

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



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List of Changes Made by this Tariff Supplement**TABLE OF CONTENTS (Page Nos. 6-7)**

Updated to reflect revised page numbers for each of the changes listed below on this page.

MERCHANT FUNCTION CHARGE AND PRICE TO COMPARE (Page No. 78)

The MFC percentages have changed: 3.76% - GS Residential; 0.62% - GS Commercial; and 0.39% - GS Industrial. Additionally, the MFC charges in the Price to Compare table: \$0.01561 – GS Residential; \$0.00257 – GS Commercial; and \$0.00162 – GS Industrial.

GENERAL SERVICE – RATE GS (Page No. 83)

Changed the customer charges and delivery charges: For Residential customers, the customer charge increases from \$12.00 to \$13.75 and delivery charge increases from \$0.60067 to \$0.66967. For Public Housing customers, the customer charge increases from \$12.00 to \$13.75 and the delivery charge increases from \$0.49441 to \$0.57105. For Commercial customers, the customer charge increases from \$18.00 to \$23.40 and the delivery charge increases from \$0.45984 to \$0.48651. For Industrial customers, the customer charge increases from \$50.00 to \$70.00 and the delivery charge increases from \$0.45332 to \$0.47698.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The customer charge increases from \$18.00 to \$23.40 and the delivery charge increases from \$0.33661 to \$0.42723.

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

The customer charge increases from \$18.00 to \$23.40 and the delivery charge increases from \$0.41101 to \$0.50163.

BOILER AND POWER PLANT SERVICE – RATE BPS (Page Nos. 93-95)

Pages cancelled – rate being discontinued.

LOAD BALANCING SERVICE – RATE LBS (Page Nos. 97-99)

Pages cancelled – rate being discontinued.

BALANCING LIMITS AND CHARGES – (PAGE No. 104-105)

Section (f)(1) Monthly Imbalance Reconciliation Threshold changed from 2.5% to 3.5%. Subsection (2)(a) purchase amount changed from 150% to 125%. Subsection (5) cashout threshold changed to 3.5%.

INTERRUPTIBLE TRANSPORTATION – RATE IT (Page No. 115)

Increased customer charge and distribution charges for as follows. For existing IT-A customers, the customer charge changed from \$125 to \$152.16 and the rate per Mcf/Dth delivered changes from \$1.88/1.81 to \$2.2885/\$2.2068. For existing IT-B customers, the customer charge changed from \$225 to \$273.89 and the rate per Mcf/Dth delivered changes from \$0.91/\$0.87 to \$1.1077/\$1.0682. For existing IT-C customers, the customer charge changed from \$225 to \$273.89 and the rate per Mcf/Dth delivered changes from \$0.71/0.68 to \$0.8643/\$0.8335. For existing IT-D customers, the customer charge changed from \$225 to \$273.89 and the rate per Mcf/Dth delivered changes from \$0.63/0.61 to \$0.7669/\$0.7395. For existing IT-E customers, the customer charge changed from \$350 to \$426.06 and the rate per Mcf/Dth delivered changes from \$0.61/0.58 to \$0.7426/\$0.7161. The distribution charge may be the product of a negotiated rate and may include long-term contracts of up to five years as mutually agreed to by the Company and the Customer. This negotiated rate may be higher than, but not lower than, the distribution charges set forth above and may include additional minimum take requirements.

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COGENERATION SERVICE – RATE CG (Page No. 131)

Rate being discontinued. Existing contracts will continue until end of the term of the service agreement, at which time customers shall then migrate to most appropriate rate schedule.

WEATHER NORMALIZATION ADJUSTMENT CLAUSE (Page Nos. 149 -150)

Calculation for normal heating degree days changed from current thirty year average to calculation based on number of years used in the Company's most recent rate case, currently twenty years, as approved at Docket No. R-2017-2586783. Adds an annual reporting regarding actual charges or credits and actual number of heating degree days.

BACK-UP SERVICE – RATE BUS (Page No. 154)

Establishes the availability, rates, and terms of service for new rate for customers with operable back-up or emergency generation equipment who will require gas from the Company. Rates to be negotiated.

