

Philadelphia Gas Works

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February 28, 2011

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,
March 1, 2011 Second Quarterly GCR Filing

Dear Secretary Chiavetta:

Enclosed for filing are an original and three (3) copies of PGW's March 1, 2011 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 somewhat cursive.

Gregory J. Stunder

Enclosures

cc: All Parties of Record
Robert F. Wilson, Bureau of Fixed Utility Services (w/enc.)

BN

Statement

Known per dekatherm natural gas prices are used through the month of January, 2011. 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 February, 2011 through February, 2012 are based on the NYMEX Futures Closing Prices of January 14, 2011. 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 4,360 degree-day pattern).

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MARCH 1, 2011

2ND QUARTER GCR FILING

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Philadelphia Gas Works

Levelized Gas Cost Rate

2nd Quarter Filing - March 1, 2011**RECEIVED**

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GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			50,210,286	Schedule 2

Net Natural Gas Expense	\$ 62,866,467	\$ 271,189,757	\$ 334,056,224	
Purchased Electric & Misc Expenses	\$ -	\$ 1,082,109	\$ 1,082,109	
C = Total Applicable GCR Expense	\$ 62,866,467	\$ 272,271,866	\$ 335,138,333	Schedule 3
SSC = C / S	\$ 1.2521	\$ 5.4226	\$ 6.6747	

Adjustment For:				
Prior Reconciliation	\$ 9,859,502	\$ (10,283,495)	\$ (423,993)	Schedule 5
E = Adjustments to GCR Expenses	\$ 9,859,502	\$ (10,283,495)	\$ (423,993)	
GAC = E / S	\$ 0.1964	\$ (0.2048)	\$ (0.0084)	

Interruptible Revenue Credit			\$ 6,492,684	Schedule 4
IRC = Interruptible Revenue Credit / S			\$ 0.1293	

Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 328,221,656	
<u>GCR = SSC + GAC - IRC</u>			\$ 6.5369	

SSC in effect 03/01/11	\$ 1.2526	\$ 5.4252	\$ 6.6778	
GAC in effect 03/01/11	\$ 0.1965	\$ (0.2049)	\$ (0.0084)	
IRC in effect 03/01/11			\$ (0.1294)	
GCR in effect 03/01/11			\$ 6.5400	Schedule 6

Recovery Test on:

Firm Sales (Mcf)		50,210,286	
= Total Projected Recovery	\$	328,221,102	Schedule 6
Compared To			
Net Applicable GCR Expenses	\$	328,221,656	
= Net Over/(Under) Recovery	\$	(554)	Schedule 4

Degree Days

4,360

SALES & VOLUMES

MARCH 2011 THROUGH FEBRUARY 2012

MONTH	TOTAL VOLUMES	FIRM TRANSPORT VOLUMES	BILLED SALES	INTERRUPTIBLE SALES	AIR CONDITIONING SALES	GCR FIRM SALES	SENIOR CITIZEN DISCOUNT SALES	APPLICABLE VOLUMES	
									1
MARCH	2011	7,532,084	318,271	7,213,813	99,007	-	7,114,806	79,493	7,353,584
APRIL		5,142,464	139,179	5,003,285	57,295	-	4,945,990	54,478	5,030,692
MAY		2,616,761	127,317	2,489,444	29,314	1,514	2,458,616	24,590	2,561,343
JUNE		1,561,999	102,863	1,459,136	15,950	2,815	1,440,370	11,776	1,531,457
JULY		1,330,529	93,931	1,236,599	16,649	4,228	1,215,721	9,436	1,300,216
AUGUST		1,264,648	88,357	1,176,291	16,745	4,296	1,155,251	8,912	1,234,695
SEPTEMBER		1,147,527	94,895	1,052,632	19,537	2,592	1,030,504	7,919	1,117,480
OCTOBER		1,832,127	153,477	1,678,650	44,681	-	1,633,970	13,263	1,774,184
NOVEMBER		4,000,677	255,476	3,745,201	76,592	-	3,668,609	34,227	3,889,858
DECEMBER		6,945,024	397,126	6,547,897	119,123	-	6,428,774	61,844	6,764,056
JANUARY	2012	10,863,229	496,978	10,366,251	136,687	-	10,229,564	101,546	10,624,996
FEBRUARY		9,441,181	435,000	9,006,181	118,069	-	8,888,112	87,218	9,235,894
TOTAL		53,678,249	2,702,870	50,975,380	749,650	15,444	50,210,286	494,701	52,418,455

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PROJECTED APPLICABLE FUEL EXPENSE

