

Philadelphia Gas Works



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 236-0500

May 31, 2002

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

DOCUMENT
FOLDER

RE: Philadelphia Gas Works v. Pennsylvania
Public Utility Commission,
June 1, 2002 Quarterly GCR Filing
Docket No. R-00016378

Dear Secretary McNulty,

Enclosed for filing is PGW's June 1, 2002 Quarterly Gas Cost Rate (GCR) update. Tariff Supplement No. 26 is enclosed reflecting an increase in PGW's current GCR from \$2.0203 to \$2.7932. This rate will become effective June 1, 2002.

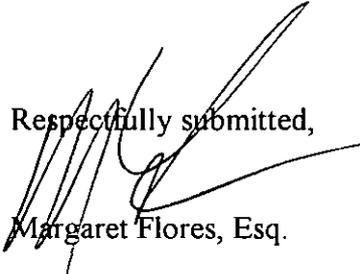
This information and the supporting schedules are filed pursuant to 52 Pa. Code § 53.64 as well as the Joint Petition for Complete Settlement of Philadelphia Gas Works' (PGW) 2001-2002 GCR Proceeding, and the Commission's September 11, 2001 Order approving such settlement entered at the above docket.

Additionally, on April 30, 2002, PGW filed a Joint Petition for Complete Settlement of its 2002-2003 GCR Proceeding. In that Settlement Petition, which is still pending final Commission approval, PGW committed to reflecting the full amount of the anticipated refund from the pending settlement proceeding in Transcontinental Gas Pipeline Corporation at Docket No. RP01-25, in the next applicable quarterly GCR update after FERC approval of the settlement. Although no FERC approval has been granted for the settlement to date, the Company does not anticipate any complications which would significantly delay the settlement. In anticipation of this refund, PGW has forecasted in this GCR filing that the refund will become effective at the end of August 2002.

95

PGW will notify its customers of this increase with a message on their bills.
Please contact me if you have any questions regarding this filing at 215-684-6631.

Respectfully submitted,



Margaret Flores, Esq.

cc: All Parties of Record
Karen Moury, Esq. w/enc.
Veronica Smith, Executive Director w/enc.
Robert Rosenthal, Bureau of Fixed Utility Services w/enc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1-54 (relating to service by a participant).

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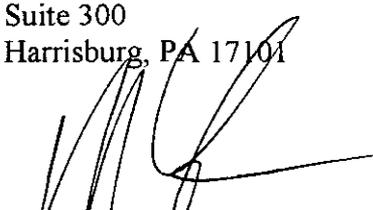
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May 31, 2002


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PHILADELPHIA GAS WORKS

GAS SERVICE TARIFF

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

DOCKETED
JUN 22 2002

NOTICE

This Tariff Supplement Makes an Increase in the Gas Cost Rate

LIST OF CHANGES MADE BY THIS TARIFF SUPPLEMENT

THE GAS COST RATE CLAUSE - Section 11.2 – (Ninth Revised Page No. 71)

Increases the current effective Gas Cost Rate effective June 1, 2002.

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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).

The currently effective Gas Cost Rate is \$ 2.7932 for service on or after June 1, 2002.

(I)

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."

(I) – Increase

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Statement

Known per dekatherm natural gas prices are used through the month of April 2002. Where known and quantifiable, actual per dekatherm prices for locked-in quantities of gas are used for all months. Any remaining volumes not locked-in for price for the months of May 2002 through July 2002 are based on the NYMEX Futures Closing Prices (4-26-02). For the period August 2002 through March 2002; the average price of the NYMEX Futures Closing Prices (4-26-02) and the May 2002 DRI (Standard and Poors' Fuel Price Service Report) were used. For the period April 2003 through May 2003 the Company used DRI pricing. The latest applicable pipeline tariff transportation and fuel charges from specific basin points have been incorporated into these pricing determinants. Forecasted temperatures for the period are assumed to be normal, (i.e., the estimate incorporates the degree-day pattern from the normal 4,555 pattern).

This filing has Net Applicable Raw Material Expenses of \$339,005,002 with Applicable Sales of 56,883,616 Mcf. This calculated GCR factor proposed in this filing is \$2.7932 per Mcf.

