	45,648,789	7,214,886	0.1138	821,361	44,827,428	7.2497	52,306,768	9,123	7,487,443	1,297,367	16,277,200
APRIL Estimated	26,999,837	4,894,170	0.1138	688,642	26,430,294	7.2497	36,206,236	8,413	9,784,365	898,042	26,969,697
MAY Estimated	16,171,468	2,407,591	0.1138	274,129	15,897,329	7.2497	17,457,212	8,848	1,668,731	433,000	28,981,328
JUNE Estimated	11,392,760	1,420,804	0.1138	161,746	11,231,014	7.2497	10,300,403	10,008	(920,603)	255,486	28,296,212
JULY Estimated	11,720,594	1,139,601	0.1138	129,733	11,590,861	7.2497	8,261,763	12,418	(3,316,680)	204,921	25,184,452
AUGUST Estimated	11,732,872	1,098,466	0.1138	124,709	11,607,963	7.2497	7,941,791	9,421	(3,666,760)	196,984	21,724,687
SEPTEMBER Estimated	12,482,591	1,034,048	0.1138	117,717	12,364,873	7.2497	7,496,637	14,176	(4,854,161)	185,941	17,056,466
OCTOBER Estimated	20,899,976	1,631,164	0.1138	186,694	20,713,282	7.2497	11,826,450	13,445	(8,874,398)	293,313	8,476,391
NOVEMBER Estimated	36,887,345	3,765,542	0.1138	428,674	36,458,672	7.2497	27,299,050	8,462	(9,151,159)	677,113	1,344
Total	381,983,003	60,881,084		5,769,694	376,113,409		366,898,066	103,322	(9,112,031)	9,113,377	1,344

STATEMENT OF RECONCILIATION

SEPTEMBER 2009 THROUGH NOVEMBER 2009

	DEMAND CHARGES	COMMODITY CHARGES	NET COST OF FUEL 3 = (1 + 2)	FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT 8 = (4 * 5)	APPLICABLE EXPENSES 7 = (3 - 8)	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE 10	MONTHLY OVER/(UNDER) RECOVERY 11 = (9 + 10 - 7)	NATURAL GAS REFUNDS 12	CUMULATIVE OVER/(UNDER) RECOVERY 13
	\$	\$	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
2008-2008 OVER-COLLECTION													24,637,712
2008-2008 INTEREST													973,740
TOTAL "E" FACTOR													25,611,453
SEPTEMBER 2009	Actual	4,879,824	10,615,702	1,074,087	0.1850	177,171	10,638,631	7.1358	7,715,994	13,920	(2,903,617)	0	22,702,835
OCTOBER	Estimated	10,829,059	16,447,770	1,433,280	0.1140	163,304	18,284,378	7.0900	10,161,955	3,987	(6,118,464)	0	16,584,381
NOVEMBER	Estimated	6,792,734	34,046,162	3,688,165	0.1140	420,460	33,628,702	7.0900	28,149,019	8,679	(7,471,065)	0	9,113,377

RECONCILIATION OF DEMAND CHARGES

	DEMAND CHARGES LESS SSPC	FIRM SALES	DEMAND CHARGE IN EFFECT	DEMAND CHARGES BILLED	MONTHLY DEMAND OVER/(UNDER)	CUMULATIVE DEMAND OVER/(UNDER)
	1	2	3	4 = (2+3)	5 = (4-1)	6
	\$		\$	\$	\$	\$
2008-2009 OVER-COLLECTION						(4,805,477)
SEPTEMBER 2009 Actual	5,908,963	1,074,087	1,3883	1,470,748	(4,438,215)	(9,243,691)
OCTOBER Estimated	6,603,169	1,433,280	1,3537	1,940,231	(3,662,968)	(12,906,660)
NOVEMBER Estimated	6,777,380	3,680,165	1,3537	4,992,665	(784,705)	(13,691,364)

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2008 THROUGH AUGUST 2009

	DEMAND CHARGES	COMMODITY CHARGES	NET COST OF FUEL	GCR FIRM SALES	IRC FACTOR APPLIED	INTERRUPT. REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	SSPC & MIGRATION REVENUE	MONTHLY OVER/UNDER REVENUE	NATURAL GAS REFUNDS	CUMULATIVE OVER/UNDER RECOVERY
	1	2	3 = (1 + 2)	4	5	6 = (4 - 5)	7 = (3 - 6)	8	9	10	11 = (9 + 10 - 7)	12	13
	\$	\$	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
2007-2008 OVER-COLLECTION													30,502,871
2007-2008 INTEREST													604,388
TOTAL "E" FACTOR													31,107,239
SEPTEMBER 2008	Actual	13,234,572	18,977,577	1,098,000	0.1778	195,182	18,782,495	12,8382	14,021,704	(11,895)	(4,772,689)	30,893	26,355,446
OCTOBER	Actual	26,862,274	32,497,717	1,406,908	0.2166	304,736	32,192,981	12,6527	17,771,264	(32,123)	(14,453,940)	0	11,911,606
NOVEMBER	Actual	44,262,034	50,812,595	3,396,837	0.2166	736,188	50,076,407	12,6527	42,862,363	(66,343)	(7,160,387)	0	4,731,219
DECEMBER	Actual	79,739,222	88,028,874	7,193,130	0.2166	1,558,032	84,470,842	12,6527	90,987,340	1,211	6,517,709	0	11,248,928
JANUARY *	Actual	115,846,080	122,261,446	9,221,074	0.2113	1,947,952	120,333,494	11,6767	106,466,137	(11,417)	(3,879,774)	0	(2,630,846)
FEBRUARY	Actual	6,111,744	72,302,583	78,414,407	0.2089	1,827,300	76,587,107	10,7007	94,948,381	22,064	18,383,339	0	15,762,483
MARCH	Actual	6,430,718	83,786,086	70,226,764	0.2091	1,398,563	68,828,221	8,5800	63,294,692	44,372	(6,489,157)	0	10,263,338
APRIL	Actual	18,947,634	24,884,113	4,373,233	0.2122	928,000	23,966,113	8,4192	36,909,123	(37,161)	12,905,930	0	23,169,165
MAY	Actual	6,730,009	13,861,288	2,186,285	0.2122	463,930	13,397,358	8,4192	18,441,508	9,812	764,848	0	28,942,732
JUNE	Actual	5,655,558	10,301,953	1,380,535	0.2141	285,504	10,016,449	7,8004	10,781,694	9,812	(1,384,878)	0	27,454,128
JULY	Actual	5,580,155	10,075,761	1,162,540	0.2169	260,982	9,824,769	7,1815	8,446,439	(19,548)	(2,952,760)	0	24,637,712
AUGUST	Actual	5,819,131	10,575,649	1,017,205	0.2169	219,615	10,356,034	7,1815	7,388,777	14,368	(6,443,037)	0	
TOTAL		457,130,143	529,088,164	49,003,530		10,125,993	518,942,171		512,401,413	(102,278)			