2nd Quarter Filing - March 1, 2011

	MARCH 2011	APRIL 2011	MAY 2011	JUNE 2011	JULY 2011	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012	TOTAL
NATURAL GAS BILLED													
DEMAND CHARGE	\$5,778,612	\$5,307,439	\$5,302,187	\$5,305,664	\$5,301,070	\$5,300,813	\$4,759,482	\$4,735,659	\$4,768,080	\$5,515,160	\$5,513,785	\$5,278,517	\$62,866,467
COMMODITY CHARGE	30,394,042	26,034,984	23,128,186	16,649,265	14,686,480	16,982,247	12,372,925	20,974,850	24,680,206	35,523,189	28,256,331	29,664,534	279,347,239
TOTAL NATURAL GAS BILLED	36,172,654	31,342,423	28,430,373	21,954,929	19,987,550	22,283,059	17,132,407	25,710,508	29,448,286	41,038,349	33,770,117	34,943,052	342,213,706
INTERRUPTIBLE CREDIT	515,813	290,544	151,080	83,073	88,202	84,958	103,863	240,042	403,867	663,683	766,015	665,452	4,056,592
SENDOUT VOLUME IN MCF	102,815	59,492	30,449	16,553	17,307	17,408	20,276	46,306	79,533	123,700	141,939	122,994	778,772
DKT CONVERSION FACTOR	1.0210	1.0210	1.0210	1.0210	1.0210	1.0210	1.0210	1.0210	1.0210	1.0210	1.0210	1.0210	1.0210
PRICE \$/DKT	4.914	4.783	4.860	4.915	4.991	4.780	5.017	5.077	4.974	5.255	5.286	5.299	
GAS USED FOR UTILITY	568,401	282,566	151,139	29,625	40,286	3,143	33,783	83,951	226,595	472,083	793,251	800,217	3,485,042
NATURAL GAS TO STORAGE	-	(6,891,226)	(12,061,244)	(10,664,098)	(9,090,183)	(11,700,686)	(5,869,263)	(5,393,389)	-	-	-	-	(61,670,089)
FROM STORAGE PGW	6,377,344	680,753	-	-	-	-	-	-	4,296,199	10,719,055	25,067,432	16,530,985	63,671,768
NET NATURAL GAS STORAGE	6,377,344	(6,210,473)	(12,061,244)	(10,664,098)	(9,090,183)	(11,700,686)	(5,869,263)	(5,393,389)	4,296,199	10,719,055	25,067,432	16,530,985	2,001,680
LNG TO STORAGE	(2,274,973)	(1,796,993)	(1,389,984)	(653,464)	-	-	(278,146)	(1,428,935)	(2,156,896)	-	-	-	(9,979,391)
FROM LNG PGW	442,127	422,202	429,742	412,707	425,357	425,357	411,349	422,393	402,038	666,680	1,525,809	1,376,102	7,361,862
NET LNG STORAGE	(1,832,846)	(1,374,791)	(960,242)	(240,757)	425,357	425,357	133,202	(1,006,542)	(1,754,858)	666,680	1,525,809	1,376,102	(2,617,529)
NET NATURAL GAS EXPENSE	39,632,938	23,184,050	15,106,668	10,937,375	11,194,236	10,919,630	11,258,701	18,986,584	31,359,165	51,288,318	58,804,091	51,384,469	334,056,224
APPLICABLE GCR EXPENSE													
NET NATURAL GAS EXPENSE	39,632,938	23,184,050	15,106,668	10,937,375	11,194,236	10,919,630	11,258,701	18,986,584	31,359,165	51,288,318	58,804,091	51,384,469	334,056,224
PURCHASED ELECTRIC & MISC	113,442	87,678	104,774	70,582	69,731	63,732	63,130	66,993	79,080	105,100	143,583	114,284	1,082,109
TOTAL APPLICABLE EXPENSES	39,746,380	23,271,728	15,211,442	11,007,957	11,263,967	10,983,362	11,321,831	19,053,577	31,438,245	51,393,418	58,947,674	51,498,753	335,138,333
TOTAL GCR FIRM SALES	7,114,806	4,945,990	2,458,616	1,440,370	1,215,721	1,155,251	1,030,504	1,633,970	3,668,609	6,428,774	10,229,564	8,888,112	50,210,286