Levelized Gas Cost Rate

Third Quarter GCR Filing
June 1, 2002

Formula:

$$\text{GCR} = ((\text{C}-\text{E}) / \text{S}) - \text{B}$$

where:

S = Applicable Sales Volume (Mcf)	56,883,616	(Schedule 2)
<i>Fuel</i>		
Net Natural Gas Expense	\$ 314,189,687	
Plus: Purchased Electric Expense	998,676	
Total Applicable Fuel Expense	\$ 315,188,363	
<i>Non-Fuel</i>		
Conservation Programs	2,498,527	
CRP Discounts	27,801,755	
Total Applicable Non-Fuel Expenses	\$ 30,300,282	
C = Applicable Raw Material Expense	\$ 345,488,645	(Schedule 4)
E = Adjustment For: Natural Gas Refunds	5,520,000	(Schedule 5)
Prior Reconciliation	963,643	
Total Adjustment	\$ 6,483,643	(Schedules 6,7,8)
C-E = Net Applicable Raw Material Expense	\$ 339,005,002	
Total Net Applicable Raw Material Expense	<u>339,005,002</u>	
B = Base Fuel Charge/Mcf	\$ 3.1800	
Projected Unit Cost of Fuel	\$ 5.9596	
Recovery Test on:	Applicable Sales Volume of (Mcf)	56,883,616
	@ GCR in effect 6/01/02	\$ 2.7932
	@ Base Fuel Rate Effective 9/1/90	\$ 3.1800
	GCR Charge	\$ 158,116,731
	+ Base Fuel Charge	180,889,899
	= Total Projected Recovery	\$ 339,006,630
	Compared To	
	Net Applicable Raw Material Expense	\$ 339,005,002
	= Net Over/(Under) Recovery	\$ <u>1,628</u>
Degree Days	4,555	

Applicable Sales
June 2002 Through May 2003
GCR Calculations

<u>MONTH</u>	<u>TOTAL BILLED SALES</u>	<u>LESS LBS & RELATED</u>	<u>LESS SENIOR CITIZENS</u>	<u>TOTAL APPLICABLE SALES</u>
June-02	2,480,753	445,230	41,513	1,994,010
July	2,061,421	471,640	30,518	1,559,263
August	2,018,362	477,425	29,693	1,511,244
September	1,771,479	454,481	25,330	1,291,668
October	2,559,444	601,827	39,902	1,917,715
November	4,838,171	801,807	102,845	3,933,519
December	8,180,193	803,225	209,126	7,167,842
January-03	12,049,463	852,501	333,895	10,863,067
February	11,008,221	732,867	307,853	9,967,501
March	9,318,080	662,212	256,950	8,398,918
April	5,977,526	466,861	160,554	5,350,111
May	3,464,863	456,424	79,681	2,928,758
TOTAL	<u><u>65,727,976</u></u>	<u><u>7,226,500</u></u>	<u><u>1,617,860</u></u>	<u><u>56,883,616</u></u>

