

Philadelphia Gas Works

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November 30, 2010

VIA EXPRESS MAIL

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Re: Pa. PUC v. Philadelphia Gas Works; R-2010-2157062,
December 1, 2010 First Quarterly GCR Filing

Dear Secretary Chiavetta:

Enclosed for filing are an original and three (3) copies of PGW's December 1, 2010 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.)

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Statement

Known per dekatherm natural gas prices are used through the month of November, 2010. 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, 2010 through November, 2011 are based on the NYMEX Futures Closing Prices of November 3, 2010. 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 4,392 degree-day pattern).

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1ST QUARTER FILING - DECEMBER 1, 2010

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SECRETARY'S BUREAU**

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Philadelphia Gas Works

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Levelized Gas Cost Rate

NOV 30 2010

1st Quarter Filing - December 1, 2010PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAUFormula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			50,048,547	Schedule 2
Net Natural Gas Expense	\$ 64,084,578	\$ 254,186,228	\$ 318,270,806	
Purchased Electric & Misc Expenses	\$ -	\$ 1,179,991	\$ 1,179,991	
C = Total Applicable GCR Expense	\$ 64,084,578	\$ 255,366,219	\$ 319,450,797	Schedule 3
SSC = C / S	\$ 1.2804	\$ 5.1024	\$ 6.3828	
Adjustment For:				
Prior Reconciliation	\$ 24,204,751	\$ (20,304,067)	\$ 3,900,684	Schedule 7
E = Adjustments to GCR Expenses	\$ 24,204,751	\$ (20,304,067)	\$ 3,900,684	
GAC = E / S	\$ 0.4836	\$ (0.4057)	\$ 0.0779	
Interruptible Revenue Credit			\$ 6,492,684	Schedule 4a
IRC = Interruptible Revenue Credit / S			\$ 0.1297	
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 316,858,797	
<u>GCR = SSC + GAC - IRC</u>			\$ 6.3310	
SSC in effect 12/01/10	\$ 1.2692	\$ 5.0574	\$ 6.3266	
GAC in effect 12/01/10	\$ 0.4794	\$ (0.4021)	\$ 0.0773	
IRC in effect 12/01/10			\$ (0.1286)	
GCR in effect 12/01/10			\$ 6.2753	Schedule 9
Recovery Test on:				
Firm Sales (Mcf)			50,048,547	
= Total Projected Recovery			\$ 316,857,787	Schedule 9
Compared To				
Net Applicable GCR Expenses			\$ 316,858,797	
= Net Over/(Under) Recovery			\$ (1,010)	Schedule 6
Degree Days			4,392	

SALES & VOLUMES

DECEMBER 2010 THROUGH NOVEMBER 2011

<u>MONTH</u>	<u>TOTAL</u>	<u>FIRM</u>	<u>BILLED</u>	<u>INTERRUPTIBLE</u>	<u>AIR</u>	<u>GCR FIRM</u>	<u>SENIOR</u>	<u>APPLICABLE</u>
	<u>VOLUMES</u>	<u>TRANSPORT</u>	<u>SALES</u>	<u>SALES</u>	<u>CONDITIONING</u>	<u>SALES</u>	<u>CITIZEN</u>	<u>VOLUMES</u>
	1	2	3 = (1 - 2)	4	4A	5 = (3 - 4 - 4A)	6	7 = (5 - 6 + 2)
DECEMBER 2010	6,973,761	355,936	6,617,825	139,870	-	6,477,955	73,305	6,760,586
JANUARY 2011	10,892,685	446,368	10,446,317	162,132	-	10,284,185	120,395	10,610,158
FEBRUARY	9,408,476	383,904	9,024,572	135,820	-	8,888,751	103,318	9,169,337
MARCH	7,452,407	319,432	7,132,975	113,390	-	7,019,585	80,290	7,258,727
APRIL	5,105,901	140,769	4,965,132	63,582	-	4,901,550	55,345	4,986,974
MAY	2,564,514	126,640	2,437,875	30,918	1,514	2,405,443	24,647	2,507,436
JUNE	1,528,127	103,192	1,424,935	16,160	2,815	1,405,960	11,767	1,497,384
JULY	1,302,586	95,002	1,207,584	16,865	4,228	1,186,491	9,429	1,272,064
AUGUST	1,237,836	89,983	1,147,853	16,960	4,296	1,126,598	8,906	1,207,674
SEPTEMBER	1,137,186	87,387	1,049,800	20,216	2,592	1,026,992	7,913	1,106,466
OCTOBER	1,827,504	149,172	1,678,332	48,706	-	1,629,626	13,248	1,765,550
NOVEMBER	<u>4,034,326</u>	<u>254,869</u>	<u>3,779,457</u>	<u>84,047</u>	<u>-</u>	<u>3,695,410</u>	<u>34,564</u>	<u>3,915,715</u>
TOTAL	53,465,309	2,552,653	50,912,656	848,665	15,444	50,048,547	543,129	52,058,070

**Projected Applicable Fuel Expense
Summary**
1ST Quarter Filing - December 2010 to November 2011

	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011	MARCH 2011	APRIL 2011	MAY 2011	JUNE 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	TOTAL
NATURAL GAS BILLED													
DEMAND CHARGE	5,678,969	6,677,040	5,636,256	5,646,669	5,244,587	5,243,234	5,241,103	5,239,722	5,237,879	4,988,206	4,965,451	5,285,461	64,084,578
COMMODITY CHARGE	31,125,697	33,094,911	29,273,097	28,310,315	21,254,641	18,199,889	13,313,256	13,028,238	12,714,453	13,590,586	21,328,918	18,871,867	254,105,869
TOTAL NATURAL GAS BILLED	36,804,667	38,771,951	34,909,353	33,956,984	26,499,228	23,443,123	18,554,360	18,267,960	17,952,332	18,578,792	26,294,369	24,157,328	318,190,447
INTERRUPTIBLE CREDIT	704,732	853,721	708,756	565,546	302,639	145,949	77,751	82,484	80,152	100,035	242,000	442,149	4,305,915
SENDOUT VOLUME IN MCF	145,244	168,361	141,039	117,750	66,020	32,114	16,771	17,531	17,632	20,981	50,476	87,274	881,192
DKT CONVERSION FACTOR	1.0270	1.0270	1.0270	1.0270	1.0270	1.0270	1.0270	1.0270	1.0270	1.0270	1.0270	1.0270	
PRICE \$/DKT	4.7245	4.9375	4.8931	4.6767	4.4635	4.4252	4.5142	4.5813	4.4264	4.6425	4.6683	4.9330	
GAS USED FOR UTILITY	613,800	740,311	726,437	544,158	266,223	138,436	27,367	37,193	2,928	55,054	100,601	267,547	3,419,055
NATURAL GAS TO STORAGE	-	-	-	-	(4,212,988)	(8,266,358)	(7,872,831)	(7,947,890)	(7,879,543)	(7,569,909)	(6,818,929)	-	(50,568,447)
FROM STORAGE PGW	12,169,641	17,043,193	12,523,768	7,710,786	1,993,005	-	-	-	-	-	-	10,034,741	61,475,134
NET NATURAL GAS STORAGE	12,169,641	17,043,193	12,523,768	7,710,786	(2,219,983)	(8,266,358)	(7,872,831)	(7,947,890)	(7,879,543)	(7,569,909)	(6,818,929)	10,034,741	10,906,686
LNG TO STORAGE	(1,266,790)	-	-	(2,532,036)	(2,018,430)	(1,216,990)	(597,238)	-	-	(280,711)	(1,335,912)	(2,081,498)	(11,329,605)
FROM LNG PGW	753,708	1,789,284	1,509,215	458,386	472,912	524,673	453,962	466,323	466,323	450,633	459,484	423,345	8,228,248
NET LNG STORAGE	(513,082)	1,789,284	1,509,215	(2,073,650)	(1,545,518)	(692,317)	(143,276)	466,323	466,323	169,922	(876,428)	(1,658,153)	(3,101,357)
NET NATURAL GAS EXPENSE	47,242,694	66,010,396	47,507,143	38,484,415	22,165,864	14,200,063	10,433,134	10,666,717	10,456,033	11,023,716	18,256,412	31,824,220	318,270,806
APPLICABLE GCR EXPENSE													
NET NATURAL GAS EXPENSE	47,242,694	66,010,396	47,507,143	38,484,415	22,165,864	14,200,063	10,433,134	10,666,717	10,456,033	11,023,716	18,256,412	31,824,220	318,270,806
PURCHASED ELECTRIC & MISC	83,840	249,457	123,967	113,442	87,678	104,774	70,582	69,731	63,732	63,130	68,768	80,890	1,179,991
TOTAL APPLICABLE EXPENSES	47,326,534	66,269,853	47,631,110	38,597,857	22,253,542	14,304,837	10,503,716	10,736,448	10,519,765	11,086,846	18,325,180	31,905,110	319,450,797
TOTAL GCR FIRM SALES	6,477,955	10,284,185	8,888,751	7,019,585	4,901,550	2,405,443	1,405,960	1,186,491	1,126,598	1,026,992	1,629,626	3,695,410	50,048,547