TECHNOLOGY AND ECONOMIC DEVELOPMENT RIDER / MICRO-COMBINED HEAT AND POWER INCENTIVES (Page No. 155)

Establishes the availability, rates, and terms of service for new rider available on a pilot basis to support the expansion of new technologies. Rates to be negotiated. Also makes available the following incentives for qualifying Micro-CHP projects: (1) up to \$750 per kW for units between 20 kW and 50 kW; and, (2) up to \$1,000 per kW for units below 20 kW. Availability of the rider and the incentives dependent upon the economics of the proposed project meeting the requirements of Section 10 of this Tariff.

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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, 2017.

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)):

\$ 13.75	per month for Residential and Public Housing Authority Customers.	(I)
\$ 23.40	per month for Commercial Customers	(I)
\$ 70.00	per month for Industrial Customers	(I)

Surcharge: Distribution System Improvement Charge.

Plus,

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

\$0.41523	per Ccf for Residential and Public Housing
\$0.41523	per Ccf for Commercial Customers
\$0.41523	per Ccf for Industrial Customers

Plus,

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

(A) Delivery Charge:

\$0.66967	per Ccf for Residential	(I)
\$0.57105	per Ccf for Public Housing	(I)
\$0.48651	per Ccf for Commercial and Municipal Customers	(I)
\$0.47698	per Ccf for Industrial Customers	(I)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; Restructuring and Consumer Education Surcharge; Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

(I) - Increase

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

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, 2017.

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):

\$ 23.40 per month

(I)

Surcharge: Distribution System Improvement Charge.

Plus,

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

\$0.41523 per Ccf

Plus,

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

(A) Delivery Charge:

\$0.42723 per Ccf

(I)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

(I) - Increase

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

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, 2017.

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);

\$23.40 per month

(I)

Surcharge: Distribution System Improvement Charge.

Plus,

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

\$0.41523 per Ccf

Plus

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

(A) Delivery Charge:

\$0.50163 per Ccf

(I)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

(I) - Increase

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

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6. BALANCING LIMITS AND CHARGES

Daily balancing, and the reconciliation of end-of-month imbalances, shall be governed by the definitions, limits and charges set forth below:

(a) Daily Receipt Quantity. The supplier's confirmed pipeline nomination quantity, adjusted for unaccounted for Gas, for the Gas day.

(b) Daily Usage Quantity. Gas used by the Rate IT Customer(s) in a supply pool during the 24-hour Gas day as recorded by the Company's meter(s) at the Rate IT Customer location(s).

(c) Allowable Daily Variation. The daily usage quantity must be within plus or minus ten percent (+/-10%) of the daily receipt quantity.

(d) Daily Imbalance Surcharge. Supplier shall be charged \$0.50 for each Dth outside the applicable allowable daily variation

(e) Daily Market Index Price. The prices published each day in Gas Daily (or successor publication or where none exists a publication selected by the Company) under the heading "Citygate Prices" for deliveries at "Texas Eastern M-3" and "Transco Z6 [non-NY]" (or applicable headings of a successor publication.) Whenever a price is published as a range, the value used for that day would be the midpoint of the range.

(f) Monthly Imbalance Reconciliation. Imbalances remaining at the end of a month in each supply pool shall be reconciled to zero in accordance with the following schedule. All cost calculations shall reflect the appropriate adjustment for unaccounted for Gas, and for average heating value where applicable.

1. Monthly usage quantities that exceed monthly receipts by up to 3.5% shall be purchased by the Supplier at the monthly average of the Daily Market Index Price; provided, however, that if Supplier shall cease to be a Supplier pursuant to this Rate Schedule, then, usage quantities that exceed monthly receipts by up to 3.5% during the Supplier's last month on PGW's system shall be purchased by the Supplier at the higher of: (a) 100% of the average of the two highest Daily Market Index Prices for the monthly period beginning on the first day of the month; or (b) 100% of the Company's highest incremental supply cost for the month. (C)

2. Monthly usage quantities that exceed monthly receipts by more than 3.5% shall be purchased by the supplier at the higher of: (a) 125% of the average of the five (5) highest Daily Market Index Prices for the monthly period beginning on the first day of the month; or (b) 150% of the Company's highest incremental supply cost for the month. (C)

