



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

Michael P. Decktor, Esq.
Senior Attorney
Direct Dial: 215-684-6647
FAX: 215-684-6798
E-mail: Michael.decktor@pgworks.com

June 19, 2015

VIA EFILING

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

Re: **Petition for Philadelphia Gas Works ("PGW") July 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 July 1, 2015 DSIC percentage is 1.64%. If you have any questions, please contact me.

Respectfully Submitted,

Michael P. Decktor, Esquire

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)
Kenneth W. Raffensperger (kraffenspc@pa.gov)

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

Recoverable Costs (DSI) \$ 1,511,865 (Page 2)

Annual Reconciliation (e) \$ 334,767 (Page 3)
(1/4 of the Over /
Under Collection)

Total Recoverable Costs (DSI + e) \$ 1,846,632

Projected Quarterly Revenues (PQR) \$ 112,434,382 (Page 4)

Distribution System Improvement Charge (DSIC) 1.64%

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

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

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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JULY 1, 2015 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

RECOVERABLE COSTS - 3/1/15 to 5/31/15

FERC Account #	PGW Project #	Location	Type	Costs			Total
				Mar-15	Apr-15	May-15	
376	410971	Devereaux Ave (Charles St to Torresdale Ave)	12" High Pressure Main	\$ -	\$ -	\$ 1,246,889	\$ 1,246,889
376	411129	Boyer St (Gorgas Ln to E. Mt. Airy Ave)	12" High Pressure Main	\$ -	\$ -	\$ 264,976	\$ 264,976
Recoverable Costs (DSI)				\$ -	\$ -	\$ 1,511,865	\$ 1,511,865

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2014 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION

Month	DSIC Revenue			DSIC Recoverable Costs	DSIC Revenue			Interest Weighting	Interest Rate*	Interest**
	Total DSIC Revenue Billed	Billed Allocated to Over / (Under) Collection	Over / (Under) Collection Balance		Billed Allocated to Recoverable Costs	Over/(Under) Collection				
	(1)	(2)	(3)	(4)	(5 = 1 - 2)	(6 = 5 - 4)	(7)	(8)	(9)	
January 14	\$ 3,329,041			\$ 1,692,096 (a)	\$ 3,329,041	\$ 1,636,944	21	5.75%	\$ 164,718	
February	\$ 3,799,835			\$ 1,692,096 (a)	\$ 3,799,835	\$ 2,107,739	20	6.00%	\$ 210,774	
March	\$ 3,338,292			\$ 1,692,096 (a)	\$ 3,338,292	\$ 1,646,196	19	6.25%	\$ 162,905	
2013 Under Collection			\$ (3,125,326)							
April	\$ 1,628,220	\$ 1,628,220	\$ (1,497,106)	\$ -	\$ -	\$ -	18	5.75%	\$ -	
May	\$ 656,230	\$ 656,230	\$ (840,876)	\$ -	\$ -	\$ -	17	5.75%	\$ -	
June	\$ 442,690	\$ 442,690	\$ (398,186)	\$ -	\$ -	\$ -	16	5.75%	\$ -	
July	\$ 571,895	\$ 76,767	\$ (321,419)	\$ 1,895,060 (b)	\$ 495,128	\$ (1,399,932)	15	5.50%	\$ (96,245)	
August	\$ 698,803	\$ 93,802	\$ (227,617)	\$ 1,895,060 (b)	\$ 605,001	\$ (1,290,059)	14	5.50%	\$ (82,779)	
September	\$ 722,636	\$ 97,001	\$ (130,616)	\$ 1,895,060 (b)	\$ 625,635	\$ (1,269,425)	13	5.50%	\$ (75,637)	
October	\$ 812,714	\$ 115,052	\$ (15,564)	\$ 2,591,705 (c)	\$ 697,662	\$ (1,894,043)	12	5.25%	\$ (99,437)	
November	\$ 1,517,663	\$ 214,849	\$ 199,285	\$ 2,591,705 (c)	\$ 1,302,814	\$ (1,288,891)	11	5.50%	\$ (64,982)	
December	\$ 2,804,822	\$ 397,066	\$ 596,352	\$ 2,591,705 (c)	\$ 2,407,756	\$ (183,949)	10	5.25%	\$ (8,048)	
Totals	\$ 20,322,841	\$ 3,721,678		\$ 18,536,584	\$ 16,601,163	\$ (1,935,421)			\$ 111,269	
2014 Under Collection			\$ (1,339,069)							