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2011

Fiscal Year 2009 Reconciliation \$ (1,698,427) (Schedule 4b)

<u>MONTH</u>	<u>MARGIN</u>
September-09	Actual \$ 150,237
October	Actual \$ 429,899
November	Actual \$ 769,804
December	Actual \$ 1,080,623
January-10	Actual \$ 763,487
February	Actual \$ 791,065
March*	Actual \$ 1,021,311
April*	Actual \$ 597,969
May	Actual \$ 199,112
June*	Actual \$ 155,729
July	Actual \$ 104,291
<u>August</u>	Actual \$ <u>112,135</u>
Fiscal Year 2010 Margin	\$ 6,175,661

* Revised

FY 2010 Actual Margin and FY 2009 Reconciliation	\$ 4,477,234
Fiscal Year 2010 Actual Credit	\$ <u>5,160,924</u> (Schedule 8)
Reconciliation as of August 2010	\$ (683,690)

Fiscal Year 2008 Actual Margin	\$ 10,187,353
Fiscal Year 2009 Actual Margin	\$ 5,166,107 (Schedule 4b)
<u>Fiscal Year 2010 Actual Margin</u>	\$ <u>6,175,661</u>
3 Year Average - FY 2011 Margin	\$ 7,176,374
Reconciliation as of August 2010	\$ <u>(683,690)</u>
Fiscal Year 2011 Interruptible Revenue Credit	\$ 6,492,684

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2009

Fiscal Year 2008 Reconciliation \$ 3,261,459

<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>
Reconciliation as of August 2009	\$ (1,698,427)

**CALENDAR YEAR 2009
PHILADELPHIA GAS WORKS
INTEREST RATE CALCULATION**

	<u>01/01/2009</u>	<u>Split Month 03/01/2009</u>	<u>04/01/2009</u>	<u>Split Month 06/01/2009</u>	<u>07/01/2009</u>	<u>Split Month 09/01/2009</u>	<u>10/01/2009</u>	<u>Split Month 12/01/2009</u>	<u>01/01/2010</u>
SSC in Effect	\$ 10.9894	\$ 10.0916	\$ 9.1937	\$ 8.5889	\$ 7.9841	\$ 7.8412	\$ 7.6982	\$ 7.6210	\$ 7.5437
GAC in Effect	\$ (0.0828)	\$ (0.3226)	\$ (0.5623)	\$ (0.5745)	\$ (0.5867)	\$ (0.5405)	\$ (0.4942)	\$ (0.3371)	\$ (0.1800)
IRC in Effect	\$ (0.2059)	\$ (0.2091)	\$ (0.2122)	\$ (0.2141)	\$ (0.2159)	\$ (0.1650)	\$ (0.1140)	\$ (0.1140)	\$ (0.1140)
Total Effective	\$ 10.7007	\$ 9.5599	\$ 8.4192	\$ 7.8003	\$ 7.1815	\$ 7.1358	\$ 7.0900	\$ 7.1699	\$ 7.2497

<u>MONTH</u>	<u>NET COST OF FUEL (1) (\$)</u>	<u>FIRM SALES (2)</u>	<u>C FACTOR RECOVERY RATE (3) (\$)</u>	<u>C FACTOR REVENUES BILLED (4)=(2)*(3) (\$)</u>	<u>ADJUSTMENT FOR ACTUAL REVENUE (5)</u>	<u>ADJUSTED C FACTOR REVENUES BILLED (6)=(4)*(5) (\$)</u>	<u>OVER/ (UNDER) RECOVERY (7)=(6)-(1) (\$)</u>	<u>INTEREST RATE (8)</u>
JANUARY 2009	122,281,446	9,221,074	10.9894	101,334,135	0.989	100,198,581	(22,082,865)	
FEBRUARY	78,414,407	8,874,697	10.9894	97,527,658	1.000	97,510,111	19,095,704	
MARCH	70,226,784	6,690,089	10.0916	67,513,388	0.990	66,814,343	(3,412,441)	
APRIL	24,894,113	4,373,233	9.1937	40,206,192	1.002	40,304,472	15,410,359	
MAY	13,981,288	2,186,285	9.1937	20,100,047	1.002	20,137,981	6,156,693	
JUNE	10,301,953	1,380,535	8.5889	11,857,309	0.999	11,849,632	1,547,679	
JULY	10,075,761	1,162,540	7.9841	9,281,890	1.012	9,393,797	(681,964)	
AUGUST	10,575,549	1,017,205	7.9841	8,121,515	1.011	8,214,589	(2,360,960)	
SEPTEMBER	10,815,702	1,074,087	7.8412	8,422,107	1.007	8,478,784	(2,336,918)	
OCTOBER	18,114,638	1,670,689	7.6982	12,861,315	1.003	12,898,449	(5,216,189)	
NOVEMBER	26,440,822	3,081,608	7.6982	23,722,865	1.001	23,736,708	(2,704,114)	
DECEMBER	<u>54,256,451</u>	<u>5,671,027</u>	7.6210	<u>43,218,635</u>	1.001	<u>43,274,743</u>	<u>(10,981,708)</u>	
	450,378,914	46,403,068		444,167,055		442,812,188	(7,566,726)	6%

**FISCAL YEAR 2010
PHILADELPHIA GAS WORKS
INTEREST CALCULATION**

	Split Month		Split Month		Split Month		Split Month		
	08/01/2009	09/01/2009	10/01/2009	12/01/2009	01/01/2010	03/01/2010	04/01/2010	06/01/2010	07/01/2010
SSC in Effect	\$ 7.9841	\$ 7.8412	\$ 7.6982	\$ 7.6210	\$ 7.5437	\$ 7.5893	\$ 7.6350	\$ 7.4104	\$ 7.1857
GAC in Effect	\$ (0.5867)	\$ (0.5405)	\$ (0.4942)	\$ (0.3371)	\$ (0.1800)	\$ (0.1777)	\$ (0.1754)	\$ (0.3664)	\$ (0.5574)
IRC in Effect	\$ (0.2159)	\$ (0.1650)	\$ (0.1140)	\$ (0.1140)	\$ (0.1140)	\$ (0.1140)	\$ (0.1141)	\$ (0.1142)	\$ (0.1144)
Total Effective	\$ 7.1815	\$ 7.1358	\$ 7.0900	\$ 7.1699	\$ 7.2497	\$ 7.2976	\$ 7.3455	\$ 6.9297	\$ 6.5139