3. Monthly receipt quantities that exceed monthly usage by up to 3.5% shall be purchased by the Company at the monthly average of the Daily Market Index Price; provided, however, that if Supplier shall cease to be a Supplier pursuant to this Rate Schedule, then, receipt quantities that exceed monthly usage by up to 3.5% during the Supplier's last month on PGW's system shall be purchased by Company at the lower of: (a) 100% of the average of the two (2) lowest Daily Market Index Price for the monthly period beginning on the first day of the month; or (b) 100% of the Company's lowest incremental supply cost for the month.. (C)

4. Monthly receipt quantities that exceed monthly usage by more than 3.5% shall be purchased by the Company at the lower of: (a) 75% of the average of the five(5) lowest Daily Market Index Price for the monthly period beginning on the first day of the month; or (b) 75% of the Company's lowest incremental supply cost for the month. (C)

(C) - Change

5. In the event that erroneous or inaccurate data is posted to PGW's EBB or changes occur to the data following the initial posting, PGW and the Suppliers agree to exercise good faith effort in attempting to resolve imbalances before the month's end. If the monthly imbalance cannot be brought into the monthly +/- 3.5% cashout band, the erroneous, inaccurate or changed data will be excluded from the Monthly Imbalance Reconciliation calculation and that volume shall be cashed out at the monthly average of the Daily Market Index Price.

(C)

6. To facilitate this management and to avoid or correct imbalances, Rate IT Customer may modify the quantities it intends to have delivered to Company's City Gate in accordance with the nomination procedure of the delivering pipeline. All delivery arrangements must be coordinated with Company's representative in a manner deemed acceptable by Company. The Company may decline a revised nomination for specific operating reasons, where granting such would threaten the reliability of firm supply.

7. For the purpose of this section, the term "supplier" shall refer to both directly transporting Customers and supplier pools. To facilitate this management and to avoid or correct imbalances, a Rate IT supplier may reduce its imbalance by arranging a trade of quantities with another Rate IT supplier. Suppliers shall be permitted to trade IT imbalances on both a daily and monthly basis in accordance with the provisions below in order to reduce an imbalance to zero. Such trade will be arranged separately from PGW's electronic bulletin board systems. Within five (5) business days after month end, the Company shall provide by e-mail to each supplier who has previously agreed to have its data shared, a spreadsheet listing each supplier and whether the supplier had positive or negative daily imbalances (supplier imbalance data). Verification of any trade shall be provided to PGW via e-mail by both suppliers involved in the trade and submitted within five (5) business days of receipt from the Company of the supplier imbalance data. A supplier may offset daily or monthly imbalances in its FT service pool imposed pursuant to section 9.12 of PGW's Supplier Tariff. Such pool-to-pool netting of imbalances between a supplier's FT and IT pools are permitted only to the extent that the offset reduces to zero any positive imbalance in the supplier's IT pool. Any such pool-to-pool imbalance netting shall be communicated via e-mail to the Company within seven (7) business days from the end of the billing month.

Any misconduct by a supplier may terminate or suspend imbalance trading rights. In such event, PGW shall provide written notice of such proposed action to the affected supplier. The supplier or the Company may elect to address the alleged misconduct through the Company's informal dispute resolution procedures, 52 Pa. Code Section § 62.142(b). Either the supplier or the Company may file a complaint with the Commission regarding the alleged misconduct at any time. No action to suspend or terminate a supplier's imbalance trading rights shall occur prior to commission authorization.

(C) - Change

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:	152.16	(I)
IT-B:	273.89	(I)
IT-C:	273.89	(I)
IT-D:	273.89	(I)
IT-E:	426.06	(I)
<u>DISTRIBUTION CHARGE</u>	<u>Rate (\$) Per Mcf / Dth Delivered*</u>	
IT-A:	2.2885/ 2.2068	(I)
IT-B:	1.1077 / 1.0682	(I)
IT-C:	0.8643 / 0.8335	(I)
IT-D:	0.7669 / 0.7395	(I)
IT-E:	0.7426/ 0.7161	(I)

*The distribution charge may be the product of a negotiated rate and may include long-term contracts of up to five years as mutually agreed to by the Company and the Customer. This negotiated rate may be higher than, but not lower than, the distribution charges set forth above and may include additional minimum take requirements. (C)

(I) – Increase; (C) – Change

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.