* Maximum Lawful Rate of Interest for Residential Mortgages for the month posted in the Pennsylvania Bulletin

** Interest is not recoverable in net under-collections

- (a) \$ 5,076,289 recoverable costs in 1-1-14 DSIC quarterly filing divided by 3 months
- (b) \$ 5,685,180 recoverable costs in 7-1-14 DSIC quarterly filing divided by 3 months
- (c) \$ 7,775,115 recoverable costs in 10-1-14 DSIC quarterly filing divided by 3 months

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Philadelphia Gas Works
July 1, 2015 DSIC Filing
Annual Tariff Revenue

	3rd Quarter Filing 6/1/2015			June 1, 2015 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	21,727	260,723	443,588	\$12.00	\$0.3078	\$1.4902	\$0.0019	\$6.0067	3,129	137	661	1	2,664	6,592
3 Commercial	4,057	48,687	1,070,433	\$18.00	\$0.3078	\$1.4902	\$0.0198	\$4.5984	876	329	1,595	21	4,922	7,744
4 Industrial	138	1,650	103,573	\$50.00	\$0.3078	\$1.4902	\$(0.0113)	\$4.5332	83	32	154	(1)	470	737
5 Municipal/MS	105	1,260	131,543	\$18.00	\$0.3078	\$1.4902	-	\$3.3661	23	40	196	0	443	702
6 NGV	4	48	3,001	\$35.00	\$ -	\$1.4902	-	\$1.2833	2	0	4	0	4	10
7 Total Non-Heat Firm	26,031	312,368	1,752,138						4,112	538	2,611	21	8,503	15,785
8														
9 Heating:														
10 Residential	449,144	5,389,731	36,516,783	\$12.00	\$0.3078	\$1.4902	\$0.0019	\$6.0067	64,677	11,240	54,417	69	219,345	349,749
11 Commercial	17,084	205,009	6,223,767	\$18.00	\$0.3078	\$1.4902	\$0.0198	\$4.5984	3,690	1,916	9,275	123	28,619	43,623
12 Industrial	385	4,617	362,567	\$50.00	\$0.3078	\$1.4902	\$(0.0113)	\$4.5332	231	112	540	(4)	1,644	2,522
13 Municipal/MS	382	4,584	501,618	\$18.00	\$0.3078	\$1.4902	-	\$3.3661	83	154	748	0	1,688	2,673
14 PHA Rate 8	1,816	21,792	178,299	\$18.00	\$0.3078	\$1.4902	\$0.0198	\$4.1101	392	55	266	4	733	1,449
15 PHA/GS	837	10,038	550,353	\$12.00	\$0.3078	\$1.4902	\$0.0019	\$4.9441	120	169	820	1	2,721	3,832
16 Total Heat Firm	469,648	5,635,771	44,333,387						69,193	13,646	66,066	193	254,751	403,848
17 Total Heat & Non-Heat Firm	495,678	5,948,139	46,085,525						73,305	14,184	68,677	214	263,254	419,633
18														
19 Firm Transport														
20 Non-Heating:														
21 Residential		0		\$12.00	\$0.3078	\$1.4902	\$0.0019	\$6.0067	0	0	0	0	0	0
22 Commercial	732	8,780	566,607	\$18.00	\$0.3078	\$1.4902	\$0.0198	\$4.5984	158	174	844	11	2,605	3,794
23 Industrial	47	561	219,574	\$50.00	\$0.3078	\$1.4902	\$(0.0113)	\$4.5332	28	68	327	(2)	995	1,416
24 Municipal/MS	203	2,436	71,592	\$18.00	\$0.3078	\$1.4902	-	\$3.3661	44	22	107	0	241	414
25 Total Non Heat FT	981	11,777	857,773						230	264	1,278	9	3,842	5,623
26														
27 Heating:														
28 Residential		0		\$12.00	\$0.3078	\$1.4902	\$0.0019	\$6.0067	0	0	0	0	0	0
29 Commercial	2,493	29,910	3,142,910	\$18.00	\$0.3078	\$1.4902	\$0.0198	\$4.5984	538	967	4,684	62	14,452	20,704
30 Industrial	70	839	269,352	\$50.00	\$0.3078	\$1.4902	\$(0.0113)	\$4.5332	42	83	401	(3)	1,221	1,744
31 Municipal/MS	192	2,304	355,705	\$18.00	\$0.3078	\$1.4902	-	\$3.3661	41	119	575	0	1,298	2,033
32 Total Heat FT	2,754	33,053	3,797,967						622	1,169	5,660	59	16,972	24,481
33 Total FT	3,736	44,830	4,655,740						852	1,433	6,938	68	20,814	30,104
34														
35 Total PGW	499,414	5,992,969	50,741,265						74,157	15,617	75,615	282	284,067	449,738

