

Philadelphia Gas Works

Gregory J. Stunder
Senior Attorney



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March 21, 2014

VIA EXPRESS MAIL

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

Re: Petition of Philadelphia Gas Works ("PGW") for Approval of a Distribution System Improvement Charge; Docket No. P-2012-2337737; April 1, 2014 Quarterly DSIC Filing

Dear Secretary Chiavetta:

Enclosed is PGW's Quarterly DSIC filing. The April 1, 2014 DSIC percentage is 5.00%. If you have any questions, please contact me.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder", is written over a printed name. The signature is fluid and cursive, with the first and last names being more prominent.

Gregory J. Stunder

Enclosures

cc: All Parties of Record
Bhodan R. Pankiw, Esquire, Law Bureau (bpankiw@pa.gov)
Paul T. Diskin, Technical Utility Services (pdiskin@pa.gov)
Lori A. Burger, Bureau of Audits (lburger@pa.gov)
Brian T. Shuey, Bureau of Audits (bshuey@pa.gov)

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MAR 21 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PHILADELPHIA GAS WORKS
APRIL 1, 2014 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Recoverable Costs (DSI) \$ - (Page 2)

Annual Reconciliation (e) \$ 8,201,615 (Page 3)

Total Recoverable Costs (DSI + e) \$ 8,201,615

Projected Quarterly Revenues (PQR) \$ 120,206,835 (Page 4)

Distribution System Improvement Charge (DSIC) 5.00% *

* DSIC is capped at 5.0%

Formula: The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{\text{DSI} + \text{e}}{\text{PQR}}$$

Where:

DSI = Recoverable costs

e = The amount calculated under the annual reconciliation feature or Commission audit.

PQR = Projected quarterly revenues for distribution service (including all applicable clauses and riders) including any revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Revenues will be determined as one-fourth (1/4) of projected annual revenues.

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PHILADELPHIA GAS WORKS
APRIL 1, 2014 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

RECOVERABLE COSTS - 12/1/13 to 2/28/14

FERC Account #	PGW Project #	Location	Type	Cost			Total
				Dec-14	Jan-14	Feb-14	
Recoverable Costs (DSI)				\$ -	\$ -	\$ -	\$ -

PHILADELPHIA GAS WORKS
2013 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION

<u>Month</u>	<u>DSIC Recoverable Costs</u>	<u>DSIC Revenue Billed</u>	<u>Over/(Under) Collection</u>
January 2013	\$ -	\$ -	\$ -
February	\$ -	\$ -	\$ -
March	\$ -	\$ -	\$ -
April	\$ -	\$ -	\$ -
May	\$ 3,787,345	\$ -	\$ (3,787,345)
June	\$ -	\$ -	\$ -
July	\$ -	\$ 238,646	\$ 238,646
August	\$ 4,939,583	\$ 442,329	\$ (4,497,253)
September	\$ -	\$ 473,982	\$ 473,982
October	\$ -	\$ 631,215	\$ 631,215
November	\$ 5,076,289	\$ 1,374,992	\$ (3,701,297)
December	\$ -	\$ 2,440,437	\$ 2,440,437
Total	\$ 13,803,217	\$ 5,601,602	\$ (8,201,615)

