

Philadelphia Gas Works

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Senior Attorney



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May 31, 2012

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-2011-2224739,
June 1, 2012 Third 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,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder", is written over the typed name. The signature is fluid and cursive, with a large loop at the end.

Gregory J. Stunder

Enclosures

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

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MAY 31 2012

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

JUNE 1, 2012

3rd QUARTER GCR FILING

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MAY 31 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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Philadelphia Gas Works
Levelized Gas Cost Rate
3rd Quarter Filing - June 1, 2012

Formula:
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			48,827,045	Schedule 2
Net Natural Gas Expense	\$ 61,005,051	\$ 182,724,249	\$ 243,729,300	
Purchased Electric & Misc Expenses	\$ -	\$ 1,062,949	\$ 1,062,949	
C = Total Applicable GCR Expense	\$ 61,005,051	\$ 183,787,198	\$ 244,792,249	Schedule 3
SSC = C / S	\$ 1.2494	\$ 3.7641	\$ 5.0135	
Adjustment For:				
Prior Reconciliation	\$ 11,188,141	\$ (15,787,132)	\$ (4,598,991)	Schedule 5
E = Adjustments to GCR Expenses	\$ 11,188,141	\$ (15,787,132)	\$ (4,598,991)	
GAC = E / S	\$ 0.2291	\$ (0.3233)	\$ (0.0942)	
Interruptible Revenue Credit			\$ 9,230,032	Schedule 4
IRC = Interruptible Revenue Credit / S			\$ 0.1890	
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 230,963,226	
<u>GCR = SSC + GAC - IRC</u>			\$ 4.7303	
SSC in effect 06/01/12	\$ 1.2448	\$ 3.7502	\$ 4.9950	
GAC in effect 06/01/12	\$ 0.2282	\$ (0.3220)	\$ (0.0938)	
IRC in effect 06/01/12			\$ (0.1883)	
GCR in effect 06/01/12			\$ 4.7129	Schedule 6
Recovery Test on:				
Firm Sales (Mcf)			48,827,045	
= Total Projected Recovery			\$ 230,963,553	Schedule 6
Compared To				
Net Applicable GCR Expenses			\$ 230,963,226	
= Net Over/(Under) Recovery			\$ 327	Schedule 4
Degree Days			4,332	

SALES & VOLUMES

JUNE 2012 THROUGH MAY 2013

MONTH	TOTAL VOLUMES	FIRM TRANSPORT VOLUMES	BILLED SALES	INTERRUPTIBLE SALES	AIR CONDITIONING SALES	GCR FIRM SALES	SENIOR CITIZEN DISCOUNT SALES	APPLICABLE VOLUMES
	1	2	3 = (1 - 2)	4	4A	5 = (3 - 4 - 4A)	6	7 = (5 - 6 + 2)
JUNE 2012	1,299,362	127,237	1,172,125	5,547	2,689	1,163,889	9,282	1,281,844
JULY	1,169,789	121,094	1,048,695	5,912	2,866	1,039,917	7,978	1,153,034
AUGUST	1,041,762	108,393	933,369	6,023	2,000	925,346	7,058	1,026,681
SEPTEMBER	1,091,891	112,308	979,583	5,834	1,167	972,582	6,780	1,078,111
OCTOBER	1,818,019	177,008	1,641,010	9,999	3	1,631,009	12,817	1,795,200
NOVEMBER	3,947,448	305,310	3,642,137	17,018	-	3,625,119	33,018	3,897,411
DECEMBER	6,911,317	483,604	6,427,713	25,399	-	6,402,314	60,286	6,825,632
JANUARY 2013	10,936,079	638,514	10,297,565	26,578	-	10,270,987	99,956	10,809,544
FEBRUARY	9,408,304	539,998	8,868,307	22,431	-	8,845,876	85,298	9,300,576
MARCH	7,315,900	440,992	6,874,909	19,307	-	6,855,602	64,368	7,232,226
APRIL	5,078,511	293,549	4,784,962	11,894	-	4,773,068	44,161	5,022,457
MAY	<u>2,502,223</u>	<u>173,828</u>	<u>2,328,396</u>	<u>6,121</u>	<u>939</u>	<u>2,321,336</u>	<u>19,539</u>	<u>2,475,625</u>
TOTAL	52,520,605	3,521,835	48,998,770	162,062	9,663	48,827,045	450,541	51,898,339

