

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:

$$\text{GCR} = \text{SSC} + \text{GAC} - \text{IRC}$$

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 | \$ 6,670,615 | \$ (11,095,999) | \$ (4,425,384) | |
| E = Adjustments to GCR Expenses | \$ 6,670,615 | \$ (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 | \$ 9.6075 | \$ 10.9894 | |
| GAC in effect 1/01/09 | \$ 0.1248 | \$ (0.2077) | \$ (0.0828) | |
| IRC in effect 1/01/09 | | | \$ (0.2069) | |
| 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 9) |
| 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 | FIRM | TOTAL | INTERRUPTIBLE | TOTAL | SENIOR | TOTAL |
|---------------|------------|-----------|------------|---------------|------------|---------|---------------|
| | VOLUMES | TRANSPORT | BILLED | SALES | GCR FIRM | CITIZEN | APPLICABLE |
| | 1 | 2 | 3 = 1 - 2 | 4 | 5 = 3 - 4 | 6 | 7 = 5 - 6 + 2 |
| DECEMBER 2008 | 7,119,059 | 298,801 | 6,820,258 | 217,703 | 6,602,555 | 87,635 | 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 | 1,670,566 | 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 | 64,839,827 | 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 | 6,827,620 | 6,525,309 | 6,566,756 | 6,493,753 | 5,934,821 | 5,889,266 | 5,930,153 | 5,894,786 | 5,892,192 | 5,923,888 | 5,888,908 | 6,353,449 | 73,840,422 |
| COMMODITY CHARGE | 67,969,517 | 69,525,401 | 57,982,255 | 58,574,851 | 40,135,943 | 36,606,988 | 26,420,408 | 28,289,781 | 24,866,246 | 25,870,865 | 37,850,598 | 37,438,368 | 607,316,001 |
| TOTAL NATURAL GAS BILLED | 74,497,137 | 76,050,710 | 64,549,011 | 65,068,604 | 46,070,764 | 41,506,253 | 32,350,562 | 31,154,577 | 30,660,438 | 31,794,754 | 43,739,506 | 43,901,818 | 581,168,423 |
| INTERRUPTIBLE CREDIT | (2,069,934) | (2,366,496) | (1,972,082) | (1,516,208) | (627,837) | (276,314) | (120,577) | (122,881) | (120,348) | (142,092) | (404,706) | (781,765) | (10,520,900) |
| SENDOUT VOLUME IN MCF | 204,666 | 228,212 | 188,108 | 148,093 | 80,124 | 35,283 | 16,263 | 16,572 | 14,979 | 17,650 | 49,667 | 87,756 | 1,085,464 |
| 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 | 9.788 | 10.009 | 10.119 | 9.882 | 7.660 | 7.567 | 7.825 | 7.615 | 7.785 | 7.771 | 7.835 | 8.599 | 102.066 |
| GAS USED FOR UTILITY | (1,151,694) | (1,429,833) | (1,627,566) | (1,418,008) | (490,926) | (181,121) | (21,977) | (97,258) | (48,137) | (143,472) | (190,155) | (424,003) | (7,234,340) |
| NATURAL GAS TO STORAGE | 22,895,388 | 36,002,371 | 33,955,157 | 19,769,737 | 2,289,187 | 308,839 | 17,181,269 | 16,600,405 | 15,936,485 | 15,525,160 | 13,525,643 | 266,526 | 107,301,805 |
| FT FROM STORAGE | 1,664,857 | 2,539,230 | 2,091,903 | 1,314,428 | 420,748 | 27,828 | - | - | - | - | 68,312 | 685,455 | 8,782,763 |
| NET NATURAL GAS STORAGE | 22,896,369 | 36,002,371 | 33,955,157 | 19,222,154 | (6,972,847) | (18,147,623) | (17,161,269) | (16,600,405) | (15,936,485) | (15,525,160) | (12,490,736) | 13,227,850 | 22,581,366 |
| LNG TO STORAGE | 198,429 | - | - | 2,875,755 | 3,085,500 | 2,109,931 | 881,567 | - | - | 325,668 | 2,333,208 | 2,802,142 | 14,610,189 |
| FROM LNG PGW | 1,163,782 | 3,408,339 | 3,288,495 | 589,086 | 738,153 | 748,827 | 716,237 | 737,112 | 737,112 | 712,651 | 728,483 | 1,262,698 | 14,832,484 |
| FT FROM LNG | 477,987 | 182,484 | 199,225 | 160,469 | - | - | - | - | - | - | - | - | 1,020,166 |
| NET LNG STORAGE | 955,354 | 3,408,839 | 3,288,495 | (2,276,669) | (2,346,348) | (1,381,104) | (166,320) | 737,112 | 737,112 | 386,884 | (1,603,715) | (1,538,447) | 222,295 |
| NET NATURAL GAS EXPENSE | 95,226,251 | 111,665,490 | 98,205,925 | 79,079,872 | 35,636,808 | 21,630,072 | 14,881,419 | 15,071,178 | 15,192,571 | 16,370,504 | 29,050,196 | 54,284,563 | 586,174,845 |
| APPLICABLE GGS EXPENSE | | | | | | | | | | | | | |
| NET NATURAL GAS EXPENSE | 95,226,251 | 111,665,490 | 98,205,925 | 79,079,872 | 35,636,808 | 21,630,072 | 14,881,419 | 15,071,175 | 15,192,571 | 16,370,504 | 29,050,196 | 54,284,563 | 586,174,845 |
| PURCHASED ELECTRIC | 100,000 | 94,700 | 130,100 | 112,100 | 75,100 | 76,200 | 73,500 | 85,900 | 59,100 | 66,700 | 78,500 | 91,800 | 1,023,500 |
| TOTAL APPLICABLE EXPENSES | 95,326,251 | 111,760,190 | 98,336,025 | 79,191,972 | 35,711,908 | 21,606,272 | 14,954,919 | 15,137,075 | 15,251,671 | 16,437,204 | 29,128,696 | 54,376,363 | 587,198,345 |
| TOTAL FIRM SALES | 6,602,585 | 10,350,794 | 9,227,354 | 7,322,966 | 5,042,649 | 2,414,792 | 1,448,824 | 1,173,816 | 1,128,450 | 1,651,950 | 1,670,566 | 3,834,374 | 51,289,089 |