Philadelphia Gas Works
April 1, 2014 DSIC Filing
Annual Tariff Revenue

	2nd Quarter Filing 3/1/2013			January 1, 2014 PUC Approved Tariff Rates					Amounts in \$000s					
	No. of Customers	No. of Annual Bills	Annual Deliveries (mcf)	Monthly Cust. Charge	OPEB	Univ. Service Charge	Efficiency Cost Recovery Charge	Delivery Charge	Cust. Charge Revenue	OPEB Revenue	Univ. Service Charge Revenue	Efficiency Cost Recovery Revenue	Delivery Charge Revenue	Total Distribution Revenue
1 Non-Heating:														
2 Residential	23,798	285,576	502,790	\$12.00	\$0.3482	\$1.9969	\$0.0705	\$6.0067	3,427	175	1,004	35	3,020	7,662
3 Commercial	4,223	50,676	1,123,188	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4,5984	912	391	2,243	88	5,165	8,799
4 Industrial	149	1,788	142,916	\$50.00	\$0.3482	\$1.9969	\$(0.2059)	\$4,5332	89	50	285	(29)	648	1,043
5 Municipal/MS	100	1,200	129,410	\$18.00	\$0.3482	\$1.9969	-	\$3,3661	22	45	258	0	436	761
6 NGV	2	24	1,420	\$18.00	-	\$1.9969	-	\$1,2833	0	0	3	0	2	5
7 Total Non-Heat Firm	28,272	339,264	1,899,724						4,451	661	3,794	94	9,270	18,269
8 Heating:														
10 Residential	443,904	5,326,848	36,776,883	\$12.00	\$0.3482	\$1.9969	\$0.0705	\$6.0067	63,922	12,806	73,440	2,593	220,908	373,668
11 Commercial	17,153	205,836	6,361,990	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4,5984	3,705	2,215	12,704	498	29,255	48,377
12 Industrial	401	4,812	373,354	\$50.00	\$0.3482	\$1.9969	\$(0.2059)	\$4,5332	241	130	746	(77)	1,692	2,732
13 Municipal/MS	385	4,620	502,573	\$18.00	\$0.3482	\$1.9969	-	\$3,3661	83	175	1,004	0	1,693	2,955
14 PHA Rate 8	821	9,852	561,295	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4,1101	177	195	1,121	44	2,307	3,845
15 PHA/GS	1,648	19,776	167,866	\$12.00	\$0.3482	\$1.9969	\$0.0705	\$4,9441	237	58	335	12	830	1,473
16 Total Heat Firm	464,312	5,571,744	44,744,261						68,366	15,580	89,350	3,069	256,685	433,049
17 Total Heat & Non-Heat Firm	492,584	5,911,008	46,643,985						72,816	16,241	93,143	3,163	265,955	451,319
18														
19 Firm Transport														
20 Non-Heating:														
21 Residential	0	0		\$12.00	\$0.3482	\$1.9969	\$0.0705	\$6.0067	0	0	0	0	0	0
22 Commercial	654	7,848	564,391	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4,5984	141	197	1,127	44	2,595	4,104
23 Industrial	41	492	222,782	\$50.00	\$0.3482	\$1.9969	\$(0.2059)	\$4,5332	25	78	445	(46)	1,010	1,511
24 Municipal/MS	218	2,616	109,969	\$18.00	\$0.3482	\$1.9969	-	\$3,3661	47	38	220	0	370	675
25 Total Non Heat FT	913	10,956	897,142						213	312	1,792	(2)	3,975	6,290
26 Heating:														
28 Residential	0	0		\$12.00	\$0.3482	\$1.9969	\$0.0705	\$6.0067	0	0	0	0	0	0
29 Commercial	2,180	26,160	2,682,606	\$18.00	\$0.3482	\$1.9969	\$0.0782	\$4,5984	471	934	5,357	210	12,336	19,307
30 Industrial	63	756	219,993	\$50.00	\$0.3482	\$1.9969	\$(0.2059)	\$4,5332	38	77	439	(45)	997	1,506
31 Municipal/MS	195	2,340	113,784	\$18.00	\$0.3482	\$1.9969	-	\$3,3661	42	144	826	0	1,393	2,405
32 Total Heat FT	2,438	29,256	3,316,382						551	1,155	6,622	164	14,726	23,218
33 Total FT	3,351	40,212	4,213,524						764	1,467	8,414	163	18,701	29,509
34														
35 Total PGW	495,935	5,951,220	50,857,509						73,580	17,708	101,557	3,326	284,656	480,827

Projected Quarterly Revenue \$ 120,206,835
(1/4 of Annual Revenue)

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



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

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") (PAGE No. 151)

Effective April 1, 2014, the DSIC percentage increases from 4.34% to 5.00%.

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 5.00% will apply consistent with the Commission Order dated May 9, 2013 at Docket No. P-2012-2337737 approving the DSIC.

(I)

1. General Description

A. Purpose: To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Utility with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements. The costs of extending facilities to serve new customers are not recoverable through the DSIC.

B. Eligible Property: The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs.

C. Effective Date: The initial DSIC will become effective upon one (1) day notice after submission of a compliance tariff in compliance with commission order.

2. Computation of the DSIC

A. Calculation: The initial DSIC shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Utility's rates and have been placed in service during the three-month period ending one month prior to the effective date of the initial DSIC. The DSIC will be updated on July 1, 2013 and on a quarterly basis thereafter to reflect eligible plant additions that have not previously been reflected in the Utility's rates and will have been placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

(I) - Increase

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

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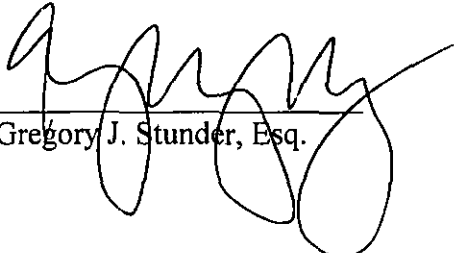
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Date: March 21, 2014



Gregory J. Stunder, Esq.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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Sender's Name Greg Stunder Phone 215 684 1828
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 See Rosemary Christy Phone _____
Company PA PJC
Address 4000 North St
City Warrington State PA ZIP 17120

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 - FedEx Priority Overnight**
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 - FedEx Standard Overnight**
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- 2 or 3 Business Days**
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Second business morning * Saturday Delivery NOT available
 - FedEx 2Day**
Second business afternoon * Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
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6 Special Handling and Delivery Signature Options

- SATURDAY Delivery**
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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.
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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, 9, UN 1845 _____ kg
 - Cargo Aircraft Only
- Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box.

7 Payment Bill to: Enter FedEx Acct. No. or Credit Card No. below.

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