Projected Applicable Fuel Expense

SUMMARY

FY 2012-2013 3rd Qtr Filing

	JUNE 2012	JULY 2012	AUGUST 2012	SEPTEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012	JANUARY 2013	FEBRUARY 2013	MARCH 2013	APRIL 2013	MAY 2013	TOTAL
NATURAL GAS BILLED													
DEMAND CHARGE	\$5,394,448	\$5,392,794	\$5,392,131	\$4,688,307	\$4,662,739	\$6,029,478	\$5,277,665	\$5,275,892	\$5,289,108	\$5,270,986	\$4,678,572	\$4,652,931	\$61,005,051
COMMODITY CHARGE	7,393,837	7,263,709	7,245,201	7,991,615	12,595,086	17,044,436	24,921,025	27,626,899	22,945,671	23,361,480	16,814,383	11,664,202	186,857,343
TOTAL NATURAL GAS BILLED	12,788,285	12,646,502	12,637,332	12,679,822	17,257,825	22,073,914	30,198,691	32,902,791	28,234,679	28,632,467	21,492,955	16,317,132	247,862,394
INTERRUPTIBLE CREDIT	15,516	17,151	17,893	17,440	30,190	57,673	96,285	104,874	89,749	74,787	45,375	23,671	590,503
SENDOUT VOLUME IN MCF	5,779	6,158	6,274	6,077	10,415	17,727	26,457	27,686	23,365	20,111	12,389	6,376	168,814
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	
PRICE \$/DKT	2.630	2.728	2.793	2.811	2.839	3.186	3.564	3.710	3.762	3.642	3.587	3.621	
GAS USED FOR UTILITY	20,780	14,299	16,696	31,260	45,284	131,694	255,999	456,798	435,674	337,893	131,689	71,000	1,949,065
NATURAL GAS TO STORAGE	(4,372,910)	(4,614,295)	(4,545,424)	(4,413,354)	(4,036,031)	-	-	-	-	-	(2,829,791)	(3,986,710)	(28,798,514)
FROM STORAGE PGW	-	-	-	-	20,513	947,719	6,611,876	9,150,537	8,224,509	1,778,171	473,583	-	27,206,907
NET NATURAL GAS STORAGE	(4,372,910)	(4,614,295)	(4,545,424)	(4,413,354)	(4,015,518)	947,719	6,611,876	9,150,537	8,224,509	1,778,171	(2,356,209)	(3,986,710)	(1,591,608)
LNG TO STORAGE	(555,342)	-	-	(260,775)	(938,244)	(1,244,180)	(602,190)	-	-	(728,139)	(1,321,123)	(991,524)	(6,641,518)
FROM LNG PGW	369,731	380,290	380,290	367,655	374,095	333,902	580,576	1,424,233	1,115,837	671,611	317,398	324,080	6,639,598
NET LNG STORAGE	(185,611)	380,290	380,290	106,780	(564,149)	(910,278)	(21,615)	1,424,233	1,115,837	(56,528)	(1,003,725)	(667,444)	(1,919)
NET NATURAL GAS EXPENSE	8,193,468	8,381,048	8,437,608	8,324,548	12,602,685	21,921,988	36,436,668	42,915,890	37,049,602	29,941,430	17,955,957	11,568,408	243,729,300
APPLICABLE GCR EXPENSE													
NET NATURAL GAS EXPENSE	8,193,468	8,381,048	8,437,608	8,324,548	12,602,685	21,921,988	36,436,668	42,915,890	37,049,602	29,941,430	17,955,957	11,568,408	243,729,300
PURCHASED ELECTRIC & MISC	65,265	65,316	60,678	60,331	61,285	69,239	81,675	298,879	87,736	74,331	72,076	66,141	1,062,949
TOTAL APPLICABLE EXPENSES	8,258,734	8,446,362	8,498,286	8,384,879	12,663,970	21,991,228	36,518,343	43,214,768	37,137,337	30,015,760	18,028,032	11,634,549	244,792,249
TOTAL GCR FIRM SALES	1,163,889	1,039,917	925,346	972,582	1,631,009	3,625,119	6,402,314	10,270,987	8,845,876	6,855,602	4,773,068	2,321,336	48,827,045

GCR

STATEMENT OF RECONCILIATION

JUNE 2012 THROUGH MAY 2013

			GCR	IRC	INTERRUPT.			GCR	GCR	SSPC &	MONTHLY	CUMULATIVE
			NET COST	FIRM	FACTOR	REVENUE	APPLICABLE	FACTOR	REVENUE	MIGRATION	OVER/(UNDER)	OVER/(UNDER)
			OF FUEL	SALES	APPLIED	CREDIT	EXPENSES	APPLIED	BILLED	REVENUE	RECOVERY	RECOVERY
			1	2	3	4 = (2 + 3)	5 = (1 - 4)	6	7	8	9 = (7 + 8 - 5)	11
			\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$
May 2012 OVER-COLLECTION												4,598,991
JUNE	2012	Estimated	8,258,734	1,163,889	0.1890	220,016	8,038,718	4.8456	5,639,742	62,286	(2,336,690)	2,262,301
JULY		Estimated	8,446,362	1,039,917	0.1890	196,581	8,249,781	4.7129	4,901,025	60,611	(3,288,145)	(1,025,844)
AUGUST		Estimated	8,498,286	925,346	0.1890	174,923	8,323,363	4.7129	4,361,065	62,704	(3,899,594)	(4,925,438)
SEPTEMBER		Estimated	8,384,879	972,582	0.1890	183,852	8,201,026	4.7129	4,583,683	64,253	(3,553,091)	(8,478,529)
OCTOBER		Estimated	12,663,970	1,631,009	0.1890	308,318	12,355,652	4.7129	7,686,781	59,752	(4,609,119)	(13,087,648)
NOVEMBER		Estimated	21,991,228	3,625,119	0.1890	685,275	21,305,952	4.7129	17,084,824	56,858	(4,164,271)	(17,251,919)
DECEMBER		Estimated	36,518,343	6,402,314	0.1890	1,210,263	35,308,080	4.7129	30,173,465	45,914	(5,088,701)	(22,340,620)
JANUARY	2013	Estimated	43,214,768	10,270,987	0.1890	1,941,578	41,273,190	4.7129	48,406,133	41,532	7,174,475	(15,166,145)
FEBRUARY		Estimated	37,137,337	8,845,876	0.1890	1,672,182	35,465,155	4.7129	41,689,730	51,235	6,275,809	(8,890,336)
MARCH		Estimated	30,015,760	6,855,602	0.1890	1,295,950	28,719,810	4.7129	32,309,767	53,561	3,643,518	(5,246,818)
APRIL		Estimated	18,028,032	4,773,068	0.1890	902,278	17,125,754	4.7129	22,494,992	65,068	5,434,306	187,488
MAY		Estimated	11,634,549	2,321,336	0.1890	438,814	11,195,735	4.7129	10,940,223	68,350	(187,161)	327
Total			244,792,249	48,827,045		9,230,032	235,562,217		230,271,429	692,124	(4,598,662)	