RATES**CUSTOMER CHARGE:**

\$362.00 per month.

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.

(C) = Change

***As of the effective date of this Tariff Supplement, enrollment in Rate CG will be closed. Customers that are properly receiving service under this rate shall continue to do so under their current service agreement(s) until the end of the current term of the service agreement(s). Customers shall then migrate to the most appropriate rate schedule given their size and load profile.**

(C)

WEATHER NORMALIZATION ADJUSTMENT CLAUSE

Provision For Adjustment

The Weather Normalization Adjustment shall be applied to each Mcf (1,000 cubic feet) used for heating purposes under Rate Schedules GS, MS, and PHA (“heating” and “heating only” customers), except for Gas usage under the Special Provisions – Air Conditioning of those rates. The Weather Normalization Adjustment will be applied to customer usage during the period of October 1 through May 31 of each year for each billing cycle (except for the 2002-2003 heating season when the Weather Normalization Adjustment will be applied to customer invoices rendered during the period of December 1 through May 31 of each year for each billing cycle).

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment surcharge or credit shall be computed to the nearest one-hundredth cent (0.01cent) in accordance with the formulas set forth below:

$$HL = TU - (BL * BC)$$

$$WNA = DC * [(HL * \frac{NHDD \pm (NHDD * 1\%)}{AHDD}) - HL]$$

Definitions

TU – Total Usage for the billing cycle. TU measured in Mcf.

BL – base load Mcf per billing day is the number of Mcf per Customer used per day for non-heating purposes based on usage by Customers to which this adjustment applies. It is determined separately for each individual customer and will be revised annually to reflect the non-temperature sensitive usage of Customers to which the adjustment applies reflected in the prior heating season’s sales. If an individual customer base load is not available, the base load for the related customer class will be applied.

BC – billing cycle is the actual number of days shown on the bill that the Customer receives for service.

DC – Delivery Charge.

NHDD – normal heating degree days for any given calendar day within a month are based on the normal weather determination applied in the Company’s most recent base rate case, currently twenty years, as approved at Docket No. R-2017-2586783. The NHDD provided for in the formula are the total number of NHDD for the billing cycle. The degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport. (C)

AHDD – actual experienced heating degree days for the billing cycle. The degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport.

Operation of Weather Normalization Adjustment

The Weather Normalization Adjustment will be applied to a Customer’s bill on a cents per Mcf basis when actual heating degree days vary from normal heating degree days during the period for which the Customer is billed. The Weather Normalization Adjustment will be applied to the Customer’s space

(C) - Change

heating consumption except for air conditioning usage billed under the air conditioning rate. The Weather Normalization Adjustment for a billing cycle will apply only if the actual heating degree days (AHDD) for the billing cycle are lower than 99 percent or higher than 101 percent of the normal heating degree days (NHDD) for the billing cycle and will only apply to the extent that the variation is lower than 99 percent or higher than 101 percent of the normal heating degree days for that billing cycle. A new weather adjustment will be calculated for each billing cycle.

Under the formulas, the Weather Normalization Adjustment surcharge or credit is calculated by:

- 1) Normal HDD are calculated for each day of the fiscal year based upon the normal weather determination applied in the Company's most recent base rate case, currently twenty years as approved at Docket No. R-2017-2586783. (C)
- 2) At the start of the fiscal year, an average daily base load (non-heating) usage is calculated for each individual customer based upon actual base load usage.
- 3) The average daily base load (non-heating) amount is multiplied by the number of days in the billing cycle.
- 4) The total billing cycle base load amount is subtracted from the actual cycle usage of the customer in order to derive the usage applicable to heating.
- 5) The WNA factor is multiplied times the heating usage in order to derive the normalized heating usage.
 - a) The WNA factor is calculated by first adjusting the Normal HDD (NHDD) for the billing cycle by the deadband percentage (1 %). The deadband percentage is multiplied by the NHDD and then added to NHDD for the billing period when the weather is colder than normal (i.e., AHDD > NHDD) or subtracted from NHDD for the billing period when the weather is warmer than normal (i.e., AHDD < NHDD).
 - b) The adjusted NHDD are then divided by the AHDD.
- 6) The actual heating usage is subtracted from the normalized heating usage and then multiplied by the delivery charge. The result is a surcharge or credit.