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GCR

STATEMENT OF RECONCILIATION

MARCH 2011 THROUGH FEBRUARY 2012

			NET COST OF FUEL 1	GCR 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 - 5)	E FACTOR DISTRIBUTED ON GCR 10	CUMULATIVE OVER/(UNDER) RECOVERY 11
			\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
FEBRUARY 2011 OVER-COLLECTION												423,993	
MARCH	2011	Estimated	39,746,380	7,114,806	0.1293	920,014	38,826,366	6.4077	45,589,185	64,241	6,827,061	60,080	6,887,140
APRIL		Estimated	23,271,728	4,945,990	0.1293	639,565	22,632,163	6.5400	32,346,774	63,421	9,778,032	41,766	16,706,938
MAY		Estimated	15,211,442	2,458,616	0.1293	317,923	14,893,518	6.5400	16,079,348	63,902	1,249,732	20,761	17,977,432
JUNE		Estimated	11,007,957	1,440,370	0.1293	186,254	10,821,703	6.5400	9,420,023	64,375	(1,337,306)	12,163	16,652,289
JULY		Estimated	11,263,967	1,215,721	0.1293	157,205	11,106,762	6.5400	7,950,815	64,525	(3,091,423)	10,266	13,571,132
AUGUST		Estimated	10,983,362	1,155,251	0.1293	149,385	10,833,976	6.5400	7,555,340	64,671	(3,213,965)	9,755	10,366,922
SEPTEMBER		Estimated	11,321,831	1,030,504	0.1293	133,254	11,188,577	6.5400	6,739,494	65,381	(4,383,702)	8,702	5,991,922
OCTOBER		Estimated	19,053,577	1,633,970	0.1293	211,288	18,842,288	6.5400	10,686,161	65,961	(8,090,165)	13,798	(2,084,446)
NOVEMBER		Estimated	31,438,245	3,668,609	0.1293	474,387	30,963,858	6.5400	23,992,703	66,578	(6,904,577)	30,979	(8,958,044)
DECEMBER		Estimated	51,393,418	6,428,774	0.1293	831,304	50,562,114	6.5400	42,044,181	67,447	(8,450,485)	54,287	(17,354,242)
JANUARY	2012	Estimated	58,947,674	10,229,564	0.1293	1,322,783	57,624,891	6.5400	66,901,346	68,014	9,344,469	86,382	(7,923,391)
FEBRUARY		Estimated	51,498,753	8,888,112	0.1293	1,149,320	50,349,432	6.5400	58,128,253	68,963	7,847,783	75,054	(554)
Total			335,138,333	50,210,286		6,492,684	328,645,648		327,433,623	787,478	(424,545)	423,993	

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STATEMENT OF RECONCILIATION

SEPTEMBER 2010 THROUGH FEBRUARY 2011

		DEMAND CHARGES	COMMODITY CHARGES	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	NATURAL GAS REFUNDS	CUMULATIVE OVER/(UNDER) RECOVERY
		1	2	3 = (1 + 2)	4	5	6 = (4 * 5)	7 = (3 - 6)	8	9	10	11 = (9 + 10 - 7)	12	13
		\$	\$	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
2009-2010 OVER-COLLECTION														8,939,096
2009-2010 INTEREST														(478,373)
TOTAL "E" FACTOR														8,460,723
SEPTEMBER* 2010	Actual	5,270,429	5,669,758	10,940,187	1,034,035	0.1088	112,503	10,827,684	6.7095	6,946,254	60,394	(3,821,036)	0	4,639,687
OCTOBER	Actual	6,348,524	6,553,725	12,902,249	1,400,696	0.1032	144,552	12,757,697	6.9050	9,671,005	56,440	(3,030,252)	0	1,609,434
NOVEMBER	Actual	6,161,596	19,850,795	26,012,391	3,135,214	0.1032	323,554	25,688,837	6.9050	21,659,769	53,762	(3,975,306)	0	(2,365,872)
DECEMBER	Actual	6,174,536	55,720,377	61,894,913	6,557,179	0.1159	759,977	61,134,936	6.5902	43,021,627	65,994	(18,047,314)	0	(20,413,186)
JANUARY	Estimated	5,832,053	52,560,803	58,392,856	9,608,578	0.1286	1,235,663	57,157,193	6.2753	60,296,712	63,085	3,202,605	0	(17,210,581)
FEBRUARY	Estimated	5,775,825	42,684,804	48,460,629	10,310,697	0.1286	1,325,956	47,134,673	6.2753	64,702,715	66,532	17,634,574	0	423,993