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		INTEREST RATE (8)	TIME FACTOR (9)	INTEREST EXPENSE (10)=(7)*(8)*(9) (\$)	INTEREST ON REFUNDS 11 (\$)	TOTAL INTEREST 12=(10+11) (\$)
						C FACTOR REVENUES BILLED (6)=(4)*(5) (\$)	OVER/ (UNDER) RECOVERY (7)=(6)-(1) (\$)					
SEPTEMBER 2009	10,815,702	1,074,087	7.8412	8,422,107	1.007	8,478,784	(2,336,918)	6%	18/12	(210,323)	0	(210,323)
OCTOBER	18,114,638	1,670,689	7.6982	12,861,315	1.003	12,898,449	(5,216,189)	6%	17/12	(443,376)	0	(443,376)
NOVEMBER	26,440,822	3,081,608	7.6982	23,722,865	1.001	23,736,708	(2,704,114)	6%	16/12	(216,329)	2,650	(213,679)
DECEMBER	54,256,451	5,671,027	7.6210	43,218,635	1.001	43,274,743	(10,981,708)	6%	15/12	(823,628)	0	(823,628)
JANUARY 2010	69,039,301	9,309,155	7.5437	70,225,454	1.000	70,214,880	1,175,579	6%	14/12	82,291	0	82,291
FEBRUARY	59,288,342	8,654,184	7.5437	65,284,551	1.001	65,319,294	6,030,952	6%	13/12	392,012	0	392,012
MARCH	37,569,289	6,633,702	7.5893	50,345,416	1.000	50,348,338	12,779,049	6%	12/12	766,743	0	766,743
APRIL *	18,834,393	3,326,314	7.6350	25,396,345	1.031	26,183,609	7,349,216	6%	11/12	404,207	0	404,207
MAY	14,375,342	1,988,240	7.6350	15,180,177	0.953	14,460,240	84,898	6%	10/12	4,245	0	4,245
JUNE	11,604,671	1,353,089	7.4104	10,026,868	1.011	10,140,335	(1,464,336)	6%	9/12	(65,895)	7,114	(58,781)
JULY	11,735,165	1,040,316	7.1857	7,475,423	1.015	7,589,955	(4,145,210)	6%	8/12	(165,808)	0	(165,808)
AUGUST	13,146,059	971,210	7.1857	6,978,847	1.004	7,008,582	(6,137,477)	6%	7/12	(214,812)	2,537	(212,275)
*Revised												
Total	345,220,175	44,773,621		339,138,002		339,653,916	(5,566,259)			(490,674)	12,301	(478,373)
Interest from Schedule 5b1												0
Total Interest												(478,373)

**FISCAL YEAR 2010
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 09	0	6%	18/12	0
OCTOBER	0	6%	17/12	0
NOVEMBER	33,129	6%	16/12	2,650
DECEMBER	0	6%	15/12	0
JANUARY 10	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	158,096	6%	9/12	7,114
JULY	0	6%	8/12	0
AUGUST	72,478	6%	7/12	2,537
TOTAL	263,703			12,301

**FISCAL YEAR 2010
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	TIME FACTOR	DEMAND INTEREST EXPENSE	COMMODITY INTEREST EXPENSE	TOTAL INTEREST EXPENSE	⁽²⁾ INTEREST ON REFUNDS	TOTAL INTEREST
	(1)	(2)	(3)=(1)-(2)	(4)	(5)	(6)=(2)*(4)*(5)	(7)=(3)*(4)*(5)	(8)=(6)+(7)	(9)	(10)=(8)+(9)
	(\$)	(\$)	(\$)			(\$)	(\$)	(\$)	(\$)	(\$)
SEPTEMBER 2009	(2,336,918)	(4,438,215)	2,101,297	6%	18/12	(399,439)	189,117	(210,323)	0	(210,323)
OCTOBER	(5,216,189)	(3,994,277)	(1,221,912)	6%	17/12	(339,514)	(103,863)	(443,376)	0	(443,376)
NOVEMBER	(2,704,114)	(1,757,023)	(947,092)	6%	16/12	(140,562)	(75,767)	(216,329)	2,650	(213,679)
DECEMBER	(10,981,708)	1,515,982	(12,497,691)	6%	15/12	113,699	(937,327)	(823,628)	0	(823,628)
JANUARY 2010	1,175,579	6,323,257	(5,147,678)	6%	14/12	442,628	(360,337)	82,291	0	82,291
FEBRUARY	6,030,952	5,881,217	149,735	6%	13/12	382,279	9,733	392,012	0	392,012
MARCH	12,779,049	2,828,491	9,950,558	6%	12/12	169,709	597,033	766,743	0	766,743
APRIL *	7,349,216	(1,399,244)	8,748,460	6%	11/12	(76,958)	481,165	404,207	0	404,207
MAY	84,898	(3,154,372)	3,239,269	6%	10/12	(157,719)	161,963	4,245	0	4,245
JUNE	(1,464,336)	(3,872,376)	2,408,040	6%	9/12	(174,257)	108,362	(65,895)	7,114	(58,781)
JULY	(4,145,210)	(4,638,155)	492,945	6%	8/12	(185,526)	19,718	(165,808)	0	(165,808)
AUGUST	<u>(6,137,477)</u>	(3,949,221)	<u>(2,188,256)</u>	6%	7/12	<u>(138,223)</u>	<u>(76,589)</u>	<u>(214,812)</u>	<u>2,537</u>	<u>(212,275)</u>
*Revised TOTAL FY 2010	<u>(5,566,259)</u>	<u>(10,653,935)</u>	<u>5,087,676</u>			<u>(503,882)</u>	<u>13,208</u>	<u>(490,674)</u>	<u>12,301</u>	<u>(478,373)</u>

(1) See Schedule 5b

(2) See schedule 5c

GCR

STATEMENT OF RECONCILIATION

DECEMBER 2010 THROUGH NOVEMBER 2011

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	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	\$	\$	\$	\$	\$		\$	\$	\$

November 2010 UNDER-COLLECTION

3,900,684

DECEMBER 2010	Estimated	47,326,534	6,477,955	0.1297	840,370	46,486,163	6.5902	42,690,696	55,818	(3,739,649)	504,879	(4,244,528)
JANUARY 2011	Estimated	56,259,853	10,284,185	0.1297	1,334,144	54,925,709	6.2753	64,536,347	61,246	9,671,884	801,529	4,625,827
FEBRUARY	Estimated	47,631,110	8,888,751	0.1297	1,153,117	46,477,992	6.2753	55,779,580	61,671	9,363,258	692,772	13,296,313
MARCH	Estimated	38,597,857	7,019,585	0.1297	910,635	37,687,222	6.2753	44,050,002	62,032	6,424,813	547,093	19,174,033
APRIL	Estimated	22,253,542	4,901,550	0.1297	635,867	21,617,675	6.2753	30,758,697	61,488	9,202,510	382,017	27,994,526
MAY	Estimated	14,304,837	2,405,443	0.1297	312,053	13,992,784	6.2753	15,094,876	61,988	1,164,080	187,475	28,971,131
JUNE	Estimated	10,503,716	1,405,960	0.1297	182,392	10,321,324	6.2753	8,822,821	62,345	(1,436,159)	109,578	27,425,395
JULY	Estimated	10,736,448	1,186,491	0.1297	153,921	10,582,527	6.2753	7,445,587	62,918	(3,074,022)	92,473	24,258,900
AUGUST	Estimated	10,519,765	1,126,598	0.1297	146,151	10,373,614	6.2753	7,069,740	63,468	(3,240,405)	87,805	20,930,690
SEPTEMBER	Estimated	11,086,846	1,026,992	0.1297	133,229	10,953,617	6.2753	6,444,683	63,090	(4,445,844)	80,042	16,404,804
OCTOBER	Estimated	18,325,180	1,629,626	0.1297	211,408	18,113,772	6.2753	10,226,392	66,169	(7,821,211)	127,010	8,456,583
NOVEMBER	Estimated	31,905,110	3,695,410	0.1297	479,397	31,425,713	6.2753	23,189,807	66,326	(8,169,580)	288,013	(1,010)
Total		319,450,797	50,048,547		6,492,684	312,958,113		316,109,228	748,559	3,899,675	3,900,684	

