

Philadelphia Gas Works

Pre-Bid Meeting PGW Overview

May 8, 2014



Philadelphia Gas Works





PGW— Guiding Principles

MISSION STATEMENT

A financially viable enterprise
providing safe, reliable gas service

VISION STATEMENT

Industry leader in customer
service and operational
excellence



- History
- Governance
- Service Territory
- Customer Demographics
- Supply
- New Initiatives & Opportunities
- Financial Statistics for FY 2013



History

- Established February 10, 1836
- PGW came under City Ownership in 1841
- City contracts with UGI to manage its natural gas assets in 1897
- City establishes the Philadelphia Facilities Management Corporation (PFMC) 1973
- PaPUC Regulation in 2000



Governance

- Mayor— City's Chief Executive
- Philadelphia Facilities Management Corporation (PFMC)
- Philadelphia Gas Commission
- City Council
- PaPUC Regulates its rates and service

PGW's Service Territory

City of Philadelphia





Service Territory

- Nation's Largest Municipally Owned Gas utility
- Approximately 500,000 customers
- Limited to the Boundaries of Philadelphia
- 3,030 Miles of Mains and 466,000 Services
- Urban Territory— fully developed



Urban Territory Demographic

- Philadelphia Population 1,553,165
- 40% Live at or Below 150% Federal Poverty Line
- 50% of Pennsylvania's Long Term Welfare Cases



Gas Supply

- Spectra Energy Pipeline
- Transco-Williams Pipeline
- Dominion Storage
- 2 LNG Plants – 4 Bcf Storage Capacity

Richmond Plant



Passyunk Plant





New Initiatives & Opportunities

- LTIIP (DSIC)
- Demand Side Management
- LNG Sales
- CNG & CHP



Key Financial Statistics for FY 2013

• <i>Operating Revenues</i>	<i>\$693,471,000</i>
• <i>Gas Cost</i>	<i>\$255,501,000</i>
• <i>O&M</i>	<i>\$318,510,000</i>
• <i>Net Income</i>	<i>\$ 60,644,000</i>
• <i>Gas Sales</i>	<i>72.1 BCF</i>
• <i>Debt Service Coverage</i>	
<i>1975</i>	<i>5.58</i>
<i>1998</i>	<i>2.9</i>
• <i>Debt to Equity</i>	<i>75.2</i>
• <i>Capital Spending</i>	<i>\$72,371,000</i>

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Thank You
from
PGW