RECONCILIATION OF DEMAND CHARGES

		DEMAND CHARGES LESS SSPC	GCR FIRM SALES	DEMAND CHARGE IN EFFECT	DEMAND CHARGES BILLED	ADJUSTMENT FOR ACTUAL REVENUE	ADJUSTED C FACTOR BILLED	MONTHLY DEMAND OVER/(UNDER)	CUMULATIVE DEMAND OVER/(UNDER)
		1	2	3	4 = (2 * 3)	5	6 = (4 * 6)	7 = (6 - 1)	8
		\$	\$	\$	\$			\$	\$
2009-2010 OVER-COLLECTION									(15,459,382)
SEPTEMBER* 2010	Actual	5,207,913.00	1,034,035.00	1.2949	1,338,972	1.0012	1,340,602	(3,867,311)	(19,326,693)
OCTOBER	Actual	6,288,804.00	1,400,696.00	1.2850	1,799,894	0.9999	1,799,745	(4,489,059)	(23,815,752)
NOVEMBER	Actual	6,097,936.00	3,135,214.00	1.2850	4,028,750	1.0005	4,030,819	(2,067,117)	(25,882,869)
DECEMBER	Actual	6,110,759.00	6,557,179.00	1.2771	8,374,173	0.9966	8,337,127	2,226,368	(23,656,501)
JANUARY	Estimated	5,771,385.28	9,608,578.40	1.2692	12,195,208	1.0000	12,195,208	6,423,822	(17,232,678)
FEBRUARY	Estimated	5,713,160.43	10,310,696.69	1.2692	13,086,336	1.0000	13,086,336	7,373,176	(9,859,502)

* Revised

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CALCULATION OF RECOVERED CHARGES

MARCH 1, 2011 - 2ND QUARTER FILING

MARCH 2011 - FEBRUARY 2012

	<u>50% of March</u>	<u>11.5 Months</u>	<u>Total</u>
			(MCF) (\$)
	7,114,806	43,095,480	50,210,286
GCR (\$ / Mcf)	\$ 6.4077	\$ 6.5400	
Total GCR Projected Recovery	\$ 45,589,185	\$ 281,844,438	\$ 327,433,623
SSPC and Migration Revenue			\$ 787,478
Total Projected Recovery			\$ 328,221,102

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Change In Rates 2nd Quarter Filing

Rates Effective March 1, 2011

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	\$2.6468	\$2.9892	\$9.3755
Commercial GS	\$4.6530	\$0.2997	\$0.0053	\$0.0259	\$2.6468	\$2.9777	\$7.6307
Industrial GS	\$4.5859	\$0.2997	\$0.0532	\$0.0259	\$2.6468	\$3.0256	\$7.6115
Phila.Housing Authority (PHA)	\$4.1480	\$0.2997	\$0.0053	\$0.0259	\$2.6468	\$2.9777	\$7.1257
Municipal (MS)	\$3.4040	\$0.2997	-	\$0.0259	\$2.6468	\$2.9724	\$6.3764
Phila.Housing Authority (GS)	\$4.9820	\$0.2997	\$0.0168	\$0.0259	\$2.6468	\$2.9892	\$7.9712

Proposed Rates

	<u>12/01/10 Distribution Charge</u> (1)	<u>12/01/10 GCR</u> (2)	<u>12/01/10 Commodity Rate</u> (3)=(1)+(2)	<u>03/01/11 Distribution Charge</u> (4)	<u>03/01/11 GCR</u> (5)	<u>03/01/11 Commodity Rate</u> (6)=(4)+(5)	<u>Difference</u> (7)=(6)-(3)
Residential GS	\$8.7015	\$6.2753	\$14.9768	\$9.3755	\$6.5400	\$15.9155	\$0.9387
Commercial GS	\$6.9567	\$6.2753	\$13.2320	\$7.6307	\$6.5400	\$14.1707	\$0.9387
Industrial GS	\$6.9375	\$6.2753	\$13.2128	\$7.6115	\$6.5400	\$14.1515	\$0.9387
Phila.Housing Authority (PHA)	\$6.4517	\$6.2753	\$12.7270	\$7.1257	\$6.5400	\$13.6657	\$0.9387
Municipal (MS)	\$5.7024	\$6.2753	\$11.9777	\$6.3764	\$6.5400	\$12.9164	\$0.9387
Phila.Housing Authority (GS)	\$7.2972	\$6.2753	\$13.5725	\$7.9712	\$6.5400	\$14.5112	\$0.9387

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**PHILADELPHIA GAS WORKS
2ND QUARTER FILING
MARCH 2011 - FEBRUARY 2012
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE**

	<u>Expenses in the Surcharge</u>	
Enhanced Low Income Retrofit Program (ELIRP)	\$ 8,772,557	
Customer Responsibility Program (CRP) Discount	\$ 89,879,369	
Senior Citizen Discount	\$ 8,184,072	*
<u>February 2011 Under Collection</u>	<u>\$ 31,904,175</u>	
Total \$ to be Recovered	\$ 138,740,173	
 Total Applicable Volumes	 Mcf 52,418,455	
 Universal Service & Energy Conservation Surcharge	 <u>\$ 2.6468</u>	

* This is the Senior Citizen Discount prior to the Universal Services Surcharge and is used to calculate the Universal Services Surcharge. The total senior citizen discount is \$9,786,739.