Philadelphia Gas Works
Summary of Fuels Purchased
Three Months Ending March 2002

	Actual				Second Quarter GCR Filing Projection				Actual Over/Under vs Projected			
	Jan-02	Feb-02	Mar-02	Total	Jan-02	Feb-02	Mar-02	Total	Jan-02	Feb-02	Mar-02	Total
Total Natural Gas Billed	\$ 32,791,392	\$ 17,460,569	\$ 20,655,349	\$ 70,907,310	\$ 39,141,173	\$ 27,428,376	\$ 25,739,032	\$ 92,308,581	\$ (9,349,781)	\$ (9,967,807)	\$ (5,083,683)	\$ (21,401,271)
Less Interruptible Credit	\$ 3,178,719	\$ 3,135,057	\$ 2,033,869	\$ 8,347,445	\$ 5,057,848	\$ 4,424,325	\$ 2,863,879	\$ 12,346,050	\$ (1,879,127)	\$ (1,289,268)	\$ (930,210)	\$ (3,998,605)
<u>Pipeline Storages</u>												
(To)	\$ (954,593)	\$ (298,893)	\$ (249,306)	\$ (1,502,792)	\$ -	\$ -	\$ -	\$ -	\$ (954,593)	\$ (298,893)	\$ (249,306)	\$ (1,502,792)
From	\$ 17,248,008	\$ 17,931,246	\$ 13,820,138	\$ 49,499,392	\$ 10,448,371	\$ 15,366,978	\$ 8,887,624	\$ 34,702,973	\$ 7,289,637	\$ 2,564,288	\$ 4,832,514	\$ 14,796,419
Net Pipeline Storages	\$ 16,793,415	\$ 17,632,353	\$ 13,570,832	\$ 47,996,600	\$ 10,448,371	\$ 15,366,978	\$ 8,887,624	\$ 34,702,973	\$ 6,345,044	\$ 2,265,375	\$ 4,683,208	\$ 13,293,627
<u>LNG Storage</u>												
(To)	\$ (28,156)	\$ -	\$ -	\$ (28,156)	\$ -	\$ -	\$ -	\$ -	\$ (28,156)	\$ -	\$ -	\$ (28,156)
From	\$ 1,021,096	\$ 714,727	\$ 1,933,733	\$ 3,669,526	\$ 539,262	\$ 3,349,338	\$ 604,445	\$ 4,493,043	\$ 481,804	\$ (2,634,609)	\$ 1,329,288	\$ (823,517)
Net LNG Storage	\$ 992,940	\$ 714,727	\$ 1,933,733	\$ 3,641,370	\$ 539,262	\$ 3,349,338	\$ 604,445	\$ 4,493,043	\$ 453,648	\$ (2,634,609)	\$ 1,329,288	\$ (849,673)
NET NATURAL GAS	\$ 47,400,998	\$ 32,672,592	\$ 34,126,245	\$ 114,199,835	\$ 45,070,960	\$ 41,720,365	\$ 32,367,222	*****	\$ 2,330,038	\$ (9,047,773)	\$ 1,759,023	\$ (4,958,712)
<u>APPLICABLE GCR EXPENSES</u>												
Net Natural Gas Expense	\$ 47,400,998	\$ 32,672,592	\$ 34,126,245	\$ 114,199,835	\$ 45,070,960	\$ 41,720,365	\$ 32,367,222	*****	\$ 2,330,038	\$ (9,047,773)	\$ 1,759,023	\$ (4,958,712)
Electric	\$ 87,166	\$ 97,818	\$ 98,335	\$ 283,119	\$ 124,897	\$ 124,687	\$ 124,897	\$ 374,081	\$ (37,531)	\$ (27,079)	\$ (26,362)	\$ (90,972)
Non Fuel Expense:												
Conservation Works Program	\$ 318,835	\$ 2,302	\$ 286,199	\$ 605,436	\$ 252,456	\$ 252,456	\$ 252,456	\$ 757,368	\$ 84,478	\$ (250,154)	\$ 33,743	\$ (151,932)
Customer Responsibility Program	\$ 6,801,250	\$ 4,634,081	\$ 4,588,704	\$ 16,024,035	\$ 6,604,709	\$ 7,834,874	\$ 7,361,203	\$ 21,800,786	\$ (3,458)	\$ (9,200,793)	\$ (2,772,499)	\$ (5,976,751)
Total GCR Expenses	\$ 54,408,349	\$ 37,406,593	\$ 39,099,483	\$ 130,912,425	\$ 52,052,822	\$ 49,832,392	\$ 40,105,578	*****	\$ 2,353,527	\$ (12,525,798)	\$ (1,006,065)	\$ (11,178,367)

