

Philadelphia Gas Works

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August 31, 2011

VIA EXPRESS MAIL

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

Re: Pa. PUC v. Philadelphia Gas Works; R-2010-2157062,
September 1, 2011 Fourth Quarterly GCR Filing

Dear Secretary Chiavetta:

Enclosed for filing are an original and three (3) copies of PGW’s Quarterly Gas Cost Rate (“GCR”) filing. If you have any questions, please contact me.

Respectfully Submitted,

Gregory J. Stunder

Enclosures

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AUG. 31 2011

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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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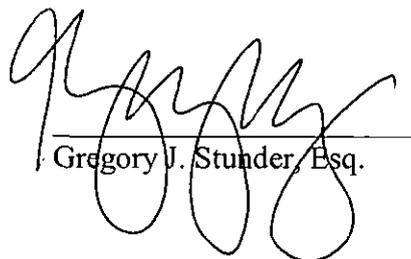
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Gregory J. Stunder, Esq.

Date: August 31, 2011

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Statement

Known per dekatherm natural gas prices are used through the month of August, 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 September, 2011 through August, 2012 are based on the NYMEX Futures Closing Prices of August 5, 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).

SEPTEMBER 1, 2011

4th QUARTER GCR FILING

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Philadelphia Gas Works

Levelized Gas Cost Rate

4th Quarter Filing - September 1, 2011

Formula:

GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = GCR Firm Sales (Mcf)			50,881,284	Schedule 2

Net Natural Gas Expense	\$ 61,568,095	\$ 257,335,770	\$ 318,903,866	
Purchased Electric & Misc Expenses	\$ -	\$ 1,139,891	\$ 1,139,891	
C = Total Applicable GCR Expense	\$ 61,568,095	\$ 258,475,661	\$ 320,043,756	Schedule 3
SSC = C / S	\$ 1.2100	\$ 5.0800	\$ 6.2900	

Adjustment For:

Interest	(849,694)	1,418,973	569,279	Schedule 5b
Prior Reconciliation	\$ 5,586,653	\$ (8,032,562)	\$ (2,445,909)	Schedule 7
E = Adjustments to GCR Expenses	\$ 4,736,959	\$ (6,613,589)	\$ (1,876,630)	
GAC = E / S	\$ 0.0931	\$ (0.1300)	\$ (0.0369)	

Interruptible Revenue Credit			\$ 9,248,272	Schedule 4a
IRC = Interruptible Revenue Credit / S			\$ 0.1818	

Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 308,918,855	
<u>GCR = SSC + GAC - IRC</u>			\$ 6.0713	

SSC in effect 09/01/11	\$ 1.2076	\$ 5.0701	\$ 6.2776	
GAC in effect 09/01/11	\$ 0.0929	\$ (0.1297)	\$ (0.0368)	
IRC in effect 09/01/11			\$ (0.1814)	
GCR in effect 09/01/11			\$ <u>6.0594</u>	Schedule 8

Recovery Test on:

Firm Sales (Mcf)		50,881,284	
= Total Projected Recovery	\$	308,917,910	Schedule 8
Compared To			
Net Applicable GCR Expenses	\$	308,918,855	
= Net Over/(Under) Recovery	\$	(944)	Schedule 6

Degree Days 4,360

SALES & VOLUMES

SEPTEMBER 2011 THROUGH AUGUST 2012

<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)
SEPTEMBER 2011	1,049,956	92,836	957,120	11,897	1,548	943,675	7,146	1,029,366
OCTOBER	1,806,433	158,199	1,648,235	31,372	-	1,616,862	13,323	1,761,738
NOVEMBER	4,125,510	263,905	3,861,605	56,294	-	3,805,310	36,879	4,032,336
DECEMBER	7,147,208	411,162	6,736,046	87,973	-	6,648,073	66,490	6,992,745
JANUARY 2012	11,329,570	516,407	10,813,163	98,266	-	10,714,896	110,898	11,120,406
FEBRUARY	9,854,516	451,954	9,402,562	84,661	-	9,317,901	95,933	9,673,922
MARCH	7,714,286	364,094	7,350,193	67,464	-	7,282,729	73,697	7,573,125
APRIL	5,101,761	232,800	4,868,960	37,437	-	4,831,524	47,954	5,016,370
MAY	2,466,658	143,775	2,322,883	16,966	844	2,305,073	20,763	2,428,085
JUNE	1,426,475	120,037	1,306,438	8,318	3,642	1,294,478	9,320	1,405,195
JULY	1,245,980	110,879	1,135,101	8,709	4,761	1,121,631	7,747	1,224,763
AUGUST	<u>1,112,334</u>	<u>99,655</u>	<u>1,012,680</u>	<u>8,773</u>	<u>4,773</u>	<u>999,133</u>	<u>6,770</u>	<u>1,092,018</u>
TOTAL	<u>54,380,686</u>	<u>2,965,703</u>	<u>51,414,983</u>	<u>518,131</u>	<u>15,568</u>	<u>50,881,284</u>	<u>496,919</u>	<u>53,350,069</u>

Projected Applicable Fuel Expense
September 2011 - August 2012

	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012	MARCH 2012	APRIL 2012	MAY 2012	JUNE 2012	JULY 2012	AUGUST 2012	TOTAL
NATURAL GAS BILLED													
DEMAND CHARGE	\$5,166,307	\$5,146,657	\$4,961,262	\$5,417,534	\$5,416,169	\$5,411,976	\$5,413,381	\$4,940,163	\$4,924,782	\$4,937,213	\$4,922,004	\$4,920,658	\$61,668,095
COMMODITY CHARGE	\$16,439,141	\$22,627,689	\$22,720,163	\$32,607,231	\$31,817,713	\$23,936,857	\$28,270,873	\$22,520,374	\$20,303,373	\$14,740,793	\$14,528,684	\$14,564,678	\$264,977,469
TOTAL NATURAL GAS BILLED	\$21,605,448	\$27,774,346	\$27,681,424	\$37,924,765	\$37,233,873	\$29,348,833	\$33,684,254	\$27,460,536	\$25,228,155	\$19,678,006	\$19,450,688	\$19,485,336	\$326,545,564
INTERRUPTIBLE CREDIT	\$54,631	\$142,331	\$274,302	\$445,765	\$508,230	\$437,728	\$343,466	\$186,427	\$84,613	\$41,970	\$44,312	\$44,888	\$2,608,662
SENDOUT VOLUME IN MCF	12,354	32,578	58,457	91,353	102,042	87,914	70,066	38,875	17,617	8,638	9,043	9,110	538,037
DKT CONVERSION FACTOR	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	1.021	
PRICE \$/DKT	\$4.3313	\$4.2791	\$4.6969	\$4.7792	\$4.8782	\$4.8767	\$4.8019	\$4.6969	\$4.7040	\$4.7589	\$4.7992	\$4.8258	
GAS USED FOR UTILITY	\$29,166	\$70,756	\$210,794	\$429,351	\$678,801	\$664,686	\$479,657	\$258,536	\$144,617	\$40,220	\$37,447	\$25,581	\$3,079,509
NATURAL GAS													
TO STORAGE	(\$11,016,875)	(\$8,997,395)	(\$133,189)	\$0	\$0	\$0	\$0	(\$5,167,116)	(\$10,267,107)	(\$9,193,172)	(\$9,544,462)	(\$9,585,288)	(\$63,904,604)
FROM STORAGE PGW	\$0	\$56,403	\$4,761,071	\$11,756,566	\$18,632,973	\$19,603,019	\$6,343,982	\$1,860,296	\$0	\$0	\$0	\$0	\$63,014,310
NET NATURAL GAS STORAGE	(\$11,016,875)	(\$8,940,992)	\$4,627,882	\$11,756,566	\$18,632,973	\$19,603,019	\$6,343,982	(\$3,306,820)	(\$10,267,107)	(\$9,193,172)	(\$9,544,462)	(\$9,585,288)	(\$890,294)
LNG													
TO STORAGE	(\$398,075)	(\$1,400,946)	(\$1,931,921)	(\$1,032,699)	\$0	\$0	(\$1,034,775)	(\$1,818,955)	(\$1,295,646)	(\$748,425)	\$0	\$0	(\$9,661,443)
FROM LNG PGW	\$424,921	\$432,036	\$403,737	\$965,322	\$2,216,777	\$1,781,271	\$409,434	\$392,049	\$399,641	\$383,650	\$395,237	\$395,237	\$8,598,210
NET LNG STORAGE	\$26,847	(\$968,910)	(\$1,528,185)	(\$67,377)	\$2,216,777	\$1,781,271	(\$625,341)	(\$1,426,906)	(\$896,005)	(\$364,876)	\$395,237	\$395,237	(\$1,063,233)
NET NATURAL GAS EXPENSE	\$10,521,621	\$17,651,357	\$30,296,026	\$48,738,838	\$56,895,592	\$49,630,810	\$38,679,772	\$22,271,848	\$13,835,814	\$10,037,768	\$10,219,604	\$10,224,816	\$318,903,866
APPLICABLE GCR EXPENSE													
NET NATURAL GAS EXPENSE	\$10,521,621	\$17,651,357	\$30,296,026	\$48,738,838	\$56,895,592	\$49,630,810	\$38,679,772	\$22,271,848	\$13,835,814	\$10,037,768	\$10,219,604	\$10,224,816	\$318,903,866
PURCHASED ELECTRIC & MISC	\$63,130	\$66,993	\$79,080	\$106,100	\$297,646	\$104,744	\$93,970	\$71,913	\$66,981	\$65,265	\$65,316	\$60,763	\$1,139,891
TOTAL APPLICABLE EXPENSES	\$10,584,751	\$17,718,350	\$30,375,106	\$48,843,938	\$57,193,238	\$49,735,554	\$38,673,742	\$22,343,761	\$13,901,795	\$10,103,033	\$10,284,919	\$10,285,569	\$320,043,756
TOTAL GCR FIRM SALES	943,675	1,616,862	3,805,310	6,648,073	10,714,896	9,317,901	7,282,729	4,831,524	2,305,073	1,294,478	1,121,631	999,133	50,881,284

INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2012

Fiscal Year 2010 Reconciliation \$ (683,690) Schedule 4(b)

<u>MONTH</u>		<u>MARGIN</u>
September - 2010	Actual	\$ 131,317
October	Actual	\$ 383,954
November	Actual	\$ 842,834
December	Actual	\$ 1,292,854
January - 2011	Actual	\$ 1,629,764
February	Actual	\$ 2,643,165
March	Actual	\$ 1,577,078
April	Actual	\$ 507,139
May	Actual	\$ 196,641
June	Actual	\$ (358,108)
July	Estimated	\$ 142,724
<u>August</u>	Estimated	\$ <u>105,359</u>
Fiscal Year 2011 Margin		\$ 9,094,721

FY 2011 Act/Est Margin and FY 2010 Reconciliation	\$ 8,411,032	
Fiscal Year 2011 IRC Credit	\$ <u>5,974,923</u>	Schedule 7
Reconciliation as of August 2011	\$ 2,436,109	

Fiscal Year 2009 Actual Margin	\$ 5,166,107	
Fiscal Year 2010 Margin	\$ 6,175,661	Schedule 4(b)
<u>Fiscal Year 2011 Margin</u>	\$ <u>9,094,721</u>	
3 Year Average - FY 2012 Estimated Margin	\$ 6,812,163	
<u>Reconciliation as of August 2011</u>	\$ <u>2,436,109</u>	
Fiscal Year 2012 Interruptible Revenue Credit	\$ 9,248,272	

Fiscal Year 2012 Firm Sales	50,881,284
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Fiscal Year 2012 IRC Credit	\$ 0.1818
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INTERRUPTIBLE REVENUE CREDIT
FISCAL YEAR 2010 - FINAL RECONCILIATION

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

<u>MONTH</u>		<u>MARGIN</u>
September - 2009	Actual	\$ 150,237
October	Actual	\$ 429,899
November	Actual	\$ 769,804
December	Actual	\$ 1,080,623
January - 2010	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		\$ <u>6,175,661</u>
FY 2010 Actual Margin and FY 2009 Reconciliation		\$ 4,477,234
Fiscal Year 2010 IRC Credit		\$ <u>5,160,924</u>
Reconciliation as of August 2010		\$ <u>(683,690)</u>

**CALENDAR YEAR 2010
PHILADELPHIA GAS WORKS
INTEREST RATE CALCULATION**

	Split Month		Split Month		Split Month		Split Month		
	01/01/2010	03/01/2010	04/01/2010	06/01/2010	07/01/2010	09/01/2010	10/01/2010	12/01/2010	01/01/2011
SSC in Effect	\$ 7.5437	\$ 7.5893	\$ 7.6350	\$ 7.4104	\$ 7.1857	\$ 7.2153	\$ 7.2449	\$ 6.7858	\$ 6.3266
GAC in Effect	\$ (0.1800)	\$ (0.1777)	\$ (0.1754)	\$ (0.3664)	\$ (0.557)	\$ (0.3971)	\$ (0.2367)	\$ (0.0797)	\$ 0.0773
IRC in Effect	\$ (0.1140)	\$ (0.1140)	\$ (0.1141)	\$ (0.1143)	\$ (0.1144)	\$ (0.1088)	\$ (0.1032)	\$ (0.1159)	\$ (0.1286)
Total Effective	\$ 7.2497	\$ 7.2976	\$ 7.3455	\$ 6.9297	\$ 6.5139	\$ 6.7095	\$ 6.9050	\$ 6.5902	\$ 6.2753

MONTH	NET COST OF FUEL (1) (\$)	GCR FIRM SALES (2)	C FACTOR RECOVERY RATE (3) (\$)	C FACTOR REVENUES BILLED (4)=(2)*(3) (\$)	ADJUSTMENT FOR ACTUAL REVENUE (5)	ADJUSTED	OVER/ (UNDER) RECOVERY (7)=(6)-(1) (\$)	INTEREST RATE (8)
						C FACTOR REVENUES BILLED (6)=(4)*(5) (\$)		
JANUARY 2010	69,039,301	9,309,155	7.5437	70,225,454	0.9998	70,214,880	1,175,579	
FEBRUARY	59,288,342	8,654,184	7.5437	65,284,551	1.0005	65,319,294	6,030,952	
MARCH	37,569,289	6,633,702	7.5893	50,345,481	1.0001	50,348,402	12,779,113	
APRIL	18,834,393	3,326,314	7.6350	25,396,409	1.0310	26,183,675	7,349,282	
MAY	14,375,342	1,988,240	7.6350	15,180,215	0.9526	14,460,276	84,934	
JUNE	11,604,671	1,353,089	7.4104	10,026,865	1.0113	10,140,332	(1,464,339)	
JULY	11,735,165	1,040,316	7.1857	7,475,398	1.0153	7,589,930	(4,145,235)	
AUGUST	13,146,059	971,210	7.1857	6,978,824	1.0043	7,008,559	(6,137,500)	
SEPTEMBER	10,940,187	1,034,035	7.2153	7,460,873	1.0012	7,469,957	(3,470,230)	
OCTOBER	12,902,249	1,400,696	7.2449	10,147,902	0.9999	10,147,062	(2,755,187)	
NOVEMBER	26,012,391	3,135,214	7.2449	22,714,312	1.0005	22,725,976	(3,286,415)	
DECEMBER	<u>61,894,913</u>	<u>6,557,179</u>	6.7858	<u>44,495,377</u>	0.9956	<u>44,298,538</u>	<u>(17,596,375)</u>	
Total	347,342,302	45,403,334		335,731,661		335,906,882	(11,435,420)	6%

**FISCAL YEAR 2011
PHILADELPHIA GAS WORKS
INTEREST CALCULATION**

	Split Month		Split Month		Split Month		Split Month		
	06/01/2010	09/01/2010	10/01/2010	12/01/2010	01/01/2011	03/01/2011	04/01/2011	06/01/2011	07/01/2011
SSC in Effect	\$ 7.1857	\$ 7.2153	\$ 7.2449	\$ 6.7858	\$ 6.3266	\$ 6.5022	\$ 6.6778	\$ 6.6253	\$ 6.5728
GAC in Effect	\$ (0.5574)	\$ (0.3971)	\$ (0.2367)	\$ (0.0797)	\$ 0.0773	\$ 0.0345	\$ (0.0084)	\$ (0.1804)	\$ (0.3524)
IRC in Effect	\$ (0.1144)	\$ (0.1088)	\$ (0.1032)	\$ (0.1159)	\$ (0.1286)	\$ (0.1290)	\$ (0.1294)	\$ (0.1284)	\$ (0.1274)
Total Effective	\$ 6.5139	\$ 6.7095	\$ 6.9050	\$ 6.5902	\$ 6.2753	\$ 6.4077	\$ 6.5400	\$ 6.3165	\$ 6.0930