* Revised

RECONCILIATION OF DEMAND CHARGES

	DEMAND CHARGES	FIRM SALES	DEMAND CHARGE IN EFFECT	DEMAND CHARGES BILLED	MONTHLY DEMAND OVER/UNDER	CUMULATIVE DEMAND OVER/UNDER
	1	2	3	4 = (2 - 3)	5 = (4 - 1)	6
	\$	\$	\$	\$	\$	\$
2007-2008 UNDER-COLLECTION *						(379,572)
SEPTEMBER 2008	Actual	1,098,000	1,4100	1,849,635	(4,200,498)	(4,580,088)
OCTOBER	Actual	1,406,908	1,4188	1,993,304	(3,657,135)	(8,237,202)
NOVEMBER	Actual	3,396,837	1,4188	4,816,472	(1,780,030)	(10,027,233)
DECEMBER	Actual	7,193,130	1,4188	10,191,227	3,920,280	(6,106,953)
JANUARY *	Actual	8,221,074	1,3894	12,903,509	8,497,368	380,446
FEBRUARY	Actual	6,874,697	1,3819	12,283,944	6,172,595	6,553,040
MARCH	Actual	6,890,953	1,4021	9,390,173	2,971,220	9,524,260
APRIL	Actual	4,373,233	1,4223	6,220,049	286,184	8,820,444
MAY	Actual	2,186,285	1,4223	3,109,563	(2,598,213)	7,224,231
JUNE	Actual	1,380,763	1,4036	1,937,719	(3,693,046)	3,531,187
JULY	Actual	1,182,540	1,3849	1,610,002	(3,953,344)	(422,157)
AUGUST	Actual	1,017,205	1,3849	1,408,727	(4,383,319)	(4,805,477)
TOTAL		49,003,530		67,383,214	(4,425,905)	

CALCULATION OF RECOVERED CHARGES**DECEMBER 1, 2009 - 1ST QUARTER FILING**

	<u>50% September</u>	<u>11.5 Months</u>	<u>Total</u>
			(MCF) (\$)
GCR Firm Sales (Mcf)	3,284,895	47,396,189	50,681,084
GCR (\$ / Mcf)	\$ 7.0900	\$ 7.2497	
Total GCR Projected Recovery	<u>\$ 23,289,902</u>	<u>\$ 343,608,153</u>	<u>\$ 366,898,055</u>
SSPC and Migration Revenue			<u>\$ 103,322</u>
Total Projected Recovery			<u>\$ 367,001,377</u>

Change In Rates 1st Quarter Filing

Rates Effective December 1, 2009

Distribution Charge

	<u>Delivery</u>		<u>Surcharges</u>			<u>Total</u>
	<u>Delivery Charge</u>	<u>Restructuring & Consumer Education</u>	<u>Universal Service & Ener. Cons.</u>		<u>Surcharges</u>	<u>Distribution Charge / Mcf</u>
Residential GS	\$6.1840	\$0.0230		\$2.0117	\$2.0347	\$8.2187
Commercial GS/MUNGS	\$5.2449	\$0.0230		\$2.0117	\$2.0347	\$7.2796
Industrial GS	\$5.2465	\$0.0230		\$2.0117	\$2.0347	\$7.2812
Phila.Housing Authority (PHA)	\$5.1889	\$0.0230		\$2.0117	\$2.0347	\$7.2236
Municipal (MS)	\$3.8178	\$0.0230		\$2.0117	\$2.0347	\$5.8525
Phila.Housing Authority (GS)	\$5.2817	\$0.0230		\$2.0117	\$2.0347	\$7.3164

Proposed Rates

	<u>09/01/09</u>		<u>09/01/09</u>	<u>12/01/09</u>	<u>12/01/09</u>	<u>12/01/09</u>	<u>Increase</u>
	<u>Distribution Charge</u>	<u>GCR</u>	<u>Commodity Rate</u>	<u>Distribution Charge</u>	<u>GCR</u>	<u>Commodity Rate</u>	<u>(7)=(6)-(3)</u>
	(4)	(5)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	
Residential GS	\$8.1822	\$7.0900	\$15.2722	\$8.2187	\$7.2497	\$15.4684	\$0.1962
Commercial GS/MUNGS	\$7.2431	\$7.0900	\$14.3331	\$7.2796	\$7.2497	\$14.5293	\$0.1962
Industrial GS	\$7.2447	\$7.0900	\$14.3347	\$7.2812	\$7.2497	\$14.5309	\$0.1962
Phila.Housing Authority (PHA)	\$7.1871	\$7.0900	\$14.2771	\$7.2236	\$7.2497	\$14.4733	\$0.1962
Municipal (MS)	\$5.8160	\$7.0900	\$12.9060	\$5.8525	\$7.2497	\$13.1022	\$0.1962
Phila.Housing Authority (GS)	\$7.2799	\$7.0900	\$14.3699	\$7.3164	\$7.2497	\$14.5661	\$0.1962

PHILADELPHIA GAS WORKS
DECEMBER 1, 2009 - 1st QUARTER FILING
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE

	<u>Expenses in the Surcharge</u>	
Conservation Works Program (CWP)	\$ 2,300,000	
Customer Responsibility Program (CRP) Discount	\$ 88,131,884	
Senior Citizen Discount	\$ 9,048,415	*
<u>August 2009 Under Collection</u>	<u>\$ 6,345,463</u>	
Total \$ to be Recovered	\$ 105,825,762	
 Total Applicable Volumes	 Mcf <u>52,604,480</u>	
 Universal Service & Energy Conservation Surcharge	 <u><u>\$ 2.0117</u></u>	

* This is the Senior Citizen Discount on the Delivery Charge, GCR and Restructuring Surcharge which is used to calculate the Universal Services Surcharge. The total senior citizen discount is \$10,260,978.