Projected Applicable GCR Expense

	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Total
Applicable Sales (MCF)													
Billed Sales	2,480,753	2,061,421	2,018,362	1,771,479	2,559,444	4,838,171	8,180,193	12,049,463	11,008,221	9,318,080	5,977,526	3,464,863	65,727,976
Less LBS & Related Sales	445,230	471,640	477,425	454,481	601,827	801,807	803,225	852,501	732,867	662,212	466,861	456,424	7,226,500
Less Senior Citizen Discount	41,513	30,518	29,693	25,330	39,902	102,845	209,126	333,895	307,853	256,950	160,554	79,681	1,617,860
Total Applicable Sales	1,994,010	1,559,263	1,511,244	1,291,668	1,917,715	3,933,519	7,167,842	10,863,067	9,967,501	8,398,918	5,350,111	2,928,758	56,883,616
Natural Gas Billed	\$ 19,721,594	\$ 20,307,384	\$ 21,083,766	\$ 24,480,308	\$ 25,026,294	\$ 30,424,811	\$ 37,602,244	\$ 41,440,802	\$ 36,998,753	\$ 33,161,510	\$ 28,171,977	\$ 25,620,136	\$ 344,039,579
LBS Credit	\$ (1,774,654)	\$ (1,889,829)	\$ (1,843,491)	\$ (1,825,697)	\$ (2,323,914)	\$ (3,187,722)	\$ (3,406,055)	\$ (3,667,778)	\$ (3,153,959)	\$ (2,710,724)	\$ (1,618,585)	\$ (1,531,682)	\$ (28,934,090)
Sendout Volume In MCF													
LBS and Related	461,631	489,040	495,050	471,397	624,045	831,307	833,348	884,582	760,452	687,180	484,497	473,779	7,496,308
Price \$/Dkt	\$ 3.7179	\$ 3.7373	\$ 3.6014	\$ 3.7456	\$ 3.6015	\$ 3.7085	\$ 3.9528	\$ 4.0100	\$ 4.0111	\$ 3.8150	\$ 3.2309	\$ 3.1266	
Natural Gas													
To Storage	\$ 6,758,778	\$ 7,055,838	\$ 6,730,516	\$ 8,410,669	\$ 2,979,355	\$ 572,193	\$ -	\$ -	\$ -	\$ -	\$ 5,883,810	\$ 9,276,540	\$ 47,667,699
From Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,478,502	\$ 9,426,678	\$ 14,785,015	\$ 10,599,658	\$ 7,208,885	\$ 245,932	\$ 299,084	\$ 46,043,754
Net Natural Gas Storage	\$ (6,758,778)	\$ (7,055,838)	\$ (6,730,516)	\$ (8,410,669)	\$ (2,979,355)	\$ 2,906,309	\$ 9,426,678	\$ 14,785,015	\$ 10,599,658	\$ 7,208,885	\$ (5,637,878)	\$ (8,977,456)	\$ (1,623,945)
LNG													
To Storage	\$ -	\$ -	\$ 1,293,912	\$ 2,265,977	\$ 1,424,374	\$ 220,902	\$ 150,258	\$ -	\$ -	\$ -	\$ 1,293,846	\$ 1,799,450	\$ 8,448,719
From Storage	\$ 460,797	\$ 477,523	\$ 477,629	\$ 447,016	\$ 440,018	\$ 414,599	\$ 830,140	\$ 2,597,832	\$ 1,685,218	\$ 499,639	\$ 412,944	\$ 413,507	\$ 9,156,862
Net LNG Storage	\$ 460,797	\$ 477,523	\$ (816,283)	\$ (1,818,961)	\$ (984,356)	\$ 193,697	\$ 679,882	\$ 2,597,832	\$ 1,685,218	\$ 499,639	\$ (880,902)	\$ (1,385,943)	\$ 708,143
Net N. G. Expense	\$ 11,648,959	\$ 11,839,240	\$ 11,693,476	\$ 12,424,981	\$ 18,738,669	\$ 30,337,095	\$ 44,302,749	\$ 55,155,871	\$ 46,129,670	\$ 38,159,310	\$ 20,034,612	\$ 13,725,055	\$ 314,189,687
Applicable GCR Expense													
Net N.G. Expense	\$ 11,648,959	\$ 11,839,240	\$ 11,693,476	\$ 12,424,981	\$ 18,738,669	\$ 30,337,095	\$ 44,302,749	\$ 55,155,871	\$ 46,129,670	\$ 38,159,310	\$ 20,034,612	\$ 13,725,055	\$ 314,189,687
Purch Electric	\$ 72,891	\$ 72,891	\$ 72,892	\$ 86,667	\$ 86,667	\$ 86,667	\$ 86,667	\$ 86,667	\$ 86,667	\$ 86,667	\$ 86,667	\$ 86,666	\$ 998,676
Non-Fuel Expenses													
Conservation Works	\$ 282,843	\$ 282,843	\$ 282,843	\$ 183,333	\$ 183,333	\$ 183,333	\$ 183,333	\$ 183,333	\$ 183,333	\$ 183,333	\$ 183,333	\$ 183,334	\$ 2,498,527
Customer Responsibility Program	(667,292)	(1,223,922)	(1,146,480)	(4,817,221)	(592,439)	897,041	4,626,033	9,522,652	8,998,281	7,436,659	3,867,290	902,153	27,801,755
Total Applicable GCR Expense	\$ 11,337,401	\$ 10,971,052	\$ 10,902,731	\$ 7,877,760	\$ 18,416,230	\$ 31,504,136	\$ 49,198,782	\$ 64,948,523	\$ 55,397,951	\$ 45,864,969	\$ 24,171,902	\$ 14,897,208	\$ 345,488,645
Total Applicable Sales	1,994,010	1,559,263	1,511,244	1,291,668	1,917,715	3,933,519	7,167,842	10,863,067	9,967,501	8,398,918	5,350,111	2,928,758	56,883,616

PGW
NATURAL GAS REFUNDS
FY 2001-02

<u>Month</u>		<u>Pipeline</u>	<u>Amount</u>
September 2001	(Actual)	Transco	\$ 43,760
February 2002	(Actual)	Transco	\$ 8,494
March 2002	(Actual)	Transco	\$ 31,909
March 2002	(Actual)	Dominion	\$ 45,725
August 2002	(Forecasted)	Transco	<u>\$ 5,520,000</u>
Total			\$ 5,649,888