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2011 THROUGH MAY 2012

		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	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010-2011 OVER-COLLECTION														120,014
2010-2011 INTEREST														(661,419)
TOTAL "E" FACTOR														(541,405)
SEPTEMBER 2011	Actual	5,928,747	5,775,419	11,704,166	1,139,762	0.1544	175,979	11,528,187	6.0762	6,936,142	64,976	(4,527,069)	-	(5,068,474)
OCTOBER	Actual	5,367,300	9,483,715	14,851,015	1,390,318	0.1814	252,204	14,598,811	6.0594	8,439,266	63,197	(6,096,348)	8,924	(11,155,898)
NOVEMBER	Actual	5,955,690	16,397,103	22,352,793	3,291,454	0.1814	597,070	21,755,723	6.0594	19,943,809	62,200	(1,749,714)	(262)	(12,905,874)
DECEMBER	Actual	5,555,744	29,027,543	34,583,287	4,590,093	0.1814	832,643	33,750,644	6.0594	27,818,278	67,318	(5,865,048)	262	(18,770,660)
JANUARY 2012	Actual	5,604,199	36,800,820	42,405,019	7,348,731	0.1814	1,333,060	41,071,959	6.0594	44,535,307	64,251	3,527,599	-	(15,243,061)
FEBRUARY	Actual	5,494,468	29,203,303	34,697,771	7,061,400	0.1814	1,280,938	33,416,833	6.0594	42,794,517	64,828	9,442,512	-	(5,800,549)
MARCH	Actual	5,536,090	15,181,194	20,717,284	5,164,269	0.1814	936,540	19,780,744	5.5189	28,453,919	67,531	8,740,707	-	2,940,158
APRIL	Estimated	5,151,202	10,210,701	15,361,904	3,115,305	0.1813	564,805	14,797,099	4.9783	15,508,923	62,158	773,982	-	3,714,139
MAY	Estimated	5,394,607	4,288,569	9,683,176	2,036,156	0.1813	369,155	9,314,020	4.9783	10,136,597	62,275	884,851	-	4,598,991
Total		49,988,047	156,368,367	206,356,415	35,137,488		6,342,393	200,014,021		204,566,759	578,735	5,131,472	8,924	

RECONCILIATION OF DEMAND CHARGES

		DEMAND CHARGES LESS SSPC	GCR FIRM SALES	DEMAND CHARGE IN EFFECT *	DEMAND CHARGES BILLED *	MONTHLY DEMAND OVER/(UNDER)	CUMULATIVE DEMAND OVER/(UNDER)
		1	2	3	4 = (2 * 3)	5 = (4 - 1)	6
		\$	\$	\$	\$	\$	\$
2010-11 UNDER-COLLECTION							(7,592,441)
SEPTEMBER 2011	Actual	5,861,489	1,139,762	1.3298	1,515,656	(4,345,833)	(11,938,274)
OCTOBER	Actual	5,303,311	1,390,318	1.3006	1,808,248	(3,495,063)	(15,433,338)
NOVEMBER	Actual	5,892,176	3,291,454	1.3006	4,280,865	(1,611,311)	(17,044,649)
DECEMBER	Actual	5,486,843	4,590,093	1.3006	5,969,875	483,032	(16,561,617)
JANUARY 2012	Actual	5,537,579	7,348,731	1.3006	9,557,760	4,020,181	(12,541,437)
FEBRUARY	Actual	5,427,412	7,061,400	1.3006	9,184,057	3,756,645	(8,784,792)
MARCH	Actual	5,466,667	5,164,269	1.3050	6,739,371	1,272,704	(7,512,088)
APRIL	Estimated	5,089,044	3,115,305	1.3094	4,079,180	(1,009,864)	(8,521,952)
MAY	Estimated	5,332,332	2,036,156	1.3094	2,666,143	(2,666,189)	(11,188,141)

CALCULATION OF RECOVERED CHARGES**JUNE 1, 2012 - MAY 31, 2013****3rd QUARTER FILING**

	<u>50% March</u>	<u>11.5 Months</u>	<u>Total</u>	
			(MCF)	(\$)
GCR Firm Sales (Mcf)	581,945	48,245,100	48,827,045	
GCR (\$ / Mcf)	\$ 4.9783	\$ 4.7129		
Total GCR Projected Recovery	\$ 2,897,095	\$ 227,374,334		\$ 230,271,429
SSPC and Migration Revenue				\$ 692,124
Total Projected Recovery				\$ 230,963,553

EFFICIENCY COST RECOVERY (ECR) SURCHARGE

June 1, 2012

<u>Program</u>	<u>Residential & PHA GS</u>	<u>Commercial & PHA</u>	<u>Industrial</u>	<u>Total</u>
Residential Heating Equipment Rebate (RHER)				
Program Expense	\$1,881,035	\$19,000	\$0	\$1,900,035
Labor Expense	\$35,920	\$363	\$0	\$36,283
Commercial & Industrial Retrofit Incentive (CIRI)				
Program Expense	\$0	\$294,299	\$198,799	\$493,098
Labor Expense	\$0	\$4,857	\$3,713	\$8,570
Commercial & Industrial Equipment Rebate (CIER)				
Program Expense	\$0	\$162,650	\$162,650	\$325,300
Labor Expense	\$0	\$3,380	\$3,380	\$6,760
High-Efficiency Construction Incentive (HECI)				
Program Expense	\$78,098	\$78,098	\$0	\$156,196
Labor Expense	\$1,935	\$1,935	\$0	\$3,870
Comprehensive Residential Retrofit Incentive (CRR)				
Program Expense	\$472,986	\$0	\$0	\$472,986
Labor Expense	<u>\$15,388</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,388</u>
Total Expense	\$2,485,362	\$564,582	\$368,542	\$3,418,486
Prior Period Reconciliation (5/31/12)	\$ (988,876)	\$ (131,595)	\$ (70,398)	\$ (1,190,869)
Total	1,496,486	432,987	298,144	2,227,617
<hr/>				
Volumes - Mcf (GCR Firm & Firm Transportation)	38,740,436	11,256,502	1,146,678	
<hr/>				
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Efficiency Cost Recovery Surcharge / Mcf	\$0.0386	\$0.0385	\$0.2600	

