

# Philadelphia Gas Works

Gregory J. Stunder  
Senior Attorney



800 W. Montgomery Avenue, Philadelphia, PA 19122  
Telephone: (215) 684-6878 – Fax (215) 684-6798  
Email: greg.stunder@pgworks.com

December 18, 2014

## VIA EFILING

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

Re: **Philadelphia Gas Works (“PGW”) January 1, 2015 Quarterly Distribution System Improvement Charge (“DSIC”) Filing; Docket No. M-2014-XXXXXXX;**

Dear Secretary Chiavetta:

Enclosed is PGW’s Quarterly DSIC filing. The January 1, 2015 DSIC percentage remains at 2.24%. If you have any questions, please contact me.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Gregory J. Stunder", is written over the typed name. The signature is stylized and cursive.

Gregory J. Stunder

Enclosures

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

**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**

Daryl Lawrence, Esquire  
Erin Gannon, Esquire  
Office of Consumer Advocate  
5<sup>th</sup> Floor, Forum Place Bldg.  
555 Walnut Street  
Harrisburg, PA 17101-1921  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)  
[egannon@paoca.org](mailto:egannon@paoca.org)

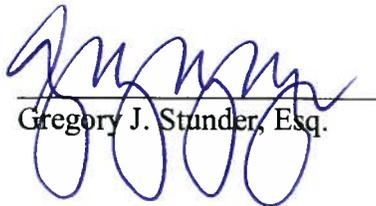
Charis Mincavage, Esquire  
Adeolu Bakare, Esquire  
McNEES, WALLACE, NURICK  
100 Pine Street  
Harrisburg, PA 17108-1166  
[cmincavage@mwn.com](mailto:cmincavage@mwn.com)  
[abakare@mwn.com](mailto:abakare@mwn.com)

Sharon Webb, Esquire  
Office of Small Business Advocate  
Commerce Building, Suite 1102  
300 North 2<sup>nd</sup> Street  
Harrisburg, PA 17101  
[swebb@pa.gov](mailto:swebb@pa.gov)

Dennis P. Hosler, CPA  
Director – Bureau of Audits  
PA Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
[dhosler@pa.gov](mailto:dhosler@pa.gov)

Richard Kanaskie, Esquire  
Investigation and Enforcement  
PA Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120  
[rkanaskie@pa.gov](mailto:rkanaskie@pa.gov)

Date: December 18, 2014

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



**PHILADELPHIA GAS WORKS  
 JANUARY 1, 2015 - QUARTERLY FILING  
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

**RECOVERABLE COSTS - 9/1/14 to 11/30/14**

FERC Account #	PGW Project #	Location	Type	Cost				Total
				Sep-14	Oct-14	Nov-14		
376	410969	4900 Wissahickon (Clapier to Abbottsford)	12" High Pressure Main	\$ -	\$ -	\$ 405,019	\$	405,019
376	410970	4400-4500 Main St, 100 Leverington Ave, 4600 Baker, 100-200 Ripka, 4600 Mansion, 200 Hermitage, 4700 Fowler, 200-400 Fountain	12" High Pressure Main	\$ -	\$ -	\$ 670,924	\$	670,924
376	410977	800-1500 Belmont Ave (Lancaster to Parkside)	12" High Pressure Main	\$ -	\$ -	\$ 76,831	\$	76,831
376	411065	3100 Penrose Ferry Ave.	12" High Pressure Main	\$ -	\$ -	\$ 377,267	\$	377,267
376	411083	Market to South	30" High Pressure Main	\$ -	\$ -	\$ 830,241	\$	830,241
<b>Recoverable Costs (DSI)</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,360,282</b>	<b>\$ -</b>	<b>2,360,282</b>

**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>	<u>Interest Weighting</u>	<u>Interest Rate</u>	<u>Interest*</u>
January 2013	\$ -	\$ -	\$ -	21	4.50%	\$ -
February	\$ -	\$ -	\$ -	20	4.50%	\$ -
March	\$ -	\$ -	\$ -	19	4.75%	\$ -
April	\$ -	\$ -	\$ -	18	5.25%	\$ -
May	\$ -	\$ -	\$ -	17	5.25%	\$ -
June	\$ -	\$ -	\$ -	16	5.00%	\$ -
July (a)	\$ 1,262,448	\$ 238,646	\$ (1,023,802)	15	5.00%	\$ (63,987.6)
August (a)	\$ 1,262,448	\$ 442,329	\$ (820,119)	14	5.50%	\$ (52,624.3)
September (a)	\$ 1,262,448	\$ 473,982	\$ (788,466)	13	5.75%	\$ (49,114.9)
October (b)	\$ 1,646,528	\$ 631,215	\$ (1,015,313)	12	5.75%	\$ (58,380.5)
November (b)	\$ 1,646,528	\$ 1,374,992	\$ (271,536)	11	6.00%	\$ (14,934.5)
December (b)	\$ 1,646,528	\$ 2,440,437	\$ 793,909	10	5.75%	\$ 38,041.5
<b>Total</b>	<b>\$ 8,726,928</b>	<b>\$ 5,601,602</b>	<b>\$ (3,125,326)</b>			<b>\$ (201,000.3)</b>

\*Interest is not recoverable on net under collections.