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**

| | 01/01/2007 | 03/01/2007 | 04/01/2007 | 06/01/2007 | 07/01/2007 | 09/01/2007 | 10/01/2007 | 12/01/2007 | 01/01/2008 |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Split Month | Split Month | Split Month | Split Month | Split Month | Split Month | Split Month | Split Month | Split Month |
| SSC in Effect | \$ 10,8207 | \$ 10,7437 | \$ 10,6688 | \$ 11,0493 | \$ 11,4318 | \$ 11,1212 | \$ 10,8106 | \$ 10,7697 | \$ 10,7898 |
| GAC in Effect | \$ 0,2341 | \$ 0,0731 | \$ (0,0878) | \$ (0,3257) | \$ (0,5636) | \$ (0,5637) | \$ (0,5637) | \$ (0,3068) | \$ (0,0639) |
| IRC in Effect | \$ (0,1429) | \$ (0,1440) | \$ (0,1452) | \$ (0,1441) | \$ (0,1430) | \$ (0,1398) | \$ (0,1361) | \$ (0,1366) | \$ (0,1370) |
| Total Effective | \$ 10,8119 | \$ 10,6728 | \$ 10,4338 | \$ 10,5795 | \$ 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 FOR ACTUAL REVENUE (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 2007 | 81,878,560 | 6,923,635 | 10,8207 | 74,918,450 | 1,0002 | 74,932,634 | (6,945,926) | | | | | |
| FEBRUARY | 101,961,779 | 9,965,002 | 10,8207 | 107,828,109 | 0,9999 | 107,820,140 | 5,858,361 | | | | | |
| MARCH | 68,095,395 | 8,026,777 | 10,7437 | 86,237,608 | 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 | 1,345,857 | 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 | 3,224,389 | 10,8106 | 34,857,583 | 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**

| Month | Split Month | Split Month | Split Month |
|-----------------|----------------|-------------|-------------|
| | 12/01/2007 | 01/01/2008 | 03/01/2008 |
| SSC In Effect | \$ 10,8106 \$ | 10,7897 \$ | 10,9166 \$ |
| GAC In Effect | \$ (0,5637) \$ | (0,3088) \$ | (0,1293) \$ |
| IRC In Effect | \$ (0,1381) \$ | (0,1370) \$ | (0,1370) \$ |
| Total Effective | \$ 10,1108 \$ | 10,3444 \$ | 10,6503 \$ |

| Month | 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) | TIME FACTOR (9) | INTEREST EXPENSE (10)=(7)*(8)*(9) | INTEREST ON REFUNDS 11 | TOTAL INTEREST 12=(10+11) |
|----------------------------|----------------|----------------------------|--------------------------------------|-----------------------------------|---|-----------------------------------|-------------------|-----------------|-----------------------------------|------------------------|---------------------------|
| | | | | | | | | | | | |
| SEPTEMBER 2007 | 1,160,336 | 10,8106 | 12,543,824 | 0,956 | 11,983,893 | (3,635,424) | 8% | 18/12 | (436,251) | 0 | (436,251) |
| OCTOBER | 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 | 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 | 7,036,638 | 10,7897 | 75,923,213 | 1,004 | 76,189,948 | (2,399,720) | 8% | 15/12 | (239,972) | 0 | (239,972) |
| JANUARY 2008 | 83,672,810 | 10,7688 | 86,384,067 | 1,000 | 85,348,631 | 1,876,021 | 6% | 14/12 | 117,321 | 0 | 117,321 |
| FEBRUARY | 76,410,711 | 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 | 10,9166 | 74,455,721 | 1,001 | 74,502,865 | 11,564,160 | 6% | 12/12 | 693,851 | 0 | 693,851 |
| APRIL | 4,411,145 | 11,0644 | 48,806,673 | 1,000 | 48,798,245 | 14,570,513 | 6% | 11/12 | 801,378 | 0 | 801,378 |
| MAY | 2,150,657 | 11,0644 | 23,795,728 | 1,000 | 23,801,924 | (2,510,984) | 6% | 10/12 | (125,549) | 23,290 | (102,259) |
| JUNE | 1,519,116 | 12,3503 | 18,761,515 | 0,993 | 18,637,451 | (817,470) | 6% | 9/12 | (36,786) | 150,000 | 113,214 |
| JULY | 1,115,708 | 13,6362 | 15,213,977 | 0,998 | 15,177,678 | (4,507,339) | 6% | 8/12 | (180,294) | 136,096 | (44,198) |
| AUGUST | 1,047,640 | 13,6362 | 14,285,803 | 0,995 | 14,207,401 | 1,955,717 | 6% | 7/12 | 68,450 | 131,400 | 199,851 |
| Total | 498,441,188 | | 501,945,357 | | 501,465,093 | 3,023,905 | | | (1,066,355) | 440,766 | (625,569) |
| Interest from Schedule 5b1 | | | | | | | | | | | 1,188,586 |
| Total Interest | | | | | | | | | | | 563,018 |