STATEMENT OF RECONCILIATION
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE

SEPTEMBER 2009 THROUGH NOVEMBER 2009

<u>Month</u>	<u>Applicable</u>	<u>USC</u>	<u>USC</u>	<u>Monthly</u>	<u>Cumulative</u>
<u>FY 09 Reconciliation</u>	<u>Volumes</u>	<u>Charge</u>	<u>Revenue</u>	<u>Over/(Under)</u>	<u>Over/(Under)</u>
			<u>Billed</u>	<u>Recovery</u>	<u>Recovery</u>
September 2009 Actual	1,150,818	\$ 2,1939	\$ 2,524,721	\$ (2,153,841)	\$ (12,291,408)
October Estimated	1,534,045	\$ 1,9752	\$ 3,030,046	\$ (1,445,782)	\$ (7,815,580)
November Estimated	3,815,733	\$ 1,9752	\$ 7,536,836	\$ 6,066,718	\$ (6,345,463)

USC Expenses

	<u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>
Conservation Works	\$ 4,831	\$ 145,000	\$ 200,000
CRP Discount	\$ (3,045,003)	\$ (2,569,050)	\$ 4,422,348
CRP Forgiveness	\$ 629,746	\$ 680,311	\$ 688,607
Senior Citizen Discount	\$ 256,585	\$ 297,957	\$ 755,763
	\$ (2,153,841)	\$ (1,445,782)	\$ 6,066,718

CRP Participation

Average participation rate (Actual)	81,483
Rate case participation rate	(76,500)
CRP Over (Under) participation	4,983

Average Shortfall Per CRP Participant

CRP Discount	\$ (3,045,003)
Average participation rate	81,483
Average shortfall per CRP participant	\$ (37)

STATEMENT OF RECONCILIATION
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE
SEPTEMBER 2008 THROUGH AUGUST 2009

Month	FY 08 Reconciliation	Applicable Volumes	USC Charge	Revenue Billed	USC Expenses	Monthly		Cumulative Over/(Under) Recovery (\$18,270,160)					
						Over/(Under) Recovery	Over/(Under) Recovery						
September 2008	Actual	1,149,257	\$ 3.0733	\$ 3,532,010	\$ (1,080,813)	\$ 4,612,823	\$ (13,657,356)						
October	Actual	1,482,696	\$ 2,9180	\$ 4,326,507	\$ 600,196	\$ 3,726,311	\$ (9,831,045)						
November	Actual	3,509,352	\$ 2,9180	\$ 10,240,289	\$ 3,134,982	\$ 7,105,307	\$ (2,825,738)						
December	Actual	7,361,027	\$ 2,9180	\$ 21,479,478	\$ 24,811,028	\$ (3,331,551)	\$ (6,157,289)						
January 2009	Actual	9,430,800	\$ 2,5885	\$ 24,411,827	\$ 33,140,802	\$ (8,728,976)	\$ (14,886,264)						
February	Actual	9,073,118	\$ 2,2590	\$ 20,496,173	\$ 31,084,881	\$ (10,588,708)	\$ (25,474,973)						
March	Actual	6,892,672	\$ 2,3428	\$ 16,146,774	\$ 22,247,707	\$ (6,100,933)	\$ (31,575,906)						
April	Actual	4,524,599	\$ 2,4262	\$ 10,977,581	\$ 12,575,139	\$ (1,597,558)	\$ (33,173,464)						
May	Actual	2,271,078	\$ 2,4262	\$ 5,510,090	\$ 4,022,467	\$ 1,487,623	\$ (31,685,841)						
June	Actual	1,457,018	\$ 2,4194	\$ 3,525,036	\$ (607,920)	\$ 4,132,957	\$ (27,552,883)						
July	Actual	1,237,192	\$ 2,4125	\$ 2,894,726	\$ (2,810,494)	\$ 5,795,220	\$ (21,757,663)						
August	Actual	1,075,377	\$ 2,4125	\$ 2,594,347	\$ (2,193,346)	\$ 4,787,692	\$ (16,969,970)						
USC Expenses		Sep-08	Oct-08	Nov-08	Dec-08	Jan-08	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09
Conservation Works		\$ 11,229	\$ 156,514	\$ 10,208	\$ 371,865	\$ 412,599	\$ 10,385	\$ 429,322	\$ 230,406	\$ 224,514	\$ 116,571	\$ 157,758	\$ 150,473
CWP Adjustment - PUC Order 12-24-08		\$ -	\$ -	\$ -	\$ -	\$ (10,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CRP Discount *		\$ (2,019,274)	\$ (616,103)	\$ 1,493,431	\$ 21,643,008	\$ 29,506,857	\$ 28,095,299	\$ 19,333,334	\$ 10,522,599	\$ 2,481,813	\$ (1,778,422)	\$ (3,968,621)	\$ (3,242,808)
CRP Forgiveness		\$ 583,860	\$ 644,823	\$ 567,872	\$ 663,036	\$ 620,828	\$ 595,793	\$ 781,885	\$ 721,395	\$ 755,285	\$ 729,753	\$ 724,028	\$ 654,824
Senior Citizen Discount*		\$ 333,372	\$ 414,982	\$ 1,063,471	\$ 2,133,119	\$ 2,610,318	\$ 2,383,404	\$ 1,703,166	\$ 1,100,739	\$ 580,876	\$ 324,178	\$ 274,341	\$ 244,166
		\$ (1,080,813)	\$ 600,186	\$ 3,134,962	\$ 24,811,028	\$ 33,140,602	\$ 31,084,881	\$ 22,247,707	\$ 12,575,139	\$ 4,022,467	\$ (607,920)	\$ (2,810,494)	\$ (2,193,346)

CRP Participation												
Average participation rate (Actual)	75,819	75,833	76,607	78,480	79,615	81,495	83,047	84,783	85,487	84,726	82,881	82,134
Rate case participation rate	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)	(76,500)
CRP Over (Under) participation	(681)	(667)	107	1,990	3,115	4,995	6,547	8,263	8,987	8,226	6,361	5,634
Average Shortfall Per CRP Participant												
CRP Discount	(2,019,274)	(916,103)	1,493,431	21,643,008	28,506,857	28,095,299	19,333,334	10,522,599	2,481,813	(1,778,422)	(3,968,621)	(3,242,808)
Average participation rate	75,819	75,833	76,607	78,480	79,615	81,495	83,047	84,783	85,487	84,726	82,881	82,134
Average shortfall per CRP participant	(27)	(8)	19	278	371	345	233	124	29	(21)	(48)	(39)