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STATEMENT OF RECONCILIATION
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE
SEPTEMBER 2010 THROUGH FEBRUARY 2011

Month		Applicable Volumes	USC Charge	USC Revenue Billed	USC Expenses	Monthly Over/(Under) Recovery	Cumulative Over/(Under) Recovery
FY 10 Reconciliation							(\$19,939,314)
September 2010	Actual	1,109,653	\$ 2,2855	\$ 2,536,111	\$ (2,118,782)	\$ 4,654,893	(\$15,284,421)
October	Actual	1,573,678	\$ 2,3678	\$ 3,726,155	\$ (374,819)	\$ 4,100,973	(\$11,183,448)
November	Actual	3,244,696	\$ 2,3678	\$ 7,682,791	\$ 7,234,616	\$ 448,175	(\$10,735,274)
December	Actual	6,848,148	\$ 2,1703	\$ 14,862,536	\$ 17,202,171	\$ (2,339,634)	(\$13,074,908)
January 2011	Estimated	9,944,680	\$ 1,9728	\$ 19,618,866	\$ 28,134,326	\$ (8,515,461)	(\$21,590,369)
February	Estimated	10,597,877	\$ 1,9728	\$ 20,907,491	\$ 31,221,298	\$ (10,313,807)	(\$31,904,176)

USC Expenses	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11
Conservation Works	\$ 4,565	\$ 13,656	\$ 179,959	\$ 198,424	\$ -	\$ -
ELIRP	\$ -	\$ -	\$ 65,757	\$ 71,110	\$ 902,258	\$ 902,258
CRP Discount	\$ (3,188,434)	\$ (1,488,133)	\$ 5,532,786	\$ 14,965,360	\$ 24,470,016	\$ 27,388,985
CRP Forgiveness	\$ 851,310	\$ 794,420	\$ 762,875	\$ 744,519	\$ 827,294	\$ 827,294
Senior Citizen Discount	\$ 213,777	\$ 305,238	\$ 693,239	\$ 1,222,757	\$ 1,934,759	\$ 2,102,761
Bad Debt Expense Offset*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (2,118,782)	\$ (374,819)	\$ 7,234,616	\$ 17,202,171	\$ 28,134,326	\$ 31,221,298

CRP Participation					
Rate Case Participation Rate		84,000	84,000	84,000	84,000
Actual Participation Rate*		81,292	79,732	81,855	82,544
CRP Under(Over) Participation		2,708	4,268	2,145	1,456
Average Shortfall Per CRP Participant					
CRP Discount	\$ (3,188,434)	\$ (1,488,133)	\$ 5,532,786	\$ 14,965,360	
Actual Participation Rate	81,292	79,732	81,855	82,544	
Average Shortfall per CRP Participant	\$ (39)	\$ (19)	\$ 68	\$ 181	
Shortfall*	\$ -	\$ -	\$ -	\$ -	
Bad Debt Expense Offset* 7.1%	\$ -	\$ -	\$ -	\$ -	

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

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Natural Gas Prices Used for PGW - 2nd Quarter GCR Filing

NYMEX		Basis Differentials								Prices Used For Gas Cost Inputs							
	Futures 1/14/11 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
2011:1										4.18	4.21	4.26	4.19	4.10	4.04	4.08	4.09
2011:2	4.480	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.43	4.46	4.52	4.44	4.43	4.34	4.38	4.56
2011:3	4.490	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.44	4.47	4.53	4.45	4.44	4.35	4.39	4.57
2011:4	4.484	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.43	4.46	4.52	4.44	4.43	4.34	4.38	4.56
2011:5	4.525	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.48	4.51	4.57	4.49	4.48	4.39	4.43	4.61
2011:6	4.574	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.52	4.55	4.61	4.53	4.52	4.43	4.47	4.65
2011:7	4.642	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.59	4.62	4.68	4.60	4.59	4.50	4.54	4.72
2011:8	4.670	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.62	4.65	4.71	4.63	4.62	4.53	4.57	4.75
2011:9	4.678	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.63	4.66	4.72	4.64	4.63	4.54	4.58	4.76
2011:10	4.736	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.69	4.72	4.78	4.70	4.69	4.60	4.64	4.82
2011:11	4.888	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.84	4.87	4.93	4.85	4.84	4.75	4.79	4.97
2011:12	5.110	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	5.06	5.09	5.15	5.07	5.06	4.97	5.01	5.19
2012:1	5.248	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	5.20	5.23	5.29	5.21	5.20	5.11	5.15	5.33
2012:2	5.210	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	5.16	5.19	5.25	5.17	5.16	5.07	5.11	5.29

