

Philadelphia Gas Works

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VIA OVERNIGHT MAIL

August 9, 2013

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

Re: Philadelphia Gas Works ("PGW") Natural Gas Procurement Cost and Uncollectible Expense Unbundling Filing, Docket No. R-2012-2333993

Dear Secretary Chiavetta:

Enclosed for filing is PGW Gas Service Tariff Pa P.U.C. No. 2 - Supplement No. 65 (effective October 1, 2013) and a supporting schedule which are related to the July 10, 2013 compliance filing submitted in the above-referenced matter. Please note that the Merchant Function Charge is based on a percentage which is applied to the quarterly Gas Cost Rate, therefore, PGW will submit a Merchant Function Charge update based on the Gas Cost Rate effective on October 1, 2013.¹

If you have any questions regarding this filing, please contact me. Thank you for your assistance with this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder", is written over a printed name. The signature is highly stylized and cursive.

Gregory J. Stunder

cc: Parties of record
Administrative Law Judge Christopher Pell

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¹ The current Gas Cost Rate will be updated on September 1, 2013.

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Craig White
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

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List of Changes Made by this Tariff Supplement

MERCHANT FUNCTION CHARGE, GAS PROCUREMENT CHARGE AND PRICE TO COMPARE (PAGE No. 78)

A Merchant Function Charge, a Gas Procurement Charge and a Price to Compare have been added to this page.

GENERAL SERVICE – RATE GS (Page No. 83)

The Delivery Charges has been reduced as a result of the implementation of the Merchant Function Charge and the Gas Procurement Charge.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The Delivery Charge has been reduced as a result of the implementation of the Merchant Function Charge and the Gas Procurement Charge.

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

The Delivery Charge has been reduced as a result of the implementation of the Merchant Function Charge and the Gas Procurement Charge.

DEVELOPMENTAL NATURAL GAS VEHICLE SVC - RATE NGVS FIRM SERVICE (Page No. 135)

The Delivery Charge has been reduced as a result of the implementation of the Merchant Function Charge and the Gas Procurement Charge.

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PHILADELPHIA GAS WORKS

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MERCHANT FUNCTION CHARGE (“MFC”)

The MFC is a volumetric charge, applied to firm sales service customers, which will be included in the Price to Compare. The MFC is based on Gas Cost Rate multiplied by a fixed uncollectible percentage established in the Company’s last general base rate proceeding. The MFC will not be reconciled to reflect actual results. The MFC is intended to make the Company’s Price to Compare more comparable to the gas supply services price offers of other Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses. The following percentages will be applied to the quarterly Gas Cost Rate in order to calculate the quarterly MFC: 4.68% - GS Residential (“GS RES”); 0.28% - GS Commercial (“GS COM”); and 0.30% - GS Industrial (“GS IND”). The current MFC is set forth below in the Price to Compare table.

GAS PROCUREMENT CHARGE (“GPC”)

The GPC is a volumetric charge, applied to firm sales service customers, which will be included in the Price to Compare. The GPC will remain in effect until reviewed and updated in the Company’s next general base rate proceeding.

Current Gas Procurement Charge = \$0.00400/Ccf

PRICE TO COMPARE (“PTC”)

The PTC is composed of the Sales Service Charge (“SSC”), Gas Adjustment Charge (“GAC”), the Merchant Function Charge and the Gas Procurement Charge. The PTC will change whenever any of the components of the PTC change. The current PTC is (per Ccf):

	<u>GS RES</u>	<u>GS PH</u>	<u>GS COM</u>	<u>GS IND</u>	<u>MS</u>	<u>PHA</u>	<u>NGVS</u>
SSC	\$x.xxxxx						
GAC	\$x.xxxxx						
MFC	\$x.xxxxx						
GPC	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400
PTC	<u>\$x.xxxxx</u>						

GENERAL SERVICE - RATE GS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after October 1, 2013

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

Surcharge: Distribution System Improvement Charge.