Unaccounted For Factor (UAF)
1st Qtr Filing
December 1, 2009

<u>Fiscal Year</u>	<u>Firm Sendout</u> <u>(Mcf)</u>	<u>Accounted For Gas</u> <u>(Mcf)</u>	<u>Unaccounted For</u> <u>(Mcf)</u>	<u>5 Year</u> <u>Average</u>
2004-05	56,113,854	53,902,476	2,211,378	
2005-06	48,873,601	46,924,147	1,949,454	
2006-07	51,467,061	49,345,363	2,121,698	
2007-08	49,560,831	47,848,723	1,712,108	
2008-09	<u>52,809,355</u>	<u>50,856,167</u>	<u>1,953,188</u>	
Total	258,824,703	248,876,876	9,947,827	3.8%

Natural Gas Prices Used for PGW - 1st Quarter GCR Filing

December 1, 2009

GLOBAL INSIGHT (GI) PRICES																		
Basis Differentials										Prices Used For Gas Cost Inputs								
Transco					Henry Hub					NYMEX Futures 11/2/09 Close				TETCO				
TETCO					TETCO					TETCO				TETCO				
Average ELA/ETX					Average ELA/ETX					Average ELA/ETX				Average ELA/ETX				
Sta. 30	Sta. 45	Sta. 65	ELA	WLA	ETX	STX	WLA	ETX	STX	Sta. 30	Sta. 45	Sta. 65	ELA	WLA	ETX	STX	WLA	ETX
2009:11	3.29	3.47	3.57	3.49	3.46	3.37	3.22	3.43	3.59	3.53	3.59	3.43	3.22	3.46	3.37	3.22	3.43	3.59
2009:12	3.46	3.64	3.76	3.67	3.63	3.52	3.40	3.60	3.78	3.70	3.78	3.60	3.40	3.63	3.52	3.40	3.60	3.78
2010:01	3.40	3.57	3.67	3.58	3.55	3.46	3.34	3.52	3.69	3.61	3.69	3.52	3.34	3.55	3.46	3.34	3.52	3.69
2010:02	3.59	3.74	3.83	3.77	3.74	3.65	3.52	3.71	3.85	3.79	3.85	3.71	3.52	3.74	3.65	3.52	3.71	3.85
2010:03	3.92	4.05	4.13	4.08	4.05	3.98	3.86	4.03	4.14	4.10	4.14	4.03	3.86	4.05	3.98	3.86	4.03	4.14
2010:04	4.15	4.27	4.34	4.30	4.27	4.21	4.09	4.26	4.34	4.32	4.34	4.26	4.09	4.27	4.21	4.09	4.26	4.34
2010:05	3.89	4.02	4.09	4.03	4.01	3.95	3.83	3.99	4.10	4.06	4.10	3.99	3.83	3.95	3.83	3.99	4.10	4.06
2010:06	4.12	4.25	4.33	4.26	4.24	4.18	4.06	4.22	4.34	4.28	4.34	4.22	4.06	4.24	4.18	4.06	4.22	4.34
2010:07	4.12	4.26	4.33	4.26	4.24	4.18	4.06	4.22	4.35	4.28	4.35	4.22	4.06	4.24	4.18	4.06	4.22	4.35
2010:08	4.00	4.15	4.23	4.16	4.14	4.06	3.93	4.11	4.24	4.19	4.24	4.11	3.93	4.14	4.06	3.93	4.11	4.24
2010:09	3.91	4.07	4.15	4.08	4.06	3.98	3.84	4.03	4.16	4.11	4.16	4.03	3.84	4.06	3.98	3.84	4.03	4.16
2010:10	3.88	4.05	4.15	4.06	4.04	3.96	3.80	4.01	4.17	4.09	4.17	4.01	3.80	4.04	3.96	3.80	4.01	4.17
2010:11	3.88	4.05	4.15	4.06	4.04	3.96	3.80	4.01	4.17	4.09	4.17	4.01	3.80	4.04	3.96	3.80	4.01	4.17

Actual Natural Gas Billed

	<u>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>
Williams	\$ 2,094,417	\$ 2,085,026	\$ 2,345,847
Texas Eastern	\$ 1,739,218	\$ 1,754,771	\$ 1,958,129
Dominion	\$ 132,240	\$ 132,103	\$ 131,609
Equitrans	\$ 45,768	\$ 45,768	\$ 45,375
Spot Purchases -Transco	\$ -	\$ 1,276	\$ -
Spot Purchases -Tetco	\$ -	\$ -	\$ -
Transco Supply1	\$ -	\$ -	\$ -
Transco Supply2	\$ 4,214,068	\$ 3,679,441	\$ 3,540,490
Transco Supply3	\$ -	\$ -	\$ -
Transco Supply4	\$ -	\$ -	\$ -
Transco Supply5	\$ -	\$ -	\$ -
Transco Supply6	\$ 1,598,050	\$ 1,598,050	\$ 1,546,500
Transco Supply7	\$ 1,195,368	\$ 1,551,756	\$ 1,558,612
Transco Supply8	\$ 3,627,350	\$ 3,036,950	\$ 2,339,350
Transco Supply9	\$ -	\$ -	\$ -
Transco Supply10	\$ 1,733,841	\$ 1,057,100	\$ 1,009,500
Transco Supply11	\$ -	\$ -	\$ -
Transco Supply12	\$ 809,875	\$ 809,875	\$ 783,750
Transco Supply13	\$ -	\$ -	\$ -
Transco Supply14	\$ -	\$ -	\$ -
Transco Supply15	\$ -	\$ -	\$ -
Transco Supply16	\$ -	\$ -	\$ -
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply18	\$ -	\$ -	\$ -
Transco Supply19	\$ -	\$ -	\$ -
Transco Supply20	\$ 715,325	\$ 730,050	\$ 715,500
Transco Supply21	\$ -	\$ -	\$ -
Transco Supply22	\$ -	\$ -	\$ -
 Tetco Supply1	 \$ 341,292	 \$ 322,995	 \$ 300,264
Tetco Supply2	\$ -	\$ -	\$ -
Tetco Supply3	\$ -	\$ -	\$ -
Tetco Supply4	\$ 609,150	\$ 614,575	\$ 554,550
Tetco Supply5	\$ -	\$ -	\$ -
Tetco Supply6	\$ -	\$ -	\$ -
Tetco Supply7	\$ -	\$ -	\$ -
Tetco Supply8	\$ -	\$ -	\$ -
Tetco Supply9	\$ -	\$ -	\$ -
Tetco Supply10	\$ -	\$ -	\$ -
Tetco Supply11	\$ -	\$ -	\$ -
Tetco Supply12	\$ -	\$ -	\$ -
Tetco Supply13	\$ 372,000	\$ 372,000	\$ 360,000
Tetco Supply14	\$ 1,274,100	\$ 1,311,300	\$ 1,188,000
Tetco Supply15	\$ -	\$ -	\$ -
Tetco Supply16	\$ -	\$ -	\$ -
Tetco Supply17	\$ 747,100	\$ 747,100	\$ 720,759
Total Costs	\$ 21,249,163	\$ 19,850,136	\$ 19,098,235
 Capacity Release Credits	 \$ 449,542	 \$ 451,510	 \$ 313,216
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 5,880	\$ 28,256	\$ 14,242
Adjustment/Reconciliation	\$ (776,893)	\$ (242,875)	\$ (3,493)
Total Natural Gas Billed	\$ 20,927,692	\$ 20,087,027	\$ 19,422,200