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	OVER/ (UNDER) RECOVERY (7)=(6)-(1) (\$)	INTEREST RATE ⁽¹⁾ (8)	TIME FACTOR (9)	INTEREST EXPENSE (10)=(7)*(8)*(9) (\$)	INTEREST ON REFUNDS ⁽²⁾ 11 (\$)	TOTAL INTEREST 12= (10 + 11) (\$)
						C FACTOR REVENUES BILLED (6)=(4)*(5) (\$)						
SEPTEMBER 2010	10,940,187	1,034,035	7.2153	7,460,873	1.0012	7,469,957	(3,470,230)	6%	18/12	(312,321)	0	(312,321)
OCTOBER	12,902,249	1,400,696	7.2449	10,147,902	0.9999	10,147,062	(2,755,187)	6%	17/12	(234,191)	0	(234,191)
NOVEMBER	26,012,391	3,135,214	7.2449	22,714,312	1.0005	22,725,976	(3,286,415)	6%	16/12	(262,913)	0	(262,913)
DECEMBER	61,894,913	6,557,179	6.7858	44,495,377	0.9956	44,298,538	(17,596,375)	6%	15/12	(1,319,728)	0	(1,319,728)
JANUARY 2011	59,489,080	10,371,854	6.3266	65,618,572	1.0045	65,915,156	6,426,076	6%	14/12	449,825	0	449,825
FEBRUARY	48,824,273	8,987,717	6.3266	56,861,690	1.0004	56,886,812	8,062,539	6%	13/12	524,065	5,102	529,167
MARCH	33,788,639	6,518,410	6.5022	42,384,006	1.0018	42,460,902	8,672,263	6%	12/12	520,336	0	520,336
APRIL	23,607,911	4,526,640	6.6778	30,227,997	1.0007	30,248,019	6,640,108	6%	11/12	365,206	0	365,206
MAY	12,978,485	2,161,051	6.6778	14,431,066	1.0015	14,452,971	1,474,486	6%	10/12	73,724	0	73,724
JUNE	11,412,316	1,273,560	6.6253	8,437,732	1.0054	8,483,522	(2,928,794)	6%	9/12	(131,796)	0	(131,796)
JULY	10,384,348	1,140,791	6.5728	7,498,215	1.0000	7,498,215	(2,886,133)	6%	8/12	(115,445)	0	(115,445)
AUGUST	10,431,835	1,017,050	6.5728	6,884,890	1.0000	6,884,890	(3,746,945)	6%	7/12	(131,143)	0	(131,143)
Total	322,666,627	48,124,197		316,962,632		317,272,021	(5,394,607)			(574,381)	5,102	(569,279)

(1) See Schedule 5a

(2) See Schedule 5c

**FISCAL YEAR 2011
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 10	0	6%	18/12	0
OCTOBER	0	6%	17/12	0
NOVEMBER	0	6%	16/12	0
DECEMBER	0	6%	15/12	0
JANUARY 11	0	6%	14/12	0
FEBRUARY	78,491	6%	13/12	5,102
MARCH	0	6%	12/12	0
APRIL	0	6%	11/12	0
MAY	0	6%	10/12	0
JUNE	0	6%	9/12	0
JULY	0	6%	8/12	0
AUGUST	0	6%	7/12	0
TOTAL	78,491			5,102

**FISCAL YEAR 2011
PHILADELPHIA GAS WORKS
DEMAND AND COMMODITY INTEREST CALCULATION**

MONTH	(1)	DEMAND CHARGE	COMMODITY CHARGE	INTEREST RATE	TIME FACTOR	DEMAND	COMMODITY	TOTAL	(2)	TOTAL
	OVER/(UNDER) RECOVERY	OVER/(UNDER) RECOVERY	OVER/(UNDER) RECOVERY			INTEREST EXPENSE	INTEREST EXPENSE	INTEREST EXPENSE	INTEREST ON REFUNDS	INTEREST
	(1)	(2)	(3)=(1)-(2)	(4)	(5)	(6)=(2)*(4)*(5)	(7)=(3)*(4)*(5)	(8)=(6)+(7)	(9)	(10)=(8)+(9)
	(\$)	(\$)	(\$)			(\$)	(\$)	(\$)	(\$)	(\$)
SEPTEMBER 2010	(3,470,230)	(3,684,478)	214,248	6%	18/12	(331,603)	19,282	(312,321)	0	(312,321)
OCTOBER	(2,755,187)	(4,054,599)	1,299,412	6%	17/12	(344,641)	110,450	(234,191)	0	(234,191)
NOVEMBER	(3,286,415)	(1,094,074)	(2,192,341)	6%	16/12	(87,526)	(175,387)	(262,913)	0	(262,913)
DECEMBER	(17,596,375)	4,803,690	(22,400,066)	6%	15/12	360,277	(1,680,005)	(1,319,728)	0	(1,319,728)
JANUARY 2011	6,426,076	12,226,817	(5,800,742)	6%	14/12	855,877	(406,052)	449,825	0	449,825
FEBRUARY	8,062,539	9,852,231	(1,789,692)	6%	13/12	640,395	(116,330)	524,065	5,102	529,167
MARCH	8,672,263	5,102,429	3,569,835	6%	12/12	306,146	214,190	520,336	0	520,336
APRIL	6,640,108	676,801	5,963,307	6%	11/12	37,224	327,982	365,206	0	365,206
MAY	1,474,486	(2,684,142)	4,158,628	6%	10/12	(134,207)	207,931	73,724	0	73,724
JUNE	(2,928,794)	(3,991,598)	1,062,805	6%	9/12	(179,622)	47,826	(131,796)	0	(131,796)
JULY	(2,886,133)	(3,562,737)	676,603	6%	8/12	(142,509)	27,064	(115,445)	0	(115,445)
AUGUST	(3,746,945)	(3,717,612)	(29,333)	6%	7/12	(130,116)	(1,027)	(131,143)	0	(131,143)
TOTAL FY 2011	(5,394,607)	9,872,729	(15,267,336)			849,694	(1,424,075)	(574,381)	5,102	(569,279)

(1) See Schedule 5b

(2) See Schedule 5c

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2011 THROUGH AUGUST 2012

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	CUMULATIVE OVER/(UNDER) RECOVERY
1	2	3	4= (2 * 3)	5 = (1 - 4)	6	7	8	9 = (7 + 8 - 5)	10
\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$
AUGUST 2011 OVER-COLLECTION									2,445,909
INTEREST 2011 INTEREST									(569,279)
TOTAL "E" FACTOR									<u>1,876,630</u>

2011-2012

SEPTEMBER	Estimated	10,584,751	943,675	0.1818	171,524	10,413,227	6.0762	5,733,960	46,966	(4,632,301)	(2,755,671)
OCTOBER	Estimated	17,718,350	1,616,862	0.1818	293,884	17,424,466	6.0594	9,797,214	47,354	(7,579,898)	(10,335,569)
NOVEMBER	Estimated	30,375,106	3,805,310	0.1818	691,660	29,683,446	6.0594	23,057,897	47,460	(6,578,088)	(16,913,657)
DECEMBER	Estimated	48,843,938	6,648,073	0.1818	1,208,365	47,635,573	6.0594	40,283,332	47,896	(7,304,344)	(24,218,001)
JANUARY	Estimated	57,193,238	10,714,896	0.1818	1,947,558	55,245,679	6.0594	64,925,843	47,267	9,727,431	(14,490,570)
FEBRUARY	Estimated	49,735,554	9,317,901	0.1818	1,693,638	48,041,916	6.0594	56,460,888	48,486	8,467,458	(6,023,112)
MARCH	Estimated	38,673,742	7,282,729	0.1818	1,323,722	37,350,020	6.0594	44,128,966	49,453	6,828,398	805,286
APRIL	Estimated	22,343,761	4,831,524	0.1818	878,186	21,465,574	6.0594	29,276,135	50,823	7,861,384	8,666,670
MAY	Estimated	13,901,795	2,305,073	0.1818	418,974	13,482,821	6.0594	13,967,358	51,076	535,613	9,202,283
JUNE	Estimated	10,103,033	1,294,478	0.1818	235,287	9,867,747	6.0594	7,843,757	51,548	(1,972,441)	7,229,841
JULY	Estimated	10,284,919	1,121,631	0.1818	203,870	10,081,049	6.0594	6,796,409	51,670	(3,232,969)	3,996,872
AUGUST	Estimated	<u>10,285,569</u>	<u>999,133</u>	0.1818	<u>181,604</u>	<u>10,103,965</u>	6.0594	<u>6,054,148</u>	<u>52,001</u>	<u>(3,997,816)</u>	<u>(944)</u>
Total		<u>320,043,756</u>	<u>50,881,284</u>		<u>9,248,272</u>	<u>310,795,484</u>		<u>308,325,909</u>	<u>592,001</u>	<u>(1,877,574)</u>	

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2010 THROUGH AUGUST 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)	-	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)	-	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)	-	(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)	-	(20,413,186)
JANUARY * 2011	Actual	6,053,832	53,435,248	59,489,080	10,371,854	0.1286	1,333,820	58,155,260	6.2753	65,380,675	66,247	7,291,662	-	(13,121,524)
FEBRUARY *	Actual	5,870,634	42,953,639	48,824,273	8,987,717	0.1286	1,155,820	47,668,453	6.2753	56,425,539	4,168	8,761,254	78,491	(4,281,779)
MARCH	Actual	5,468,630	28,320,009	33,788,639	6,518,410	0.1290	840,875	32,947,764	6.4077	41,843,469	131,467	9,027,172	-	4,745,393
APRIL	Actual	5,946,048	17,661,863	23,607,911	4,526,640	0.1294	585,747	23,022,164	6.5400	29,623,835	59,312	6,660,983	-	11,406,376
MAY	Actual	5,820,474	7,158,011	12,978,485	2,161,051	0.1294	279,640	12,698,845	6.5400	14,154,727	(73)	1,455,808	-	12,862,185
JUNE	Actual	5,849,863	5,562,453	11,412,316	1,273,560	0.1284	163,525	11,248,791	6.3165	8,088,098	51,402	(3,109,291)	-	9,752,894
JULY	Estimated	5,161,215	5,223,133	10,384,348	1,140,791	0.1274	145,337	10,239,011	6.0930	6,950,837	42,087	(3,246,087)	-	6,506,807
AUGUST	Estimated	5,148,057	5,283,778	10,431,835	1,017,050	0.1274	129,572	10,302,263	6.0930	6,196,886	44,479	(4,060,898)	-	2,445,909
Total		69,273,838	253,392,789	322,666,627	48,124,197		5,974,923	316,691,705		309,962,720	635,679	(6,093,305)	78,491	

