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February 28, 2001

VIA HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg, 2nd Floor
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

SECRETARY'S BUREAU

01 FEB 28 PM 4:37

RE: Pennsylvania Public Utility Commission v. Philadelphia Gas Works, Docket No. R-00005654 — Interim Rates

Dear Secretary McNulty:

In accordance with the Pennsylvania Public Utility Commission's February 21, 2001, Order, Philadelphia Gas Works ("PGW") is filing Tariff revisions (and supporting schedules) with an effective date of March 1, 2001. These revisions increase the current effective Gas Cost Rate to \$6.6959 and the Customer Charge for Residential Customers to \$11.66, for Commercial Customers to \$14.57, and for Industrial Customers to \$29.14.

PGW will serve all parties to the above-referenced docket in accordance with the attached Certificate of Service. Please contact me if you have any questions concerning this filing.

Very truly yours,

Kevin J. Moody

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

KJM/jlg

Enclosures

cc: All Parties of Record

- Andrew Tubbs, Esq. Law Bureau
- Karen Moury, Esq. Law Bureau
- Robert Rosenthal, Director, Fixed Utility Services
- Veronica Smith, Deputy Executive Director

DSH:26357.1

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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

NOTICE

This Tariff Supplement Makes an Increase in the Gas Cost Rate and General Service Rate Customer Charge for Residential, Commercial and Industrial Customers

LIST OF CHANGES MADE BY THIS TARIFF

THE GAS COST RATE CLAUSE - Section 11.2(b) - (Third Revised Page No. 71)

Increases the current effective Gas Cost Rate.

GENERAL SERVICE - RATE GS - CUSTOMER CHARGE - (First Revised Page No. 83)

Increases Customer Charge for Residential, Commercial and Industrial Customers

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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:

$$GCR = ((C - E) \div S) - B$$

- 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 2000-2001 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 shall file 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 \$ 6.6959, for service on or after March 1, 2001.

(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

GENERAL SERVICE - RATE GS

Rate: Applicable to all gas consumed on or after March 1, 2001
Air Conditioning Provision: Effective July 14, 2000
Compressed Natural Gas Provision: Effective July 14, 2000

AVAILABILITY

Available for any purpose where the Company's distribution mains adjacent to the proposed gas service location are, or can economically be made, suitable to supply the quantities of gas required. Gas service is also available under this rate for comfort cooling and/or pilot usage for buildings served under seasonal rates, during those periods of the year when gas service is not ordinarily available under such seasonal rates.

RATES

CUSTOMER CHARGE:	Per Meter (except parallel meters)	
	\$ 11.66 per month for Residential Customers.	(I)
	\$ 14.57 per month for Commercial Customers	(I)
	\$ 29.14 per month for Industrial Customers	(I)

Plus

COMMODITY CHARGE	66.13¢ per 100 cubic feet for Residential Customers
	71.20¢ per 100 cubic feet for Commercial Customers
	71.20¢ per 100 cubic feet for Industrial Customers

SPECIAL PROVISION – AIR CONDITIONING – For the billing months May through September, the Commodity Charge shall become 40.00 cents per 100 cubic feet for all gas used for cooling purposes. Provided, however, if one hundred and ten percent (110%) of the incremental gas costs for gas sold under this rate schedule plus an adjustment for all applicable taxes as determined by the Company exceeds 40.00 cents per 100 cubic feet, then the rate under this provision shall be the lesser of one hundred and ten percent (110%) of the incremental gas costs for gas sold under this rate schedule plus an adjustment for all applicable taxes as determined by the Company, or the applicable Commodity Charge set forth above. This rate is applicable for directly and indirectly fired gas cooling equipment of minimum cooling capacity of 3 tons, installed on or after September 1, 1990. Where practicable, such equipment must be separately metered and the cost for any additional metering, related equipment and installation shall be subject to Regulation 10 of the Rules and Regulations of this tariff. Where separate metering is impracticable for directly or indirectly fired gas cooling and heating equipment, one meter shall be installed for the heating/cooling equipment and such gas rendered to the Customer through such meter will be charged the full Rate GS for the billing months October through April. Under no circumstances will Customers be permitted to use gas rendered through such meter for any purpose other than cooling or heating.