(a)	\$ 3,787,344
(b)	\$ 4,939,584

**Philadelphia Gas Works  
January 1, 2015 DSIC Filing  
Annual Tariff Revenue**

	1st Quarter Filing 12/1/2014			December 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
<b>1 Non-Heating:</b>														
2 Residential	21,998	263,970	453,414	\$12.00	\$0.3078	\$1.0947	\$(0.0131)	\$6.0067	3,168	140	496	(6)	2,724	6,521
3 Commercial	4,132	49,587	1,038,829	\$18.00	\$0.3078	\$1.0947	\$(0.0066)	\$4.5984	893	320	1,137	(7)	4,777	7,120
4 Industrial	145	1,740	104,164	\$50.00	\$0.3078	\$1.0947	\$(0.1312)	\$4.5332	87	32	114	(14)	472	692
5 Municipal/MS	106	1,272	193,238	\$18.00	\$0.3078	\$1.0947	-	\$3.3661	23	59	212	0	650	944
6 NGV	3	36	2,299	\$35.00	-	\$1.0947	-	\$1.2833	1	0	3	0	3	7
<b>7 Total Non-Heat Firm</b>	<b>26,384</b>	<b>316,605</b>	<b>1,791,945</b>						<b>4,171</b>	<b>551</b>	<b>1,962</b>	<b>(26)</b>	<b>8,626</b>	<b>15,283</b>
<b>9 Heating:</b>														
10 Residential	444,256	5,331,072	35,871,363	\$12.00	\$0.3078	\$1.0947	\$(0.0131)	\$6.0067	63,973	11,041	39,268	(470)	215,469	329,281
11 Commercial	17,270	207,241	6,224,003	\$18.00	\$0.3078	\$1.0947	\$(0.0066)	\$4.5984	3,730	1,916	6,813	(41)	28,620	41,039
12 Industrial	385	4,620	358,559	\$50.00	\$0.3078	\$1.0947	\$(0.1312)	\$4.5332	231	110	393	(47)	1,625	2,312
13 Municipal/MS	379	4,551	488,132	\$18.00	\$0.3078	\$1.0947	-	\$3.3661	82	150	534	0	1,643	2,410
14 PHA Rate 8	822	9,861	556,861	\$18.00	\$0.3078	\$1.0947	\$(0.0066)	\$4.1101	177	171	610	(4)	2,289	3,244
15 PHA/GS	1,753	21,036	174,679	\$12.00	\$0.3078	\$1.0947	\$(0.0131)	\$4.9441	252	54	191	(2)	864	1,359
<b>16 Total Heat Firm</b>	<b>464,865</b>	<b>5,578,381</b>	<b>43,673,598</b>						<b>68,446</b>	<b>13,443</b>	<b>47,809</b>	<b>(564)</b>	<b>250,510</b>	<b>379,644</b>
<b>17 Total Heat &amp; Non-Heat Firm</b>	<b>491,249</b>	<b>5,894,986</b>	<b>45,465,543</b>						<b>72,617</b>	<b>13,994</b>	<b>49,771</b>	<b>(590)</b>	<b>259,136</b>	<b>394,928</b>
<b>19 Firm Transport</b>														
<b>20 Non-Heating:</b>														
21 Residential	0	0	0	\$12.00	\$0.3078	\$1.0947	\$(0.0131)	\$6.0067	0	0	0	0	0	0
22 Commercial	699	8,388	588,674	\$18.00	\$0.3078	\$1.0947	\$(0.0066)	\$4.5984	151	181	644	(4)	2,707	3,680
23 Industrial	44	531	213,867	\$50.00	\$0.3078	\$1.0947	\$(0.1312)	\$4.5332	27	66	234	(28)	969	1,268
24 Municipal/MS	206	2,472	80,840	\$18.00	\$0.3078	\$1.0947	-	\$3.3661	44	25	88	0	272	430
<b>25 Total Non Heat FT</b>	<b>949</b>	<b>11,391</b>	<b>883,380</b>						<b>222</b>	<b>272</b>	<b>967</b>	<b>(32)</b>	<b>3,949</b>	<b>5,378</b>
<b>27 Heating:</b>														
28 Residential	0	0	0	\$12.00	\$0.3078	\$1.0947	\$(0.0131)	\$6.0067	0	0	0	0	0	0
29 Commercial	2,312	27,748	2,923,534	\$18.00	\$0.3078	\$1.0947	\$(0.0066)	\$4.5984	499	900	3,200	(19)	13,444	18,024
30 Industrial	71	846	266,919	\$50.00	\$0.3078	\$1.0947	\$(0.1312)	\$4.5332	42	82	292	(35)	1,210	1,592
31 Municipal/MS	197	2,364	439,751	\$18.00	\$0.3078	\$1.0947	-	\$3.3661	43	135	481	0	1,480	2,140
<b>32 Total Heat FT</b>	<b>2,580</b>	<b>30,958</b>	<b>3,630,205</b>						<b>584</b>	<b>1,117</b>	<b>3,974</b>	<b>(54)</b>	<b>16,134</b>	<b>21,755</b>
<b>33 Total FT</b>	<b>3,529</b>	<b>42,349</b>	<b>4,513,585</b>						<b>806</b>	<b>1,389</b>	<b>4,941</b>	<b>(86)</b>	<b>20,082</b>	<b>27,133</b>
<b>34</b>														
<b>35 Total PGW</b>	<b>494,178</b>	<b>5,937,335</b>	<b>49,979,128</b>						<b>73,424</b>	<b>15,383</b>	<b>54,712</b>	<b>(677)</b>	<b>279,218</b>	<b>422,060</b>

Projected Quarterly Revenue \$ 105,515,104  
(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

PHILADELPHIA GAS WORKS

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List of Changes Made by this Tariff Supplement

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (“DSIC”) (PAGE No. 151)

Effective January 1, 2015, the DSIC percentage decreases from 5.00% to 2.24%.

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**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a charge of 2.24% will apply consistent with the Commission Order dated May 9, 2013 at Docket No. P-2012-2337737 approving the DSIC.

(D)

**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:

**(D) - Decrease**