EFFICIENCY COST RECOVERY (ECR) SURCHARGE

STATEMENT OF RECONCILIATION

3rd Quarter Filing

	<u>Actual</u> <u>Sep-11</u>	<u>Actual</u> <u>Oct-11</u>	<u>Actual</u> <u>Nov-11</u>	<u>Actual</u> <u>Dec-11</u>	<u>Actual</u> <u>Jan-12</u>	<u>Actual</u> <u>Feb-12</u>	<u>Actual</u> <u>Mar-12</u>	<u>Estimated</u> <u>Apr-12</u>	<u>Estimated</u> <u>May-12</u>	
<u>RESIDENTIAL & PHA GS</u>										
FY 2011 Over-Collection										\$ 406,038
Volume Billed	815,328	1,000,881	2,519,255	3,580,810	5,873,552	5,663,270	4,200,454	2,441,092	1,584,816	
ECR Surcharge	\$ 0.0174	\$ 0.0158	\$ 0.0158	\$ 0.0290	\$ 0.0421	\$ 0.0421	\$ 0.0491	\$ 0.0560	\$ 0.0560	
Revenue Billed	\$ 14,187	\$ 15,814	\$ 39,804	\$ 103,664	\$ 247,277	\$ 238,424	\$ 206,032	\$ 136,701	\$ 88,750	
RHER	\$ 19,403	\$ 14,453	\$ 38,570	\$ 20,187	\$ 25,197	\$ 29,162	\$ 23,809	\$ 145,746	\$ 145,746	
RHER	\$ 1,833	\$ 1,220	\$ 1,113	\$ 1,546	\$ 1,784	\$ 1,113	\$ 1,391	\$ 2,435	\$ 2,435	
HECI	\$ 32	\$ 33	\$ 170	\$ 249	\$ 32	\$ 523	\$ 24	\$ 524	\$ 524	
HECI	\$ 84	\$ 56	\$ 51	\$ 71	\$ 82	\$ 51	\$ 64	\$ 112	\$ 112	
CRRRI	\$ 306	\$ 319	\$ 1,630	\$ 2,396	\$ 307	\$ 5,026	\$ 233	\$ 5,040	\$ 5,040	
CRRRI	\$ 811	\$ 540	\$ 492	\$ 684	\$ 789	\$ 492	\$ 616	\$ 1,077	\$ 1,077	
Total	\$ 22,469	\$ 16,620	\$ 42,027	\$ 25,133	\$ 28,190	\$ 36,368	\$ 26,137	\$ 154,935	\$ 154,935	
Monthly Over/(Under)	\$ (8,282)	\$ (806)	\$ (2,222)	\$ 78,531	\$ 219,086	\$ 202,056	\$ 179,895	\$ (18,234)	\$ (66,185)	
Cumulative Over/(Under)	\$ 396,756	\$ 395,950	\$ 393,728	\$ 472,259	\$ 691,345	\$ 893,401	\$ 1,073,296	\$ 1,055,062	\$ 988,876	
<u>COMMERCIAL & PHA</u>										
FY 2011 Over-Collection										\$ 40,738
Volume Billed	379,865	439,026	830,817	1,064,342	1,529,860	1,465,433	1,037,940	747,489	525,192	
ECR Surcharge	\$ 0.0141	\$ 0.0144	\$ 0.0144	\$ 0.0201	\$ 0.0257	\$ 0.0257	\$ 0.0280	\$ 0.0302	\$ 0.0302	
Revenue Billed	\$ 5,337	\$ 6,322	\$ 11,964	\$ 21,340	\$ 39,317	\$ 37,662	\$ 29,010	\$ 22,574	\$ 15,861	
RHER	\$ 196	\$ 146	\$ 390	\$ 204	\$ 255	\$ 295	\$ 5,875	\$ 1,472	\$ 1,472	
RHER	\$ 19	\$ 12	\$ 11	\$ 16	\$ 18	\$ 11	\$ 14	\$ 25	\$ 25	
CIRI	\$ 121	\$ 126	\$ 644	\$ 946	\$ 121	\$ 11,819	\$ 3,317	\$ 32,039	\$ 32,039	
CIRI	\$ 320	\$ 213	\$ 195	\$ 270	\$ 312	\$ 195	\$ 243	\$ 426	\$ 426	
CIER	\$ 17	\$ 18	\$ 91	\$ 134	\$ 17	\$ 282	\$ 13	\$ 283	\$ 283	
CIER	\$ 46	\$ 30	\$ 28	\$ 38	\$ 44	\$ 28	\$ 35	\$ 60	\$ 60	
HECI	\$ 32	\$ 33	\$ 170	\$ 249	\$ 32	\$ 523	\$ 24	\$ 524	\$ 524	
HECI	\$ 84	\$ 56	\$ 51	\$ 71	\$ 82	\$ 51	\$ 64	\$ 112	\$ 112	
Total	\$ 834	\$ 635	\$ 1,579	\$ 1,929	\$ 881	\$ 13,203	\$ 9,586	\$ 34,941	\$ 34,941	
Monthly Over/(Under)	\$ 4,503	\$ 5,687	\$ 10,385	\$ 19,411	\$ 38,437	\$ 24,458	\$ 19,425	\$ (12,367)	\$ (19,081)	
Cumulative Over/(Under)	\$ 45,241	\$ 50,928	\$ 61,313	\$ 80,723	\$ 119,160	\$ 143,618	\$ 163,043	\$ 150,676	\$ 131,595	
<u>INDUSTRIAL</u>										
FY 2011 Over-Collection										\$ 27,064
Volume Billed	42,818	43,580	72,363	91,294	124,564	119,367	86,012	57,096	40,151	
ECR Surcharge	\$ (0.0077)	\$ (0.0222)	\$ (0.0222)	\$ 0.0293	\$ 0.0807	\$ 0.0807	\$ 0.1224	\$ 0.1641	\$ 0.1641	
Revenue Billed	\$ (328)	\$ (967)	\$ (1,606)	\$ 2,670	\$ 10,052	\$ 9,633	\$ 10,528	\$ 9,369	\$ 6,589	
CIRI	\$ 12	\$ 13	\$ 67	\$ 98	\$ 13	\$ 205	\$ 10	\$ 206	\$ 206	
CIRI	\$ 33	\$ 22	\$ 20	\$ 28	\$ 32	\$ 20	\$ 25	\$ 44	\$ 44	
CIER	\$ 17	\$ 18	\$ 91	\$ 134	\$ 17	\$ 282	\$ 13	\$ 283	\$ 283	
CIER	\$ 46	\$ 30	\$ 28	\$ 38	\$ 44	\$ 28	\$ 35	\$ 60	\$ 60	
Total	\$ 108	\$ 83	\$ 206	\$ 299	\$ 106	\$ 535	\$ 82	\$ 593	\$ 593	
Monthly Over/(Under)	\$ (436)	\$ (1,051)	\$ (1,812)	\$ 2,372	\$ 9,946	\$ 9,098	\$ 10,446	\$ 8,776	\$ 5,996	
Cumulative Over/(Under)	\$ 26,628	\$ 25,577	\$ 23,765	\$ 26,137	\$ 36,083	\$ 45,181	\$ 55,626	\$ 64,403	\$ 70,398	