* Revised

RECONCILIATION OF DEMAND CHARGES

		DEMAND CHARGES LESS SSPC	GCR FIRM SALES	DEMAND CHARGE IN EFFECT *	DEMAND CHARGES BILLED *	ADJUST-MENT FOR ACTUAL REVENUE	ADJUSTED C FACTOR REVENUES BILLED	MONTHLY DEMAND OVER/(UNDER)	CUMULATIVE DEMAND OVER/(UNDER)
		1	2	3	4 = (2 * 3)	5	6 = (4 * 5)	7 = (6 - 1)	8
		\$	\$	\$	\$	\$	\$	\$	\$
2009-10 UNDER-COLLECTION									(15,459,382)
SEPTEMBER 2010	Actual	5,207,913	1,034,035	1.4715	1,521,583	1.0012	1,523,435	(3,684,478)	(19,143,860)
OCTOBER	Actual	6,288,804	1,400,696	1.5952	2,234,390	0.9999	2,234,205	(4,054,599)	(23,198,459)
NOVEMBER	Actual	6,097,936	3,135,214	1.5952	5,001,293	1.0005	5,003,862	(1,094,074)	(24,292,533)
DECEMBER	Actual	6,110,759	6,557,179	1.6719	10,962,948	0.9956	10,914,449	4,803,690	(19,488,843)
JANUARY * 2011	Actual	5,991,379	10,371,854	1.7486	18,136,224	1.0045	18,218,196	12,226,817	(7,262,026)
FEBRUARY *	Actual	5,870,634	8,987,717	1.7486	15,715,922	1.0004	15,722,865	9,852,231	2,590,206
MARCH	Actual	5,338,439	6,518,410	1.5989	10,421,960	1.0018	10,440,868	5,102,429	7,692,635
APRIL	Actual	5,887,098	4,526,640	1.4491	6,559,554	1.0007	6,563,899	676,801	8,369,435
MAY	Actual	5,820,474	2,161,051	1.4491	3,131,579	1.0015	3,136,332	(2,684,142)	5,685,294
JUNE	Actual	5,789,444	1,273,560	1.4041	1,788,142	1.0054	1,797,846	(3,991,598)	1,693,696
JULY	Estimated	5,113,071	1,140,791	1.3590	1,550,334	1.0000	1,550,334	(3,562,737)	(1,869,041)
AUGUST	Estimated	5,099,783	1,017,050	1.3590	1,382,171	1.0000	1,382,171	(3,717,612)	(5,586,653)

* Revised

GCR CALCULATION OF RECOVERED CHARGES

SEPTEMBER 1, 2011 4th Qtr FILING

SEPTEMBER 2011 - AUGUST 2012

	<u>50% of September</u>	<u>11.5 Months</u>	<u>Total</u>	
			(MCF)	(\$)
Firm Sales (Mcf)	471,838	50,409,447	50,881,284	
GCR (\$ / Mcf)	\$ 6.0930	\$ 6.0594		
Total GCR Projected Recovery	\$ 2,874,906	\$ 305,451,003	\$ 308,325,909	
SSPC and Migration Revenue			\$ 592,001	
Total Projected Recovery			\$ 308,917,910	

Change In Rates 4th Quarter Filing

Rates Effective Sept 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	\$0.3147	\$0.0158	\$0.0009	\$2.4645	\$2.7959	\$9.1822
Commercial GS	\$4.6530	\$0.3147	\$0.0144	\$0.0009	\$2.4645	\$2.7945	\$7.4475
Industrial GS	\$4.5859	\$0.3147	(\$0.0222)	\$0.0009	\$2.4645	\$2.7579	\$7.3438
Phila.Housing Authority (PHA)	\$4.1480	\$0.3147	\$0.0144	\$0.0009	\$2.4645	\$2.7945	\$6.9425
Municipal (MS)	\$3.4040	\$0.3147	-	\$0.0009	\$2.4645	\$2.7801	\$6.1841
Phila.Housing Authority (GS)	\$4.9820	\$0.3147	\$0.0158	\$0.0009	\$2.4645	\$2.7959	\$7.7779

Proposed Rates

	06/01/11 Distribution Charge (1)	06/01/11 GCR (2)	06/01/11 Commodity Rate (3)=(1)+(2)	09/01/11 Distribution Charge (4)	09/01/11 GCR (5)	09/01/11 Commodity Rate (6)=(4)+(5)	Difference (7)=(6)-(3)
Residential GS	\$9.5270	\$6.0930	\$15.6200	\$9.1822	\$6.0594	\$15.2416	(\$0.3784)
Commercial GS	\$7.7884	\$6.0930	\$13.8814	\$7.4475	\$6.0594	\$13.5069	(\$0.3745)
Industrial GS	\$7.7145	\$6.0930	\$13.8075	\$7.3438	\$6.0594	\$13.4032	(\$0.4043)
Phila.Housing Authority (PHA)	\$7.2834	\$6.0930	\$13.3764	\$6.9425	\$6.0594	\$13.0019	(\$0.3745)
Municipal (MS)	\$6.5257	\$6.0930	\$12.6187	\$6.1841	\$6.0594	\$12.2435	(\$0.3752)
Phila.Housing Authority (GS)	\$8.1227	\$6.0930	\$14.2157	\$7.7779	\$6.0594	\$13.8373	(\$0.3784)

EFFICIENCY COST RECOVERY (ECR) SURCHARGE
September 1, 2011

<u>Program</u>	<u>Residential & PHA GS</u>	<u>Commercial & PHA</u>	<u>Industrial</u>	<u>Total</u>
Residential Heating Equipment Rebates (RHER)	\$925,693	\$9,350	\$0	\$935,043
Commercial & Industrial Retrofit Incentives (CIRI)	\$0	\$182,234	\$1,958	\$184,192
Commercial & Industrial Equipment Rebates (CIER)	\$0	\$2,688	\$2,688	\$5,376
High-Efficiency Construction Incentives (HECI)	\$4,984	\$4,984	\$0	\$9,968
Comprehensive Residential Retrofit Incentives (CRR I)	\$47,906	\$0	\$0	\$47,906
Prior Period Reconciliation	\$ (338,422)	\$ (37,497)	\$ (25,003)	\$ (400,922)
Total	\$640,161	\$161,759	(\$20,357)	\$781,563
<hr/>				
Volumes - Mcf (GCR Firm & Firm Transportation)	40,421,620	11,232,373	915,702	
<hr/>				
Efficiency Cost Recovery Surcharge / Mcf	\$0.0158	\$0.0144	(\$0.0222)	

EFFICIENCY COST RECOVERY (ECR) SURCHARGE

STATEMENT OF RECONCILIATION

SEPTEMBER 2010 THRU AUGUST 2011

RESIDENTIAL & PHA GS

		<u>Volumes</u>	<u>ECR Surcharge</u>	<u>Revenue Billed</u>	<u>RHER Expenses</u>	<u>CIRI Expenses</u>	<u>CIER Expenses</u>	<u>HECI Expenses</u>	<u>CRRI Expenses</u>	<u>Total Expenses</u>	<u>Monthly Over/(Under)</u>	<u>Cumulative Over/(Under)</u>
September 2010	Actual	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
October	Actual	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
November	Actual	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
December *	Actual	2,560,740	\$ 0.0168	\$ 43,020	\$ 5,286	\$ -	\$ -	\$ 415	\$ 3,838	\$ 9,539	\$ 33,481	\$ 24,660
January 2011	Actual	8,464,623	\$ 0.0168	\$ 142,206	\$ 8,779	\$ -	\$ -	\$ 689	\$ 6,374	\$ 15,842	\$ 128,364	\$ 151,024
February	Actual	7,264,385	\$ 0.0168	\$ 122,042	\$ 1,654	\$ -	\$ -	\$ 130	\$ 1,201	\$ 2,985	\$ 119,057	\$ 270,081
March	Actual	5,213,151	\$ 0.0168	\$ 87,581	\$ 6,908	\$ -	\$ -	\$ 543	\$ 5,015	\$ 12,466	\$ 75,115	\$ 345,196
April	Actual	3,652,600	\$ 0.0168	\$ 61,364	\$ 2,332	\$ -	\$ -	\$ 183	\$ 1,693	\$ 4,208	\$ 57,156	\$ 402,351
May	Actual	1,700,158	\$ 0.0168	\$ 28,563	\$ 13,184	\$ -	\$ -	\$ 353	\$ 3,264	\$ 16,801	\$ 11,762	\$ 414,113
June	Actual	952,920	\$ 0.0179	\$ 17,057	\$ 15,548	\$ -	\$ -	\$ 160	\$ 1,481	\$ 17,189	\$ (132)	\$ 413,981
July	Estimated	832,884	\$ 0.0190	\$ 15,825	\$ 23,755	\$ -	\$ -	\$ 241	\$ 2,227	\$ 26,223	\$ (10,398)	\$ 403,583
August	Estimated	740,858	\$ 0.0190	\$ 14,076	\$ 63,772	\$ -	\$ -	\$ 1,510	\$ 13,955	\$ 79,237	\$ (65,161)	\$ 338,422
Total		31,382,319		\$ 531,733	\$ 146,106	\$ -	\$ -	\$ 4,608	\$ 42,597	\$ 193,311	\$ 338,422	

