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August 30, 2001

RECEIVED

AUG 30 2001

VIA FEDERAL EXPRESS MAIL

James McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, 1 North  
400 North Street  
Harrisburg, PA 17120

KCP

DOCUMENT  
FOLDED

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**RE: In re: Philadelphia Gas Works for  
Proposed 2001-2002 Gas Cost Rate  
Docket No. R-00016378**

Dear Mr. McNulty:

It has been brought to my attention that there were typographical errors in the schedule attached as Exhibit A to Appendix C to the Joint Petition for Complete Settlement of Philadelphia Gas Works' 2001-2002 GCR Proceeding, filed on August 16, 2001.

Enclosed please find a corrected schedule, which we respectfully request be inserted and substituted for and in place of the original schedule (Exhibit A to Appendix C) filed with the Joint Petition on August 16.

Please contact me if you have any questions.

Respectfully,



WENDELL F. HOLLAND

WFH/swwc

Enclosure

cc: Parties of Record (via e-mail, facsimile & First-Class Mail w/ enc.)

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AUG 30 2001

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

DOCKETED

OCT 01 2001

CW R-4-Revised

**Effect on Typical Heating Customer Bill**  
**Current Rates versus Updated GCR versus Pending Base Rate Case**

**Residential**

Unit Costs	(1)		(2)		Change in Rates Effective 9/1/01 Versus Current (S135 Million Reduction)			Change in Rates Effective 12/1/01 Versus Current (Additional \$36 Million Reduction)			Change in Rates Proposed Base Rate Case v. Current (w/S171 Million GCR Reduction) (3)		
	Annual	Unit	Current Rates	Change In Rate	GCR Update	Change In Annual Bill	Change In Rate	GCR Update	Change In Annual Bill	Change In Rate	Proposed Base Case Rates	Change In Annual Bill	Change In Rate
Base Fuel	100.0	Mcf	\$ 3.1800	Na	\$ 3.1800	\$ -	\$ -	\$ 3.1800	\$ -	\$ -	\$ 3.1800	\$ -	\$ -
Base Non-Fuel	100.0	Mcf	\$ 3.4330	Na	\$ 3.4330	\$ -	\$ -	\$ 3.4330	\$ -	\$ -	\$ 3.7251	\$ 0.29	\$ 0.29
GCR Factor	100.0	Mcf	\$ 6.6959	Na	\$ 4.3724	\$ (2.32)	\$ (2.32)	\$ 3.6079	\$ (3.09)	\$ (3.09)	\$ 3.6079	\$ (3.09)	\$ (3.09)
Customer Charge	12	Months	\$ 11.66	Na	\$ 11.66	\$ -	\$ -	\$ 11.66	\$ -	\$ -	\$ 15.00	\$ 3.34	\$ 3.34
Annual Bill/Effect on Annual Bill			\$ 1,470.81	Na	\$ 1,238.46	\$ (232.35)	-15.8%	\$ 1,162.01	\$ (308.80)	-21.0%	\$ 1,231.30	\$ (239.51)	-16.3%

**Commercial**

Unit Costs	(1)		(2)		Change in Rates Effective 9/1/01 Versus Current (S135 Million Reduction)			Change in Rates Effective 12/1/01 Versus Current (Additional \$36 Million Reduction)			Change in Rates Proposed Base Rate Case v. Current (w/S171 Million GCR Reduction) (3)		
	Annual	Unit	Current Rates	Change In Rate	GCR Update	Change In Annual Bill	Change In Rate	GCR Update	Change In Annual Bill	Change In Rate	Proposed Base Case Rates	Change In Annual Bill	Change In Rate
Base Fuel	382.0	Mcf	\$ 3.1800	Na	\$ 3.1800	\$ -	\$ -	\$ 3.1800	\$ -	\$ -	\$ 3.1800	\$ -	\$ -
Base Non-Fuel	382.0	Mcf	\$ 3.9400	Na	\$ 3.9400	\$ -	\$ -	\$ 3.9400	\$ -	\$ -	\$ 4.5064	\$ 0.57	\$ 0.57
GCR Factor	382.0	Mcf	\$ 6.6959	Na	\$ 4.3724	\$ (2.32)	\$ (2.32)	\$ 3.6079	\$ (3.09)	\$ (3.09)	\$ 3.6079	\$ (3.09)	\$ (3.09)
Customer Charge	12	Months	\$ 14.57	Na	\$ 14.57	\$ -	\$ -	\$ 14.57	\$ -	\$ -	\$ 25.00	\$ 10.43	\$ 10.43
Annual Bill/Effect on Annual Bill			\$ 5,452.51	Na	\$ 4,564.94	\$ (887.58)	-16.3%	\$ 4,272.90	\$ (1,179.62)	-21.6%	\$ 4,614.42	\$ (838.09)	-15.4%