Change In Rates 3rd Quarter Filing

Rates Effective June 1, 2012 Distribution Charge

	<u>Delivery</u>	<u>Surcharges</u>				<u>Total</u>	<u>Distribution Charge / Mcf</u>
	<u>Delivery Charge</u>	<u>Other Post Employment Benefit</u>	<u>Efficiency Cost Recovery</u>	<u>Restructuring & Consumer Education</u>	<u>Universal Service & Ener. Cons.</u>	<u>Surcharges</u>	
Residential GS	\$6.3863	\$0.3147	\$0.0386	\$0.0027	\$2.1071	\$2.4631	\$8.8494
Commercial GS	\$4.6530	\$0.3147	\$0.0385	\$0.0027	\$2.1071	\$2.4630	\$7.1160
Industrial GS	\$4.5859	\$0.3147	\$0.2600	\$0.0027	\$2.1071	\$2.6845	\$7.2704
Phila.Housing Authority (PHA)	\$4.1480	\$0.3147	\$0.0385	\$0.0027	\$2.1071	\$2.4630	\$6.6110
Municipal (MS)	\$3.4040	\$0.3147	-	\$0.0027	\$2.1071	\$2.4245	\$5.8285
Phila.Housing Authority (GS)	\$4.9820	\$0.3147	\$0.0386	\$0.0027	\$2.1071	\$2.4631	\$7.4451

Proposed Rates

	<u>03/01/12</u>	<u>03/01/12</u>	<u>03/01/12</u>	<u>06/01/12</u>	<u>06/01/12</u>	<u>06/01/12</u>	<u>Difference</u>
	<u>Distribution Charge</u>	<u>GCR</u>	<u>Commodity Rate</u>	<u>Distribution Charge</u>	<u>GCR</u>	<u>Commodity Rate</u>	
	(4)	(5)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)=(6)-(3)
Residential GS	\$8.9744	\$4.9783	\$13.9527	\$8.8494	\$4.7129	\$13.5623	(\$0.3904)
Commercial GS	\$7.2153	\$4.9783	\$12.1936	\$7.1160	\$4.7129	\$11.8289	(\$0.3647)
Industrial GS	\$7.2821	\$4.9783	\$12.2604	\$7.2704	\$4.7129	\$11.9833	(\$0.2771)
Phila.Housing Authority (PHA)	\$6.7103	\$4.9783	\$11.6886	\$6.6110	\$4.7129	\$11.3239	(\$0.3647)
Municipal (MS)	\$5.9361	\$4.9783	\$10.9144	\$5.8285	\$4.7129	\$10.5414	(\$0.3730)
Phila.Housing Authority (GS)	\$7.5701	\$4.9783	\$12.5484	\$7.4451	\$4.7129	\$12.1580	(\$0.3904)

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

FY 2011 Balance \$ 54,463

<u>Month</u>		<u>Firm Volumes</u>	<u>Restructuring & Consumer Education Surcharge</u>	<u>Revenue Billed</u>
September 2011	Actual	1,252,065	\$0.0134	\$ 16,778
October	Actual	1,511,890	\$0.0009	\$ 1,361
November	Actual	3,502,934	\$0.0009	\$ 3,153
December	Actual	4,856,042	\$0.0008	\$ 3,885
January 2012	Actual	7,713,007	\$0.0007	\$ 5,399
February	Actual	7,422,450	\$0.0007	\$ 5,196
March	Actual	5,443,356	\$0.0008	\$ 4,355
April	Estimated	3,325,436	\$0.0009	\$ 2,993
May	Estimated	<u>2,189,417</u>	\$0.0009	\$ 1,970
Total		26,258,388		\$ 45,089
FY 2012 Recovery (Remaining Balance)				\$ 9,374

Remaining FY 2012 Firm Volumes (Mcf) 3,485,877

June 1, 2012 - Restructuring Surcharge / Mcf \$ 0.0027

PHILADELPHIA GAS WORKS
JUNE 1, 2012 - 3rd QTR FILING
UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE

	Expenses in <u>the Surcharge</u>
Enhanced Low Income Retrofit Program (ELIRP)	\$ 7,321,080
Customer Responsibility Program (CRP) Discount	\$ 75,537,554
Senior Citizen Discount *	\$ 5,898,373
<u>May 2012 Under Collection</u>	<u>\$ 20,600,538</u>
Total \$ to be Recovered	\$ 109,357,545
Total Applicable Volumes	Mcf 51,898,339
Universal Service & Energy Conservation Surcharge	<u>\$ 2.1071</u>

* This is the Senior Citizen Discount on the Delivery Charge, GCR and Restructuring Surcharge which is used to calculate the Universal Services Surcharge. The total senior citizen discount is \$6,876,746.

STATEMENT OF RECONCILIATION
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE
SEPTEMBER 2011 THROUGH MAY 2012

<u>Month</u>		<u>Applicable</u>	<u>USC</u>	<u>USC</u>	<u>USC</u>	<u>Monthly</u>	<u>Cumulative</u>
<u>FY 11 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>
							(\$19,456,833)
September 2011	Actual	1,243,318	\$ 2.6303	\$ 3,270,298	\$ (1,776,432)	\$ 5,046,730	(\$14,410,103)
October	Actual	1,499,912	\$ 2.4645	\$ 3,696,534	\$ (479,526)	\$ 4,176,060	(\$10,234,043)
November	Actual	3,467,643	\$ 2.4645	\$ 8,546,006	\$ 7,859,442	\$ 686,565	(\$9,547,478)
December	Actual	4,807,618	\$ 2.3581	\$ 11,336,845	\$ 12,360,614	\$ (1,023,769)	(\$10,571,248)
January 2012	Actual	7,635,779	\$ 2.2517	\$ 17,193,483	\$ 23,480,623	\$ (6,287,140)	(\$16,858,388)
February	Actual	7,349,262	\$ 2.2517	\$ 16,548,332	\$ 21,967,215	\$ (5,418,882)	(\$22,277,270)
March	Actual	5,390,044	\$ 2.2341	\$ 12,041,898	\$ 16,124,260	\$ (4,082,362)	(\$26,359,633)
April	Estimated	3,295,273	\$ 2.2165	\$ 7,303,973	\$ 4,915,442	\$ 2,388,530	(\$23,971,102)
May	Estimated	2,170,057	\$ 2.2165	\$ 4,809,931	\$ 1,439,367	\$ 3,370,564	(\$20,600,538)