**CALENDAR YEAR 2007
PHILADELPHIA GAS WORKS
INTEREST ADJUSTMENT CALCULATION**

| MONTH | Split Month | | | ADJUSTED | | | INTEREST RATE (1) (8) | TIME FACTOR (9) | INTEREST EXPENSE (10)=(7)*(8)*(9) (\$) |
|-----------------|-------------|-------------|-------------|-------------|-------------|------------|--------------------------|-----------------|---|
| | 01/01/2007 | 03/01/2007 | 04/01/2007 | 06/01/2007 | 07/01/2007 | 08/01/2007 | | | |
| SSC in Effect | \$ 10,8207 | \$ 10,7437 | \$ 10,6668 | \$ 11,0493 | \$ 11,4318 | | 2% | 26/12 | (300,990) |
| GAC in Effect | \$ 0,2341 | \$ 0,0731 | \$ (0,0878) | \$ (0,3257) | \$ (0,5636) | | 2% | 25/12 | 244,098 |
| IRC in Effect | \$ (0,1429) | \$ (0,1440) | \$ (0,1452) | \$ (0,1441) | \$ (0,1430) | | 2% | 24/12 | 713,559 |
| Total Effective | \$ 10,9119 | \$ 10,6728 | \$ 10,4338 | \$ 10,5795 | \$ 10,7262 | | 2% | 23/12 | 427,771 |
| | | | | | | | 2% | 22/12 | 247,727 |
| | | | | | | | 2% | 21/12 | (12,785) |
| | | | | | | | 2% | 20/12 | (59,245) |
| | | | | | | | 2% | 19/12 | (71,550) |
| | | | | | | | | | 1,188,586 |

| 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/RECOVERY (UNDER) (7)=(6)-(1) (\$) | INTEREST RATE (1) (8) | TIME FACTOR (9) | INTEREST EXPENSE (10)=(7)*(8)*(9) (\$) |
|--------------|------------------------------|----------------|------------------------------------|--|-----------------------------------|--|---|--------------------------|-----------------|---|
| JANUARY 2007 | 81,878,560 | 6,923,635 | 10,8207 | 74,918,450 | 1,0002 | 74,932,634 | (6,945,926) | 2% | 26/12 | (300,990) |
| FEBRUARY | 101,961,779 | 9,965,002 | 10,8207 | 107,828,109 | 0,9999 | 107,820,140 | 5,858,361 | 2% | 25/12 | 244,098 |
| MARCH | 68,095,395 | 8,026,777 | 10,7437 | 86,237,608 | 0,9965 | 85,934,376 | 17,838,981 | 2% | 24/12 | 713,559 |
| APRIL | 44,358,505 | 5,203,029 | 10,6668 | 55,499,670 | 1,0003 | 55,517,737 | 11,159,232 | 2% | 23/12 | 427,771 |
| MAY | 19,662,516 | 2,477,760 | 10,6668 | 26,429,770 | 0,9996 | 26,418,713 | 6,756,197 | 2% | 22/12 | 247,727 |
| JUNE | 15,195,939 | 1,345,857 | 11,0493 | 14,870,778 | 0,9973 | 14,830,661 | (365,278) | 2% | 21/12 | (12,785) |
| JULY | 15,079,471 | 1,165,528 | 11,4318 | 13,324,083 | 0,9884 | 13,302,133 | (1,777,338) | 2% | 20/12 | (59,245) |
| AUGUST | 13,302,465 | 995,532 | 11,4318 | 11,380,728 | 0,9703 | 11,043,003 | (2,259,462) | 2% | 19/12 | (71,550) |
| | 359,534,630 | 36,103,120 | | 390,489,196 | | 389,799,397 | 30,264,767 | | | 1,188,586 |

(1) 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> | NATURAL GAS REFUNDS (9) (\$) | INTEREST RATE (10) | TIME FACTOR (11) | INTEREST ON REFUNDS (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 | <u>10,955,827</u> | | | <u>440,786</u> |