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2010 THROUGH NOVEMBER 2010

		DEMAND CHARGES 1	COMMODITY CHARGES 2	NET COST OF FUEL 3 = (1 + 2)	GCR FIRM SALES 4	IRC FACTOR APPLIED 5	INTERRUPT. REVENUE CREDIT 6 = (4 * 5)	APPLICABLE EXPENSES 7 = (3 - 6)	GCR FACTOR APPLIED 8	GCR REVENUE BILLED 9	SSPC & MIGRATION REVENUE 10	MONTHLY OVER/(UNDER) RECOVERY 11 = (9 + 10 - 7)	NATURAL GAS REFUNDS 12	CUMULATIVE OVER/(UNDER) RECOVERY 13
		\$	\$	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
2009-2010 OVER-COLLECTION														8,939,096
2009-2010 INTEREST														(478,373)
TOTAL "E" FACTOR														<u>8,460,723</u>
SEPTEMBER 2010	Actual	5,270,429	5,669,758	10,940,187	1,034,035	0.1088	112,503	10,827,684	6.7095	7,715,994	60,394	(3,051,296)	0	5,409,427
OCTOBER	Estimated	5,519,254	9,577,832	15,097,086	1,313,208	0.1032	135,523	14,961,563	6.9050	11,879,385	54,788	(3,027,389)	0	2,382,037
NOVEMBER	Estimated	5,368,355	23,166,984	28,535,339	3,276,213	0.1032	338,105	28,197,233	6.9050	21,861,350	53,163	(6,282,721)	0	(3,900,684)

RECONCILIATION OF DEMAND CHARGES

		DEMAND CHARGES LESS SSPC 1	GCR FIRM SALES 2	DEMAND CHARGE IN EFFECT 3	DEMAND CHARGES BILLED 4 = (2 * 3)	MONTHLY DEMAND OVER/(UNDER) 5 = (4 - 1)	CUMULATIVE DEMAND OVER/(UNDER) 6
		\$	\$	\$	\$	\$	\$
2009-2010 OVER-COLLECTION							(15,459,382)
SEPTEMBER 2010	Actual	5,207,913	1,034,035	1,2949	1,338,972	(3,868,941)	(19,328,323)
OCTOBER	Estimated	5,462,506	1,313,208	1,2850	1,687,473	(3,775,033)	(23,103,357)
NOVEMBER	Estimated	5,311,328	3,276,213	1,2850	4,209,934	(1,101,394)	(24,204,751)

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2009 THROUGH AUGUST 2010

		DEMAND CHARGES 1	COMMODITY CHARGES 2	NET COST OF FUEL 3 = (1 + 2)	GCR FIRM SALES 4	IRC FACTOR APPLIED 5	INTERRUPT. REVENUE CREDIT 6 = (4 * 5)	APPLICABLE EXPENSES 7 = (3 - 6)	GCR FACTOR APPLIED 8	GCR REVENUE BILLED 9	SSPC & MIGRATION REVENUE 10	MONTHLY OVER/(UNDER) RECOVERY 11 = (9 + 10 - 7)	NATURAL GAS REFUNDS 12	CUMULATIVE OVER/(UNDER) RECOVERY 13	
		\$	\$	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2008-2009 OVER-COLLECTION														24,637,712	
2008-2009 INTEREST														973,740	
TOTAL "E" FACTOR														<u>25,611,453</u>	
SEPTEMBER	2009	Actual	5,935,878	4,879,824	10,815,702	1,074,087	0.1650	177,171	10,638,531	7,1358	7,715,994	13,920	(2,908,617)	0	22,702,835
OCTOBER		Actual	6,283,269	11,831,369	18,114,638	1,670,689	0.1140	190,459	17,924,179	7,0900	11,879,385	12,844	(6,031,951)	0	16,670,885
NOVEMBER		Actual	5,982,645	20,458,177	26,440,822	3,081,608	0.1140	351,303	26,089,519	7,0900	21,861,350	36,284	(4,191,885)	33,129	12,512,128
DECEMBER		Actual	6,165,442	48,091,009	54,256,451	5,671,027	0.1140	646,497	53,609,954	7,1699	40,713,198	43,109	(12,853,647)	0	(341,518)
JANUARY	2010	Actual	6,170,093	62,869,208	69,039,301	9,309,155	0.1140	1,061,244	67,978,057	7,2497	67,478,417	46,297	(453,343)	0	(794,862)
FEBRUARY		Actual	5,737,177	53,551,165	59,288,342	8,654,184	0.1140	986,577	58,301,765	7,2497	62,773,625	20,969	4,492,829	0	3,697,967
MARCH		Actual	6,167,135	31,402,154	37,569,289	6,633,702	0.1141	756,574	36,812,715	7,2976	48,412,913	29,093	11,629,291	0	15,327,258
APRIL *		Actual	5,983,255	12,851,138	18,834,393	3,326,314	0.1141	379,532	18,454,861	7,3455	25,190,856	62,057	6,798,053	0	22,125,311
MAY		Actual	5,916,077	8,459,265	14,375,342	1,988,240	0.1141	226,858	14,148,484	7,3455	13,911,979	52,227	(184,278)	0	21,941,033
JUNE		Actual	5,731,491	5,873,180	11,604,671	1,353,089	0.1143	154,590	11,450,081	6,9297	9,482,610	48,630	(1,918,841)	158,096	20,180,288
JULY		Actual	6,053,887	5,681,278	11,735,165	1,040,316	0.1144	119,012	11,616,153	6,5139	6,880,338	51,537	(4,684,277)	0	15,496,011
AUGUST		Actual	<u>5,274,750</u>	<u>7,871,309</u>	<u>13,146,059</u>	<u>971,210</u>	<u>0.1144</u>	<u>111,106</u>	<u>13,034,953</u>	<u>6,5139</u>	<u>6,353,320</u>	<u>52,239</u>	<u>(6,629,393)</u>	<u>72,478</u>	8,939,096
Total			71,401,099	273,819,076	345,220,175	44,773,621		5,160,924	340,059,251		322,653,985	469,207	(16,936,060)	263,703	

*Revised

RECONCILIATION OF DEMAND CHARGES

		DEMAND CHARGES LESS SSPC 1	GCR FIRM SALES 2	DEMAND CHARGE IN EFFECT 3	DEMAND CHARGES BILLED 4 = (2 * 3)	MONTHLY DEMAND OVER/(UNDER) 5 = (4 - 1)	CUMULATIVE DEMAND OVER/(UNDER) 6	
		\$	\$	\$	\$	\$	\$	
2008-2009 OVER-COLLECTION							(4,805,447)	
SEPTEMBER	2009	Actual	5,908,963	1,074,087	1,3693	1,470,747	(4,438,215)	(9,243,662)
OCTOBER		Actual	6,255,889	1,670,689	1.3537	2,261,612	(3,994,277)	(13,237,939)
NOVEMBER		Actual	5,928,595	3,081,608	1.3537	4,171,573	(1,757,023)	(14,994,962)
DECEMBER		Actual	6,111,265	5,671,027	1.3450	7,627,247	1,515,982	(13,478,980)
JANUARY	2010	Actual	6,115,635	9,309,155	1.3362	12,438,893	6,323,257	(7,155,723)
FEBRUARY		Actual	5,682,504	8,654,184	1.3362	11,563,720	5,881,217	(1,274,506)
MARCH		Actual	6,119,378	6,633,702	1.3489	8,947,869	2,828,491	1,553,985
APRIL *		Actual	5,928,021	3,326,314	1.3615	4,528,777	(1,399,244)	154,741
MAY		Actual	5,861,361	1,988,240	1.3615	2,706,989	(3,154,372)	(2,999,631)
JUNE		Actual	5,676,315	1,353,089	1.3332	1,803,939	(3,872,376)	(6,872,007)
JULY		Actual	5,995,663	1,040,316	1.3049	1,357,508	(4,638,155)	(11,510,162)
AUGUST		Actual	<u>5,216,553</u>	<u>971,210</u>	<u>1.3049</u>	<u>1,267,332</u>	<u>(3,949,221)</u>	(15,459,382)

CALCULATION OF RECOVERED CHARGES**DECEMBER 1, 2010 - November 30, 2011****1st QUARTER FILING**

	<u>50% December</u>	<u>11.5 Months</u>	<u>Total</u>
			(MCF) (\$)
GCR Firm Sales (Mcf)	3,238,978	46,809,569	50,048,547
GCR (\$ / Mcf)	\$ 6.9050	\$ 6.2753	
Total GCR Projected Recovery	\$ 22,365,140	\$ 293,744,088	\$ 316,109,228
SSPC and Migration Revenue			\$ 748,559
Total Projected Recovery			\$ 316,857,787

