

# Philadelphia Gas Works

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## VIA OVERNIGHT MAIL

September 27, 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. 68 (effective October 1, 2013) which provides an updated tariff page for the Merchant Function Charge and the Price to Compare. On August 9, 2013, PGW submitted Supplement No. 65 (also effective on October 1, 2013) which provided unbundled delivery charges and the gas procurement charge in the above-referenced matter. As noted in the August 9, 2013 submission, a subsequent update for the Merchant Function Charge ("MFC") would be needed because the MFC (with an initial effective date of October 1, 2013) would be based on the September 1, 2013 Gas Cost Rate ("GCR"). This filing also updates the Price to Compare ("PTC") because the MFC is a component of the PTC. Prospectively, all MFC and PTC updates will be included with PGW's quarterly GCR filings.

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 circular stamp.

Gregory J. Stunder

cc: Parties of record

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**PHILADELPHIA GAS WORKS**

**GAS SERVICE TARIFF**

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PA PUBLIC UTILITY COMMISSION  
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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

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

To provide the Merchant Function Charge, Gas Procurement Charge and Price to Compare effective on October 1, 2013.

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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):

	GS RES	GS PH	GS COM	GS IND	MS	PHA	NGVS
<b>SSC</b>	\$0.55115	\$0.55115	\$0.55115	\$0.55115	\$0.55115	\$0.55115	\$0.55115
<b>GAC</b>	(\$0.01319)	(\$0.01319)	(\$0.01319)	(\$0.01319)	(\$0.01319)	(\$0.01319)	(\$0.01319)
<b>MFC</b>	\$0.02539	\$0.00000	\$0.00152	\$0.00163	\$0.00000	\$0.00000	\$0.00000
<b>GPC</b>	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400
<b>PTC</b>	\$0.56735	\$0.54196	\$0.54348	\$0.54359	\$0.54196	\$0.54196	\$0.54196

**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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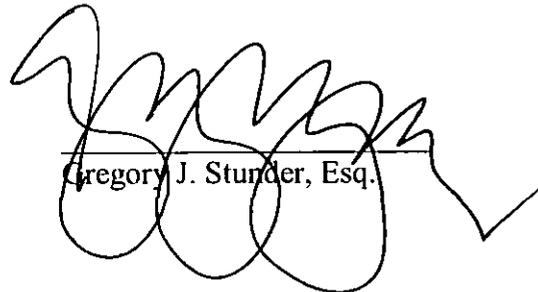
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SECRETARY'S BUREAU

  
\_\_\_\_\_  
Gregory J. Stunder, Esq.

Date: September 27, 2013

**FedEx** Package Express **US Airbill**

FedEx Tracking Number

8026 9840 6260

Form 10 No.

0215

Recipient's

1 From Date 9 27 13

Sender's Name Groa Stunder, Esq Phone 215 684 6878

Company PHILADELPHIA GAS WORKS

Address 800 W MONTGOMERY AVE

Dept./Floor/Suite/Room

City PHILADELPHIA State PA ZIP 19122-2898

2 Your Internal Billing Reference

3 To Recipient's Name Secretary Rosemary Charetta Phone

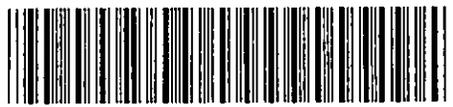
Company PA PVC

Address 4100 North Street, 2nd

Address

City Harrisburg State PA ZIP 17120

0104714559



8026 9840 6260

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2 or 3 Business Days

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Earliest next business morning delivery to select locations. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
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- FedEx 2Day A.M.  
Second business morning.\* Saturday Delivery NOT available.
- FedEx 2Day  
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- FedEx Express Saver  
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5 Packaging \*Declared value limit \$500.

- FedEx Envelope\*  FedEx Pak\*  FedEx Box  FedEx Tube  Other

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- 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
  - per attached Shipper's Declaration. Shipper's Declaration not required.
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  - Dry Ice, 5, UN 1845
- Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box.

7 Payment Bill to:

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- Sender  Recipient  Third Party  Credit Card  Cash/Check
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2. Retain "Sender's Copy" for your records.
3. Remove label backing.
4. Adhere Airbill to front of package.

Please DO NOT remove "FedEx Copy."

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