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Actual Natural Gas Billed

	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>
Williams	\$ 2,501,991	\$ 2,543,532	\$ 2,710,120
Texas Eastern	\$ 2,884,823	\$ 2,751,713	\$ 2,688,443
Dominion	\$ 121,522	\$ 125,135	\$ 142,581
Equitrans	\$ 42,040	\$ 47,837	\$ 48,768
Spot Purchases -Transco	\$ -	\$ -	\$ 54,410
Spot Purchases -Tetco	\$ 47,520	\$ -	\$ -
Transco Supply1	\$ -	\$ -	\$ -
Transco Supply2	\$ 5,081,288	\$ 3,095,956	\$ 3,634,750
Transco Supply3	\$ -	\$ 705,000	\$ 728,500
Transco Supply4	\$ -	\$ -	\$ -
Transco Supply5	\$ -	\$ -	\$ -
Transco Supply6	\$ 1,407,852	\$ 1,228,125	\$ 1,492,400
Transco Supply7	\$ 1,387,395	\$ 1,737,235	\$ 2,901,600
Transco Supply8	\$ 1,517,010	\$ 1,884,427	\$ 2,782,600
Transco Supply9	\$ -	\$ -	\$ -
Transco Supply10	\$ 669,600	\$ 759,750	\$ 739,350
Transco Supply11	\$ -	\$ -	\$ -
Transco Supply12	\$ 1,185,750	\$ 506,250	\$ 609,150
Transco Supply13	\$ -	\$ -	\$ -
Transco Supply14	\$ 589,000	\$ -	\$ 1,073,359
Transco Supply15	\$ -	\$ -	\$ -
Transco Supply16	\$ -	\$ -	\$ -
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply18	\$ -	\$ -	\$ -
Transco Supply19	\$ -	\$ -	\$ -
Transco Supply20	\$ -	\$ 534,750	\$ 658,750
Transco Supply21	\$ -	\$ -	\$ -
Transco Supply22	\$ -	\$ -	\$ -
Transco Supply23	\$ -	\$ 704,625	\$ 728,113
Tetco Supply1	\$ 814,774	\$ 751,268	\$ 1,523,629
Tetco Supply2	\$ -	\$ 556,500	\$ 610,700
Tetco Supply3	\$ 396,179	\$ -	\$ 1,436,175
Tetco Supply4	\$ -	\$ -	\$ -
Tetco Supply5	\$ -	\$ -	\$ -
Tetco Supply6	\$ -	\$ -	\$ -
Tetco Supply7	\$ -	\$ -	\$ -
Tetco Supply8	\$ -	\$ -	\$ -
Tetco Supply9	\$ -	\$ -	\$ -
Tetco Supply10	\$ -	\$ -	\$ -
Tetco Supply11	\$ -	\$ -	\$ -
Tetco Supply12	\$ -	\$ -	\$ -
Tetco Supply13	\$ 414,722	\$ 5,696,691	\$ 7,120,670
Tetco Supply14	\$ 1,373,881	\$ 1,838,250	\$ 1,963,075
Tetco Supply15	\$ -	\$ -	\$ -
Tetco Supply16	\$ 160,580	\$ 832,218	\$ 858,375
Tetco Supply17	\$ 596,750	\$ 1,671,600	\$ 1,727,320
Tetco Supply18	\$ -	\$ 534,750	\$ 589,000
Tetco Supply19	\$ -	\$ 538,500	\$ 606,050
Total Costs	\$ 21,192,678	\$ 29,044,113	\$ 37,427,887
Sharing Mechanism	\$ 152,730	\$ 122,672	\$ 124,180
Asset Management Agreement	\$ (68,375)	\$ (68,375)	\$ (68,375)
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 13,793	\$ 14,567	\$ 42,506
Adjustment/Reconciliation	\$ (3,902,718)	\$ 736,716	\$ 1,203,049
Total Natural Gas Billed	\$ 17,388,108	\$ 29,849,693	\$ 38,729,247

