

Philadelphia Gas Works

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December 17, 2012

VIA EXPRESS MAIL

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

RECEIVED
DEC 17 2012
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Pa. PUC v. Philadelphia Gas Works; R-2012-2286447,
December 1, 2012 First Quarterly GCR Filing

Dear Secretary Chiavetta:

PGW originally filed its Quarterly Gas Cost Rate ("GCR") filing on November 30, 2012 but Gas Service Tariff Page No. 67 contained a margin notation "(I)" but it should have been a "(D)". Subsequent to the filing, Marissa Boyle contacted me requesting that I revise the tariff page and send one copy of the revised page to the Secretary's office. If you have any questions, please contact me.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "Gregory J. Stunder", is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gregory J. Stunder

Enclosure

cc: Marissa Boyle – via email (w/enc.)

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DEC 17 2012

PA PUBLIC UTILITY COMMISSION
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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 (Gas Adjustment Charge) - 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 \$(0.03195) per Ccf for Commodity Costs and \$0.04201 per Ccf for Demand Costs, for service on or after December 1, 2012. The total Gac is \$0.01006 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

00111

00252

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Address 800 W. MONTGOMERY AVE

City PHILADELPHIA State PA ZIP 19122 2870

2 Your Internal Billing Reference

3 To
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Company PA PUC

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