**Industrial**

Unit Costs	(1)		(2)		Change in Rates Effective 9/1/01 Versus Current (S135 Million Reduction)			Change in Rates Effective 12/1/01 Versus Current (Additional \$36 Million Reduction)			Change in Rates Proposed Base Rate Case v. Current (w/S171 Million GCR Reduction) (3)		
	Annual	Unit	Current Rates	Change In Rate	GCR Update	Change In Annual Bill	Change In Rate	GCR Update	Change In Annual Bill	Change In Rate	Proposed Base Case Rates	Change In Annual Bill	Change In Rate
Base Fuel	1,129.0	Mcf	\$ 3.1800	Na	\$ 3.1800	\$ -	\$ -	\$ 3.1800	\$ -	\$ -	\$ 3.1800	\$ -	\$ -
Base Non-Fuel	1,129.0	Mcf	\$ 3.9400	Na	\$ 3.9400	\$ -	\$ -	\$ 3.9400	\$ -	\$ -	\$ 4.6370	\$ 0.70	\$ 0.70
GCR Factor	1,129.0	Mcf	\$ 6.6959	Na	\$ 4.3724	\$ (2.32)	\$ (2.32)	\$ 3.6079	\$ (3.09)	\$ (3.09)	\$ 3.6079	\$ (3.09)	\$ (3.09)
Customer Charge	12	Months	\$ 29.14	Na	\$ 29.14	\$ -	\$ -	\$ 29.14	\$ -	\$ -	\$ 50.00	\$ 20.86	\$ 20.86
Annual Bill/Effect on Annual Bill			\$ 15,947.83	Na	\$ 13,324.60	\$ (2,623.23)	-16.4%	\$ 12,461.48	\$ (3,486.35)	-21.9%	\$ 13,498.71	\$ (2,449.12)	-15.4%

Notes:

- (1) Typical annual usage
- (2) As of August 2001
- (3) Assumes Full Award

Gas Planning Dept.  
8/30/01  
CW\_R-4\_Revised2

EXHIBIT A TO APPENDIX C

DOCUMENT

DOCKED

DATE: September 4, 2001

SUBJECT: R-00016378

DOCUMENT  
FOLDER

TO: Office of Administrative Law Judge  
Susan Hoffner

DOCKETED  
SEP 04 2001

FROM: James J. McNulty  
Secretary

Pennsylvania Public Utility Commission  
VS  
Philadelphia Gas Works

Copies of the Recommended Decision have been served upon all parties.

No exceptions have been received by the Commission. This matter is referred to your office for whatever action you deem necessary.

cc: Office of Special Assistants

P.S. Please note that exceptions or reply exceptions may come in timely with certificate of mailings. A second memo will not be released for these exceptions.

ORIGINAL

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FILE NO. 65456-017

WENDELL F. HOLLAND  
DIRECT DIAL: (215) 665-3282  
E-MAIL: [wfh@obermayer.com](mailto:wfh@obermayer.com)

September 12, 2001

VIA HAND DELIVERY

James McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, 1 North  
400 North Street  
Harrisburg, PA 17120

DOCUMENT  
FOLDER

RECEIVED  
01 SEP 12 PM 12:16  
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SECRETARY'S BUREAU

**RE: In re: Philadelphia Gas Works for  
Proposed 2001-2002 Gas Cost Rate  
Docket No. R-00016378**

Dear Mr. McNulty:

I enclose for filing the original and eight (8) copies of Philadelphia Gas Works' tariff supplement approved by the Public Utility Commission at its September 7, 2001 public meeting regarding the above-referenced matter.

As indicated on the certificate of service, copies are being served on all active parties of record.

Please contact me if you have any questions with respect to the filing.

Respectfully,



WENDELL F. HOLLAND

WFH/swwc

Enclosures

cc: Parties of Record (w/ encls.)

48

01 SEP 12 PM 12:17

PA.P.U.C.  
SECRETARY'S BUREAU

PHILADELPHIA GAS WORKS

GAS SERVICE TARIFF

RECEIVED  
SEP 25 2001



DOCUMENT  
FOLDER

Issued by: Les A. Fyock  
Vice President  
Regulatory Affairs  
PHILADELPHIA GAS WORKS  
800 West Montgomery Avenue  
Philadelphia, PA 19122

NOTICE

This Tariff Supplement Makes a Decrease in the Gas Cost Rate

LIST OF CHANGES MADE BY THIS TARIFF

**THE GAS COST RATE CLAUSE** - Section 11.2(b) – (Fifth Revised Page No. 71); Section 11.3 - Definitions, and Section 11.4 - Reporting Requirements (Third Revised Page No. 72)

Decreases the current effective Gas Cost Rate, extends the provision, allowing on an interim basis PGW to file a revised Gas Cost Rate and petition the Commission to implement an update early, and extends the 90% of base cost gas waiver requirement for the Fiscal Year 2001-2002 GCR Period.

Establishes March 1 of each year as the filing date to the Commission for the Company's Annual Gas Cost Rate, effective during the billing period of September through August.

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## 11. GAS COST RATE CLAUSE

### 11.1 PROVISION FOR ADJUSTMENT

The Gas Cost Rate shall be applied to each Mcf (1,000 cubic feet) of gas supplied under Rates Schedules GS, MS, PHA, and NGVS-Firm, except for gas usage under the Special Provisions – Air Conditioning of those rates.