<u>USC Expenses</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Total</u>
CWP/ELIRP Expense	\$ 3,921	\$ 4,084	\$ 1,142,166	\$ 35,823	\$ 1,870,894	\$ 1,131,932	\$ 466,719	\$ 380,423	\$ 380,423	\$ 5,416,384
CWP/ELIRP Labor	\$ 10,394	\$ 6,916	\$ 6,313	\$ 8,765	\$ 10,114	\$ 6,312	\$ 7,890	\$ 13,808	\$ 13,808	\$ 84,321
CRP Discount	\$ (2,800,522)	\$ (1,491,657)	\$ 5,408,379	\$ 10,821,473	\$ 19,679,942	\$ 18,919,974	\$ 13,961,195	\$ 3,111,017	\$ (254,826)	\$ 67,354,975
CRP Forgiveness	\$ 803,980	\$ 742,602	\$ 684,391	\$ 613,413	\$ 609,441	\$ 638,500	\$ 731,545	\$ 923,375	\$ 964,446	\$ 6,711,694
Senior Citizen Discount	\$ 205,795	\$ 258,529	\$ 618,193	\$ 881,140	\$ 1,310,232	\$ 1,270,496	\$ 956,911	\$ 486,820	\$ 335,516	\$ 6,323,632
Bad Debt Expense Offset*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (1,776,432)	\$ (479,526)	\$ 7,859,442	\$ 12,360,614	\$ 23,480,623	\$ 21,967,215	\$ 16,124,260	\$ 4,915,442	\$ 1,439,367	\$ 85,891,005

<u>CRP Participation</u>							
Rate Case Participation Rate		84,000	84,000	84,000	84,000	84,000	84,000
Actual Participation Rate*		82,679	82,023	80,752	80,298	80,686	81,921
CRP Under(Over) Participation		1,321	1,977	3,248	3,702	3,314	2,079
<u>Average Shortfall Per CRP Participant</u>							
CRP Discount	\$	(2,800,522)	(1,491,657)	5,408,379	10,821,473	19,679,942	18,919,974
Actual Participation Rate		82679	82023	80752	80298	80686	81921
Average Shortfall per CRP Participant	\$	(34)	(18)	67	135	244	231
Shortfall*	\$	-	-	-	-	-	-
Bad Debt Expense Offset* 7.1%	\$	-	-	-	-	-	-

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

Natural Gas Prices Used for PGW - 3rd Quarter GCR Filing

NYMEX

Basis Differentials

Prices Used For Gas Cost Inputs

	Futures	TRANSCO			TETCO					TRANSCO			TETCO				
	5/4/2012	Sta 30	Sta 45	Sta 65	ELA	WLA	ETX	STX	M-1	Sta 30	Sta 45	Sta 65	ELA	WLA	ETX	STX	M-1
	Close																
2012:05										1.97	1.99	2.03	1.99	2.01	1.92	1.94	1.91
2012:06	2.279	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	2.23	2.26	2.32	2.24	2.23	2.14	2.18	2.36
2012:07	2.371	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	2.32	2.35	2.41	2.33	2.32	2.23	2.27	2.45
2012:08	2.439	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	2.39	2.42	2.48	2.40	2.39	2.30	2.34	2.52
2012:09	2.490	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	2.44	2.47	2.53	2.45	2.44	2.35	2.39	2.57
2012:10	2.578	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	2.53	2.56	2.62	2.54	2.53	2.44	2.48	2.66
2012:11	2.840	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	2.79	2.82	2.88	2.80	2.79	2.70	2.74	2.92
2012:12	3.182	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	3.13	3.16	3.22	3.14	3.13	3.04	3.08	3.26
2013:01	3.341	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	3.29	3.32	3.38	3.30	3.29	3.20	3.24	3.42
2013:02	3.354	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	3.30	3.33	3.39	3.31	3.30	3.21	3.25	3.43
2013:03	3.342	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	3.29	3.32	3.38	3.30	3.29	3.20	3.24	3.42
2013:04	3.328	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	3.28	3.31	3.37	3.29	3.28	3.19	3.23	3.41
2013:05	3.367	(0.05)	(0.02)	0.04	(0.04)	(0.05)	(0.14)	(0.10)	0.08	3.32	3.35	3.41	3.33	3.32	3.23	3.27	3.45

Actual Natural Gas Billed

	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>
Williams	\$ 2,530,262	\$ 2,334,549	\$ 2,398,277
Texas Eastern	\$ 2,688,760	\$ 2,656,404	\$ 2,680,169
Dominion	\$ 142,576	\$ 139,213	\$ 123,714
Equitrans	\$ 48,768	\$ 48,671	\$ 46,694
Spot Purchases -Transco	\$ 48,525	\$ 37,060	\$ 26,782
Spot Purchases -Tetco	\$ -	\$ -	\$ -
Transco Supply2	\$ -	\$ -	\$ -
Transco Supply3	\$ 545,600	\$ 484,300	\$ 519,250
Transco Supply6	\$ 592,100	\$ 553,900	\$ 592,100
Transco Supply7	\$ -	\$ -	\$ -
Transco Supply8	\$ 3,356,870	\$ 2,047,326	\$ 1,666,638
Transco Supply10	\$ 597,525	\$ 558,975	\$ 597,525
Transco Supply12	\$ 532,425	\$ 498,075	\$ 370,450
Transco Supply14	\$ 704,064	\$ 620,963	\$ 663,788
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply20	\$ 556,450	\$ 520,550	\$ 556,450
Transco Supply21	\$ 474,300	\$ 514,750	\$ 376,650
Transco Supply22	\$ 2,061,500	\$ 1,045,358	\$ 145,700
Transco Supply23	\$ 669,600	\$ 626,400	\$ 669,600
Transco Supply24	\$ -	\$ -	\$ -
Transco Supply25	\$ -	\$ -	\$ -
Tetco Supply1	\$ -	\$ -	\$ -
Tetco Supply2	\$ -	\$ -	\$ -
Tetco Supply3	\$ 458,166	\$ 177,282	\$ 81,375
Tetco Supply4	\$ 703,700	\$ 658,300	\$ 703,700
Tetco Supply5	\$ 641,313	\$ 599,938	\$ 641,313
Tetco Supply7	\$ 870,765	\$ 656,845	\$ 702,145
Tetco Supply13	\$ 3,718,838	\$ 3,322,675	\$ 3,466,575
Tetco Supply14	\$ 1,062,138	\$ 950,113	\$ 940,850
Tetco Supply15	\$ -	\$ -	\$ -
Tetco Supply16	\$ 1,574,601	\$ 672,367	\$ 161,200
Tetco Supply17	\$ 519,250	\$ 491,550	\$ 527,000
Tetco Supply18	\$ 663,400	\$ 620,600	\$ 663,400
Tetco Supply19	\$ 656,425	\$ 614,075	\$ 656,425
Tetco Supply21	\$ 649,450	\$ 607,550	\$ 649,450
Total Costs	\$ 27,067,370	\$ 22,057,788	\$ 20,627,218
Sharing Mechanism	\$ 183,116	\$ 175,248	\$ 198,071
Asset Management Agreement	\$ (50,138)	\$ (50,138)	\$ (50,138)
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 25,000	\$ 906	\$ 846
Adjustment/Reconciliation	\$ 1,196,491	\$ (16,290)	\$ (800,432)
Total Natural Gas Billed	\$ 28,421,839	\$ 22,167,514	\$ 19,975,565