**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 REFUNDS (9) | TOTAL INTEREST (10)=(8)+(9) |
|----------------------|--|--|---|-------------------------|-----------------------|--|---|---|----------------------------|-----------------------------------|
| | | | | | | | | | | |
| SEPTEMBER 2007 | (3,635,424) | (4,060,951) | 445,527 | 8% | 18/12 | (489,714) | 53,463 | (436,251) | 0 | (436,251) |
| OCTOBER | (4,140,114) | (3,926,482) | (213,632) | 8% | 17/12 | (445,001) | (24,212) | (469,213) | 0 | (469,213) |
| NOVEMBER | (16,601,877) | (1,558,622) | (15,043,256) | 8% | 16/12 | (166,253) | (1,804,614) | (1,770,867) | 0 | (1,770,867) |
| DECEMBER | (2,399,720) | 3,376,212 | (5,775,932) | 8% | 15/12 | 337,621 | (577,593) | (239,972) | 0 | (239,972) |
| JANUARY 2008 | 1,676,021 | 5,009,893 | (3,333,873) | 6% | 14/12 | 350,693 | (233,371) | 117,321 | 0 | 117,321 |
| FEBRUARY | 7,870,403 | 5,648,932 | 2,221,471 | 6% | 13/12 | 367,181 | 144,396 | 511,576 | 0 | 511,576 |
| MARCH | 11,564,180 | 3,449,758 | 8,114,422 | 6% | 12/12 | 206,965 | 486,865 | 693,851 | 0 | 693,851 |
| APRIL | 14,570,513 | 347,001 | 14,223,512 | 6% | 11/12 | 19,065 | 782,293 | 801,378 | 0 | 801,378 |
| MAY | (2,510,984) | (1,793,750) | (717,234) | 6% | 10/12 | (89,667) | (35,862) | (125,549) | 23,290 | (102,259) |
| JUNE | (617,470) | (2,876,369) | 2,060,920 | 6% | 9/12 | (129,528) | 92,741 | (36,786) | 156,000 | 119,214 |
| JULY | (4,507,339) | (2,970,316) | (1,537,023) | 6% | 8/12 | (118,813) | (61,481) | (180,294) | 136,066 | (44,198) |
| AUGUST | 1,955,717 | (3,139,862) | 5,095,580 | 6% | 7/12 | (109,893) | 179,345 | 69,450 | 131,400 | 199,851 |
| TOTAL FY 2008 | 3,023,905 | (2,516,576) | 5,540,481 | | | (267,326) | (799,029) | (1,066,355) | 440,786 | (625,569) |
| JANUARY 2007 | (6,945,926) | 3,118,287 | (10,064,213) | 2% | 26/12 | 135,126 | (436,116) | (300,990) | 0 | (300,990) |
| FEBRUARY | 5,858,361 | 6,736,224 | (880,863) | 2% | 25/12 | 280,801 | (36,703) | 244,098 | 0 | 244,098 |
| MARCH | 17,838,981 | 6,114,688 | 11,724,293 | 2% | 24/12 | 244,588 | 468,972 | 713,569 | 0 | 713,569 |
| 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 | (2,069,191) | 8,825,388 | 2% | 22/12 | (75,870) | 323,598 | 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 | (1,777,338) | (2,837,769) | 1,060,431 | 2% | 20/12 | (84,592) | 36,348 | (59,245) | 0 | (59,245) |
| AUGUST | (2,259,462) | (3,555,958) | 1,296,497 | 2% | 19/12 | (112,605) | 41,056 | (71,550) | 0 | (71,550) |
| TOTAL 2007 | 30,264,767 | 6,692,704 | 23,272,063 | | | 368,124 | 820,462 | 1,186,586 | | 1,186,586 |
| GRAND TOTAL | 33,288,672 | 4,476,128 | 28,812,544 | 0 | 0 | 100,798 | 21,434 | 122,231 | 440,786 | 563,018 |

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

GCR

STATEMENT OF RECONCILIATION
DECEMBER 2008 THROUGH NOVEMBER 2009

| | 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 |
|-------------------------------|--------------------------|--------------------|-------------------------------|--|---|-------------------------------|-------------------------------|-------------------------------------|--|---|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| November 2008 OVER-COLLECTION | | | | | | | | | | 4,425,384 | |
| DECEMBER 2008 | Estimated 95,326,251 | 6,602,555 | 0.2146 | 1,416,830 | 93,909,421 | 12.6527 | 83,540,149 | (10,426) | (10,378,697) | 569,911 | (9,809,795) |
| JANUARY 2009 | Estimated 111,750,190 | 10,350,794 | 0.2146 | 2,221,157 | 109,539,033 | 11.8767 | 120,863,114 | 2,868 | 11,326,949 | 893,447 | 2,410,811 |
| FEBRUARY | Estimated 98,336,025 | 9,227,354 | 0.2146 | 1,980,080 | 96,355,945 | 10.7907 | 98,739,145 | 8,011 | 2,391,211 | 796,476 | 5,598,298 |
| MARCH | Estimated 79,191,972 | 7,322,968 | 0.2146 | 1,571,421 | 77,620,551 | 10.7007 | 78,360,859 | 11,000 | 751,308 | 632,095 | 6,981,791 |
| APRIL | Estimated 35,711,908 | 5,042,649 | 0.2146 | 1,082,071 | 34,629,837 | 10.7007 | 53,959,801 | 14,213 | 19,343,177 | 435,257 | 26,760,134 |
| MAY | Estimated 21,606,272 | 2,414,792 | 0.2146 | 518,186 | 21,088,086 | 10.7007 | 28,839,960 | 17,469 | 4,769,343 | 208,437 | 31,737,915 |
| JUNE | Estimated 14,934,919 | 1,448,824 | 0.2146 | 310,900 | 14,624,018 | 10.7007 | 16,503,431 | 16,280 | 897,694 | 125,068 | 32,760,666 |
| JULY | Estimated 15,137,075 | 1,173,916 | 0.2146 | 251,908 | 14,885,167 | 10.7007 | 12,561,719 | 19,731 | (2,303,716) | 101,329 | 30,568,279 |
| AUGUST | Estimated 16,251,671 | 1,128,450 | 0.2146 | 242,152 | 15,009,519 | 10.7007 | 12,076,209 | 20,104 | (2,914,206) | 97,404 | 27,741,477 |
| SEPTEMBER | Estimated 16,437,204 | 1,051,950 | 0.2146 | 225,736 | 16,211,468 | 10.7007 | 11,256,691 | 21,280 | (4,933,687) | 90,801 | 22,898,691 |
| OCTOBER | Estimated 29,129,696 | 1,670,566 | 0.2146 | 358,484 | 28,770,212 | 10.7007 | 17,876,226 | 20,792 | (10,873,194) | 144,198 | 12,169,695 |
| NOVEMBER | Estimated 54,376,163 | 3,834,374 | 0.2146 | 922,611 | 53,553,352 | 10.7007 | 41,030,489 | 20,326 | (12,592,636) | 330,971 | (1,870) |
| Total | 587,198,346 | 51,269,089 | | 11,001,737 | 576,196,608 | | 571,906,704 | 163,650 | (4,427,252) | 4,425,384 | (1,870) |