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

	<u>Actual</u>					<u>Projected 1st Qtr Filing Oct-10</u>	<u>Projected 1st Qtr Filing Nov-10</u>	<u>Projected 1st Qtr Filing Dec-10</u>	<u>Total</u>	<u>Actual Over/Under vs Projected</u>			
	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Total</u>						<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Total</u>
Total Natural Gas Billed	\$ 17,388,108	\$ 29,849,693	\$ 38,729,247	\$ 85,967,048	\$ 20,570,757	\$ 29,621,354	\$ 36,804,667	\$ 86,996,778	\$ (3,182,649)	\$ 228,339	\$ 1,924,580	\$ (1,029,730)	
Less Interruptible Credit Gas Used For Utility	\$ 186,637	\$ 424,658	\$ 767,397	\$ 1,378,692	\$ 178,391	\$ 408,625	\$ 704,732	\$ 1,291,748	\$ 8,246	\$ 16,033	\$ 62,665	\$ 86,944	
	\$ 36,819	\$ 153,083	\$ 339,867	\$ 529,749	\$ 91,863	\$ 230,271	\$ 513,800	\$ 835,735	\$ (54,844)	\$ (77,208)	\$ (173,933)	\$ (305,986)	
	\$ 17,164,652	\$ 29,271,972	\$ 37,621,983	\$ 84,058,607	\$ 20,300,703	\$ 28,982,458	\$ 35,586,134	\$ 84,869,295	\$ (3,136,051)	\$ 289,514	\$ 2,035,849	\$ (810,688)	
Pipeline Storages													
(To)	\$ (3,991,499)	\$ (2,298,095)	\$ (394,762)	\$ (6,684,356)	\$ (4,398,541)	\$ (3,683,445)	\$ -	\$ (8,081,985)	\$ 407,042	\$ 1,385,350	\$ (394,762)	\$ 1,397,629	
From	\$ 368,967	\$ (32,080)	\$ 22,119,256	\$ 22,456,163	\$ 341,290	\$ 4,915,004	\$ 12,169,641	\$ 17,425,935	\$ 27,677	\$ (4,947,064)	\$ 9,949,615	\$ 5,030,228	
Net Pipeline Storages	\$ (3,622,532)	\$ (2,330,155)	\$ 21,724,494	\$ 15,771,807	\$ (4,057,251)	\$ 1,231,559	\$ 12,169,641	\$ 9,343,949	\$ 434,719	\$ (3,561,714)	\$ 9,554,853	\$ 6,427,858	
LNG Storage													
(To)	\$ (1,215,516)	\$ (1,652,327)	\$ (210,448)	\$ (3,078,291)	\$ (1,684,884)	\$ (2,230,626)	\$ (1,266,790)	\$ (5,182,300)	\$ 469,368	\$ 578,299	\$ 1,056,342	\$ 2,104,009	
From	\$ 509,720	\$ 576,184	\$ 2,723,159	\$ 3,809,063	\$ 467,270	\$ 473,159	\$ 753,708	\$ 1,694,136	\$ 42,450	\$ 103,025	\$ 1,969,451	\$ 2,114,927	
Net LNG Storage	\$ (705,796)	\$ (1,076,143)	\$ 2,512,711	\$ 730,772	\$ (1,217,615)	\$ (1,757,467)	\$ (513,082)	\$ (3,488,163)	\$ 511,819	\$ 681,324	\$ 3,025,793	\$ 4,218,935	
Net Natural Gas	\$ 12,836,324	\$ 25,865,674	\$ 61,859,188	\$ 100,561,186	\$ 15,025,838	\$ 28,456,550	\$ 47,242,694	\$ 90,725,081	\$ (2,189,514)	\$ (2,590,876)	\$ 14,616,494	\$ 9,836,105	
APPLICABLE GCR EXPENSES													
Net Natural Gas Expense	\$ 12,836,324	\$ 25,865,674	\$ 61,859,188	\$ 100,561,186	\$ 15,025,838	\$ 28,456,550	\$ 47,242,694	\$ 90,725,081	\$ (2,189,514)	\$ (2,590,876)	\$ 14,616,494	\$ 9,836,105	
Purchased Electric & Misc	\$ 85,925	\$ 146,717	\$ 35,725	\$ 248,367	\$ 71,248	\$ 78,789	\$ 83,840	\$ 233,877	\$ (5,323)	\$ 67,928	\$ (48,115)	\$ 14,490	
Total GCR Expenses	\$ 12,902,249	\$ 26,012,391	\$ 61,894,913	\$ 100,809,553	\$ 15,097,086	\$ 28,535,339	\$ 47,326,534	\$ 90,958,958	\$ (2,194,837)	\$ (2,522,948)	\$ 14,568,379	\$ 9,850,595	

