

PGW
GAS SERVICE
TARIFF NO. 2

SUPPLEMENT
NO. 134

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Craig White
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

Distribution System Improvement Charge (DSIC) Rate
to become effective July 1, 2020
in accordance with the Commission's Orders entered May 9, 2013, January 28, 2016
and July 6, 2016 at Docket Nos. P-2012-2337737, P-2015-2501500

List of Changes Made by this Tariff Supplement

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Decreases the DSIC from 7.5% to 6.95% effective July 1, 2020.

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, for service rendered on or after July 1, 2020, a charge of 6.95% will apply consistent with the Commission Order dated May 9, 2013, at Docket No. P-2012-2337737 approving the DSIC and the Commission Orders dated January 28, 2016, and July 6, 2016, at Docket No. P-2015-2501500 modifying the terms and conditions of the DSIC.

(D)

1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Utility with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements. The costs of extending facilities to serve new customers are not recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The initial DSIC will become effective upon one (1) day notice after submission of a compliance tariff in compliance with commission order.

2. Computation of the DSIC

A. Calculation: The initial DSIC shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Utility's rates and have been or are projected to be placed in service in the calendar year in which the DSIC is charged. The DSIC charge shall be levelized so that, on an annual basis, it will collect the recoverable costs for eligible plant additions that have been or are anticipated to be placed in service during the calendar year. DSIC charges shall be reconciled and may be adjusted on a calendar quarter basis for: 1) actual experienced sales volumes; and 2) revisions to projected DSIC eligible capital expenditures.

(D) – Decrease