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2008 THROUGH NOVEMBER 2008

| | 1 | 2 | 3 = (1+2) | 4 | 5 | 6 = (3+5) | 7 = (3+6) | 8 | 9 | 10 | 11 = (9+10+7) | 12 | 13 |
|---------------------------|-----------|------------|------------------|------------|--------------------|---------------------------|---------------------|--------------------|--------------------|--------------------------|------------------------------|---------------------|---------------------------------|
| | D | C | M | F | I | R | A | G | R | S | M | N | C |
| | CHARGES | 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 | | | | | | | | | | | | | 30,602,871 |
| 2007-2008 INTEREST | | | | | | | | | | | | | 563,018 |
| TOTAL "E" FACTOR | | | | | | | | | | | | | 31,066,889 |
| SEPTEMBER 2008 Actual | 6,370,667 | 13,234,672 | 18,605,229 | 1,099,000 | 0.1774 | 194,983 | 19,410,266 | 12.8382 | 11,609,299 | (11,899) | (6,812,862) | 30,853 | 24,283,920 |
| OCTOBER Estimated | 5,840,873 | 24,322,868 | 30,163,631 | 1,483,668 | 0.2166 | 321,362 | 29,842,269 | 12.6527 | 18,772,406 | 1,941 | (11,067,921) | 0 | 13,216,998 |
| NOVEMBER Estimated | 6,401,901 | 48,959,003 | 55,360,904 | 3,619,668 | 0.2166 | 784,016 | 64,875,766 | 12.6527 | 46,788,447 | (13,275) | (9,790,616) | 0 | 4,426,384 |

RECONCILIATION OF DEMAND CHARGES

| | 1 | 2 | 3 | 4 = (2+3) | 5 | 6 = (4+1) | 7 |
|---------------------------|-----------|-----------|-----------|----------------|----------------------------|-------------------------------|-----------|
| | D | F | C | D | C | D | C |
| | CHARGES | SALES | IN EFFECT | CHARGES BILLED | MONTHLY DEMAND OVER(UNDER) | CUMULATIVE DEMAND OVER(UNDER) | |
| 2006-2007 OVER-COLLECTION | | | | | | | |
| SEPTEMBER 2008 Actual | 6,377,963 | 1,099,000 | 1,4100 | 1,849,836 | (3,828,047) | (1,691,044) | 2,137,004 |
| OCTOBER Estimated | 5,824,701 | 1,483,668 | 1,4166 | 2,102,861 | (3,722,841) | (5,413,684) | |
| NOVEMBER Estimated | 6,386,262 | 3,619,668 | 1,4166 | 5,128,331 | (1,266,931) | (6,670,615) | |

Change In Rates 1st Quarter Filing

Rates Effective January 1, 2009

Distribution Charge

| | <u>Distribution Charge</u> | | | | <u>Total</u> |
|--------------------------------|----------------------------|---|--|-------------------|--------------|
| | <u>Delivery Charge</u> | <u>Restructuring & Consumer Education</u> | <u>Universal Service & Ener. Cons.</u> | <u>Surcharges</u> | |
| Residential GS | \$6.1840 | \$0.0218 | \$2.2590 | \$2.2808 | \$8.4648 |
| Commercial GS/MUNGS | \$5.2449 | \$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 | \$7.5625 |

Proposed Rates

| | <u>09/01/08</u> | | <u>01/01/09</u> | | <u>01/01/09</u> | | <u>Decrease</u> (7)=(6)-(3) |
|--------------------------------|-----------------------------------|-------------------|--------------------------------------|-----------------------------------|-------------------|--------------------------------------|--------------------------------|
| | <u>Distribution Charge</u> (4) | <u>GCR</u> (2) | <u>Commodity Rate</u> (3)=(1)+(2) | <u>Distribution Charge</u> (4) | <u>GCR</u> (5) | <u>Commodity Rate</u> (6)=(4)+(5) | |
| Residential GS | \$7.9292 | \$12.6527 | \$20.5819 | \$8.4648 | \$10.7007 | \$19.1655 | (\$1.4164) |
| Commercial GS/MUNGS | \$7.3109 | \$12.6527 | \$19.9636 | \$7.5257 | \$10.7007 | \$18.2284 | (\$1.7372) |
| Industrial GS | \$7.3082 | \$12.6527 | \$19.9609 | \$7.5273 | \$10.7007 | \$18.2280 | (\$1.7329) |
| 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 | \$16.7993 | (\$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

**Expenses in
the Surcharge**

| | | | |
|--|-----------|--------------------|---|
| Conservation Works Program (CWP) | \$ | 2,330,000 | |
| Customer Responsibility Program (CRP) Discount | \$ | 107,402,439 | |
| Senior Citizen Discount | \$ | 11,658,292 | * |
| August 2008 Under Collection | \$ | 6,411,075 | |
| Total \$ to be Recovered | \$ | 127,799,805 | |
| Total Applicable Volumes | Mcf | 53,034,012 | |

| | Rate in Effect 09-01-2008 | | Rate as of 01-01-2009 | Total | |
|-----------------------------|---------------------------|----------------------|-----------------------|-----------------------|------|
| | 100% of December | 50% of January | 10.5 Months | (MCF) | (\$) |
| Applicable Volumes (Mcf) | 6,813,721 | 5,317,517 | 40,902,774 | 53,034,012 | |
| USC Rates in Effect | \$ 2.9180 | \$ 2.9180 | 2.2590 | | |
| Total USC Expense Recovered | \$ 19,882,438 | \$ 15,516,514 | \$ 92,400,853 | \$ 127,799,805 | |