Change In Rates 1st Quarter Filing

Rates Effective December 1, 2010

Distribution Charge

	Delivery	Surcharges				Total	Distribution Charge / Mcf
	Delivery Charge	Other Post Employment Benefit	Efficiency Cost Recovery	Restructuring & Consumer Education	Universal Service & Ener. Cons.	Surcharges	
Residential GS	\$6.3863	\$0.2997	\$0.0168	\$0.0259	\$1.9728	\$2.3152	\$8.7015
Commercial GS	\$4.6530	\$0.2997	\$0.0053	\$0.0259	\$1.9728	\$2.3037	\$6.9567
Industrial GS	\$4.5859	\$0.2997	\$0.0532	\$0.0259	\$1.9728	\$2.3516	\$6.9375
Phila.Housing Authority (PHA)	\$4.1480	\$0.2997	\$0.0053	\$0.0259	\$1.9728	\$2.3037	\$6.4517
Municipal (MS)	\$3.4040	\$0.2997	-	\$0.0259	\$1.9728	\$2.2984	\$5.7024
Phila.Housing Authority (GS)	\$4.9820	\$0.2997	\$0.0168	\$0.0259	\$1.9728	\$2.3152	\$7.2972

Proposed Rates

	09/01/10 Distribution Charge (1)	09/01/10 GCR (2)	09/01/10 Commodity Rate (3)=(1)+(2)	12/01/10 Distribution Charge (4)	12/01/10 GCR (5)	12/01/10 Commodity Rate (6)=(4)+(5)	Difference (7)=(6)-(3)
Residential GS	\$9.0797	\$6.9050	\$15.9847	\$8.7015	\$6.2753	\$14.9768	(\$1.0079)
Commercial GS	\$7.3464	\$6.9050	\$14.2514	\$6.9567	\$6.2753	\$13.2320	(\$1.0194)
Industrial GS	\$7.2793	\$6.9050	\$14.1843	\$6.9375	\$6.2753	\$13.2128	(\$0.9715)
Phila.Housing Authority (PHA)	\$6.8414	\$6.9050	\$13.7464	\$6.4517	\$6.2753	\$12.7270	(\$1.0194)
Municipal (MS)	\$6.0974	\$6.9050	\$13.0024	\$5.7024	\$6.2753	\$11.9777	(\$1.0247)
Phila.Housing Authority (GS)	\$7.6754	\$6.9050	\$14.5804	\$7.2972	\$6.2753	\$13.5725	(\$1.0079)

PHILADELPHIA GAS WORKS
DECEMBER 1, 2010 - 1st QUARTER FILING
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE

	Expenses in the Surcharge
Enhanced Low Income Retrofit Program (ELIRP)	\$ 7,333,784
Customer Responsibility Program (CRP) Discount	\$ 79,343,254
Senior Citizen Discount	\$ 8,831,657
<u>November 2010 Under Collection</u>	<u>\$ 7,189,524</u>
Total \$ to be Recovered	\$ 102,698,219
 Total Applicable Volumes	 Mcf 52,058,070
 Universal Service & Energy Conservation Surcharge	 <u><u>\$ 1.9728</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 \$10,189,405.

STATEMENT OF RECONCILIATION
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE

SEPTEMBER 2010 THROUGH NOVEMBER 2010

<u>Month</u>		<u>Applicable Volumes</u>	<u>USC Charge</u>	<u>USC Revenue Billed</u>	<u>USC Expenses</u>	<u>Monthly Over/(Under) Recovery</u>	<u>Cumulative Over/(Under) Recovery</u> (\$19,939,314)
FY 10 Reconciliation							
September 2010	Actual	1,109,653	\$ 2,2855	\$ 2,536,111	\$ (2,118,782)	\$ 4,654,893	(\$15,284,421)
October	Estimated	1,413,635	\$ 2,3678	\$ 3,347,206	\$ (1,968,688)	\$ 5,315,894	(\$9,968,527)
November	Estimated	3,462,257	\$ 2,3678	\$ 8,197,932	\$ 5,418,929	\$ 2,779,003	(\$7,189,524)

<u>USC Expenses</u>	<u>Sep-10</u>	<u>Oct-10</u>	<u>Nov-10</u>
Conservation Works/Elirp	\$ 4,565	\$ 76,427	\$ 725,279
CRP Discount	\$ (3,188,434)	\$ (3,127,156)	\$ 3,161,234
CRP Forgiveness	\$ 851,310	\$ 794,420	\$ 822,310
Senior Citizen Discount	\$ 213,777	\$ 287,621	\$ 710,105
Bad Debt Expense Offset*	\$ -		
Total	\$ (2,118,782)	\$ (1,968,688)	\$ 5,418,929

<u>CRP Participation</u>	
Rate Case Participation Rate	84,000
Actual Participation Rate*	81,292
CRP Under(Over) Participation	2,708
<u>Average Shortfall Per CRP Participant</u>	
CRP Discount	\$ (3,188,434)
Actual Participation Rate	81,292
Average Shortfall per CRP Participant	\$ (39)
Shortfall*	\$ -
Bad Debt Expense Offset* 7.1%	\$ -

*Bad Debt Expense Offset Applicable When Actual CRP Participation Exceeds 84,000

STATEMENT OF RECONCILIATION
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE
SEPTEMBER 2009 THROUGH AUGUST 2010

Month		Applicable	USC	USC	USC	Monthly	Cumulative
FY 09 Reconciliation		Volumes	Charge	Revenue	Expenses	Over/(Under)	Over/(Under)
				Billed		Recovery	Recovery
							(\$16,969,970)
September 2009	Actual	1,150,818	\$ 2,1939	\$ 2,524,721	\$ (2,153,841)	\$ 4,678,562	(\$12,291,408)
October	Actual	1,767,561	\$ 1,9752	\$ 3,491,286	\$ (40,348)	\$ 3,531,634	(\$8,759,774)
November	Actual	3,219,234	\$ 1,9752	\$ 6,358,631	\$ 6,733,270	\$ (374,639)	(\$9,134,413)
December	Actual	5,912,996	\$ 1,9935	\$ 11,787,261	\$ 15,317,594	\$ (3,530,333)	(\$12,664,746)
January* 2010	Actual	9,588,859	\$ 2,0117	\$ 19,289,907	\$ 27,224,916	\$ (7,935,009)	(\$20,599,755)
February	Actual	8,878,765	\$ 2,0117	\$ 17,861,412	\$ 25,211,292	\$ (7,349,880)	(\$27,949,635)
March	Actual	6,941,566	\$ 2,1900	\$ 15,202,029	\$ 19,925,131	\$ (4,723,101)	(\$32,672,737)
April	Actual	3,404,453	\$ 2,3683	\$ 8,062,767	\$ 9,754,632	\$ (1,691,865)	(\$34,364,602)
May	Actual	2,074,739	\$ 2,3683	\$ 4,913,604	\$ 3,092,742	\$ 1,820,861	(\$32,543,740)
June*	Actual	1,431,824	\$ 2,2858	\$ 3,272,792	\$ (461,021)	\$ 3,733,814	(\$28,809,927)
July	Actual	1,116,619	\$ 2,2032	\$ 2,460,136	\$ (1,794,879)	\$ 4,255,015	(\$24,554,912)
August	Actual	1,045,211	\$ 2,2032	\$ 2,302,808	\$ (2,312,790)	\$ 4,615,598	(\$19,939,314)