FUEL ADJUSTMENT
STATEMENT OF RECONCILIATION
THIRD QUARTER GCR FILING
Forecast

	NET COST OF FUEL	APPLICABLE SALES	BASE FUEL FACTOR	BASE FUEL CREDIT	FUEL COST REMAINING TO BE RECOVERED	GCR FACTOR APPLIED	GCR REVENUE BILLED	2000-2001 OVER/(UNDER) RECOVERY	CARRYOVER DISTRIBUTED ON GCR BUDGET VOLUME	NET OVER/(UNDER) RECOVERY
	1	2	3	4=2*3	5=1-4	6	7	8=7-5	9	10=8+9
	\$	(Mcf's)	\$	\$	\$	\$	\$	\$	\$	\$
<u>PRIOR CARRYOVER:</u>										
OVER/(UNDER) BILLING AS OF May 31, 2002									963,643	
NATURAL GAS REFUNDS									5,520,000	
TOTAL "E" FACTOR									<u>6,483,643</u>	
<u>2002-2003</u>										
JUNE	11,337,401	1,994,010	3.1800	6,340,953	4,996,448	2.4068	4,799,084	(197,364)	227,279	29,915
JULY	10,971,052	1,559,263	3.1800	4,958,454	6,012,598	2.7932	4,355,332	(1,657,266)	177,726	(1,479,540)
AUGUST	10,902,732	1,511,244	3.1800	4,805,764	6,096,978	2.7932	4,221,205	(1,875,773)	172,253	(1,703,521)
SEPTEMBER	7,877,760	1,291,668	3.1800	4,107,507	3,770,254	2.7932	3,607,889	(162,365)	147,226	(15,140)
OCTOBER	18,416,229	1,917,715	3.1800	6,098,333	12,317,896	2.7932	5,356,561	(6,961,335)	218,583	(6,742,753)
NOVEMBER	31,504,135	3,933,519	3.1800	12,508,589	18,995,545	2.7932	10,987,104	(8,008,441)	448,346	(7,560,096)
DECEMBER	49,198,782	7,167,842	3.1800	22,793,737	26,405,045	2.7932	20,021,216	(6,383,829)	816,997	(5,566,833)
JANUARY	64,948,524	10,863,067	3.1800	34,544,554	30,403,969	2.7932	30,342,720	(61,249)	1,238,182	1,176,932
FEBRUARY	55,397,951	9,967,501	3.1800	31,696,654	23,701,298	2.7932	27,841,224	4,139,926	1,136,104	5,276,030
MARCH	45,864,968	8,398,918	3.1800	26,708,561	19,156,407	2.7932	23,459,859	4,303,452	957,316	5,260,768
APRIL	24,171,901	5,350,111	3.1800	17,013,353	7,158,548	2.7932	14,943,930	7,785,381	609,810	8,395,191
MAY	14,897,208	2,928,758	3.1800	9,313,452	5,583,755	2.7932	8,180,608	2,596,852	333,822	2,930,675
TOTAL	339,005,002	56,883,616		180,889,899	164,598,746		158,116,731	(6,482,015)	8,483,643	1,628

FUEL ADJUSTMENT
STATEMENT OF RECONCILIATION

September 01 Through May 02

	NET COST OF FUEL	APPLICABLE SALES	BASE FUEL FACTOR	BASE FUEL CREDIT	FUEL COST REMAINING TO BE RECOVERED	GCR FACTOR APPLIED	GCR REVENUE BILLED	2001-2002 OVER/(UNDER) RECOVERY	CARRYOVER DISTRIBUTED ON GCR BUDGET VOLUMES	NET OVER/(UNDER) RECOVERY
	1	2	3	4=2*3	5=1-4	6	7	8=7-5	9	10=8+9
	\$	(mcf)	\$	\$	\$	\$	\$	\$	\$	\$
<u>PRIOR YEAR'S CARRYOVER:</u>									0	
<u>2001-2002</u>										
SEPTEMBER	Actual	9,810,161	1,482,129	3.1800	4,713,170	5.5341	8,030,309	2,933,318	0	2,933,318
OCTOBER	Actual	17,402,604	1,894,724	3.1800	6,025,222	4.3724	7,771,443	(3,606,939)	0	(3,606,939)
NOVEMBER	Actual	24,062,253	3,373,129	3.1800	10,726,550	4.3724	14,520,916	1,185,213	0	1,185,213
DECEMBER	Actual	40,975,863	4,554,505	3.1800	14,483,326	3.7315	16,804,617	(9,687,920)	0	(9,687,920)
JANUARY	Actual	54,406,349	8,762,126	3.1800	27,863,561	3.1307	27,327,698	784,910	0	784,910
FEBRUARY	Actual	37,406,593	7,438,635	3.1800	23,654,859	3.1307	23,231,325	9,479,591	0	9,479,591
MARCH	Actual	39,099,483	6,588,468	3.1800	20,951,328	2.5755	16,877,458	(1,270,697)	0	(1,270,697)
APRIL	Estimated	23,030,774	4,822,515	3.1800	15,335,698	2.0203	9,742,928	2,047,752	0	2,047,752
MAY	Estimated	16,611,953	2,995,881	3.1800	9,526,902	2.0203	6,052,578	(1,032,473)	0	(1,032,473)
TOTAL		262,806,033	41,912,112		133,280,516		129,525,617	130,359,272	833,756	833,756