* 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

| Month | Applicable Volumes | USC Charge | USC Revenue Billed | USC Expenses | Monthly Over/(Under) Recovery | Cumulative Over/(Under) Recovery |
|-----------------------|---------------------------|-------------------|---------------------------|---------------------|--------------------------------------|---|
| September 2008 Actual | 1,149,257 | \$ 3,0733 | \$ 3,532,010 | \$ 187,515 | \$ 3,344,495 | (\$18,270,180) |
| October Estimated | 1,556,991 | \$ 2,9180 | \$ 4,543,300 | \$ (189,160) | \$ 4,732,459 | (\$14,925,684) |
| November Estimated | 3,752,111 | \$ 2,9180 | \$ 10,948,660 | \$ 7,166,510 | \$ 3,782,150 | (\$10,193,225) |
| | | | | | | (\$6,411,075) |

USC Expenses

| | Sep-08 | Oct-08 | Nov-08 |
|-------------------------|---------------|----------------|---------------|
| 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 |

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

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

| <u>Fiscal Year</u> | <u>Firm Sendout (Mcf)</u> | <u>Accounted For Gas (Mcf)</u> | <u>Unaccounted For (Mcf)</u> | <u>5 Year Average</u> |
|---------------------------|--------------------------------------|---|---|----------------------------------|
| 2003-04 | 58,697,275 | 56,267,326 | 2,429,949 | |
| 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 | <u>49,560,831</u> | <u>47,848,723</u> | <u>1,712,108</u> | |
| Total | 264,712,623 | 254,288,035 | 10,424,588 | 3.9% |

Natural Gas Prices Used for PGW's - 1st Quarter GCR Filing

Filed January 1, 2009

| GLOBAL INSIGHT (GI) PRICES | | | | | | | | | | | | | | | | | | | |
|----------------------------|----------|--------|--------|------|------|-------|------|-----------------|------|---------------------|---------------------|--------|--------|--------|--------|--------|--------|-----------------|------|
| | Transaco | | | | | TETCO | | | | | Nov. 2008 Henry Hub | | | | | | | | |
| | Transaco | | | | | TETCO | | | | | Nov. 2008 Henry Hub | | | | | | | | |
| | Sta 30 | Sta 45 | Sta B5 | ELA | WLA | ETX | STX | Average ELA/ETX | M-1 | Nov. 2008 Henry Hub | Sta 30 | Sta 45 | Sta 65 | ELA | WLA | ETX | STX | Average ELA/ETX | M-1 |
| 2008-11 | 6.94 | 7.22 | 7.38 | 7.18 | 7.26 | 7.00 | 6.94 | 7.09 | 7.47 | 7.25 | (0.31) | (0.03) | 0.13 | (0.07) | 0.01 | (0.25) | (0.31) | (0.16) | 0.22 |
| 2008-12 | 6.99 | 7.29 | 7.43 | 7.29 | 7.28 | 7.00 | 6.94 | 7.15 | 7.49 | 7.31 | (0.32) | (0.02) | 0.12 | (0.02) | (0.03) | (0.31) | (0.37) | (0.17) | 0.18 |
| 2009-01 | 7.10 | 7.33 | 7.48 | 7.34 | 7.34 | 7.13 | 7.06 | 7.24 | 7.56 | 7.36 | (0.26) | (0.03) | 0.12 | (0.02) | (0.02) | (0.23) | (0.30) | (0.13) | 0.20 |
| 2009-02 | 6.69 | 6.91 | 7.03 | 6.92 | 6.92 | 6.71 | 6.64 | 6.82 | 7.12 | 6.97 | (0.28) | (0.06) | 0.08 | (0.05) | (0.05) | (0.26) | (0.33) | (0.16) | 0.15 |
| 2009-03 | 6.44 | 6.66 | 6.75 | 6.63 | 6.65 | 6.40 | 6.43 | 6.52 | 6.85 | 6.67 | (0.23) | (0.01) | 0.08 | (0.04) | (0.02) | (0.27) | (0.24) | (0.15) | 0.18 |
| 2009-04 | 6.69 | 6.88 | 7.02 | 6.88 | 6.90 | 6.66 | 6.68 | 6.77 | 7.08 | 6.91 | (0.22) | (0.03) | 0.11 | (0.03) | (0.01) | (0.25) | (0.23) | (0.14) | 0.17 |
| 2009-05 | 6.70 | 6.90 | 7.03 | 6.90 | 6.92 | 6.69 | 6.70 | 6.80 | 7.11 | 6.94 | (0.24) | (0.04) | 0.09 | (0.04) | (0.02) | (0.25) | (0.24) | (0.15) | 0.17 |
| 2009-06 | 6.52 | 6.73 | 6.88 | 6.74 | 6.76 | 6.51 | 6.51 | 6.63 | 6.95 | 6.78 | (0.26) | (0.03) | 0.10 | (0.04) | (0.02) | (0.27) | (0.27) | (0.16) | 0.17 |
| 2009-07 | 6.74 | 6.96 | 7.09 | 6.92 | 6.95 | 6.76 | 6.73 | 6.84 | 7.16 | 7.00 | (0.26) | (0.04) | 0.09 | (0.08) | (0.05) | (0.24) | (0.27) | (0.16) | 0.16 |
| 2009-08 | 6.81 | 7.01 | 7.16 | 6.99 | 7.01 | 6.84 | 6.81 | 6.92 | 7.22 | 7.05 | (0.24) | (0.04) | 0.11 | (0.06) | (0.04) | (0.21) | (0.24) | (0.14) | 0.17 |
| 2009-09 | 6.79 | 7.01 | 7.18 | 7.00 | 7.02 | 6.79 | 6.77 | 6.90 | 7.23 | 7.05 | (0.26) | (0.04) | 0.13 | (0.05) | (0.03) | (0.26) | (0.28) | (0.16) | 0.18 |
| 2009-10 | 8.68 | 8.88 | 9.03 | 8.89 | 8.86 | 8.64 | 8.54 | 8.77 | 9.08 | 8.93 | (0.25) | (0.05) | 0.10 | (0.04) | (0.07) | (0.29) | (0.39) | (0.16) | 0.15 |
| 2009-11 | 8.68 | 8.88 | 9.03 | 8.89 | 8.86 | 8.64 | 8.54 | 8.77 | 9.08 | 8.93 | (0.25) | (0.05) | 0.10 | (0.04) | (0.07) | (0.29) | (0.39) | (0.16) | 0.15 |