(I) - Increase

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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PHILADELPHIA GAS WORKS
INTERIM SETTLEMENT FILING
SUPPORTING SCHEDULES

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FILED: FEBRUARY 23, 2001

EFFECTIVE: MARCH 1, 2001

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Statement

This Settlement Filing incorporates a \$7 million increase in GCR revenue and an \$11 million increase in monthly customer charges for the period March 1, 2001 through August 31, 2001. Increases in the monthly Customer Charge and the per Mcf GCR charge incorporate the discounts relating to the "Senior Citizen Discount" and "Customer Responsibility Program" (CRP).

Determination of natural gas expense for this filing is based on actual applicable gas expenses for the period September through December; known per dekatherm natural gas prices for the month of January and, where known and quantifiable, actual per dekatherm pricing for the month of February 2001. Any remaining volumes not locked-in for price for the month of February are priced based on Inside FERC first of the month pricing. For the period March through August 2001 (except for any locked-up volumes for March), natural gas expense is based upon the February 7, NYMEX closing price at Henry Hub. The latest applicable pipeline tariff transportation and fuel charges from specific basin points have been incorporated into these pricing determinants.

Additionally, PGW chose to utilize the NYMEX closing price as the basis for natural gas pricing in place of the methodology utilized in the first quarter GCR filing. The methodology utilized in the first quarter filing established forecasted pricing by adding 75 percent of the difference between the NYMEX closing prices and the latest DRI forecast prices to the DRI forecast. The reason for this change was the recognized lessening of volatility in futures prices for the remaining months of the current PGW fiscal year and the determination that the NYMEX closing prices were more representative of expected monthly prices than would be reflected using the first quarter GCR methodology. However, PGW also calculated, for purposes of comparison, the estimated August 31, 2001 over/under recovery utilizing the first quarter GCR 75 percent pricing methodology with the latest NYMEX and DRI forecast. The results of this calculation were a negligible \$245,000 variation in under-recovery from the methodology described above as the more appropriate choice for the current filing.

Actual data for the months of September, October, November and December are included. Forecasted temperatures for the remainder of the fiscal year are assumed to be normal, (i.e., the estimate incorporates the degree-day pattern from the normal 4,600 pattern). However, based on a combination of actual and estimated temperatures for this filing, the annual heating degree-day total is 4,722 or an approximate 2.7% increase over normal.

Net Applicable Raw Material Expenses increased from \$473,283,661 in the 1st Quarter Filing to \$489,418,859 or \$16,135,198 prior to the inclusion of the customer charge increase. Comprising the largest portion of this increase, or approximately \$10.9 million, are higher natural gas prices combined with an approximate 0.9 Bcf increase in Applicable Sales. The second largest component of this increase is the increase in the Customer Responsibility Program (CRP) which added an approximate \$5.2 million. Also contributing is a slight increase in the Senior Citizen Discount. The projected Net over/under recovery of expenses is a \$2.5 million estimated under recovery. Schedule 1a displays the above variations.

Schedule 1b includes a comparison of the most recent GCR projection (i.e., 4 & 8 Actual/Estimated) to this same projection including the impacts of the Interim Settlement. With the inclusion of the Interim Settlement ordered \$11 million increase in Customer Charge revenue, and \$7 million increase in GCR revenue, the CRP discount increases by an approximate \$1.8 while Total Projected Recovery increases by approximately \$8.8 million. This increase in CRP discount is the direct result of the increase in total CRP revenue resulting from the higher Customer Charge and higher GCR Charge while during this same time frame the CRP customers billed obligation to pay remains unchanged. Effectively, in order for PGW to receive the total of \$11 million in additional Customer Charge revenue and \$7 million in additional GCR revenue over the remaining months of the current fiscal year, the GCR must reflect the associated increase in CRP discount. Therefore, the GCR factor increases from the current \$6.1985/Mcf to \$6.6959/Mcf. In summary, although the Total Projected Recovery approximates \$8.8 million, the amount billed will equal \$7 million due to the fact that the CRP customers obligation is reduced by the \$1.8 million CRP discount.