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GAS SERVICE TARIFF



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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

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

In the definition of "GAC," the "GAC" value effective March 1, 2011 decreases from \$0.00773 per Ccf to \$(0.00084) per Ccf; In the definition of "IRC," the "IRC" value effective March 1, 2011 increases from \$0.01286 to \$0.01294 per Ccf; In the definition of "SSC," the "SSC" value effective March 1, 2011 increases from \$0.63266 per Ccf to \$0.66778 per Ccf.

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

The Gas Cost Rate (GCR) effective March 1, 2011 increases from \$0.62753 per Ccf to \$0.65400 per Ccf.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective March 1, 2011 increases from \$0.19728 per Ccf to \$0.26468 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services increases from \$0.62753 per Ccf to \$0.65400 per Ccf, effective March 1, 2011.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service increases from \$0.62753 per Ccf to \$0.65400 per Ccf, effective March 1, 2011.

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

The GCR for Philadelphia Housing Authority Service increases from from \$0.62753 per Ccf to \$0.65400 per Ccf, effective March 1, 2011.

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

The GCR for NGVS Firm increases from \$0.62753 per Ccf to \$0.65400 per Ccf, effective March 1, 2011.

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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.

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 \$(0.02049) per Ccf for Commodity Costs and \$0.01965 per Ccf for Demand Costs, for service on or after March 1, 2011. The total Gac is \$(0.00084) per Ccf. (D)

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.

(D) – Decrease

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.01294 per Ccf for service on or after March 1, 2011. (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 \$0.54252 per Ccf for Commodity Costs and \$0.12526 per Ccf for Demand Costs, for service on or after March 1, 2011. The total SSC is \$0.66778 per Ccf. (I)

(I) – Increase

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 \$0.65400 per Ccf, for service on or after March 1, 2011.

(I)

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).

(I) - Increase

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 = \$ 0.26468/Ccf.

(I)

(I) - Increase

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after March 1, 2011

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):

\$ 0.65400	per Ccf for Residential and Public Housing	(l)
\$ 0.65400	per Ccf for Commercial Customers	(l)
\$ 0.65400	per Ccf for Industrial Customers	(l)

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.

(l) – Increase

MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after March 1, 2011.

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):

\$0.65400 per Ccf

(I)

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:

(I) – Increase

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 March 1, 2011

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):

\$ 0.65400 per Ccf

(I)

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.

(I) – Increase

**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
March 1, 2011

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):

\$ 0.65400 per Ccf (I)

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.

(I) – Increase

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

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

The load balancing charge decreases from \$44.1606 per design day Mcf to \$ 42.9546 per design day Mcf.

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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 \$ 42.9546 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.

(D)

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.

(D) - Decrease

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).

VIA EMAIL AND REGULAR MAIL

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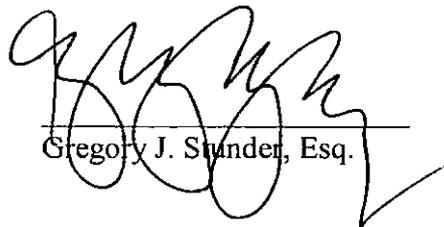
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Date: February 28, 2011



Gregory J. Stunder, Esq.

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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
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- FedEx 1Day Freight Next business day. ** Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected. FedEx 1Day Freight Booking No. _____
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- FedEx 3Day Freight Third business day ** Saturday Delivery NOT available.

5 Packaging * Declared value limit \$500.

- FedEx Envelope* FedEx Pak* Includes FedEx Small Pak and FedEx Large Pak.
- FedEx Box
- FedEx Tube
- Other

6 Special Handling and Delivery Signature Options

- SATURDAY Delivery NOT available for FedEx Standard Overnight, FedEx Express Saver, or FedEx 3Day Freight.
- 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 9 UN 1845 _____ kg
 - Cargo Aircraft Only
- Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box.

7 Payment - Bill to:

- Sender Acct. No. in Section 1 will be billed.
 - Recipient
 - Third Party
 - Credit Card
 - Cash/Check
- Enter FedEx Acct. No. or Credit Card No. below. Obtain recip. Acct. No.

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