Philadelphia Gas Works
Summary of Fuels Purchased
Three Months Ending September 2009

	Actual			Projected			Projected			Actual Over/Under vs Projected		
	Jul-09	Aug-09	Sep-09	Total	4th Qtr Filing Jul-09	4th Qtr Filing Aug-09	4th Qtr Filing Sep-09	Total	Jul-09	Aug-09	Sep-09	Total
Total Natural Gas Billed	\$ 20,927,692	\$ 20,087,027	\$ 18,422,200	\$ 60,436,919	\$ 22,105,985	\$ 22,529,283	\$ 21,838,371	\$ 66,473,599	\$ (1,178,273)	\$ (2,442,238)	\$ (2,416,171)	\$ (6,036,680)
Less Interruptible Credit	\$ 103,673	\$ 122,546	\$ 102,488	\$ 328,707	\$ 72,900	\$ 62,870	\$ 85,788	\$ 221,558	\$ 30,773	\$ 59,678	\$ 16,700	\$ 107,149
Gas Used For Utility	\$ 17,363	\$ 45,275	\$ 59,757	\$ 122,415	\$ 48,897	\$ 17,318	\$ 58,088	\$ 120,298	\$ (28,514)	\$ 27,859	\$ 3,671	\$ 2,117
	\$ 20,806,656	\$ 19,919,206	\$ 18,259,955	\$ 58,985,797	\$ 21,688,169	\$ 22,449,078	\$ 21,688,497	\$ 66,131,744	\$ (1,178,533)	\$ (2,528,872)	\$ (2,436,542)	\$ (6,143,947)
Pipeline Storage:												
(To)	\$ (11,332,408)	\$ (10,432,311)	\$ (8,758,240)	\$ (30,522,959)	\$ (11,798,438)	\$ (12,374,094)	\$ (10,515,529)	\$ (34,686,061)	\$ 484,030	\$ 1,941,783	\$ 1,757,289	\$ 4,183,102
From	\$ -	\$ 455,827	\$ -	\$ 455,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,827	\$ -	\$ 455,827
Net Pipeline Storage	\$ (11,332,408)	\$ (9,976,484)	\$ (8,758,240)	\$ (30,067,132)	\$ (11,798,438)	\$ (12,374,094)	\$ (10,515,529)	\$ (34,686,061)	\$ 484,030	\$ 2,397,610	\$ 1,757,289	\$ 4,638,929
LNG Storage												
(To)	\$ 1,567	\$ (27,092)	\$ (238,664)	\$ (284,189)	\$ -	\$ -	\$ (478,021)	\$ (478,021)	\$ 1,567	\$ (27,092)	\$ 237,357	\$ 211,832
From	\$ 542,454	\$ 549,882	\$ 545,473	\$ 1,637,809	\$ 503,328	\$ 628,918	\$ 605,054	\$ 1,735,298	\$ 39,128	\$ (76,958)	\$ (59,581)	\$ (97,409)
Net LNG Storage	\$ 544,021	\$ 522,790	\$ 306,809	\$ 1,373,700	\$ 503,328	\$ 628,918	\$ 129,033	\$ 1,256,278	\$ 40,695	\$ (104,048)	\$ 177,776	\$ 114,422
Net Natural Gas	\$ 10,018,249	\$ 10,465,592	\$ 10,808,524	\$ 31,292,365	\$ 10,893,057	\$ 10,701,902	\$ 11,310,001	\$ 32,704,961	\$ (874,808)	\$ (236,310)	\$ (501,477)	\$ (1,412,596)
APPLICABLE GCR EXPENSES												
Net Natural Gas Expense	\$ 10,018,249	\$ 10,465,592	\$ 10,808,524	\$ 31,292,365	\$ 10,893,057	\$ 10,701,902	\$ 11,310,001	\$ 32,704,961	\$ (874,808)	\$ (236,310)	\$ (501,477)	\$ (1,412,596)
Electric	\$ 57,512	\$ 109,857	\$ 7,178	\$ 174,647	\$ 65,900	\$ 58,100	\$ 88,700	\$ 191,700	\$ (8,389)	\$ 50,857	\$ (59,522)	\$ (17,053)
Total GCR Expenses	\$ 10,075,761	\$ 10,575,549	\$ 10,815,702	\$ 31,467,012	\$ 10,958,957	\$ 10,760,002	\$ 11,398,701	\$ 32,896,661	\$ (883,196)	\$ (185,453)	\$ (560,999)	\$ (1,429,649)

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Thomas Knudsen
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

List of Changes Made by this Tariff Supplement

GAS COST RATE (GCR) – SECTION 1307f, II DEFINITIONS (PAGE No. 67)

In the definition of "GAC," the "GAC" value effective December 1, 2009 increases from \$(0.04942) per Ccf to \$(0.01800) per Ccf.