//

Philadelphia Gas Works
Levelized Gas Cost Rate

Fiscal Year 2000-2001

Formula:	01/01/2001 1st QTR GCR Filing 2000-2001	4 & 8 Act/Est 2000-2001	4 & 8 Act/Est Over/(Under) 1st Qtr.
where:			
S = Applicable Sales Volume (Mcf)	59,886,185	60,760,276	874,091
<i>Fuel</i>			
Net Natural Gas Expense	\$ 419,990,904	430,922,923	10,932,019
Plus: Purchased Electric Expense	965,000	965,000	0
Total Applicable Fuel Expense	\$ #####	431,887,923	10,932,019
<i>Non-Fuel</i>			
Conservation Programs	\$ 2,200,000	2,200,000	0
CRP Discounts	39,946,070	45,168,820	5,222,750
Total Applicable Non-Fuel Expenses	\$ 42,146,070	47,368,820	5,222,750
C = Applicable Raw Material Expense	\$ #####	479,256,743	16,154,769
E = Adjustment For: Natural Gas Refunds	\$ 3,868,973	3,888,544	19,571
Prior Year Reconciliations	(14,050,659)	(14,050,659)	0
Total Adjustment	\$ (10,181,687)	(10,162,116)	19,571
C-E = Net Applicable Raw Material Expense	\$ #####	489,418,859	16,135,198
B = Base Fuel Charge/Mcf	3.1800	3.1800	0.0000
Projected Unit Cost of Fuel	7.9031	8.0549	0.1519
Recovery Test on: Applicable Sales Volume of (Mcf)	59,886,185	60,760,276	874,091
@GCR in effect	\$ 6.1985	6.1985	0.0000
@ Base Fuel Rate Effective 9/1/90	\$ 3.1800	3.1800	0.0000
GCR Charge	\$ #####	285,670,229	2,825,392
+ Base Fuel Charge	\$ #####	193,217,678	2,779,609
= Total Projected Recovery	\$ #####	478,887,907	5,605,002
Compared To			
Net Applicable Raw Material Expense	\$ #####	489,418,859	16,135,198
= Net Over/(Under) Recovery	\$ (757)	(10,530,952)	(10,530,196)
Degree Days	4,805	4,722	(83)

Philadelphia Gas Works

Levelized Gas Cost Rate

Fiscal Year 2000-2001

Formula:	02/21/2001 4 & 8 Act/Est 2000-2001	02/22/2001 Interim Settlement Inc. 4 & 8 2000-2001	Interim Settlement Inc. Over/(Under) 4 & 8
GCR = ((C-E) / S) - B			
where:			
S = Applicable Sales Volume (Mcf)	60,760,276	60,760,276	
<i>Fuel</i>			
Net Natural Gas Expense	\$ 430,922,923	430,922,923	
Plus: Purchased Electric Expense	965,000	965,000	
Total Applicable Fuel Expense	\$ #####	431,887,923	
<i>Non-Fuel</i>			
Conservation Programs	\$ 2,200,000	2,200,000	
CRP Discounts	45,168,820	46,998,221	1,829,401
Total Applicable Non-Fuel Expenses	\$ 47,368,820	49,198,221	1,829,401
C = Applicable Raw Material Expense	\$ #####	481,086,144	1,829,401
E = Adjustment For: Natural Gas Refunds	\$ 3,888,544	3,888,544	
Prior Year Reconciliations	(14,050,659)	(14,050,659)	
Total Adjustment	\$ (10,162,116)	(10,162,116)	
C-E = Net Applicable Raw Material Expense	\$ #####	491,248,260	1,829,401
B = Base Fuel Charge/Mcf	3.1800	3.1800	
Projected Unit Cost of Fuel	8.0549	8.0850	0.0301
Recovery Test on: Applicable Sales Volume of (Mcf)	60,760,276	60,760,276	
@GCR in effect	\$ 6.1985	6.6959	0.4974
@ Base Fuel Rate Effective 9/1/90	\$ 3.1800	3.1800	
GCR Charge	\$ #####	294,498,814	8,828,585
+ Base Fuel Charge	\$ #####	193,217,678	
= Total Projected Recovery	\$ #####	487,716,492	8,828,585
Compared To			
Net Applicable Raw Material Expense	\$ #####	491,248,260	1,829,401
= Net Over/(Under) Recovery	\$ (10,530,952)	(3,531,768)	6,999,184
Degree Days	4,722	4,722	