USC Expenses	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Total
Conservation Works Program (CWP)	\$ 4,831	\$ 6,668	\$ 189,476	\$ 226,108	\$ 6,998	\$ 463,394	\$ 5,757	\$ 222,674	\$ 182,753	\$ 273,001	\$ 504,646	\$ 285,349	\$ 2,371,655
CRP Discount	\$ (3,045,003)	\$ (1,064,794)	\$ 5,209,577	\$ 13,204,050	\$ 24,600,611	\$ 22,237,234	\$ 17,581,887	\$ 7,778,212	\$ 1,498,966	\$ (2,002,712)	\$ (3,433,326)	\$ (3,643,762)	\$ 78,920,940
CRP Forgiveness*	\$ 629,746	\$ 652,062	\$ 605,458	\$ 655,452	\$ 708,361	\$ 740,160	\$ 948,482	\$ 945,534	\$ 947,846	\$ 983,329	\$ 914,691	\$ 844,652	\$ 9,575,774
Senior Citizen Discount	\$ 256,585	\$ 365,716	\$ 728,759	\$ 1,231,984	\$ 1,908,946	\$ 1,770,504	\$ 1,389,005	\$ 808,212	\$ 463,177	\$ 285,361	\$ 219,111	\$ 200,971	\$ 9,628,330
	\$ (2,153,841)	\$ (40,348)	\$ 6,733,270	\$ 15,317,594	\$ 27,224,916	\$ 25,211,292	\$ 19,925,131	\$ 9,754,632	\$ 3,092,742	\$ (461,021)	\$ (1,794,879)	\$ (2,312,790)	\$ 100,496,698

* Revised

CRP Participation												
Average participation rate (Actual)	81,483	81,078	81,248	81,905	82,494	81,678	83,149	84,313	83,789	83,332	82,235	81,329
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	4,983	4,578	4,748	5,405	5,994	5,178	6,649	7,813	7,289	6,832	5,735	4,829
Average Shortfall Per CRP Participant												
CRP Discount	\$ (3,045,003)	\$ (1,064,794)	\$ 5,209,577	\$ 13,204,050	\$ 24,600,611	\$ 22,237,234	\$ 17,581,887	\$ 7,778,212	\$ 1,498,966	\$ (2,002,712)	\$ (3,433,326)	\$ (3,643,762)
Average participation rate	81,483	81,078	81,248	81,905	82,494	81,678	83,149	84,313	83,789	83,332	82,235	81,329
Average shortfall per CRP participant	\$ (37)	\$ (13)	\$ 64	\$ 161	\$ 298	\$ 272	\$ 211	\$ 92	\$ 18	\$ (24)	\$ (42)	\$ (45)

EFFICIENCY COST RECOVERY SURCHARGEFY 2011

<u>Program</u>	<u>Residential & PHA GS</u>	<u>Commercial & PHA</u>	<u>Industrial</u>	<u>Total</u>
Premium Efficiency Heating Equipment Program (PEHEP)	\$499,944	\$5,050	\$0	\$504,994
Commercial/Industrial Retrofit Program (CIRP)	\$0	\$30,850	\$30,850	\$61,700
Commercial/Industrial Equipment Program (CIEP)	\$0	\$2,609	\$2,609	\$5,218
High-Efficiency Construction Program (HECP)	\$4,832	\$4,832	\$0	\$9,664
Comprehensive Residential Heating Retrofit Program (CRHRP)	<u>\$44,666</u>	<u>\$0</u>	<u>\$0</u>	<u>\$44,666</u>
Total	\$549,442	\$43,341	\$33,459	\$626,242
<hr/>				
Volumes - Mcf (GCR Firm & Firm Transportation)*	32,632,604	8,206,064	629,259	
<hr/>				
Efficient Cost Recovery Surcharge / Mcf	\$0.0168	\$0.0053	\$0.0532	

* Volumes include 50% of Dec 2010 plus Jan-Aug 2010 forecasted sales

Projected Unaccounted For Factor (UAF)
1st Qtr Filing
December 1, 2010

<u>Fiscal Year</u>	<u>Firm Sendout (Mcf)</u>	<u>Accounted For Gas (Mcf)</u>	<u>Unaccounted For (Mcf)</u>	<u>3 Year Average *</u>
2007-08	49,560,831	47,848,723	1,712,108	
2008-09	52,809,355	50,856,167	1,953,188	
2009-10	<u>49,695,218</u>	<u>47,727,470</u>	<u>1,967,748</u>	
Total	152,065,405	146,432,360	5,633,045	3.7%

*The 3 year average is based on the PUC GCR Settlement Proceeding for FY 2010-2011.

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

NYMEX

Basis Differentials

Prices Used For Gas Cost Inputs

	Futures 11/3/10 Close	TRANSCO			TETCO					TRANSCO			TETCO				
		Sta 30	Sta 45	Sta 65	ELA	WLA	ETX	STX	M-1	Sta 30	Sta 45	Sta 65	ELA	WLA	ETX	STX	M-1
2010:11										3.30	3.32	3.34	3.29	3.30	3.11	3.14	3.20
2010:12	3.836	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	3.79	3.82	3.88	3.80	3.79	3.70	3.74	3.92
2011:1	4.091	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.04	4.07	4.09	4.05	4.04	3.95	3.99	4.17
2011:2	4.110	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.06	4.09	4.11	4.07	4.06	3.97	4.01	4.19
2011:3	4.077	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.03	4.06	4.08	4.04	4.03	3.94	3.98	4.16
2011:4	4.057	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.01	4.04	4.06	4.02	4.01	3.92	3.96	4.14
2011:5	4.090	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.04	4.07	4.09	4.05	4.04	3.95	3.99	4.17
2011:6	4.144	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.09	4.12	4.14	4.10	4.09	4.00	4.04	4.22
2011:7	4.212	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.16	4.19	4.21	4.17	4.16	4.07	4.11	4.29
2011:8	4.260	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.21	4.24	4.26	4.22	4.21	4.12	4.16	4.34
2011:9	4.282	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.23	4.26	4.28	4.24	4.23	4.14	4.18	4.36
2011:10	4.360	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.31	4.34	4.36	4.32	4.31	4.22	4.26	4.44
2011:11	4.600	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.55	4.58	4.60	4.56	4.55	4.46	4.50	4.68
2011:12	4.928	(0.05)	(0.02)	0.00	(0.04)	(0.05)	(0.14)	(0.10)	(0.09)	4.88	4.91	4.93	4.89	4.88	4.79	4.83	5.01

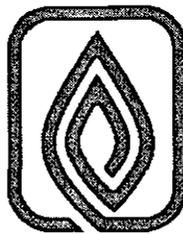
Actual Natural Gas Billed

	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>
Williams	\$ 2,295,112	\$ 2,298,903	\$ 2,365,307
Texas Eastern	\$ 1,908,652	\$ 1,902,306	\$ 2,135,591
Dominion	\$ 130,507	\$ 131,866	\$ 130,192
Equitrans	\$ 47,391	\$ 59,958	\$ 46,945
Spot Purchases -Transco	\$ 4,218	\$ 179	\$ 57,042
Spot Purchases -Tetco			
Transco Supply1			
Transco Supply2	\$ 5,255,318	\$ 4,958,278	\$ 5,127,689
Transco Supply3			
Transco Supply4			
Transco Supply5			
Transco Supply6	\$ 899,375	\$ 551,612	\$ -
Transco Supply7	\$ 1,100,617	\$ 1,624,910	\$ 1,562,439
Transco Supply8	\$ 1,210,650	\$ 1,324,450	\$ 531,000
Transco Supply9			
Transco Supply10	\$ 697,888	\$ 697,888	\$ 640,500
Transco Supply11			
Transco Supply12	\$ 744,388	\$ 737,800	\$ 589,125
Transco Supply13			
Transco Supply14			
Transco Supply15			
Transco Supply16			
Transco Supply17			
Transco Supply18			
Transco Supply19			
Transco Supply20			
Transco Supply21			
Transco Supply22			
Transco Supply23			
Tetco Supply1	\$ 1,245,986	\$ 994,220	\$ 924,740
Tetco Supply2			
Tetco Supply3	\$ 1,318,366	\$ 2,016,766	\$ -
Tetco Supply4			
Tetco Supply5			
Tetco Supply6			
Tetco Supply7			
Tetco Supply8			
Tetco Supply9			
Tetco Supply10			
Tetco Supply11			
Tetco Supply12			
Tetco Supply13	\$ 1,319,705	\$ 1,181,614	\$ 2,074,551
Tetco Supply14	\$ 1,438,400	\$ 1,442,663	\$ 1,352,063
Tetco Supply15		\$ -	\$ -
Tetco Supply16		\$ 69,216	\$ -
Tetco Supply17	\$ 702,925	\$ 714,938	\$ 646,112
Total Costs	\$ 20,319,497	\$ 20,707,566	\$ 18,183,295
Sharing Mechanism	\$ 263,621	\$ 260,464	\$ 157,488
Asset Management Agreement	\$ (68,375)	\$ (68,376)	\$ (68,375)
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 25,000	\$ 37,502	\$ 25,000
Adjustment/Reconciliation	\$ (948,668)	\$ (237,747)	\$ (378,501)
Total Natural Gas Billed	\$ 19,591,076	\$ 20,699,409	\$ 17,918,907