Projected Quarterly Revenue \$ 112,434,382
(1/4 of Annual Revenue)

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PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Craig White
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

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List of Changes Made by this Tariff Supplement

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

Effective July 1, 2015, the DSIC percentage decreases from 2.09% to 1.64%.

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 1.64% 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

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Issued: June 20, 2015

Effective: July 1, 2015



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800 West Montgomery Avenue • Philadelphia, PA 19122

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
5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921
dlawrence@paoca.org
egannon@paoca.org

Chris Mincavage, Esquire
Adeolu Bakare, Esquire
McNEES, WALLACE, NUR ICK
100 Pine Street
Harrisburg, PA 17108-1166
emincavage@mwn.com
abakare@mwn.com

Sharon Webb, Esq.
Office of Small Business Advocate
Commerce Building, Suite 202
300 North 2nd Street
Harrisburg, PA 17101
swebb@pa.gov

Jerome D. Mierzwa
Exeter Associates, Inc.
10480 Little Patuxent Parkway
Columbia, MD 21044
jmierzwa@exeterassociates.com

Richard Kanaskie, Esq.
Investigation and Enforcement
PA Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120
rkanskie@pa.gov

Dennis P. Hosler, CPA
Director – Bureau of Audits
PA Public Utility Commission
400 North Street
Harrisburg, PA 17120
dhosler@pa.gov

Michael P. Decktor, Esquire

Date: June 19, 2015

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FedEx Express Package US Airbill

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1 From
Date 6-18-15

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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 Secretary Rosemary Chiavetta Phone _____

Company PA PUC

Address 400 North Street
We cannot deliver to P.O. boxes or P.D. ZIP codes.
City Harrisburg State PA ZIP _____

Address Commonwealth Keystone Bldg
Use this line for the HOLD location address or for continuation of your shipping address.
City _____ State _____ ZIP _____

HOLD Weekday
FedEx location address
REQUIRED NOT available for
FedEx First Overnight.

HOLD Saturday
FedEx location address
REQUIRED Available ONLY for
FedEx Priority Overnight and
FedEx 2Day to select locations.



8079 1234 8740

4 Express Package Service * To meet locations. NOTE: Service order has changed. Please select carefully.

Next Business Day

FedEx First Overnight
Earliest next business morning delivery to select locations. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Priority Overnight
Next business morning. * Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Standard Overnight
Next business afternoon. * Saturday Delivery NOT available.

2 or 3 Business Days

FedEx 2Day A.M.
Second business morning. * Saturday Delivery NOT available.

FedEx 2Day
Second business afternoon. * Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Express Saver
Third business day. * Saturday Delivery NOT available.

5 Packaging * Declared value limit \$500

FedEx Envelope* FedEx Pak* FedEx Box FedEx Tube Other

6 Special Handling and Delivery Signature Options

SATURDAY Delivery
NOT available for FedEx Standard Overnight, FedEx 2Day A.M., or FedEx Express Saver.

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. Fee applies 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, UN1845 _____

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box. Cargo Aircraft Only

7 Payment Bill to:

Enter FedEx Acct. No. or Credit Card No. below. Obtain recip. Acct. No.

Sender Acct. No. in Section 1 on this bill. Recipient Third Party Credit Card Cash/Check

Total Packages 1 Total Weight 1 Credit Card Auth. _____

*Our liability is limited to US\$100 unless you declare a higher value. See the current FedEx Service Guide for details.

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