In the definition of "IRC," the "IRC" value effective December 1, 2009 remains the same at \$0.01140 per Ccf.

In the definition of "SSC," the "SSC" value effective December 1, 2009 decreases from \$0.76982 per Ccf to \$0.75437 per Ccf.

GAS COST RATE (GCR) – SECTION 1307f, III COMPUTATION OF GAS COST RATE (Page No. 68)

The Gas Cost Rate (GCR) effective December 1, 2009 increases from \$0.70900 per Ccf to \$0.72497 per Ccf.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective December 1, 2009 increases from \$0.19752 per Ccf to \$0.20117 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services increases from \$0.70900 per Ccf to \$0.72497 per Ccf, effective December 1, 2009.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service increases from \$0.70900 per Ccf to \$0.72497 per Ccf, effective December 1, 2009.

PHILADELPHIA HOUSING AUTHORITY SERVICE – RATE PHA (Page No. 90)

The GCR for Philadelphia Housing Authority Service increases from \$0.70900 per Ccf to \$0.72497 per Ccf decreases, effective December 1, 2009.

**DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE (Pages 135-136)**

The GCR for NGVS Firm increases from \$0.70900 per Ccf to \$0.72497 per Ccf, effective December 1, 2009.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Thirty Fifth Revised 2
Description of Territory Served _____	5
Table of Contents _____	6
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Gas Service Tariff _____	First Revised 15
2. Application and Contract for Gas Service _____	First Revised 17
3. Credit and Deposit _____	First Revised 21
4. Billing and Payment _____	First Revised 26
5. Termination and/or Discontinuance of Gas Service _____	First Revised 30
6. Termination of Service for Safety Reasons and Curtailment of Service/ Service Continuity _____	First Revised 38
7. Inquiry, Review, Dispute, and Appeals Process _____	First Revised 41
8. Customer's Responsibility for Company's Property _____	First Revised 44
9. Conditions of Service, Point of Delivery, and Application of Rates _____	47
10. Extensions And Rights-Of-Way _____	First Revised 50
11. Meters: Measurements, Readings, Errors, and Tests _____	First Revised 53
12. Service Charges and Miscellaneous Fees and Provisions _____	First Revised 57
13. Universal Service And Energy Conservation Programs _____	First Revised 59
14. Gas Choice Enrollment and Switching _____	63
15. Supplier of Last Resort _____	First Revised 65

PHILADELPHIA GAS WORKS

	Page Number
RATES (Cover Page) _____	66
Gas Cost Rate _____	Thirtieth Revised 67
Revenue Reconciliation Adjustment (RRA) Rider _____	70
Senior Citizen Discount _____	72
Migration/Reverse Migration Rider _____	75
Exit Fee Rider _____	77
Restructuring and Consumer Education Surcharge _____	Thirteenth Revised 79
Universal Services Surcharge _____	Thirtieth Revised 81
General Service - Rate GS _____	Thirty First Revised 83
Municipal Service - Rate MS _____	Thirty first Revised 87
Philadelphia Housing Authority Service –Rate PHA _____	Thirty First Revised 90
Boiler and Power Plant Service – Rate BPS _____	Second Revised 93
Load Balancing Service – RATE LBS _____	Second Revised 97
Daily Balancing Service – Rate DB _____	101
Interruptible Transportation Service – Rate IT _____	111
Gas Transportation Service - Rate GTS - Firm Service _____	118
Gas Transportation Service - Rate GTS - Interruptible _____	124
Cogeneration Service - Rate CG _____	Second Revised 131
Developmental Natural Gas Vehicle Service - Rate NGVS Firm Service	Seventh Revised 135
Developmental Natural Gas Vehicle Service - Rate NGVS Interruptible Service _____	139
SPECIAL PROVISION – Air Conditioning Rider _____	143
SPECIAL PROVISION – Compressed Natural Gas Rider _____	145
SPECIAL PROVISION – Emergency/Unauthorized Use Gas Rider _____	147
WEATHER NORMALIZATION ADJUSTMENT CLAUSE _____	149

GAS COST RATE (GCR) -- SECTION 1307(f)

I. PROVISION FOR ADJUSTMENT

The Gas Cost Rate shall be applied to each Mcf (1,000 cubic feet) for Firm Retail Sales Service Gas supplied under Rates Schedules GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates calculated in a manner set forth below, pursuant to 66 Pa.C.S. §1307(f). Such rates for Firm Sales Service Gas may be increased or decreased from time to time under the procedures set forth in Section II.B. below to reflect changes in the level of Gas costs incurred or projected to be incurred by PGW related to Sales Service.

II. DEFINITIONS

C - The current cost of Natural Gas and other raw materials determined as follows: (a) for all types of Gas, project the cost for each purchase (adjusted for net current Gas stored) for the computation year plus (b) the of (1) the projected book value of non-current Gas at the beginning of the computation year minus (2) the projected book value of non-current Gas at the end of the computation year. In addition to any cost authorized by the Commission, the cost of Natural Gas may include any item included in the definition of Natural Gas costs set forth in 66 Pa.C.S. § 1307(h) ("Definition"). The Factor "C" includes two components – Commodity Costs and Demand Costs which are defined as follows: Commodity Costs - the actual cost of natural gas and purchased electric for firm customers that does not include the fixed costs associated with the transportation and storage of natural gas; and Demand Costs - the fixed costs associated with the transportation and storage of natural gas for firm customers.

Computation Year - The 12-month forecast period as identified in the Company's annual 1307 (f) filing and each quarterly GCR filing.

E - Experienced net over billing (or under billing) of the cost of Natural Gas and other raw materials applicable to the GCR reported in the most recent Section 1307(f) proceeding. Such over billings (or under billings) will be made with interest at the rate and method set forth by the Pennsylvania Public Utility Commission. Additionally, supplier refunds received prior to the end of the August billing period will be included in the Factor "E." The Factor "E" includes two components – Commodity Costs and Demand Costs which are defined above in the Factor "C" definition.

Firm Sales Service - The service provided to Customers who receive firm supply service from PGW. The term does not include the service provided to Customers who receive interruptible supply service from PGW.

GAC - The "E" factor component of the GCR, representing the net overcollection or undercollection of Natural Gas and other raw materials costs. The currently effective GAC is \$(0.04505) per Ccf for Commodity Costs and \$0.02705 per Ccf for Demand Costs, for service on or after December 1, 2009. The total Gac is \$(0.01800) per Ccf.