**Philadelphia Gas Works
Summary of Fuels Purchased
Three Months Ending March 2012**

	<u>Actual</u>				<u>Total</u>	<u>Projected</u>			<u>Total</u>	<u>Actual Over/Under vs Projected</u>			
	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Total</u>		<u>2nd Qtr Filing Jan-12</u>	<u>2nd Qtr Filing Feb-12</u>	<u>2nd Qtr Filing Mar-12</u>		<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Total</u>
Total Natural Gas Billed	\$ 28,421,839	\$ 22,167,514	\$ 19,975,565	\$ 70,564,918	\$ 30,392,699	\$ 30,820,127	\$ 29,043,115	\$ 90,255,941	\$ (1,970,860)	\$ (8,652,613)	\$ (9,067,550)	\$ (19,691,023)	
Less Interruptible Credit Gas Used For Utility	\$ 141,884	\$ 125,413	\$ 113,553	\$ 380,850	\$ 149,481	\$ 136,989	\$ 109,939	\$ 396,410	\$ (7,597)	\$ (11,576)	\$ 3,814	\$ (15,580)	
	\$ 436,249	\$ 434,788	\$ 307,127	\$ 1,178,164	\$ 576,287	\$ 525,233	\$ 369,061	\$ 1,470,581	\$ (140,038)	\$ (90,445)	\$ (61,934)	\$ (292,417)	
	\$ 27,843,706	\$ 21,607,313	\$ 19,554,885	\$ 69,005,904	\$ 29,666,930	\$ 30,157,905	\$ 28,564,115	\$ 88,388,950	\$ (1,823,224)	\$ (8,550,592)	\$ (9,009,230)	\$ (19,383,046)	
Pipeline Storages													
(To)	\$ (161,280)	\$ (333,319)	\$ (2,498,243)	\$ (2,992,842)	\$ (315,280)	\$ -	\$ (143,352)	\$ (458,631)	\$ 154,000	\$ (333,319)	\$ (2,354,891)	\$ (2,534,211)	
From	\$ 13,455,364	\$ 13,870,862	\$ 3,761,631	\$ 31,087,857	\$ 13,134,079	\$ 8,519,070	\$ 2,868,649	\$ 24,521,798	\$ 321,285	\$ 5,351,792	\$ 892,982	\$ 8,566,059	
Net Pipeline Storages	\$ 13,294,084	\$ 13,537,543	\$ 1,263,388	\$ 28,095,015	\$ 12,818,799	\$ 8,519,070	\$ 2,725,298	\$ 24,063,167	\$ 475,285	\$ 5,018,473	\$ (1,461,910)	\$ 4,031,848	
LNG Storage													
(To)	\$ (24,943)	\$ (1,105,735)	\$ (564,587)	\$ (1,695,265)	\$ (86,326)	\$ -	\$ (902,952)	\$ (989,279)	\$ 61,383	\$ (1,105,735)	\$ 338,365	\$ (705,986)	
From	\$ 1,202,982	\$ 593,761	\$ 397,755	\$ 2,194,498	\$ 779,168	\$ 1,652,117	\$ 405,273	\$ 2,836,558	\$ 423,814	\$ (1,058,356)	\$ (7,518)	\$ (642,060)	
Net LNG Storage	\$ 1,178,039	\$ (511,974)	\$ (166,832)	\$ 499,233	\$ 692,842	\$ 1,652,117	\$ (497,679)	\$ 1,847,279	\$ 485,197	\$ (2,164,091)	\$ 330,847	\$ (1,348,046)	
Net Natural Gas	\$ 42,315,829	\$ 34,632,882	\$ 20,651,441	\$ 97,600,152	\$ 43,178,572	\$ 40,329,091	\$ 30,791,733	\$ 114,299,397	\$ (862,743)	\$ (5,696,209)	\$ (10,140,292)	\$ (16,699,245)	
APPLICABLE GCR EXPENSES													
Net Natural Gas Expense	\$ 42,315,829	\$ 34,632,882	\$ 20,651,441	\$ 97,600,152	\$ 43,178,572	\$ 40,329,091	\$ 30,791,733	\$ 114,299,397	\$ (862,743)	\$ (5,696,209)	\$ (10,140,292)	\$ (16,699,245)	
Purchased Electric & Misc	\$ 89,190	\$ 64,889	\$ 65,843	\$ 219,922	\$ 172,646	\$ 104,744	\$ 93,970	\$ 371,360	\$ (83,456)	\$ (39,855)	\$ (28,127)	\$ (151,438)	
Total GCR Expenses	\$ 42,405,019	\$ 34,697,771	\$ 20,717,284	\$ 97,820,074	\$ 43,351,218	\$ 40,433,835	\$ 30,885,703	\$ 114,670,756	\$ (946,199)	\$ (5,736,064)	\$ (10,168,419)	\$ (16,850,682)	

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 June 1, 2012 decreases from \$(0.00387) per Ccf to \$(0.00938) per Ccf; In the definition of "IRC," the "IRC" value effective June 1, 2012 increases from \$0.01813 to \$0.01883 per Ccf; In the definition of "SSC," the "SSC" value effective June 1, 2012 decreases from \$0.51983 per Ccf to \$0.49950 per Ccf.