COMMERCIAL & PHA

		<u>Volumes</u>	<u>ECR Surcharge</u>	<u>Revenue Billed</u>	<u>RHER Expenses</u>	<u>CIRI Expenses</u>	<u>CIER Expenses</u>	<u>HECI Expenses</u>	<u>CRRI Expenses</u>	<u>Total Expenses</u>	<u>Monthly Over/(Under)</u>	<u>Cumulative Over/(Under)</u>
September 2010	Actual	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
October	Actual	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
November	Actual	-	\$ -	\$ -	\$ 49	\$ 448	\$ 207	\$ 384	\$ -	\$ 1,088	\$ (1,088)	\$ (1,088)
December *	Actual	741,937	\$ 0.0053	\$ 3,932	\$ 53	\$ 484	\$ 224	\$ 415	\$ -	\$ 1,176	\$ 2,756	\$ 1,668
January 2011	Actual	1,922,977	\$ 0.0053	\$ 10,192	\$ 89	\$ 804	\$ 372	\$ 689	\$ -	\$ 1,954	\$ 8,238	\$ 9,906
February	Actual	1,762,507	\$ 0.0053	\$ 9,341	\$ 17	\$ 152	\$ 70	\$ 130	\$ -	\$ 369	\$ 8,972	\$ 18,878
March	Actual	1,366,040	\$ 0.0053	\$ 7,240	\$ 70	\$ 633	\$ 293	\$ 543	\$ -	\$ 1,539	\$ 5,701	\$ 24,579
April	Actual	913,073	\$ 0.0053	\$ 4,839	\$ 24	\$ 214	\$ 99	\$ 183	\$ -	\$ 520	\$ 4,319	\$ 28,899
May	Actual	520,222	\$ 0.0053	\$ 2,757	\$ 133	\$ 412	\$ 191	\$ 353	\$ -	\$ 1,089	\$ 1,668	\$ 30,567
June	Actual	379,348	\$ 0.0095	\$ 3,604	\$ 157	\$ 187	\$ 86	\$ 160	\$ -	\$ 590	\$ 3,014	\$ 33,581
July	Estimated	367,417	\$ 0.0137	\$ 5,034	\$ 240	\$ 281	\$ 130	\$ 241	\$ -	\$ 892	\$ 4,142	\$ 37,722
August	Estimated	328,809	\$ 0.0137	\$ 4,505	\$ 644	\$ 1,761	\$ 815	\$ 1,510	\$ -	\$ 4,730	\$ (225)	\$ 37,497
Total		8,302,330		\$ 51,444	\$ 1,476	\$ 5,376	\$ 2,487	\$ 4,608	\$ -	\$ 13,947	\$ 37,497	

INDUSTRIAL

		<u>Volumes</u>	<u>ECR Surcharge</u>	<u>Revenue Billed</u>	<u>RHER Expenses</u>	<u>CIRI Expenses</u>	<u>CIER Expenses</u>	<u>HECI Expenses</u>	<u>CRRI Expenses</u>	<u>Total Expenses</u>	<u>Monthly Over/(Under)</u>	<u>Cumulative Over/(Under)</u>
September 2010	Actual	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
October	Actual	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
November	Actual	-	\$ -	\$ -	\$ -	\$ 448	\$ 207	\$ -	\$ -	\$ 655	\$ (655)	\$ (655)
December *	Actual	68,578	\$ 0.0532	\$ 3,648	\$ -	\$ 484	\$ 224	\$ -	\$ -	\$ 708	\$ 2,940	\$ 2,285
January 2011	Actual	162,829	\$ 0.0532	\$ 8,663	\$ -	\$ 804	\$ 372	\$ -	\$ -	\$ 1,176	\$ 7,487	\$ 9,772
February	Actual	124,083	\$ 0.0532	\$ 6,601	\$ -	\$ 152	\$ 70	\$ -	\$ -	\$ 222	\$ 6,379	\$ 16,151
March	Actual	110,521	\$ 0.0532	\$ 5,880	\$ -	\$ 633	\$ 293	\$ -	\$ -	\$ 926	\$ 4,954	\$ 21,105
April	Actual	71,746	\$ 0.0532	\$ 3,817	\$ -	\$ 214	\$ 99	\$ -	\$ -	\$ 313	\$ 3,504	\$ 24,609
May	Actual	47,639	\$ 0.0532	\$ 2,534	\$ -	\$ 412	\$ 191	\$ -	\$ -	\$ 603	\$ 1,931	\$ 26,540
June	Actual	42,903	\$ 0.0301	\$ 1,289	\$ -	\$ 187	\$ 86	\$ -	\$ -	\$ 273	\$ 1,016	\$ 27,556
July	Estimated	32,959	\$ 0.0069	\$ 227	\$ -	\$ 281	\$ 130	\$ -	\$ -	\$ 411	\$ (184)	\$ 27,373
August	Estimated	29,922	\$ 0.0069	\$ 206	\$ -	\$ 1,761	\$ 815	\$ -	\$ -	\$ 2,576	\$ (2,370)	\$ 25,003
Total		691,180		\$ 32,866	\$ -	\$ 5,376	\$ 2,487	\$ -	\$ -	\$ 7,863	\$ 25,003	

* Volumes include 50% of Dec 2010 billed sales

PHILADELPHIA GAS WORKS
SEPTEMBER 2011 - AUGUST 2012
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE

	Expenses in the Surcharge
Enhanced Low Income Retrofit Program (ELIRP)	\$ 6,690,938
Customer Responsibility Program (CRP) Discount	\$ 100,138,593
Senior Citizen Discount *	\$ 7,126,037
<u>August 2011 Under Collection</u>	<u>\$ 17,527,293</u>
Total \$ to be Recovered	\$ 131,482,862
 Total Applicable Volumes	 Mcf 53,350,069
 <i>Universal Service & Energy Conservation Surcharge</i>	 <u><u>\$ 2.4645</u></u>

* This is the Senior Citizen Discount on the Delivery Charge, OPEB, ECR, GCR and Restructuring Surcharges which are used to calculate the Universal Services Surcharge. The total senior citizen discount is \$ 8,351,879.

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

<u>Month</u>		<u>Applicable</u>	<u>USC</u>	<u>USC</u>	<u>USC</u>	<u>Monthly</u>	<u>Cumulative</u>					
<u>FY 10 Reconciliation</u>		<u>Volumes</u>	<u>Charge</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Over/(Under)</u>	<u>Over/(Under)</u>					
				<u>Billed</u>		<u>Recovery</u>	<u>Recovery</u>					
							<u>(\$19,939,314)</u>					
September 2010	Actual	1,109,653	\$ 2,2855	\$ 2,536,111	\$ (2,118,783)	\$ 4,654,894	(\$15,284,420)					
October	Actual	1,573,678	\$ 2,3678	\$ 3,726,155	\$ (374,819)	\$ 4,100,973	(\$11,183,447)					
November	Actual	3,244,696	\$ 2,3678	\$ 7,682,791	\$ 7,224,051	\$ 458,739	(\$10,724,708)					
December	Actual	6,848,148	\$ 2,1703	\$ 14,862,536	\$ 17,190,745	\$ (2,328,209)	(\$13,052,917)					
January 2011	Actual	10,697,049	\$ 1,9728	\$ 21,103,137	\$ 28,669,860	\$ (7,566,723)	(\$20,619,640)					
February	Actual	9,291,679	\$ 1,9728	\$ 18,330,623	\$ 25,370,340	\$ (7,039,716)	(\$27,659,356)					
March	Actual	6,780,663	\$ 2,3098	\$ 15,661,974	\$ 20,422,074	\$ (4,760,100)	(\$32,419,456)					
April	Actual	4,708,175	\$ 2,6468	\$ 12,461,598	\$ 12,927,927	\$ (466,329)	(\$32,885,784)					
May	Actual	2,278,994	\$ 2,6468	\$ 6,032,041	\$ 4,525,304	\$ 1,506,738	(\$31,379,047)					
June	Actual	1,383,215	\$ 2,7215	\$ 3,764,351	\$ 177,376	\$ 3,586,975	(\$27,792,072)					
July	Estimated	1,237,039	\$ 2,7961	\$ 3,458,885	\$ (1,963,497)	\$ 5,422,381	(\$22,369,691)					
August	Estimated	1,103,335	\$ 2,7961	\$ 3,085,036	\$ (1,757,362)	\$ 4,842,397	(\$17,527,293)					