Increase in CRP Customers Discount ***Summary**

Increase in CRP Customers' Customer Charge	<u>\$186,660</u>	<u>\$179,340</u>	<u>\$179,340</u>	<u>\$179,340</u>	<u>\$179,340</u>	<u>\$179,340</u>	<u>\$1,083,360</u>
<u>GCR Portion</u> increase in CRP Customers' Bill due to \$7,000,000 GCR Factor Charge	<u>\$214,744</u>	<u>\$246,882</u>	<u>\$119,608</u>	<u>\$67,136</u>	<u>\$48,835</u>	<u>\$48,835</u>	<u>\$746,040</u>
<u>Total</u> Increase in CRP Discount	<u>\$401,404</u>	<u>\$426,222</u>	<u>\$298,948</u>	<u>\$246,476</u>	<u>\$228,175</u>	<u>\$228,175</u>	<u>\$1,829,400</u>

* Increase in CRP Discount Due to \$11M Customer Charge & \$7M GCR Increase

02/28/2001

**Effect on CRP Discount from \$7M GCR Increase
(2000-01 Actual/Estimated (4&8) Runs)**

GCR Factor 6.1985 in effect March thru August Period

Sales	March	April	May	June	July	August	Total
CRP Non-Heat	27,163	17,518	10,157	7,863	5,961	5,961	74,623
CRP Heat	<u>1,053,024</u>	<u>623,778</u>	<u>300,073</u>	<u>165,611</u>	<u>120,073</u>	<u>120,073</u>	<u>2,382,632</u>
Total	1,080,187	641,296	310,230	173,474	126,034	126,034	2,457,255

Revenue

CRP Non-Heat	\$ 361,819	\$ 238,624	\$ 145,580	\$ 116,920	\$ 93,250	\$ 93,250	\$ 1,049,443
CRP Heat	<u>\$ 13,526,594</u>	<u>\$ 8,157,140</u>	<u>\$ 4,119,489</u>	<u>\$ 2,445,246</u>	<u>\$ 1,874,937</u>	<u>\$ 1,874,937</u>	<u>\$ 31,998,343</u>
Total	\$ 13,888,413	\$ 8,395,764	\$ 4,265,069	\$ 2,562,166	\$ 1,968,187	\$ 1,968,187	\$ 33,047,786

GCR Factor 6.5929 in effect March thru August Period to collect \$7,000,000 more GCR Revenue

Sales	March	April	May	June	July	August	Total
CRP Non-Heat	27,163	17,518	10,157	7,863	5,961	5,961	74,623
CRP Heat	<u>1,053,024</u>	<u>623,778</u>	<u>300,073</u>	<u>165,611</u>	<u>120,073</u>	<u>120,073</u>	<u>2,382,632</u>
Total	1,080,187	641,296	310,230	173,474	126,034	126,034	2,457,255