| Prices Used For Gas Cost Inputs | | | | | | | | | | | | | | | | | | | |
|---------------------------------|--------|--------|------|------|------|------|-----------------|------|---------------------|--------|--------|--------|------|------|------|------|-----------------|------|------|
| Transaco | | | | | | | | | | TETCO | | | | | | | | | |
| Sta 30 | Sta 45 | Sta B5 | ELA | WLA | ETX | STX | Average ELA/ETX | M-1 | Nov. 2008 Henry Hub | Sta 30 | Sta 45 | Sta 65 | ELA | WLA | ETX | STX | Average ELA/ETX | M-1 | |
| 6.20 | 6.40 | 6.53 | 6.44 | 6.39 | 5.82 | 5.79 | 6.13 | 6.25 | 7.25 | 6.20 | 6.40 | 6.53 | 6.44 | 6.39 | 5.82 | 5.79 | 6.13 | 6.25 | 7.25 |
| 6.53 | 6.81 | 6.97 | 6.77 | 6.85 | 6.59 | 6.53 | 6.68 | 7.06 | 7.31 | 6.53 | 6.81 | 6.97 | 6.77 | 6.85 | 6.59 | 6.53 | 6.68 | 7.06 | 7.31 |
| 6.77 | 7.07 | 7.21 | 7.07 | 7.06 | 6.78 | 6.72 | 6.92 | 7.27 | 7.36 | 6.77 | 7.07 | 7.21 | 7.07 | 7.06 | 6.78 | 6.72 | 6.92 | 7.27 | 7.36 |
| 6.89 | 7.12 | 7.27 | 7.13 | 7.13 | 6.92 | 6.85 | 7.02 | 7.35 | 7.49 | 6.89 | 7.12 | 7.27 | 7.13 | 7.13 | 6.92 | 6.85 | 7.02 | 7.35 | 7.49 |
| 6.75 | 6.97 | 7.11 | 6.98 | 6.98 | 6.77 | 6.70 | 6.87 | 7.18 | 7.31 | 6.75 | 6.97 | 7.11 | 6.98 | 6.98 | 6.77 | 6.70 | 6.87 | 7.18 | 7.31 |
| 6.62 | 6.84 | 6.93 | 6.81 | 6.83 | 6.58 | 6.61 | 6.69 | 7.03 | 7.25 | 6.62 | 6.84 | 6.93 | 6.81 | 6.83 | 6.58 | 6.61 | 6.69 | 7.03 | 7.25 |
| 6.78 | 6.97 | 7.11 | 6.97 | 6.99 | 6.75 | 6.77 | 6.86 | 7.17 | 7.36 | 6.78 | 6.97 | 7.11 | 6.97 | 6.99 | 6.75 | 6.77 | 6.86 | 7.17 | 7.36 |
| 6.83 | 7.03 | 7.16 | 7.03 | 7.05 | 6.82 | 6.83 | 6.93 | 7.24 | 7.41 | 6.83 | 7.03 | 7.16 | 7.03 | 7.05 | 6.82 | 6.83 | 6.93 | 7.24 | 7.41 |
| 6.79 | 7.00 | 7.15 | 7.01 | 7.03 | 6.78 | 6.78 | 6.90 | 7.22 | 7.41 | 6.79 | 7.00 | 7.15 | 7.01 | 7.03 | 6.78 | 6.78 | 6.90 | 7.22 | 7.41 |
| 6.95 | 7.17 | 7.30 | 7.13 | 7.16 | 6.97 | 6.94 | 7.05 | 7.37 | 7.56 | 6.95 | 7.17 | 7.30 | 7.13 | 7.16 | 6.97 | 6.94 | 7.05 | 7.37 | 7.56 |
| 7.01 | 7.21 | 7.36 | 7.19 | 7.21 | 7.04 | 7.01 | 7.11 | 7.42 | 7.61 | 7.01 | 7.21 | 7.36 | 7.19 | 7.21 | 7.04 | 7.01 | 7.11 | 7.42 | 7.61 |
| 7.03 | 7.25 | 7.42 | 7.24 | 7.26 | 7.03 | 7.01 | 7.13 | 7.47 | 7.66 | 7.03 | 7.25 | 7.42 | 7.24 | 7.26 | 7.03 | 7.01 | 7.13 | 7.47 | 7.66 |
| 8.15 | 8.35 | 8.50 | 8.36 | 8.33 | 8.11 | 8.01 | 8.23 | 8.55 | 8.74 | 8.15 | 8.35 | 8.50 | 8.36 | 8.33 | 8.11 | 8.01 | 8.23 | 8.55 | 8.74 |