<u>USC Expenses</u>	<u>Sep-10</u>	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>
Conservation Works	\$ 4,565	\$ 13,656	\$ 179,959	\$ 198,424	\$ 5,494	\$ 221,064	\$ 5,718	\$ 9,054	\$ 50,189	\$ 14,339	\$ -	\$ -
ELIRP	\$ -	\$ -	\$ 55,192	\$ 59,685	\$ 100,422	\$ 18,679	\$ 161,301	\$ 134,495	\$ 356,232	\$ 385,612	\$ 279,573	\$ 790,147
CRP Discount	\$ (3,188,435)	\$ (1,488,133)	\$ 5,532,786	\$ 14,965,360	\$ 25,990,955	\$ 22,798,211	\$ 18,046,143	\$ 11,052,977	\$ 2,739,453	\$ (1,416,837)	\$ (3,346,924)	\$ (3,606,645)
CRP Forgiveness	\$ 851,310	\$ 794,420	\$ 762,875	\$ 744,519	\$ 764,345	\$ 769,414	\$ 981,477	\$ 881,749	\$ 925,968	\$ 938,061	\$ 893,246	\$ 867,163
Senior Citizen Discount	\$ 213,777	\$ 305,238	\$ 693,239	\$ 1,222,757	\$ 1,808,644	\$ 1,572,397	\$ 1,258,279	\$ 873,722	\$ 459,214	\$ 253,530	\$ 210,608	\$ 191,973
Bad Debt Expense Offset*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,426)	\$ (30,844)	\$ (24,070)	\$ (5,752)	\$ 2,672	\$ -	\$ -
Total	\$ (2,118,783)	\$ (374,819)	\$ 7,224,051	\$ 17,190,745	\$ 28,669,860	\$ 25,370,340	\$ 20,422,074	\$ 12,927,927	\$ 4,525,304	\$ 177,376	\$ (1,963,497)	\$ (1,757,362)

<u>CRP Participation</u>											
Rate Case Participation Rate	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
Actual Participation Rate*	81,292	79,732	81,855	82,544	83,198	84,492	86,072	86,658	86,560	86,292	86,292
CRP Under(Over) Participation	2,708	4,268	2,145	1,456	802	(492)	(2,072)	(2,658)	(2,560)	(2,292)	
<u>Average Shortfall Per CRP Participant</u>											
CRP Discount	\$ (3,188,435)	\$ (1,488,133)	\$ 5,532,786	\$ 14,965,360	\$ 25,990,955	\$ 22,798,211	\$ 18,046,143	\$ 11,052,977	\$ 2,739,453	\$ (1,416,837)	
Actual Participation Rate	81,292	79,732	81,855	82,544	83,198	84,492	86,072	86,658	86,560	86,292	
Average Shortfall per CRP Participant	\$ (39)	\$ (19)	\$ 68	\$ 181	\$ 312	\$ 270	\$ 210	\$ 128	\$ 32	\$ (16)	
Shortfall*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (132,755)	\$ (434,422)	\$ (339,020)	\$ (81,019)	\$ 37,633	
Bad Debt Expense Offset* 7.1%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (9,426)	\$ (30,844)	\$ (24,070)	\$ (5,752)	\$ 2,672	

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

**RESTRUCTURING &
CONSUMER EDUCATION SURCHARGE
FISCAL YEAR 2012**

<u>Month</u>		<u>Firm Volumes</u>	<u>Restructuring & Consumer Education Surcharge</u>	<u>Revenue Billed</u>
September 2010	Actual	1,118,574	\$0.0245	\$27,362
October	Actual	1,587,794	\$0.0259	\$41,160
November	Actual	3,282,114	\$0.0259	\$85,082
December	Actual	6,924,055	\$0.0259	\$179,492
January 2011	Actual	10,818,015	\$0.0259	\$280,435
February	Actual	9,393,321	\$0.0259	\$243,503
March	Actual	6,853,601	\$0.0259	\$177,666
April	Actual	4,758,553	\$0.0259	\$123,356
May	Actual	2,302,230	\$0.0259	\$59,681
June	Actual	1,396,948	\$0.0259	\$36,213
July	Estimated	1,250,716	\$0.0259	\$32,422
August	Estimated	<u>1,115,923</u>	\$0.0259	<u>\$28,928</u>
Total		50,801,844		\$1,315,301

Restructuring Surcharge Under-Recovery	\$	3,527,945	
FY 2009 Actual Recovery	\$	1,079,459	
FY 2010 Actual Recovery	\$	1,082,106	[Schedule 12(b)]
FY 2011 Actual/Estimated Recovery	\$	<u>1,315,301</u>	
FY 2012 Recovery (Remaining Balance)	\$	51,079	

FY 2012 Firm Volumes	53,846,988
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FY 2012 Restructuring Surcharge / Mcf	\$	0.0009
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**RESTRUCTURING & CONSUMER
EDUCATION SURCHARGE RECONCILIATION
FISCAL YEAR 2010**

<u>Month</u>		<u>Firm Volumes</u>	<u>Restructuring & Consumer Education Surcharge</u>	<u>Revenue Billed</u>
September 2009	Actual	1,161,714	\$0.0224	\$26,022
October	Actual	1,786,543	\$0.0230	\$41,090
November	Actual	3,259,676	\$0.0230	\$74,973
December	Actual	5,984,694	\$0.0230	\$137,648
January 2010	Actual	9,707,993	\$0.0230	\$223,284
February	Actual	8,988,624	\$0.0230	\$206,738
March	Actual	7,023,375	\$0.0230	\$161,538
April	Actual	3,443,882	\$0.0230	\$79,209
May	Actual	2,097,674	\$0.0230	\$48,246
June	Actual	1,444,798	\$0.0230	\$33,230
July	Actual	1,125,970	\$0.0230	\$25,897
<u>August</u>	Actual	<u>1,053,436</u>	\$0.0230	<u>\$24,229</u>
FY 2010 Total		47,078,379		\$1,082,106

OTHER POST EMPLOYMENT BENEFIT (OPEB) SURCHARGE
FISCAL YEAR 2012

<u>Month</u>		<u>Firm Volumes</u>	<u>OPEB Surcharge</u>	<u>Revenue Billed</u>
September 2010 *	Actual	559,287	\$0.2997	\$167,618
October	Actual	1,587,794	\$0.2997	\$475,862
November	Actual	3,282,114	\$0.2997	\$983,650
December	Actual	6,924,055	\$0.2997	\$2,075,139
January 2011	Actual	10,818,015	\$0.2997	\$3,242,159
February	Actual	9,393,321	\$0.2997	\$2,815,178
March	Actual	6,853,601	\$0.2997	\$2,054,024
April	Actual	4,758,553	\$0.2997	\$1,426,138
May	Actual	2,300,914	\$0.2997	\$689,584
June	Actual	1,393,379	\$0.2997	\$417,596
July	Estimated	1,250,716	\$0.2997	\$374,840
August	Estimated	<u>1,115,923</u>	\$0.2997	<u>\$334,442</u>
Total		50,237,672		\$15,056,230

* Volumes include 50% of September 2010 billed sales

FY 2011 Actual/Estimated Recovery	\$15,056,230
FY 2011 Permitted Recovery	<u>\$16,000,000</u>
Over/(Under) Recovery	(\$943,770)

FY 2011 Under Recovery	\$943,770
FY 2012 Permitted Recovery	<u>\$16,000,000</u>
FY 2012 Recovery	\$16,943,770

FY 2012 Firm Volumes	53,846,988
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FY 2012 OPEB Surcharge / Mcf	\$0.3147
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Natural Gas Prices Used for PGW - 4th Quarter GCR Filing

<u>NYMEX</u>		<u>Basis Differentials</u>								<u>Prices Used For Gas Cost Inputs</u>							
	Futures	TRANSCO			TETCO					TRANSCO			TETCO				
	8/5/2011 Close	Sta 30	Sta 45	Sta 65	ELA	WLA	ETX	STX	M-1	Sta 30	Sta 45	Sta 65	ELA	WLA	ETX	STX	M-1
2011:8										4.29	4.32	4.38	4.32	4.33	4.21	4.25	4.20
2011:9	3.941	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	3.89	3.92	3.98	3.90	3.89	3.80	3.84	4.02
2011:10	3.962	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	3.91	3.94	4.00	3.92	3.91	3.82	3.86	4.04
2011:11	4.113	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.06	4.09	4.15	4.07	4.06	3.97	4.01	4.19
2011:12	4.330	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.28	4.31	4.37	4.29	4.28	4.19	4.23	4.41
2012:01	4.432	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.38	4.41	4.47	4.39	4.38	4.29	4.33	4.51
2012:02	4.435	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.39	4.42	4.48	4.40	4.39	4.30	4.34	4.52
2012:03	4.409	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.36	4.39	4.45	4.37	4.36	4.27	4.31	4.49
2012:04	4.369	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.32	4.35	4.41	4.33	4.32	4.23	4.27	4.45
2012:05	4.394	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.34	4.37	4.43	4.35	4.34	4.25	4.29	4.47
2012:06	4.429	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.38	4.41	4.47	4.39	4.38	4.29	4.33	4.51
2012:07	4.471	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.42	4.45	4.51	4.43	4.42	4.33	4.37	4.55
2012:08	4.498	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	4.45	4.48	4.54	4.46	4.45	4.36	4.40	4.58