(I)

GCR - Gas Cost Rate determined to the nearest one-hundredth cent (\$0.0001) to be applied to each Mcf of Gas supplied under Rates GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates and is equal to the SSC plus the GAC minus the IRC.

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.01140 per Ccf for service on or after December 1, 2009.

Natural Gas or Gas - The volumes of gas purchased or manufactured by the Company that is delivered to the Company's Customers, plus such portion of the Company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas,

(I) – Increase

PHILADELPHIA GAS WORKS

liquefied propane and naphtha.

S - Projected applicable Mcf of Gas to be billed to Customers during the computation year.

SSC-Sales Service Charge - The purchased Gas costs determined to the nearest $\frac{1}{100}$ of a cent (\$0.0001). The currently effective SSC is \$0.62075 per Ccf for Commodity Costs and \$0.13362 per Ccf for Demand Costs, for service on or after December 1, 2009. The total SSC is \$0.75437 per Ccf.

(D)

(D) – Decrease

III. COMPUTATION OF GAS COST RATE

A. The GCR shall be computed to the nearest one-thousandth cent (\$0.00001) in accordance with the formula set forth below as the terms are defined in Section II:

$$\begin{aligned}\text{SSC} &= \text{C/S} \\ \text{GAC} &= \text{E/S} \\ \text{GCR} &= \text{SSC} + \text{GAC} - \text{IRC}\end{aligned}$$

B. Each Gas Cost Rate so computed shall be applied to Customers' bills for twelve monthly billing periods commencing with September.

The currently effective Gas Cost Rate is \$0.72497 per Ccf, for service on or after December 1, 2009. (I)

IV. REPORTING REQUIREMENTS

A. The Company's rates are subject to quarterly adjustments for recovery of the Gas Cost Rate under procedures set forth in Section 1307 (f) of the Public Utility Code.

B. The filing of the Company's annual Section 1307(f) filing, annual Gas Cost Rate, effective during the billing period of September through August, shall be submitted to the Commission by March 1 of each year, with a February 1 pre-filing date.

C. The application of the Gas Cost Rate shall be subject to review and audit by the Commission at such intervals as the Commission shall determine.

D. If it shall be determined, from audit by the Commission, or by final order entered after notice and hearing, that the application of this clause has resulted in the overcollection or undercollection of revenues, then the Company shall apply such over/undercollection as a credit or debit against future Gas Cost Rates.

V. PROVISION FOR INCLUSION OF SPECIFIC NON-GAS EXPENSES

The computation of the Gas Cost Rate may include such Non-Gas expenses as may be authorized by this tariff and annually authorized by the Commission.

VI. INTERRUPTIBLE REVENUE CREDIT (IRC)

A. The GCR rate shall be credited with an Interruptible Revenue Credit (IRC) equal to the margin realized from interruptible sales under PGW's Interruptible Sales Tariff Rates: BPS, LBS; and CG (Total Margin Revenue).

B. The IRC shall be set each year in the Company's 1307(f) proceeding to reflect the Total Margin Revenue. The rate per Mcf shall be calculated by dividing the Total Margin Revenue by total applicable firm sales. For the period September 1, 2003 through August 31, 2004 the IRC shall be initially set to reflect the Total Margin Revenue authorized by the Commission in its final order at M-00021612 (entered March 31, 2003).

(I) - Increase

UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE

Universal service and energy conservation program and related costs will be recovered by a Universal Service and Energy Conservation Surcharge applicable to all volumes of Gas delivered.

1. The Surcharge will recover: 1) the discounts provided to Customers pursuant to the Customer Responsibility Program (CRP); 2) the discounts provided to Customers pursuant to the Senior Citizen Discount; 3) the costs of the Conservation Works Program (CWP); and, 4) for Customers entering the CRP program on or after September 1, 2003, past due arrearages forgiven pursuant to paragraph A (6) of the CRP/CAP Program Design Stipulation approved by the Commission by its order at M-00021612 (entered March 31, 2003).
2. Computation of the Universal Service and Energy Conservation Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307(f) of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
3. Once the surcharge is in place it will be automatically adjusted effective March 1, June 1, September 1, and December 1 of each year in accordance with Section 1307(f) quarterly adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the total universal service and energy conservation program costs approved for annual recovery by the estimated applicable throughput in Mcfs.
4. The Universal Service and Energy Conservation Surcharge shall take effect upon the effective date of this Tariff.

Current Universal Service and Energy Conservation Surcharge = \$ 0.20117/Ccf.

(I)

(I) - Increase

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this
Rate Schedule on or after December 1, 2009

AVAILABILITY

Available for any purpose where the Company's distribution mains adjacent to the proposed Gas Service location are, or can economically be made, suitable to supply the quantities of Gas or Transportation Services required.

RATES

CUSTOMER CHARGE (per Meter (except parallel meters)):

\$ 12.00	per month for Residential and Public Housing Authority Customers.
\$ 18.00	per month for Commercial and Municipal Customers
\$ 50.00	per month for Industrial Customers

Plus,

GCR (not applicable to GS Customers who transport gas through a qualified NGS):

\$ 0.72497	per Ccf for Residential and Public Housing	(I)
\$ 0.72497	per Ccf for Commercial and Municipal Customers	(I)
\$ 0.72497	per Ccf for Industrial Customers	(I)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge:

\$0.61840	per Ccf for Residential
\$0.52817	per Ccf for Public Housing
\$0.52449	per Ccf for Commercial and Municipal Customers
\$0.52465	per Ccf for Industrial Customers

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and Restructuring and Consumer Education Surcharge.

(I) – Increase

MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after December 1, 2009.

AVAILABILITY

Available to properties owned or occupied by the City of Philadelphia or the Board of Education, or any of their respective agencies or instrumentalities, for any type of Gas Service, unless purchased for resale to others, and where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required; provided, however, that the rate shall not be available to Commercial Tenants of any such property.

RATES

CUSTOMER

CHARGE (per Meter (except parallel meters):

\$ 18.00 per month

Plus,

GCR (not applicable to MS Customers who transport Gas through a qualified NGS):

\$0.72497 per Ccf

(I)

Plus,

DISTRIBUTION CHARGE (consisting of Items (A) and (B), below):

(A) Delivery Charge:

\$0.38178 per Ccf

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge.