Revenue

CRP Non-Heat	\$ 367,291	\$ 245,439	\$ 149,530	\$ 119,985	\$ 95,586	\$ 95,586	\$ 1,073,417
CRP Heat	<u>\$ 13,735,866</u>	<u>\$ 8,397,207</u>	<u>\$ 4,235,147</u>	<u>\$ 2,509,317</u>	<u>\$ 1,921,436</u>	<u>\$ 1,921,436</u>	<u>\$ 32,720,409</u>
Total	\$ 14,103,157	\$ 8,642,646	\$ 4,384,677	\$ 2,629,302	\$ 2,017,022	\$ 2,017,022	\$ 33,793,826

Difference between the \$6.1985 and the \$6.5929 Factors on CRP Revenues

Sales	March	April	May	June	July	August	Total
CRP Non-Heat	0	0	0	0	0	0	0
CRP Heat	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Revenue

CRP Non-Heat	\$ 5,472	\$ 6,815	\$ 3,950	\$ 3,065	\$ 2,336	\$ 2,336	\$ 23,974
CRP Heat	<u>\$ 209,272</u>	<u>\$ 240,067</u>	<u>\$ 115,658</u>	<u>\$ 64,071</u>	<u>\$ 46,499</u>	<u>\$ 46,499</u>	<u>\$ 722,066</u>
Total	\$ 214,744	\$ 246,882	\$ 119,608	\$ 67,136	\$ 48,835	\$ 48,835	\$ 746,040

02/28/2001

PHILADELPHIA GAS WORKS
REVENUE AT CURRENT RATES
(Thousands of dollars)

	ACT/EST 4 & 8 <u>2000-2001</u>	ISI ACT/EST 4 & 8 <u>2000-2001</u>	ISI OVER/(UNDER) Base <u>4 & 8</u>
<u>NON-HEATING</u>			
RESIDENTIAL	32,106,377	33,978,937	1,872,560
CRP	1,407,435	1,417,335	9,900
COMMERCIAL	24,317,595	24,847,528	529,933
INDUSTRIAL	6,542,430	6,661,238	118,808
<u>INTERRUPTIBLE</u>			
BPS-SMALL	2,220,496	1,960,402	(260,094)
LBS-L DIRECT	2,255,995	2,120,280	(135,715)
LBS-XL DIRECT	1,926,835	1,903,145	(23,690)
TRI-GEN	254,832	236,491	(18,341)
BPS-LARGE	24,167,929	22,858,391	(1,309,538)
LBS-L INDIRECT	8,884,446	8,528,237	(356,209)
LBS-S INDIRECT	10,752,328	10,315,516	(436,812)
LBS-XL INDIRECT	5,017,716	4,871,251	(146,465)
CO-GEN INDIRECT	918,599	955,766	37,167
GRAYSFERRY	716,262	685,598	(30,664)
GTS SALES	703,602	670,750	(32,852)
BPS A/C	1,489,763	1,566,768	77,005
NGV	34,848	35,240	392
SALES FOR RESALE	-	-	
<i>TOTAL INTERRUPTIBLE</i>	59,343,650	56,707,835	(2,635,815)
MUNICIPAL HOUSING AUTHORITY	2,423,232	2,452,374	29,142
	325,701	333,066	7,364
<i>TOTAL FIRM NON-HTG</i>	67,122,770	69,690,478	2,567,707
<i>TOTAL NON-HEATING</i>	126,466,421	126,398,313	(68,108)
<u>HEATING</u>			
RESIDENTIAL	445,572,398	458,449,010	12,876,612
CRP	39,982,577	40,143,046	160,469
COMMERCIAL	105,738,145	107,579,615	1,841,470
INDUSTRIAL	11,522,616	11,696,921	174,305
MUNICIPAL HOUSING AUTHORITY	12,031,854	12,161,184	129,330
	14,869,860	15,129,440	259,580
<i>TOTAL HEATING</i>	629,717,451	645,159,216	15,441,765
<i>TOTAL FIRM HTG & NON-HTG</i>	696,840,221	714,849,694	18,009,472