Actual Natural Gas Billed

| | <u>Jul-08</u> | <u>Aug-08</u> | <u>Sep-08</u> |
|---------------------------------|----------------------|----------------------|----------------------|
| Williams | \$ 1,855,946 | \$ 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 | \$ 1,936,500 | \$ 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 | \$ 451,956 | \$ 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 | \$ 4,090,450 | \$ 3,994,500 |
| Tetco Supply15 | \$ - | \$ - | \$ - |
| Tetco Supply16 | \$ - | \$ - | \$ - |
| <u>Tetco Supply17</u> | \$ 3,698,300 | \$ 3,902,900 | \$ 2,815,922 |
| Total Costs | \$ 47,914,381 | \$ 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 | | | Projected | | | Projected | | | Actual Over/Under vs Projected | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|-----------------------|-----------------------|-----------------|----------------|--------------------------------|----------------|-----------------|
| | Jul-08 | Aug-08 | Sep-08 | Total | 4th Qtr Filing Jul-08 | 4th Qtr Filing Aug-08 | 4th Qtr Filing Sep-08 | Total | Jul-08 | Aug-08 | Sep-08 | Total |
| Total Natural Gas Billed | \$ 48,141,116 | \$ 41,110,632 | \$ 36,561,710 | \$ 125,813,458 | \$ 47,369,248 | \$ 47,073,979 | \$ 46,480,003 | \$ 140,953,229 | \$ 741,868 | \$ (5,963,347) | \$ (9,918,293) | \$ (15,138,771) |
| Less Interruptible Credit Gas Used For Utility | \$ 367,951 | \$ 376,068 | \$ 201,428 | \$ 1,005,445 | \$ 319,374 | \$ 235,695 | \$ 320,657 | \$ 875,626 | \$ 48,577 | \$ 140,371 | \$ (59,129) | \$ 129,819 |
| | \$ 169,366 | \$ (86,194) | \$ (773) | \$ 82,399 | \$ 269,463 | \$ 171,456 | \$ 227,114 | \$ 668,032 | \$ (100,097) | \$ (257,650) | \$ (227,887) | \$ (585,633) |
| | \$ 47,603,789 | \$ 40,820,780 | \$ 36,301,055 | \$ 124,725,614 | \$ 48,610,411 | \$ 46,666,828 | \$ 45,932,333 | \$ 139,409,571 | \$ 793,368 | \$ (5,846,068) | \$ (9,631,278) | \$ (14,683,957) |
| <u>Pipeline Storages</u> | | | | | | | | | | | | |
| (To) | \$ (28,607,517) | \$ (22,304,730) | \$ (19,394,516) | \$ (70,306,763) | \$ (27,476,631) | \$ (31,363,520) | \$ (26,318,559) | \$ (85,158,710) | \$ (1,130,896) | \$ 9,098,790 | \$ 6,924,043 | \$ 14,851,947 |
| From | \$ - | \$ 29,585 | \$ 1,029,879 | \$ 1,069,464 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 29,585 | \$ 1,029,879 | \$ 1,059,464 |
| Net Pipeline Storages | \$ (28,607,517) | \$ (22,275,145) | \$ (18,364,637) | \$ (69,247,299) | \$ (27,476,631) | \$ (31,363,520) | \$ (26,318,559) | \$ (85,158,710) | \$ (1,130,896) | \$ 9,098,375 | \$ 7,953,922 | \$ 15,911,411 |
| <u>LNG Storages</u> | | | | | | | | | | | | |
| (To) | \$ 4,177 | \$ - | \$ - | \$ 4,177 | \$ - | \$ - | \$ (1,206,173) | \$ (1,206,173) | \$ 4,177 | \$ - | \$ 1,206,173 | \$ 1,210,350 |
| From | \$ 606,622 | \$ (6,351,088) | \$ 606,911 | \$ (5,137,555) | \$ 567,188 | \$ 669,384 | \$ 650,008 | \$ 1,886,578 | \$ 39,434 | \$ (7,020,472) | \$ (43,095) | \$ (7,024,133) |
| Net LNG Storage | \$ 510,799 | \$ (6,351,088) | \$ 606,911 | \$ (5,133,378) | \$ 567,188 | \$ 669,384 | \$ (556,167) | \$ 680,405 | \$ 43,611 | \$ (7,020,472) | \$ 1,163,078 | \$ (5,813,783) |
| Net Natural Gas | \$ 18,607,081 | \$ 12,194,527 | \$ 16,543,329 | \$ 50,344,937 | \$ 19,900,966 | \$ 15,672,691 | \$ 19,057,607 | \$ 54,931,266 | \$ (293,887) | \$ (3,778,164) | \$ (514,278) | \$ (4,588,328) |
| <u>APPLICABLE GCR EXPENSES</u> | | | | | | | | | | | | |
| Net Natural Gas Expense | \$ 19,607,081 | \$ 12,194,527 | \$ 16,543,329 | \$ 50,344,937 | \$ 19,900,966 | \$ 15,672,691 | \$ 19,057,607 | \$ 54,931,266 | \$ (293,887) | \$ (3,778,164) | \$ (514,278) | \$ (4,588,328) |
| Electric | \$ 77,936 | \$ 57,157 | \$ 61,900 | \$ 196,993 | \$ 61,905 | \$ 68,180 | \$ 56,600 | \$ 196,685 | \$ 16,031 | \$ (11,023) | \$ (4,700) | \$ 308 |
| Total GCR Expenses | \$ 19,685,017 | \$ 12,251,684 | \$ 18,605,229 | \$ 50,541,930 | \$ 19,962,873 | \$ 16,040,871 | \$ 19,124,207 | \$ 55,127,951 | \$ (277,856) | \$ (3,789,187) | \$ (518,978) | \$ (4,586,021) |