Also,

The following Riders may apply:

(I) – Increase

PHILADELPHIA HOUSING AUTHORITY SERVICE - RATE PHA

Rate: Applicable to all Retail Sales Service or Transportation Services rendered pursuant to this Rate
Schedule on or after December 1, 2009

AVAILABILITY

Available for all Gas usage in multiple dwelling Residential buildings containing 10 or more dwelling units, owned and operated by the Philadelphia Housing Authority, where cooking shall be performed exclusively with Gas and where Gas Service shall be supplied through one or more single point metering arrangements at locations where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required.

This rate is also available for all Gas usage in single and multiple dwelling Residential buildings, containing less than 10 dwelling units, provided, and only so long as, Gas is used exclusively for cooking, water heating and space heating for all such Residential buildings owned and operated by the Philadelphia Housing Authority, except (a) buildings operated by the Philadelphia Housing Authority, prior to the original effective date of this rate (January 1, 1969), and (b) buildings for which, in the judgment of the Company, such Gas Service cannot be provided economically.

RATES**CUSTOMER**

CHARGE (per Meter (except parallel meters);

\$18.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.72497 per Ccf (I)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) Delivery Charge:

\$0.51889 per Ccf

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(I) – Increase

DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS
FIRM SERVICE

Rate: Applicable to all Retail Sales Service rendered pursuant to this Rate Schedule on or after
December 1, 2009

AVAILABILITY

This service is available to provide uncompressed Natural Gas to any Customer for the exclusive purpose of compressing such Gas for use as fuel for motor vehicles. The compression of the Natural Gas to the pressure required for use as a motor vehicle fuel will be conducted by the Customer, at the Customer's designated premises. Service shall only be available where the Company's distribution system is, or can economically be made available to supply the service. Each Customer will be required to execute a service agreement which will specify terms and conditions of service.

CHARACTER OF SERVICE

Service under this rate schedule is firm and shall only be interrupted in the case of operating emergencies experienced by the Company.

MONTHLY RATE

CUSTOMER CHARGE:

\$35.00 per month

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.72497 per Ccf (I)

Plus

DISTRIBUTION CHARGE:

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) Delivery Charge:

\$0.13212 per Ccf

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(I) – Increase

PHILADELPHIA GAS WORKS

GAS SUPPLIER TARIFF



**Issued by: Thomas Knudsen
President and CEO
PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122**

List of Changes Made by this Tariff

DEFINITIONS (PAGE No. 11)

The Lost and Unaccounted for Gas and Retainage Rate decreases from 3.9% to 3.8%.

9.14. LOAD BALANCING SURCHARGE, 9.14.A. (Page No. 39)

The load balancing charge decreases from \$42.4177 per design day Mcf to \$42.2917 per design day Mcf.

TABLE OF CONTENTS

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Thirty First Revised 2
Checksheet _____	3
Description of Territory Served _____	5
Table of Contents _____	6
Table of Contents (continued) _____	7
Definitions _____	10
<u>RULES and REGULATIONS:</u>	
1. The Supplier Tariff _____	14
2. Availability _____	16
3. Character of Service _____	18
4. Supplier Qualification _____	20
5. Customer List _____	23
6. Supplier Selection Procedures _____	25
7. Supplier Obligations _____	29
8. Operational Requirements _____	33
9. Special Provisions _____	37
10. Nomination Procedure _____	44
11. Financial Security _____	46
12. Supplier Billing and Payment _____	48
13. Supplier Exit Procedures _____	54
14. Breach of Obligations _____	57
15. Standards of Conduct _____	60

PHILADELPHIA GAS WORKS

NATURAL GAS SUPPLY SERVICE – Services provided by a Natural Gas Supplier as defined in section 2202 of the Gas Choice Act, 66 Pa. C.S. sec 2202.

OPERATIONAL FLOW ORDER ("OFO") - A directive issued by Company to Supplier, which is reasonably necessary to alleviate conditions that threaten the operational integrity of the Company's system on a critical day.

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 3.8%. The percentage changes annually on December 1st and is based upon actual data for the preceding 12 months ending August 31st.

(C)

UPSTREAM CAPACITY ASSIGNMENT, RELEASE OR TRANSFER – The process to provide access to interstate pipeline capacity and storage contracts owned by Company to Supplier pursuant to Company's tariff and any applicable regulatory rules.

(C) – Change

9.14. LOAD BALANCING CHARGE.

9.14.A. Suppliers for all gas delivered under Firm Transportation Rates, of this Suppliers Tariff shall be charged at \$ 42.2917 per design day Mcf that is fulfilled by PGW storage and peaking assets, for recovery of those costs for Balancing Service, calculated in the manner set forth in the Commission's Order at M-00021612 (entered March 31, 2003) and as set forth below. Such rate for Balancing Service shall be increased or decreased, from time to time, in accordance with applicable law and procedures.

(D)

9.14.B.Computation of Balancing Service Costs per Dth.

9.14.B.1. Formula. Balancing Service Costs, per design day Mcf, that is fulfilled by PGW storage and peaking assets, shall be computed to the nearest one-hundredth cent (\$0.0001) in accordance with the formula set forth below:

$$BSC = ((C - E) / (S))$$

Projected Balancing Service Costs, so computed, shall be charged to Suppliers of Firm Transportation Rates per Customer per design day Mcf that is fulfilled by PGW storage and peaking assets, for an enrollment month. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the PUC's regulations adopted pursuant thereto.

9.14.B.2. Definitions. In computing the Balancing Service Costs, per Dth, pursuant to the formula above, the following definitions shall apply:

"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (\$0.0001) to be charged to each design day Mcf that is fulfilled by PGW storage and peaking assets, under Rate Schedule Firm.

"C" - Cost in dollars: for all types of storage and related services, the fixed and variable costs for the projected period when rates will be in effect.

"E" - the net overcollection or undercollection of Balancing Service Costs.
The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the PUC for the Company's Section 1307(f) Tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate. Interest shall be computed monthly at the rate as provided for in Section 1307(f) of the Public Utility Code from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. Such over billings (or under billings) will be made with interest at the statutory rate.

"S" - projected Mcf of storage gas/LNG to be delivered to Customers to meet design day needs during the projected period when rates will be in effect.

(D) - Decrease