Reporting Requirements

The Company will file all Weather Normalization Adjustments with the Commission on an annual basis. On or about January 10 of each year beginning in 2018, the Company shall submit an annual report for the most recent fiscal year ending August 31 detailing the actual charges or credits that resulted from the application of this clause and the actual number of heating degree days (HDDs). (C)

(C) - Change

BACK-UP SERVICE - RATE BUS

Rate Applicable to: Back-Up Service as described below.

AVAILABILITY

Available at the Company's sole discretion where the Customer has installed any type of operable back-up or emergency generation equipment and who from, time to time, will require Gas from the Company for the Customer's operation of that equipment.

RATES and TERMS OF SERVICE

Contracts stipulating the negotiated rate and negotiated terms of Back-up Service may be entered into between the Company and Customer when the Company, in its sole discretion, deems such offering to be economically advantageous to the Company. Service under this rate is firm.

Back-up service for use by back-up or emergency equipment shall be separately metered subject to the Company's technical determination that more than one meter is required to correctly measure the total gas service rendered. Should the Company determine that this service be separately metered, the Company will issue a separate bill pursuant to a rate schedule applicable for the usage on the separate meter. Otherwise, if so determined by the Company to be technically feasible, the Company shall allow gas usage for such equipment to be measured by the customer's existing meter.

As part of its annual Gas Cost Rate (GCR) filings, PGW will provide the number of customers, sales levels and costs incurred for these customers. In two years (or in the Company's next base rate case, whichever is sooner), the Company will provide an analysis of the rate and provide a recommendation about whether the rate should continue.

TECHNOLOGY AND ECONOMIC DEVELOPMENT RIDER MICRO-COMBINED HEAT AND POWER INCENTIVES

AVAILABILITY

TECHNOLOGY AND ECONOMIC DEVELOPMENT RIDER: The Technology and Economic Development (TED) Rider is a negotiated rider available on a pilot basis for a three-year period beginning on the effective date of this tariff supplement that will be utilized to support the expansion of new technologies such as, but not limited to, combined heat and power (CHP), natural gas vehicles, and fuels cells, to develop brownfields, and support economic development in Pennsylvania by facilitating business retention and attraction, as well as other gas distribution system expansion activities. The TED Rider is available to those Customers served by the Company that the Company determines, in its sole discretion, have prospective additional gas usage applicable to service for firm service non-residential customers on Tariff Rate Schedules for General Service (Rate GS), Municipal Service (Rate MS), Philadelphia Housing Authority Service (Rate PHA) and Developmental Natural Gas Vehicle Service (Rate NGVS) at the time of execution or renewal of a service agreement. The TED Rider is established for the purpose of adjusting the customer's overall distribution charge to address project-specific or competitive issues to gain access to and expand use of natural gas within the Commonwealth of Pennsylvania. The negotiated TED Rider may be either a surcharge or credit depending on project-specific customer and Company economic requirements, such that the overall economics must meet the requirements of Section 10 of this Tariff. As part of its Gas Cost Rate (GCR) filings, PGW will provide data on sales and costs for TED customers.

GENERAL TERMS

The Customer must execute a TED Rider service agreement.

RATES

Customer Charge: Negotiable
Plus
Delivery Charge (per ccf): Negotiable

AVAILABILITY

MICRO-COMBINED HEAT AND POWER INCENTIVES: For projects involving micro-CHP units no larger than 50 kW, the following Micro-CHP Incentives may be available for qualifying projects: (1) up to \$750 per kW for units between 20 kW and 50 kW; and, (2) up to \$1,000 per kW for any units below 20 kW. The Incentive is available to those Customers served by the Company that the Company determines, in its sole discretion, have prospective additional gas usage applicable to service for Rate GS Commercial/Industrial customers, Rate MS customers and Rate PHA customers on a pilot basis for a three-year period beginning on the effective date of this tariff supplement. The economic test that will be utilized by the Company to determine eligibility for participation will include the costs of the incentives.