Plus,

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

\$ 0.60709 per Ccf for Residential and Public Housing
\$ 0.60709 per Ccf for Commercial Customers
\$ 0.60709 per Ccf for Industrial Customers

Plus,

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

(A) Delivery Charge:

\$0.638630.60067	per Ccf for Residential	(D)
\$0.498200.49441	per Ccf for Public Housing	(D)
\$0.465300.45984	per Ccf for Commercial and Municipal Customers	(D)
\$0.458590.45332	per Ccf for Industrial Customers	(D)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; Restructuring and Consumer Education Surcharge; Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

(D) – Decrease

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after October 1, 2013.

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

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to MS Customers who transport Gas through a qualified NGS):

\$ 0.60709 per Ccf

Plus,

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

(A) Delivery Charge:

\$0.340400.33661 per Ccf

(D)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

Also,

The following Riders may apply:

(D) – Decrease

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

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 October 1, 2013

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

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.60709 per Ccf

Plus

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

(A) Delivery Charge:

\$0.414800.41101 per Ccf

(D)

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

(D) – Decrease

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

**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
October 1, 2013

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

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$ 0.60709 per Ccf

Plus

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

(A) Delivery Charge:

\$0.132120,12833 per Ccf

(D)

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; The Restructuring and Consumer Education Surcharge; and Distribution System Improvement Charge..

(D) – Decrease

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

**Philadelphia Gas Works
Unbundled Delivery Charge
Effective October 1, 2013**

<u>Firm</u>	<u>Delivery Charge Pre- Unbundling</u> (ccf)	<u>GPC Exhibit HSG-1(C)* Line 14</u> (ccf)	<u>MFC Exhibit HSG-2S** Line 22</u> (ccf)	<u>Unbundled Delivery Charge</u> (ccf)
GS Residential	\$ 0.63863	\$ (0.00379)	\$ (0.03417)	\$ 0.60067
GS Commercial	\$ 0.46530	\$ (0.00379)	\$ (0.00167)	\$ 0.45984
GS Industrial	\$ 0.45859	\$ (0.00379)	\$ (0.00148)	\$ 0.45332
GS PHA	\$ 0.49820	\$ (0.00379)	-	\$ 0.49441
Municipal/MS	\$ 0.34040	\$ (0.00379)	-	\$ 0.33661
PHA	\$ 0.41480	\$ (0.00379)	-	\$ 0.41101
NGVS	\$ 0.13212	\$ (0.00379)	-	\$ 0.12833

* See July 10, 2013 Compliance Filing.

** See January 2, 2013 Supplemental Filing.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of §1.54 (relating to service by a participant).

VIA EMAIL and REGULAR MAIL

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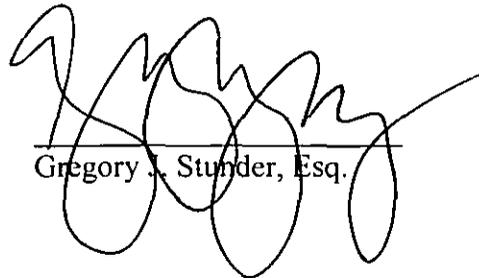
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Gregory J. Stunder, Esq.

Date: August 9, 2013

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Number

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1 From [REDACTED]

Date 8.9.13. [REDACTED]

Sender's Name Gregory Stander, Esq. [REDACTED] Phone [REDACTED]

Company PHILADELPHIA GAS WORKS

Address 800 W MONTGOMERY AVE

City PHILADELPHIA State PA ZIP 19122-2898

2 Your Internal Billing Reference

3 To Recipient's Name Sec. Rosemary Chiaretta

Company PA PUC

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Address Commercial Kephone Plaza

City Harrisburg State PA ZIP 17120

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HOLD Saturday
FedEx location address
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8026 9840 5816

4 Express Package Service ^F To most locations.
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For packages over 150 lbs., use the
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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

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
occupying a signature for delivery.

Direct Signature
Someone at recipient's address
may sign for delivery. Fee applies.

Indirect Signature
If no one is available at recipient's
address, someone at a neighboring
address may sign for delivery. For
residential deliveries only. Fee applies.

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

No Yes
As per attached
Shipper's Declaration.

Yes
Shipper's Declaration
not required.

Dry Ice
Dry Ice, 2, UN1845 _____ 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.

Sender Recipient Third Party Credit Card Cash/Check

Obtain recip. Acct. No.

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