Sept Thru May 2002 OVER/(UNDER) BILLING
2001-2002 NATURAL GAS REFUNDS
TOTAL "E" FACTOR

833,756
129,888
963,643

CALCULATION OF RECOVERED CHARGES

Schedule 9

June 1, 2002 Through May 31, 2003

	Usage		Usage		Total		Total	
	MCFs	\$	MCFs	\$	MCFs	\$	MCFs	\$
Applicable Sales (MCFs)							56,883,616	
50% of June Remainder (11.5 Months)	997,005		(1)		55,886,611		(2)	
Base Fuel Factor \$/MCF		3.18		3.18				
Base Fuel Charge		3,170,476				177,719,423		180,889,899
GCR Fuel Factor \$/Mcf		2.0203		2.7932				
GCR Fuel Charge		2,014,249				156,102,482		158,116,731
Total Projected Recovery		5,184,725				333,821,905		339,006,630

(1) Proper utilization of sales include 15 days of average June billed sales recognizing PGW's cycle billing.

(2) Proper utilization of sales include 15 days of average June billed sales and billed sales for the months of July 2002 through May 2003 recognizing PGW's cycle billing.

Philadelphia Gas Works

PROPOSED GCR RATES
Effective June 1, 2002 *

<u>Rate</u>	<u>Current Base Rate</u> (1)	<u>Current GCR</u> (2)	<u>Current Commodity Rate**</u> (3)=(1)+(2)	<u>Proposed GCR</u> (4)	<u>Proposed Commodity Rate</u> (5)=(1)+(4)	<u>Increase</u> (6)=(5)-(3)
Residential GS/PHAGS	\$ 7.4784	\$ 2.0203	\$ 9.4987	\$ 2.7932	\$ 10.2716	\$ 0.7729
Commercial GS/MUNGS	\$ 7.5716	\$ 2.0203	\$ 9.5919	\$ 2.7932	\$ 10.3648	\$ 0.7729
Industrial GS	\$ 7.5689	\$ 2.0203	\$ 9.5892	\$ 2.7932	\$ 10.3621	\$ 0.7729
Phila.Housing Authority (PHA)	\$ 7.5612	\$ 2.0203	\$ 9.5815	\$ 2.7932	\$ 10.3544	\$ 0.7729
Municipal (M)S	\$ 6.4130	\$ 2.0203	\$ 8.4333	\$ 2.7932	\$ 9.2062	\$ 0.7729