**Philadelphia Gas Works
Summary of Fuels Purchased
Three Months Ending September 2010**

	<u>Actual</u>			<u>Total</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Total</u>	<u>Actual Over/Under vs Projected</u>			
	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>		<u>4th Qtr Filing Jul-10</u>	<u>4th Qtr Filing Aug-10</u>	<u>4th Qtr Filing Sep-10</u>		<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Total</u>
Total Natural Gas Billed	\$ 19,591,076	\$ 20,699,409	\$ 17,918,907	\$ 58,209,392	\$ 21,676,440	\$ 23,039,289	\$ 23,498,543	\$ 68,214,272	\$ (2,085,364)	\$ (2,339,880)	\$ (5,579,636)	\$ (10,004,880)
Less Interruptible Credit Gas Used For Utility	\$ 121,105	\$ 117,040	\$ 100,208	\$ 338,353	\$ 95,803	\$ 97,492	\$ 113,855	\$ 307,149	\$ 25,302	\$ 19,548	\$ (13,647)	\$ 31,204
	\$ 44,878	\$ (1,190)	\$ 35,786	\$ 79,474	\$ 50,253	\$ 24,888	\$ 52,603	\$ 127,744	\$ (5,375)	\$ (26,078)	\$ (16,817)	\$ (48,270)
	\$ 19,425,093	\$ 20,583,559	\$ 17,782,913	\$ 57,791,565	\$ 21,530,384	\$ 22,916,909	\$ 23,332,086	\$ 67,779,379	\$ (2,105,291)	\$ (2,333,350)	\$ (5,549,173)	\$ (9,987,814)
Pipeline Storages												
(To)	\$ (8,169,562)	\$ (10,153,315)	\$ (7,335,109)	\$ (25,657,986)	\$ (10,281,344)	\$ (11,662,297)	\$ (11,497,691)	\$ (33,441,332)	\$ 2,111,782	\$ 1,508,982	\$ 4,162,582	\$ 7,783,346
From	\$ -	\$ 2,188,006	\$ -	\$ 2,188,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,188,006	\$ -	\$ 2,188,006
Net Pipeline Storages	\$ (8,169,562)	\$ (7,965,309)	\$ (7,335,109)	\$ (23,469,980)	\$ (10,281,344)	\$ (11,662,297)	\$ (11,497,691)	\$ (33,441,332)	\$ 2,111,782	\$ 3,696,988	\$ 4,162,582	\$ 9,971,352
LNG Storage												
(To)	\$ (71,965)	\$ -	\$ (36,187)	\$ (108,152)	\$ -	\$ -	\$ (468,295)	\$ (468,295)	\$ (71,965)	\$ -	\$ 432,108	\$ 360,143
From	\$ 482,142	\$ 464,260	\$ 463,236	\$ 1,409,638	\$ 449,071	\$ 517,794	\$ 500,341	\$ 1,467,206	\$ 33,071	\$ (53,534)	\$ (37,105)	\$ (57,568)
Net LNG Storage	\$ 410,177	\$ 464,260	\$ 427,049	\$ 1,301,486	\$ 449,071	\$ 517,794	\$ 32,046	\$ 998,911	\$ (38,894)	\$ (53,534)	\$ 395,003	\$ 302,575
Net Natural Gas	\$ 11,665,708	\$ 13,082,510	\$ 10,874,853	\$ 35,623,071	\$ 11,698,112	\$ 11,772,406	\$ 11,866,440	\$ 35,336,958	\$ (32,404)	\$ 1,310,104	\$ (991,587)	\$ 286,113
APPLICABLE GCR EXPENSES												
Net Natural Gas Expense	\$ 11,665,708	\$ 13,082,510	\$ 10,874,853	\$ 35,623,071	\$ 11,698,112	\$ 11,772,406	\$ 11,866,440	\$ 35,336,958	\$ (32,404)	\$ 1,310,104	\$ (991,587)	\$ 286,113
Purchased Electric & Misc	\$ 69,457	\$ 63,549	\$ 65,334	\$ 198,340	\$ 66,815	\$ 61,544	\$ 67,015	\$ 195,374	\$ 2,642	\$ 2,005	\$ (1,681)	\$ 2,966
Total GCR Expenses	\$ 11,735,165	\$ 13,146,059	\$ 10,940,187	\$ 35,821,411	\$ 11,764,927	\$ 11,833,950	\$ 11,933,455	\$ 35,532,331	\$ (29,762)	\$ 1,312,109	\$ (993,268)	\$ 289,080

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

DEFINITIONS (PAGE No. 13)

The Lost and Unaccounted for Retainage Rate decreased from 3.8% to 3.7%.

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

Add Off system sales margin, capacity release credits and storage asset management fee sharing mechanism to the definition of “C” Factor.

In the definition of “GAC,” the “GAC” value effective December 1, 2010 increases from \$(0.02367) per Ccf to \$0.00773 per Ccf; In the definition of “IRC,” the “IRC” value effective December 1, 2010 increases from \$0.01032 to \$0.01286 per Ccf; In the definition of “SSC,” the “SSC” value effective December 1, 2010 decreases from \$0.72449 per Ccf to \$0.63266 per Ccf.

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

The Gas Cost Rate (GCR) effective December 1, 2010 decreases from \$0.69050 per Ccf to \$0.62753 per Ccf.

EFFICIENCY COST RECOVERY SURCHARGE (PAGE No. 80)

The Efficiency Cost Recovery Surcharges effective December 1, 2010 are: a) \$0.00168 per Ccf for Residential and Public Housing Customers on Rate GS; b) \$0.00053 per Ccf for Commercial Customers on Rate GS; c) \$0.00532 per Ccf for Industrial Customers on Rate GS; d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and e) \$0.00053 per Ccf for The Philadelphia Housing Authority on Rate PHA.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective December 1, 2010 decreases from \$0.23678 per Ccf to \$0.19728 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services decreases from \$0.69050 per Ccf to \$0.62753 per Ccf, effective December 1, 2010.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service decreases from \$0.69050 per Ccf to \$0.62753 per Ccf, effective December 1, 2010.

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

The GCR for Philadelphia Housing Authority Service decreases from from \$0.69050 per Ccf to \$0.62753 per Ccf, effective December 1, 2010.

DEVELOPMENTAL NATURAL GAS VEHICLE SVC - RATE NGVS FIRM SERVICE (Page Nos. 135-136)

The GCR for NGVS Firm decreases from \$0.69050 per Ccf to \$0.62753 per Ccf, effective December 1, 2010.

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Philadelphia Gas Works

NATURAL GAS SUPPLY SERVICES – As defined in 66 Pa.C.S. § 2202.

NON-BASIC UTILITY SERVICE – Leased or purchased merchandise, appliances or special services including but not limited to merchandise and appliance installation fees, rental and repair costs, meter testing fees, special construction charges and other nonrecurring charges that are not essential to delivery or metering of Gas Service.

"PGW" or "Company" - refers to Philadelphia Gas Works.

PGW CHARGES - The portion of the consolidated PGW bill that itemizes the charges for the Basic Utility Service provided by PGW. The PGW Charges are separate and apart from the Natural Gas Supplier charges that may be itemized on a consolidated PGW bill.

PARTICIPANT – See definition of Customer Responsibility Program Participant.

PHYSICAL METER READ (or READING) - A meter read where a PGW service person takes an actual Meter Read of a Customer's meter. A reading taken by an Automatic Meter Reading device shall be deemed a Physical Meter Read.