PHILADELPHIA GAS WORKS
REVENUE AT CURRENT RATES
(Thousands of dollars)

	Sep 2000	Oct 2000	Nov 2000	Dec 2000	Jan 2001	Feb 2001	Mar 2001	Apr 2001	May 2001	Jun 2001	Jul 2001	Aug 2001	Sub Total 2000-2001	CRP Discount 2000-2001	Net Total 2000-2001
NON-HEATING															
RESIDENTIAL	1,081,962	1,556,953	1,787,803	2,732,653	3,360,251	4,695,494	4,256,737	3,641,823	2,775,403	2,526,010	1,847,244	1,844,045	32,106,377		32,106,377
CRP	81,258	89,426	143,335	239,270	443,811	439,576	361,819	238,624	145,580	116,920	93,250	93,250	2,486,119	1,078,684	1,407,435
COMMERCIAL	1,117,583	1,383,260	2,229,273	2,230,554	2,802,415	2,972,185	2,566,124	2,073,479	1,705,077	1,940,388	1,601,546	1,595,711	24,317,595		24,317,595
INDUSTRIAL	113,829	293,896	387,652	837,696	906,169	950,913	822,428	564,665	426,748	466,324	386,055	386,055	6,542,430		6,542,430
INTERRUPTIBLE															
BPS-SMALL	37,650	97,051	279,130	362,906	-	591,054	462,991	223,606	93,750	23,708	24,325	24,325	2,220,496		2,220,496
LBS-L DIRECT	9,794	11,339	155,192	652,634	-	509,116	405,224	186,881	104,642	72,463	74,582	74,129	2,255,995		2,255,995
LBS-XL DIRECT	133,266	141,806	308,507	163,138	-	225,468	222,402	157,502	145,913	140,085	144,729	144,019	1,926,835		1,926,835
TRI-GEN	-	-	-	-	-	-	254,832	-	-	-	-	-	254,832		254,832
BPS-LARGE	1,081,077	2,024,936	2,683,228	3,121,038	-	5,822,452	4,550,885	1,972,911	1,033,369	612,130	633,241	632,664	24,167,929		24,167,929
LBS-L INDIRECT	576,969	526,074	771,112	338,821	-	1,759,402	1,533,132	876,375	683,984	595,787	613,267	609,524	8,884,446		8,884,446
LBS-S INDIRECT	622,588	853,288	1,008,230	977,054	-	2,004,799	1,713,035	944,587	732,684	621,300	639,441	635,322	10,752,328		10,752,328
LBS-XL INDIRECT	381,305	428,077	543,367	327,447	-	643,433	765,604	467,634	388,098	350,669	362,333	360,549	3,017,716		3,017,716
CO-GEN INDIRECT	92,185	62,345	39,029	86,929	-	94,361	109,848	89,783	85,132	84,627	87,349	87,011	918,599		918,599
GRAYSFERRY	-	-	-	-	-	-	504,268	211,993	-	-	-	-	716,262		716,262
GTS SALES	55,120	73,531	51,965	55,597	-	159,890	128,281	60,351	37,344	26,716	27,503	27,325	703,602		703,602
BPS A/C	106,595	61,351	81,055	56,935	-	-	83,975	103,858	141,382	226,230	294,771	323,610	1,489,783		1,489,783