* Excludes customer charges

** Rate in effective as of April 16, 2002

Natural Gas Prices Used In PGW's Third Quarter Filing
Prepared - May 7, 2002

Schedule 11

	DRI Prices										Basis Differentials										Prices Used For Gas Cost Inputs												
	Transco			TETCO							Hourly Hub	Transco			TETCO							NYMEX Futures 4/28/02 Close	Actual	Transco			TETCO						
	Sta. 38	Sta. 45	Sta. 45	ELA	WLA	ETX	STX	Average ELA/ETX	M-1	Sta. 38		Sta. 45	Sta. 45	ELA	WLA	ETX	STX	Average ELA/ETX	M-1	Sta. 38	Sta. 45			Sta. 45	ELA	WLA	ETX	STX	Average ELA/ETX	M-1			
2002:4	3.33	3.37	3.40	3.30	3.28	3.31	3.26	3.31	3.41	3.41	(0.08)	(0.04)	(0.01)	(0.11)	(0.13)	(0.10)	(0.15)	(0.11)	0.00	3.270	Actual	3.32	3.36	3.40	3.37	3.37	3.29	3.28	3.33	3.43			
2002:5	3.18	3.20	3.25	3.17	3.18	3.15	3.16	3.16	3.26	3.25	(0.07)	(0.05)	0.00	(0.08)	(0.07)	(0.10)	(0.09)	(0.09)	0.01	3.272	Futures	3.20	3.22	3.27	3.19	3.20	3.17	3.18	3.18	3.28			
2002:6	3.08	3.11	3.15	3.06	3.08	3.05	3.05	3.06	3.16	3.15	(0.07)	(0.04)	0.00	(0.09)	(0.07)	(0.10)	(0.10)	(0.10)	0.01	3.372	Futures	3.30	3.33	3.37	3.28	3.30	3.27	3.27	3.28	3.38			
2002:7	2.97	3.01	3.05	2.96	2.98	2.95	2.93	2.96	3.07	3.05	(0.08)	(0.04)	0.00	(0.09)	(0.07)	(0.10)	(0.12)	(0.09)	0.02	3.407	Futures	3.33	3.37	3.41	3.32	3.34	3.31	3.29	3.31	3.43			
2002:8	2.98	3.01	3.05	2.96	2.98	2.95	2.94	2.96	3.07	3.05	(0.07)	(0.04)	0.00	(0.09)	(0.07)	(0.10)	(0.11)	(0.09)	0.02	3.447	DRU/Fut.	3.18	3.21	3.25	3.16	3.18	3.15	3.14	3.15	3.21			
2002:9	2.93	2.96	3.00	2.91	2.94	2.91	2.90	2.91	3.01	3.00	(0.07)	(0.04)	0.00	(0.09)	(0.06)	(0.09)	(0.10)	(0.09)	0.01	3.447	DRU/Fut.	3.15	3.18	3.22	3.13	3.16	3.13	3.12	3.13	3.18			
2002:10	2.78	2.81	2.85	2.77	2.78	2.75	2.76	2.76	2.86	2.85	(0.07)	(0.04)	0.00	(0.08)	(0.07)	(0.10)	(0.10)	(0.09)	0.01	3.452	DRU/Fut.	3.08	3.11	3.15	3.07	3.08	3.05	3.05	3.06	3.11			
2002:11	3.06	3.11	3.15	3.06	3.07	3.03	3.02	3.05	3.18	3.15	(0.09)	(0.04)	0.00	(0.09)	(0.08)	(0.12)	(0.13)	(0.11)	0.03	3.707	DRU/Fut.	3.34	3.39	3.43	3.34	3.35	3.31	3.30	3.32	3.39			
2002:12	3.19	3.26	3.30	3.22	3.21	3.16	3.12	3.19	3.36	3.30	(0.11)	(0.04)	0.00	(0.08)	(0.09)	(0.14)	(0.18)	(0.11)	0.06	3.930	DRU/Fut.	3.51	3.58	3.62	3.54	3.53	3.48	3.44	3.51	3.58	3.67		
2003:1	3.25	3.32	3.36	3.30	3.27	3.22	3.19	3.26	3.44	3.37	(0.12)	(0.05)	(0.01)	(0.07)	(0.10)	(0.15)	(0.18)	(0.11)	0.07	4.014	DRU/Fut.	3.57	3.64	3.68	3.62	3.59	3.54	3.51	3.58	3.67			
2003:2	3.24	3.30	3.35	3.31	3.26	3.21	3.19	3.26	3.42	3.36	(0.12)	(0.06)	(0.01)	(0.05)	(0.10)	(0.15)	(0.17)	(0.10)	0.06	3.927	DRU/Fut.	3.52	3.58	3.63	3.59	3.54	3.49	3.47	3.54	3.62			
2003:3	3.10	3.15	3.19	3.14	3.11	3.08	3.07	3.11	3.24	3.20	(0.10)	(0.05)	(0.01)	(0.06)	(0.09)	(0.12)	(0.13)	(0.09)	0.04	3.767	DRU/Fut.	3.38	3.43	3.47	3.42	3.39	3.36	3.35	3.39	3.46			
2003:4	2.97	2.99	3.04	2.99	2.98	2.94	2.95	2.97	3.07	3.05	(0.08)	(0.06)	(0.01)	(0.06)	(0.07)	(0.11)	(0.10)	(0.09)	0.02		DRU/Fut.	2.97	2.99	3.04	2.99	2.98	2.94	2.95	2.97	3.07			
2003:5	2.93	2.95	3.00	2.93	2.93	2.90	2.91	2.92	3.01	3.00	(0.07)	(0.05)	0.00	(0.07)	(0.07)	(0.10)	(0.09)	(0.09)	0.01		DRU/Fut.	2.93	2.95	3.00	2.93	2.93	2.90	2.91	2.92	3.01			
2003:6	2.93	2.96	3.00	2.92	2.93	2.90	2.90	2.91	3.01	3.00	(0.07)	(0.04)	0.00	(0.08)	(0.07)	(0.10)	(0.10)	(0.09)	0.01		DRU/Fut.	2.93	2.96	3.00	2.92	2.93	2.90	2.90	2.91	3.01			
2003:7	2.92	2.96	3.00	2.91	2.93	2.90	2.88	2.91	3.02	3.00	(0.08)	(0.04)	0.00	(0.09)	(0.07)	(0.10)	(0.12)	(0.09)	0.02		DRU/Fut.	2.92	2.96	3.00	2.91	2.93	2.90	2.88	2.91	3.02			
2003:8	3.07	3.10	3.14	3.03	3.07	3.04	3.03	3.05	3.16	3.14	(0.07)	(0.04)	0.00	(0.09)	(0.07)	(0.10)	(0.11)	(0.10)	0.02		DRU/Fut.	3.07	3.10	3.14	3.05	3.07	3.04	3.03	3.05	3.16			