PUBLIC UTILITY CODE - Title 66 of Pennsylvania Consolidated Statutes which establishes the powers and duties of the PUC.

PUBLIC UTILITY COMMISSION (PUC or Commission) - The agency that is empowered by the Public Utility Code to regulate public utilities and Natural Gas Suppliers.

RESIDENT - An owner, Tenant, or occupant who makes the dwelling unit his/her residence.

RESIDENTIAL BUILDING - A building containing one or more dwelling units occupied by one or more Tenants, but excluding nursing homes, hotels and motels.

RETAIL SALES SERVICE - Service to a Customer whereby the Customer receives firm or interruptible gas supply as well as transportation from the Company.

SUPPLIER OF LAST RESORT (SOLR) - The Company in its role of providing Natural Gas Supply Services to Customers that do not elect another Supplier or choose to be served by the Supplier of Last Resort, Customers that are refused service from another Natural Gas Supplier, or Customers whose Natural Gas Supplier fails to deliver the required gas supplies, in accordance with this Tariff. Each Customer may only have one Supplier of Last Resort.

TENANT - Any person or group of persons whose dwelling unit in a Residential Building is provided gas pursuant to an oral or written rental arrangement for such dwelling unit, but who is not the Customer of record of PGW for such Gas Service.

TRANSPORTATION SERVICE - Service to a Customer whereby the Customer receives transportation, but not firm or interruptible gas supply from the Company.

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 3.7%. The percentage changes annually on December 1st and is based upon actual data for the preceding 12 months ending August 31st.

(C)

C = Change

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.

Effective 9/1/08, 75% of off system sales margin and capacity release credits will be allocated to the Factor "C" and 25% to the Company. Effective 9/1/09, 75% of storage asset management fees will be allocated to the Factor "C" and 25% to the Company.

(C)

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 \$(0.04021) per Ccf for Commodity Costs and \$0.04794 per Ccf for Demand Costs, for service on or after December 1, 2010. The total Gac is \$0.00773 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.

(I) – Increase; (C) – Change

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.01286 per Ccf for service on or after December 1, 2010. (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, 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 \$0.50574 per Ccf for Commodity Costs and \$0.12692 per Ccf for Demand Costs, for service on or after December 1, 2010. The total SSC is \$0.63266 per Ccf. (D)

(I) – Increase; (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 \$0.62753 per Ccf, for service on or after December 1, 2010.

(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

EFFICIENCY COST RECOVERY SURCHARGE

The cost of the energy efficiency programs (i.e. the demand side management programs) for the firm customer rate classes listed below will be recovered by an Efficiency Cost Recovery Surcharge applicable to all volumes of Gas delivered.

- 1) The Surcharge will recover the program costs and the administrative costs of the energy efficiency program.
- 2) Computation of the Efficiency Cost Recovery 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 energy efficiency program costs approved for annual recovery plus (or minus) any over (or under) recovery from the prior period by the estimated applicable throughput in Mcfs. The costs related to customers other than low income residential customers are tracked and will be recovered separately from each of the following firm customer rate classes if the customer class is served by the energy efficiency program:
 - a) Residential and Public Housing Customers on Rate GS;
 - b) Commercial Customers on Rate GS;
 - c) Industrial Customers on Rate GS;
 - d) Municipal Customers on Rate MS; and
 - e) The Philadelphia Housing Authority on Rate PHA.

The surcharge shall be a cents per Ccf charge calculated to the nearest one-thousandth of a cent (0.00001) which shall be added to the distribution rates for billing purposes for all customers in each of the above rate classes. The rate shall be calculated separately for each rate class- as follows:

- a) \$0.00168 per Ccf for Residential and Public Housing Customers on Rate GS;
- b) \$0.00053 per Ccf for Commercial Customers on Rate GS;
- c) \$0.00532 per Ccf for Industrial Customers on Rate GS;
- d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and
- e) \$0.00053 per Ccf for The Philadelphia Housing Authority on Rate PHA.

(C)
↓

The Enhanced Low Income Retrofit Program costs shall be recovered through the Universal Services Surcharge beginning on September 1, 2010.

~~The Efficiency Cost Recovery Surcharge shall take effect upon approval of the initial implementation plans through the end of PGW fiscal year (FY) 2011.~~

(C)

(C) – Change

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 the Enhanced Low Income Retrofit Program (ELIRP); 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 = \$ 0.19728/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 December 1, 2010

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 Customers
\$ 50.00 per month for Industrial Customers

Plus,

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

\$ 0.62753	per Ccf for Residential and Public Housing	(D)
\$ 0.62753	per Ccf for Commercial Customers	(D)
\$ 0.62753	per Ccf for Industrial Customers	(D)

Plus,

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

(A) Delivery Charge:

\$0.63863	per Ccf for Residential
\$0.49820	per Ccf for Public Housing
\$0.46530	per Ccf for Commercial and Municipal Customers
\$0.45859	per Ccf for Industrial Customers

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; Restructuring and Consumer Education Surcharge; Efficiency Cost Recovery Surcharge; and Other Post Employment Benefit 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 December 1, 2010.

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):

\$0.62753 per Ccf

(D)

Plus,

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

(A) Delivery Charge:

\$0.34040 per Ccf

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; and Other Post Employment Benefit 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 December 1, 2010

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):

\$ 0.62753 per Ccf

(D)

Plus

DISTRIBUTION CHARGE:

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

(A) Delivery Charge:

\$0.41480 per Ccf

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; and Other Post Employment Benefit Surcharge.

(D) – Decrease

**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, 2010

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):

\$ 0.62753 per Ccf (D)

Plus

DISTRIBUTION CHARGE:

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

(A) Delivery Charge:

\$0.13212 per Ccf

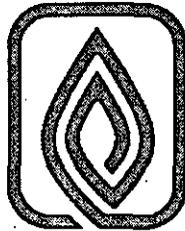
(B) Surcharges:

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

DEFINITIONS (PAGE No. 11)

The Lost and Unaccounted for Gas and Retainage Rate decreases from 3.8% to 3.7%.

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

The load balancing charge increases from \$44.1606 per design day Mcf to \$44.3090 per design day Mcf.

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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 3.7%. 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 \$ 44.3090 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

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).

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SECRETARY'S BUREAU

VIA EMAIL AND REGULAR MAIL

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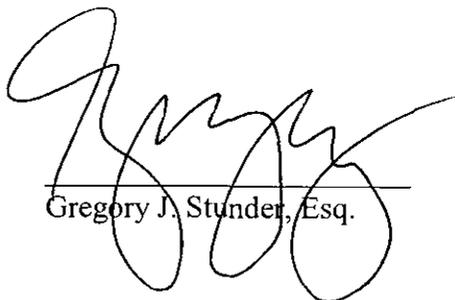
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Date: November 30, 2010

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4a Express Package Service

* To most locations

Packages up to 150 lbs.

- FedEx Priority Overnight
Next business morning. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- FedEx Standard Overnight
Next business afternoon. Saturday Delivery NOT available.
- FedEx First Overnight
Earliest next business morning delivery to select locations.*
- FedEx 2Day
Second business day** Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- FedEx Express Saver
Next business afternoon. Saturday Delivery NOT available.

EXP SAVER

4b Express Freight Service

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- FedEx 2Day Freight
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- FedEx 3Day Freight
Third business day.** Saturday Delivery NOT available.

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6 Special Handling and Delivery Signature Options

- SATURDAY Delivery
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- No Signature Required
Package may be left without obtaining a signature for delivery.
- Direct Signature
Someone at recipient's address may sign for delivery. Fee applies.
- Indirect Signature
If no one is available at recipient's address, someone at a neighboring address may sign for delivery. For residential deliveries only. Fee applies.

Does this shipment contain dangerous goods?

- One box must be checked.
- No
 - Yes
As per attached Shipper's Declaration.
 - Yes
Shipper's Declaration not required.
 - Dry Ice
Dry Ice, 9, UN 1845 _____ kg
- Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box. Cargo Aircraft Only

7 Payment Bill to:

- Obtain recip. Acct. No.
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