NGV	-	13,361	4,214	5,510	-	2,302	1,606	1,678	1,568	1,512	1,553	1,544	34,848		34,848
SALES FOR RESALE	-	-	-	-	-	-	-	-	-	-	-	-	-		-
TOTAL INTERRUPTIBLE	3,096,549	4,294,159	5,735,027	6,148,009	-	12,012,276	10,734,264	5,297,158	3,447,866	2,755,228	2,903,094	2,920,020	59,343,650		59,343,650
MUNICIPAL	11,150	85,993	151,268	323,272	459,613	473,854	382,322	197,266	106,386	87,445	72,431	72,431	2,423,232		2,423,232
HOUSING AUTHORITY	517	699	709	759	49,462	53,083	47,928	37,484	32,355	38,666	32,020	32,020	325,701		325,701
TOTAL FIRM NON-HTG	2,406,299	3,410,227	4,700,040	6,364,204	8,021,721	9,584,905	8,537,359	6,753,341	5,181,550	5,175,752	4,032,547	4,023,513	68,201,454		67,122,770
TOTAL NON-HEATING	5,502,849	7,704,387	10,435,068	12,512,214	8,021,722	21,597,182	19,271,623	12,050,500	8,639,416	7,930,981	6,935,641	6,943,533	127,545,105		126,466,421
HEATING															
RESIDENTIAL	8,493,292	14,064,082	21,159,017	50,322,100	82,666,122	85,327,083	72,128,699	46,372,210	24,507,438	15,870,784	12,381,580	12,279,992	445,572,398		445,572,398
CRP	1,607,712	2,322,209	4,233,073	9,611,816	17,458,322	16,841,239	13,526,584	8,157,140	4,119,489	2,445,246	1,874,937	1,874,937	84,072,713	44,090,136	39,982,577
COMMERCIAL	2,570,006	3,195,845	5,964,699	12,543,903	18,483,340	18,988,253	15,943,086	9,988,658	5,800,184	4,700,405	3,774,315	3,785,472	105,738,145		105,738,145
INDUSTRIAL	431,976	293,861	692,017	1,511,369	2,058,203	2,110,999	1,740,399	1,001,287	551,434	430,771	349,637	350,663	11,522,616		11,522,616
MUNICIPAL	70,493	371,910	528,458	1,928,367	2,414,647	2,475,383	1,974,009	958,130	459,241	320,454	265,381	265,381	12,031,854		12,031,854
HOUSING AUTHORITY	187,339	424,025	1,016,208	1,849,044	2,785,052	2,852,167	2,342,677	1,344,162	712,355	516,656	415,130	415,045	14,869,860		14,869,860
TOTAL HEATING	13,370,818	20,671,932	33,593,472	77,766,599	125,865,686	128,595,124	107,655,464	67,821,587	36,150,121	24,284,317	19,060,980	18,971,490	673,807,586		629,717,451
TOTAL FIRM HTG & NON-HTG	15,777,117	24,082,159	38,293,512	84,130,803	133,887,407	138,180,029	116,192,823	74,574,928	41,341,671	29,460,069	23,093,526	22,995,003	742,009,040		696,840,221