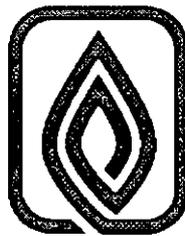
Actual Natural Gas Billed

	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>
Williams	\$ 2,477,125	\$ 2,521,634	\$ 2,373,401
Texas Eastern	\$ 2,429,196	\$ 2,480,299	\$ 2,481,205
Dominion	\$ 126,266	\$ 133,821	\$ 133,803
Equitrans	\$ 46,537	\$ 46,970	\$ 46,537
Spot Purchases -Transco	\$ 77,017	\$ 4,045	\$ 8,698
Spot Purchases -Tetco	\$ -	\$ -	\$ -
Transco Supply1	\$ -	\$ -	\$ -
Transco Supply2	\$ 3,595,294	\$ 2,882,402	\$ 2,912,041
Transco Supply3	\$ -	\$ -	\$ -
Transco Supply4	\$ -	\$ -	\$ -
Transco Supply5	\$ -	\$ -	\$ -
Transco Supply6	\$ 2,181,375	\$ 2,261,450	\$ 2,136,375
Transco Supply7	\$ 1,922,671	\$ 1,132,732	\$ 1,506,659
Transco Supply8	\$ 964,000	\$ 1,215,250	\$ 789,400
Transco Supply9	\$ -	\$ -	\$ -
Transco Supply10	\$ 676,125	\$ 663,013	\$ 646,875
Transco Supply11	\$ -	\$ -	\$ -
Transco Supply12	\$ -	\$ -	\$ -
Transco Supply13	\$ -	\$ -	\$ -
Transco Supply14	\$ 628,875	\$ 1,415,423	\$ 641,775
Transco Supply15	\$ -	\$ -	\$ -
Transco Supply16	\$ -	\$ -	\$ -
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply18	\$ -	\$ -	\$ -
Transco Supply19	\$ -	\$ -	\$ -
Transco Supply20	\$ -	\$ -	\$ -
Transco Supply21	\$ 631,125	\$ 675,800	\$ 646,125
Transco Supply22	\$ 637,500	\$ 684,325	\$ 637,500
Transco Supply23	\$ 1,275,000	\$ 1,364,000	\$ 1,312,500
Tetco Supply1	\$ 1,337,994	\$ 1,367,657	\$ 1,493,514
Tetco Supply2	\$ -	\$ -	\$ -
Tetco Supply3	\$ -	\$ -	\$ -
Tetco Supply4	\$ -	\$ -	\$ -
Tetco Supply5	\$ -	\$ -	\$ -
Tetco Supply6	\$ -	\$ -	\$ -
Tetco Supply7	\$ -	\$ -	\$ -
Tetco Supply8	\$ -	\$ -	\$ -
Tetco Supply9	\$ -	\$ -	\$ -
Tetco Supply10	\$ -	\$ -	\$ -
Tetco Supply11	\$ -	\$ -	\$ -
Tetco Supply12	\$ -	\$ -	\$ -
Tetco Supply13	\$ 1,564,644	\$ 2,755,469	\$ 1,557,070
Tetco Supply14	\$ 628,500	\$ 671,150	\$ 642,000
Tetco Supply15	\$ -	\$ -	\$ -
Tetco Supply16	\$ -	\$ -	\$ -
Tetco Supply17	\$ 628,125	\$ 673,088	\$ 640,125
Tetco Supply18	\$ -	\$ -	\$ -
Tetco Supply19	\$ 640,500	\$ 663,400	\$ 632,250
Total Costs	\$ 22,467,869	\$ 23,611,926	\$ 21,237,854
Sharing Mechanism	\$ 173,041	\$ 172,624	\$ 182,242
Asset Management Agreement	\$ (50,138)	\$ (123,018)	\$ (50,138)
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 631	\$ 4,780	\$ -
Adjustment/Reconciliation	\$ 2,372,621	\$ 696,017	\$ 53,641
Total Natural Gas Billed	\$ 24,964,024	\$ 24,362,330	\$ 21,423,599

**Philadelphia Gas Works
Summary of Fuels Purchased
Three Months Ending June 2011**

	<u>Actual</u>				<u>Projected</u>				<u>Actual Over/Under vs Projected</u>			
	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Total</u>	<u>3rd Qtr Filing Apr-11</u>	<u>3rd Qtr Filing May-11</u>	<u>3rd Qtr Filing Jun-11</u>	<u>Total</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Total</u>
Total Natural Gas Billed	\$ 24,964,024	\$ 24,362,330	\$ 21,423,599	\$ 70,749,953	\$ 20,726,627	\$ 25,463,322	\$ 23,960,669	\$ 70,150,618	\$ 4,237,397	\$ (1,100,992)	\$ (2,537,070)	\$ 599,335
Less Interruptible Credit	\$ 188,168	\$ 83,091	\$ 102,331	\$ 373,590	\$ 196,038	\$ 115,735	\$ 56,294	\$ 368,067	\$ (7,870)	\$ (32,644)	\$ 46,037	\$ 5,523
Gas Used For Utility	\$ 143,288	\$ 70,429	\$ 23,997	\$ 237,714	\$ 279,855	\$ 145,210	\$ 27,563	\$ 452,627	\$ (136,567)	\$ (74,781)	\$ (3,566)	\$ (214,913)
	\$ 24,632,568	\$ 24,208,810	\$ 21,297,271	\$ 70,138,649	\$ 20,250,735	\$ 25,202,377	\$ 23,876,812	\$ 69,329,924	\$ 4,381,833	\$ (993,567)	\$ (2,579,541)	\$ 808,725
Pipeline Storages												
(To)	\$ (2,729,119)	\$ (9,930,290)	\$ (10,207,758)	\$ (22,867,167)	\$ (2,760,523)	\$ (9,739,438)	\$ (13,250,642)	\$ (25,750,602)	\$ 31,404	\$ (190,852)	\$ 3,042,884	\$ 2,883,435
From	\$ 2,351,220	\$ (899,809)	\$ (21,151)	\$ 1,430,260	\$ 3,493,003	\$ 747	\$ -	\$ 3,493,750	\$ (1,141,783)	\$ (900,556)	\$ (21,151)	\$ (2,063,490)
Net Pipeline Storages	\$ (377,899)	\$ (10,830,099)	\$ (10,228,909)	\$ (21,436,907)	\$ 732,479	\$ (9,738,690)	\$ (13,250,642)	\$ (22,256,853)	\$ (1,110,378)	\$ (1,091,409)	\$ 3,021,733	\$ 819,946
LNG Storage												
(To)	\$ (1,132,389)	\$ (865,206)	\$ (119,854)	\$ (2,117,449)	\$ (1,172,297)	\$ (1,304,679)	\$ (725,355)	\$ (3,202,330)	\$ 39,908	\$ 439,473	\$ 605,501	\$ 1,084,881
From	\$ 412,287	\$ 403,350	\$ 395,175	\$ 1,210,812	\$ 388,407	\$ 445,896	\$ 424,796	\$ 1,259,099	\$ 23,880	\$ (42,546)	\$ (29,621)	\$ (48,287)
Net LNG Storage	\$ (720,102)	\$ (461,856)	\$ 275,321	\$ (906,637)	\$ (783,889)	\$ (858,783)	\$ (300,559)	\$ (1,943,231)	\$ 63,787	\$ 396,927	\$ 575,880	\$ 1,036,594
Net Natural Gas	\$ 23,534,567	\$ 12,916,855	\$ 11,343,683	\$ 47,795,105	\$ 20,199,325	\$ 14,604,904	\$ 10,325,612	\$ 45,129,840	\$ 3,335,242	\$ (1,688,049)	\$ 1,018,071	\$ 2,665,265
APPLICABLE GCR EXPENSES												
Net Natural Gas Expense	\$ 23,534,567	\$ 12,916,855	\$ 11,343,683	\$ 47,795,105	\$ 20,199,325	\$ 14,604,904	\$ 10,325,612	\$ 45,129,840	\$ 3,335,242	\$ (1,688,049)	\$ 1,018,071	\$ 2,665,265
Purchased Electric & Misc	\$ 73,344	\$ 61,630	\$ 68,633	\$ 203,607	\$ 87,678	\$ 104,774	\$ 70,582	\$ 263,033	\$ (14,334)	\$ (43,144)	\$ (1,949)	\$ (59,426)
Total GCR Expenses	\$ 23,607,911	\$ 12,978,485	\$ 11,412,316	\$ 47,998,712	\$ 20,287,002	\$ 14,709,677	\$ 10,396,194	\$ 45,392,873	\$ 3,320,909	\$ (1,731,192)	\$ 1,016,122	\$ 2,605,839

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Craig White
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 September 1, 2011 increases from \$(0.03524) per Ccf to \$(0.00368) per Ccf; In the definition of "IRC," the "IRC" value effective September 1, 2011 increases from \$0.01274 to \$0.01814 per Ccf; In the definition of "SSC," the "SSC" value effective September 1, 2011 decreases from \$0.65728 per Ccf to \$0.62776 per Ccf.