Schedule 12

Actual Gas Cost

	<u>Jan-02</u>	<u>Feb-02</u>	<u>Mar-02</u>
Williams	\$ 2,702,746	\$ 2,610,424	\$ 2,624,988
Texas Eastern	\$ 3,034,945	\$ 2,976,312	\$ 2,880,037
Dominion	\$ 134,698	\$ 139,200	\$ 131,500
Equitrans	\$ 42,060	\$ 41,971	\$ 41,340
ANR	\$ 143,888	\$ 142,976	\$ 141,965
Spot Purchases -Transco	\$ 88,419	\$ -	\$ -
Spot Purchases -Tetco	\$ -	\$ -	\$ -
Transco Supply1	\$ 856,707	\$ 240,447	\$ 511,075
Transco Supply2	\$ -	\$ 648,104	\$ 716,729
Transco Supply3	\$ 1,902,614	\$ -	\$ -
Transco Supply4	\$ -	\$ -	\$ -
Transco Supply5	\$ 1,867,750	\$ -	\$ -
Transco Supply6	\$ 75,261	\$ -	\$ -
Transco Supply7	\$ 9,207	\$ 646,016	\$ 715,232
Transco Supply8	\$ 3,371,542	\$ 2,351,135	\$ 2,650,292
Transco Supply9	\$ -	\$ -	\$ -
Transco Supply10	\$ 4,353,091	\$ 3,777,750	\$ 3,833,925
Transco Supply11	\$ -	\$ -	\$ -
Transco Supply12	\$ 1,162,500	\$ 634,200	\$ 702,150
Transco Supply13	\$ 1,188,250	\$ 641,900	\$ 710,675
Transco Supply14	\$ 803,288	\$ 642,600	\$ 711,450
Transco Supply15	\$ 911,245	\$ 648,500	\$ 714,550
Tetco Supply1	\$ 709,629	\$ 203,297	\$ 561,990
Tetco Supply2	\$ -	\$ -	\$ -
Tetco Supply3	\$ 1,440,724	\$ 885,500	\$ 1,046,588
Tetco Supply4	\$ 1,827,724	\$ -	\$ -
Tetco Supply5	\$ 106,636	\$ -	\$ -
Tetco Supply6	\$ -	\$ -	\$ -
Tetco Supply7	\$ 1,283,697	\$ 593,717	\$ 657,330
Tetco Supply8	\$ 1,396,730	\$ 1,077,933	\$ 1,273,220
Tetco Supply9	\$ 335,865	\$ 616,000	\$ -
Tetco Supply10	\$ 1,014,314	\$ 666,323	\$ 752,652
Tetco Supply11	\$ 3,571,805	\$ 1,648,876	\$ 1,846,854
Tetco Supply12	\$ 1,838,300	\$ 611,800	\$ -
Sub Total	\$ 36,173,635	\$ 22,444,980	\$ 23,224,541
Deferred Gas Payment	(\$2,603,042)	(\$2,351,135)	(\$2,650,292)
Off System Sales	\$0	\$0	\$0
Gas Transportation	\$36,059	\$2,636	\$7,850
Adjustment	(\$815,259)	(\$2,635,912)	\$73,250
Total Costs	\$ 32,791,392	\$ 17,460,569	\$ 20,655,349