### 11.2 COMPUTATION OF GAS COST RATE

- a. The Gas Cost Rate shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$GCR = ((C - E) / S) - B$$

- b. Each Gas Cost Rate so computed shall be applied to Customers' bills for twelve monthly billing periods commencing with September; provided, however, that for the 2001-2002 GCR period, that such rate may be revised on an interim basis subject to the following procedures: If there is known and measurable change in gas cost during the effective period of the Gas Cost Rate and the change would result in an increase or decrease in the Gas Cost Rate of 2% or more, PGW may file a petition with the Commission to implement an update early for a proposed revision to its Gas Cost Rate incorporating the recalculated rate, which revision shall become effective on one's days notice. Such filing shall be made in accordance with applicable provisions of 52 Pa Code § 53.64 (i)(5). (C)

The currently effective Gas Cost Rate is \$ 4.3724, for service on or after September 1, 2001. (D)

### 11.3 DEFINITIONS

GCR - Gas Cost Rate determined to the nearest one-hundredth cent (0.01¢) to be applied to each Mcf of gas supplied under Rate Schedules GS, MS, PHA, and NGVS-Firm, except for gas usage under the Special Provisions – Air Conditioning of those rates

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 arithmetical sum 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.

E - experienced net over billings (or under billing) of the cost of natural gas and other raw materials as of the end of the computation year.

Additionally, supplier refunds received prior to the end of the August billing period will be included in the factor "E". Commencing with the Fiscal Year 1991-92 GCR calculation, supplier refunds anticipated to be received within the computation year will be included in Factor "E".

(C) - Change; (D) – Decrease

PHILADELPHIA GAS WORKS

B - base cost in \$ per Mcf of Applicable Sales. The base cost is the portion of natural gas and other raw material costs included in the base rate charges of Rate Schedules GS, MS, PHA, and NGVS-Firm. The current base cost is \$3.180/Mcf.

The base cost shall be adjusted at the time of the annual Gas Cost Rate filing to include at least ninety percent (90%) of the Company's experienced gas rates in effect as of the end of the August billing period, plus such portion of the projected gas costs as the Commission shall permit, except that, for the 2001-2002 GCR period this requirement shall be waived. (C)

S - projected applicable Mcf of gas to be billed to Customers during the computation year.

Computation Year - the fiscal year from September through August.

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.

#### 11.4 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 and as enumerated in the Joint Petition For Complete Settlement Of PGW's 2001-2002 GCR Proceeding. (C)
- 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. (C)
- 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, by final order entered after notice and hearing, that the application of this clause has resulted in the collection of excess funds, then Company shall apply such excess funds as a credit against future gas cost rates.

#### 11.5 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. Non-gas expenses currently authorized for recovery through the GCR are expenses associated with Low-Income Conservation and Marketing Incentive Programs and the revenue shortfall associated with the Customer Responsibility Program. These expenses would be added to Factor "C" and individually reconciled in the development Factor "E".

(C) - Change

**CERTIFICATE OF SERVICE**

I herby 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 FIRST-CLASS MAIL, POSTAGE PREPAID**

Johnnie E. Simms, Esquire Senior Prosecutor Pennsylvania Public Utility Commission The Office of Trial Staff Commonwealth Keystone Building – 2 West 400 North Street Harrisburg, PA 17120-0200 (717) 787-1976 Fax (717) 772-2677 <a href="mailto:simmsj@puc.state.pa.us">simmsj@puc.state.pa.us</a>	Philip A. Bertocci, Esq. Community Legal Services, Inc. 1424 Chestnut Street, 4 <sup>th</sup> Floor Philadelphia, PA 19102-2505 (215) 981-3702 Fax (215) 981-0435 <a href="mailto:pbertocci@clsphila.com">pbertocci@clsphila.com</a>
Steven C. Gray, Esquire Office of Small Business Advocate Commerce Building, Suite 1102 300 North 2 <sup>nd</sup> Street Harrisburg, PA 17101 (717) 783-2525 Fax (717) 783-2831 <a href="mailto:sgray@state.pa.us">sgray@state.pa.us</a> <a href="mailto:stevencgray@earthlink.net">stevencgray@earthlink.net</a>	Stephen Keene, Esquire Senior Assistant Consumer Advocate Office of Consumer Advocate 555 Walnut Street, 5 <sup>th</sup> Floor, Forum Place Harrisburg, PA 17101-1923 (717) 782-5048 Fax (717) 783-7152 <a href="mailto:skeene@paoca.org">skeene@paoca.org</a>
Charis M. Burak, Esquire McNEES WALLACE NURICK LLC 100 Pine Street Harrisburg, PA 17108-1166 (717) 232-8000 Fax (717) 237-5300 <a href="mailto:cburak@mwn.com">cburak@mwn.com</a>	

  
\_\_\_\_\_  
WENDELL F. HOLLAND

Dated: September 12, 2001