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

The Gas Cost Rate (GCR) effective September 1, 2011 decreases from \$0.60930 per Ccf to \$0.60594 per Ccf.

RESTRUCTURING AND CONSUMER EDUCATION SURCHARGE (PAGE No. 79)

The Restructuring and Consumer Education Surcharge effective September 1, 2010 decreases from \$0.00259 per Ccf to \$0.00009 per Ccf.

EFFICIENCY COST RECOVERY SURCHARGE (PAGE No. 80)

The Efficiency Cost Recovery Surcharges effective September 1, 2011 are: a) \$0.00158 per Ccf for Residential and Public Housing Customers on Rate GS; b) \$0.00144 per Ccf for Commercial Customers on Rate GS; c) \$(0.00222) per Ccf for Industrial Customers on Rate GS; d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and e) \$0.00144 per Ccf for The Philadelphia Housing Authority on Rate PHA.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective September 1, 2011 decreases from \$0.27961 per Ccf to \$0.24645 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services decreases from \$0.60930 per Ccf to \$0.60594 per Ccf, effective September 1, 2011.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service decreases from \$0.60930 per Ccf to \$0.60594 per Ccf, effective September 1, 2011.

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

The GCR for Philadelphia Housing Authority Service decreases from \$0.60930 per Ccf to \$0.60594 per Ccf, effective September 1, 2011.

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

The GCR for NGVS Firm decreases from \$0.60930 per Ccf to \$0.60594 per Ccf, effective September 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 \$(0.01297) per Ccf for Commodity Costs and \$0.00929 per Ccf for Demand Costs, for service on or after September 1, 2011. The total Gac is \$(0.00368) 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

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.01814 per Ccf for service on or after September 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 \$0.50701 per Ccf for Commodity Costs and \$0.12076 per Ccf for Demand Costs, for service on or after September 1, 2011. The total SSC is \$0.62776 per Ccf.

(D)

(I) – Increase; (D) – Decrease

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 \$0.60594 per Ccf, for service on or after September 1, 2011.

(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

RESTRUCTURING AND CONSUMER EDUCATION SURCHARGE

Non-Gas restructuring and consumer education costs will be recovered by a Restructuring and Consumer Education Surcharge applicable to all volumes of Gas delivered.

1. Computation of the Restructuring and Consumer Education Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307 of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
2. Restructuring and Consumer Education costs recovered through the Surcharge mechanism are the Commission approved costs which the Company has or will incur to meet the requirements of the Natural Choice and Competition Act and applicable Commission regulations, orders and other regulatory requirements, other than those costs pertaining to universal service and energy conservation programs.
3. Once the surcharge is in place, PGW shall file reconciliation statements quarterly and shall submit a claim for over/under recovery on an annual basis, at the same time it submits its projected Restructuring costs and Restructuring Surcharge claim for the next year; provided however, that if a project for which costs were included in the Restructuring Surcharge is cancelled or delayed beyond the year in which the cost was originally scheduled to be incurred, the Company will withdraw the projected costs of that project from the Restructuring Surcharge in its next quarterly update. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the restructuring and consumer education costs approved for annual recovery by the estimated applicable throughput in Mcf.
4. The Restructuring and Consumer Education Surcharge shall remain in effect until restructuring and consumer education costs have been collected or as otherwise directed by the Commission.
5. The Restructuring and Consumer Education Surcharge is effective on and after September 1, 2008.

Current Restructuring and Consumer Education Surcharge = \$0.00009/Ccf

(D)

(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) \$0.00158 per Ccf for Residential and Public Housing Customers on Rate GS; | (D) |
| b) \$0.00144 per Ccf for Commercial Customers on Rate GS; | (I) |
| c) \$(0.00222) per Ccf for Industrial Customers on Rate GS; | (D) |
| d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and | (NC) |
| e) \$0.00158 per Ccf for The Philadelphia Housing Authority on Rate PHA. | (D) |

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

(I) – Increase; (D) – Decrease; (NC) – No 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 = \$ 0.24645/Ccf.

(D)

(D) - Decrease

OTHER POST EMPLOYMENT BENEFIT (“OPEB”) SURCHARGE

The amounts necessary to fund PGW's Other Post Employment Benefit obligations will be recovered by an Other Post Employment Benefit Surcharge applicable to all volumes of Gas delivered.

1. Computation of the Other Post Employment Benefit Rider 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.
2. Once the surcharge is in place it will be automatically adjusted effective September 1 of each year to account for over (under) recoveries in accordance with Section 1307(f) adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined plus (or minus) any over (or under) recovery from the prior period by dividing the total OPEB funding amounts approved for annual recovery by the estimated applicable throughput in Mcfs.
3. The Other Post Employment Benefit Rider Surcharge shall take effect upon the effective date of this Tariff.

Current Other Post Employment Benefit Rider Surcharge = \$0.03147/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 September 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):

\$ 0.60594 per Ccf for Residential and Public Housing (D)
\$ 0.60594 per Ccf for Commercial Customers (D)
\$ 0.60594 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 September 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):

\$0.60594 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 September 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):

\$ 0.60594 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
September 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):

\$ 0.60594 per Ccf (D)

Plus

DISTRIBUTION CHARGE:

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

(A) Delivery Charge:

\$0.13212 per Ccf

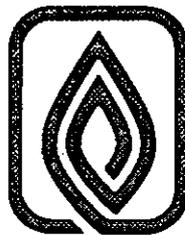
(B) Surcharges:

Universal Service and Energy Conversation Surcharge; and The Restructuring and Consumer Education Surcharge.

(D) – Decrease

PHILADELPHIA GAS WORKS

GAS SUPPLIER TARIFF



Issued by: Craig White
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 \$ 44.4069 per design day Mcf to \$ 44.3227 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 \$44.3227 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-000216'12 (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

FedEx *NEW Package*
Express *US Airbill*

FedEx
Tracking
Number

8764 5790 6683

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ID No.

0215

Recipient's Copy

RECIPIENT: PEEL HERE

1 From This portion can be removed for Recipient's records.

Date 8/31/11 FedEx Tracking Number 876457906683

Sender's Name Greg Stander, Esq. Phone 215-684-6878

Company PHILADELPHIA GAS WORKS

Address 800 W MONTCOMERY AVE Dept./Floor/Suite/Room

City PHILADELPHIA State PA ZIP 19122-2898

2 Your Internal Billing Reference

3 To
Recipient's Name Rosemary Chiavetta Sec. Phone

Company PA PUC

Address Commonwealth Keystone Bldg  HOLD Weekday
FedEx location address REQUIRED NOT available for
FedEx First Overnight

Address 2nd Floor North 4100 North St HOLD Saturday
FedEx location address REQUIRED Available ONLY for
FedEx Priority Overnight and
FedEx 2Day to select locations.

City Harrisburg State PA ZIP 17120

0439711698



8764 5790 6683

4 Express Package Service * To most locations.
NOTE: Service order has changed. Please select carefully. Packages up to 150 lbs.
For packages over 150 lbs., use the new
FedEx Express Freight US Airbill.

Next Business Day	2 or 3 Business Days
<input type="checkbox"/> FedEx First Overnight Earliest next business morning delivery to select locations. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.	<input type="checkbox"/> NEW FedEx 2Day A.M. Second business morning.* Saturday Delivery NOT available.
<input type="checkbox"/> FedEx Priority Overnight Next business morning.* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.	<input type="checkbox"/> FedEx 2Day Second business afternoon.* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
<input checked="" type="checkbox"/> FedEx Standard Overnight Next business afternoon.* Saturday Delivery NOT available.	<input type="checkbox"/> FedEx Express Saver Third business day.* Saturday Delivery NOT available.

5 Packaging *Declared value limit \$500.

FedEx Envelope* FedEx Pak* FedEx Box FedEx Tube Other

6 Special Handling and Delivery Signature Options

SATURDAY Delivery
NOT available for FedEx Standard Overnight, FedEx 2Day A.M., or FedEx Express Saver.

No Signature Required
Package may be left without obtaining a signature for delivery.

Direct Signature
Some packages may require a signature for delivery.

Direct Signature
A signature is required at recipient's address, signature neighboring address may sign for delivery for residential deliveries only. Fee applies.

Does this shipment contain dangerous goods?
One box must be checked.

Yes No Yes As per attached Shipper's Declaration not required. Shipper's Declaration not required.

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box.

Dry Ice Dry Ice, 9 UN 1845 Cargo Aircraft Only

7 Payment Bill to:

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Enter FedEx Acct. No. or Credit Card No. below.

Sender Acct. No. in Section 1 will be billed. Recipient Third Party Credit Card Cash/Check

Total Packages Total Weight Credit Card Auth.

0s. 

*Our liability is limited to \$100 unless you declare a higher value. See the current FedEx Service Guide for details.



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