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

The Gas Cost Rate (GCR) effective June 1, 2012 decreases from \$0.49783 per Ccf to \$0.47129 per Ccf.

RESTRUCTURING AND CONSUMER EDUCATION SURCHARGE (PAGE No. 79)

The Restructuring and Consumer Education Surcharge effective June 1, 2012 increases from \$0.00009 per Ccf to \$0.00027 per Ccf.

EFFICIENCY COST RECOVERY SURCHARGE (PAGE No. 80)

The Efficiency Cost Recovery Surcharges effective June 1, 2012 are: a) \$0.00386 per Ccf for Residential and Public Housing Customers on Rate GS; b) \$0.00385 per Ccf for Commercial Customers on Rate GS; c) \$0.02600 per Ccf for Industrial Customers on Rate GS; d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and e) \$0.00385 per Ccf for The Philadelphia Housing Authority on Rate PHA.

UNIVERSAL SERVICE CHARGE (PAGE No. 81)

The Universal Services Charge effective June 1, 2012 decreases from \$0.22165 per Ccf to \$0.21071 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The GCR for Residential, Commercial, and Industrial Services decreases from \$0.49783 per Ccf to \$0.47129 per Ccf, effective June 1, 2012.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The GCR for Municipal Service decreases from \$0.49783 per Ccf to \$0.47129 per Ccf, effective June 1, 2012.

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

The GCR for Philadelphia Housing Authority Service decreases from \$0.49783 per Ccf to \$0.47129 per Ccf, effective June 1, 2012.

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

The GCR for NGVS Firm decreases from \$0.49783 per Ccf to \$0.47129 per Ccf, effective June 1, 2012.

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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 \$(0.03220) per Ccf for Commodity Costs and \$0.02282 per Ccf for Demand Costs, for service on or after June 1, 2012. The total Gac is \$(0.00938) 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 \$0.01883 per Ccf for service on or after June 1, 2012.

(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 \$0.37502 per Ccf for Commodity Costs and \$0.12448 per Ccf for Demand Costs, for service on or after June 1, 2012. The total SSC is \$0.49950 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 \$0.47129 per Ccf, for service on or after June 1, 2012.

(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 = \$0.00027/Ccf

(I)

(I) – Increase

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) \$0.00386 per Ccf for Residential and Public Housing Customers on Rate GS; (D)
- b) \$0.00385 per Ccf for Commercial Customers on Rate GS; (I)
- c) \$0.02600 per Ccf for Industrial Customers on Rate GS; (I)
- d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and (NC)
- e) \$0.00385 per Ccf for The Philadelphia Housing Authority on Rate PHA. (I)

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

(D) – Decrease; (I) – Increase; (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 = \$ 0.21071/Ccf.

(D)

(D) - Decrease

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after June 1, 2012

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):

\$ 0.47129 per Ccf for Residential and Public Housing (D)
\$ 0.47129 per Ccf for Commercial Customers (D)
\$ 0.47129 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 June 1, 2012.

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):

\$0.47129 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 June 1, 2012

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):

\$ 0.47129 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
June 1, 2012

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):

\$ 0.47129 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 \$42.0480 per design day Mcf to \$ 41.2956 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 \$ 41.2956 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 REGULAR MAIL

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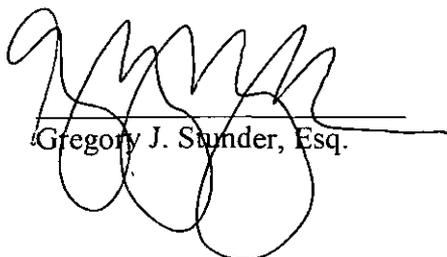
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Date: May 31, 2012


Gregory J. Stunder, Esq.

RECEIVED

MAY 31 2012

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

00252

FedEx NEW Package
Express US Airbill

FedEx
Tracking
Number

8996 7490 0537

Form
ID No.

0215

SPHI
Recipient's Copy

Packages up to 150 lbs.
For packages over 150 lbs., use the new
FedEx Express Freight US Airbill.

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

Date 5 31 12 FedEx Tracking Number 899674900537

Sender's Name Gregory Stunder Esq Phone 215 684-6878

Company PHILADELPHIA GAS WORKS

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

City PHILADELPHIA State PA ZIP 19106-2898

2 Your Internal Billing Reference

3 To
Recipient's Name Ser. Rosemary Chiavetta Phone MAY 31 2012

Company PA PUC

Address And Flmr 1 North
We cannot deliver to P.O. boxes or P.O. ZIP codes. Dept./Floor/Suite/Room

Address 400 North Street
Use this line for the HOLD location address or for continuation of your shipping address.

City Harrisburg State PA ZIP 17120

RECEIVED
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

HOLD Weekday
FedEx location address
REQUIRED. NOT available for
FedEx First Overnight.

HOLD Saturday
FedEx location address
REQUIRED. Available DAILY for
FedEx Priority Overnight and
FedEx 2Day to select locations.

0449216286



8996 7490 0537

4 Express Package Service

*To most locations.
NOTE: Service order has changed. Please select carefully.

Next Business Day

FedEx First Overnight
Earliest next business morning delivery to select locations. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

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.

2 or 3 Business Days

NEW FedEx 2Day A.M.
Second business morning. Saturday Delivery NOT available.

FedEx 2Day
Second business afternoon. Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

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
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 Yes Dry Ice
As per attached Shipper's Declaration. Shipper's Declaration not required. Device, R UN 1845

kg

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

Cargo Aircraft Only

7 Payment Bill to:

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

Obtain recip Acct. No.

Sender Recipient Third Party Credit Card Cash/Check

Total Packages

Total Weight

Credit Card Auth.

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

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