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PHILADELPHIA GAS WORKS
REVENUE AT CURRENT RATES
(Thousands of dollars)

	Sep 2000	Oct 2000	Nov 2000	Dec 2000	Jan 2001	Feb 2001	Mar 2001	Apr 2001	May 2001	Jun 2001	Jul 2001	Aug 2001	Sub Total 2000-2001	CRP Discount 2000-2001	Net Total 2000-2001
NON-HEATING															
RESIDENTIAL	1,081,962	1,556,953	1,787,803	2,732,653	3,360,251	4,695,494	4,566,872	3,998,329	3,097,903	2,838,459	2,132,975	2,129,283	33,978,937		33,978,937
CRP	81,258	89,426	143,335	239,270	443,811	439,576	377,006	255,190	159,534	128,760	104,172	104,172	2,564,508	1,147,173	1,417,335
COMMERCIAL	1,117,583	1,383,260	2,229,273	2,230,554	2,802,415	2,972,185	2,742,937	2,175,176	1,792,897	2,036,879	1,685,269	1,679,099	24,847,528		24,847,528
INDUSTRIAL	713,829	293,896	387,652	337,896	906,169	950,913	841,577	539,910	445,942	496,996	402,730	402,730	6,661,238		6,661,238
INTERRUPTIBLE															
BPS-SMALL	37,650	97,051	279,130	362,906	-	509,205	377,651	171,888	68,781	18,393	18,873	18,873	1,960,402		1,960,402
LBS-L DIRECT	9,784	11,339	155,192	652,634	-	395,230	347,719	193,692	113,601	78,465	81,307	81,307	2,120,280		2,120,280
LBS-XL DIRECT	133,266	141,806	308,507	163,138	-	175,148	190,907	163,231	158,701	152,460	157,991	157,991	1,903,145		1,903,145
TRI-GEN	-	-	-	-	-	-	236,491	-	-	-	-	-	236,491		236,491
BPS-LARGE	1,081,077	2,024,936	2,683,226	3,121,038	-	4,844,021	3,906,102	2,044,533	1,116,079	659,659	686,980	690,739	22,858,391		22,858,391
LBS-L INDIRECT	576,969	626,074	771,112	338,821	-	1,365,940	1,315,607	908,323	742,647	645,291	668,726	668,726	8,528,237		8,528,237
LBS-S INDIRECT	622,588	853,288	1,008,230	977,054	-	1,557,086	1,470,390	976,260	791,826	670,177	694,408	694,408	10,315,616		10,315,616
LBS-XL INDIRECT	381,305	429,077	343,367	327,447	-	654,737	656,379	484,699	422,220	381,747	395,637	395,637	4,871,251		4,871,251
CO-GEN INDIRECT	92,185	62,345	39,029	86,929	-	83,879	102,036	92,263	101,289	86,013	99,744	99,744	855,766		855,766
GRAYSFERRY	-	-	-	-	-	-	487,587	218,011	-	-	-	-	685,698		685,698
GTS SALES	55,120	73,631	51,965	55,697	-	132,981	110,036	62,556	40,371	28,837	29,888	29,888	670,750		670,750
BPS A/C	106,585	61,361	91,056	66,935	-	-	72,128	107,829	162,783	244,127	320,265	353,899	1,566,788		1,566,788
NGV	-	13,361	4,214	5,610	-	1,722	2,021	1,735	1,689	1,824	1,681	1,681	35,240		35,240
SALES FOR RESALE	-	-	-	-	-	-	-	-	-	-	-	-	-		-
TOTAL INTERRUPTIBLE	3,096,849	4,294,159	5,735,027	6,148,009	-	9,720,029	9,264,061	6,424,821	3,709,788	2,976,794	3,165,500	3,193,103	66,707,835		66,707,835
MUNICIPAL HOUSING AUTHORITY															
MUNICIPAL	11,150	85,993	161,268	323,272	459,613	473,654	390,143	205,083	110,619	90,930	75,324	75,324	2,452,374		2,452,374
HOUSING AUTHORITY	617	699	709	759	49,482	53,083	48,861	38,883	33,563	40,108	33,215	33,215	333,066		333,066
TOTAL FIRM NON-HTG	2,406,299	3,410,227	4,700,040	6,364,204	8,021,721	9,684,905	8,987,486	7,261,870	5,639,457	5,622,133	4,434,685	4,424,823	70,837,651		69,690,478
TOTAL NON-HEATING	5,502,849	7,704,387	10,435,068	12,512,214	8,021,722	19,304,935	18,221,538	12,686,493	9,349,247	8,598,928	7,590,186	7,617,927	127,545,466		126,398,313
HEATING															
RESIDENTIAL	8,493,292	14,064,082	21,159,017	60,322,100	82,666,122	85,327,083	74,811,874	49,360,313	26,641,323	17,662,688	14,027,999	13,913,118	458,449,010		458,449,010
CRP	1,607,712	2,322,209	4,233,073	9,611,816	17,458,322	16,841,239	13,964,338	8,627,133	4,432,722	2,693,477	2,101,027	2,101,027	85,994,094	45,851,048	40,143,046
COMMERCIAL	2,570,006	3,195,845	5,964,699	12,543,903	18,483,340	16,988,253	16,333,886	10,441,955	6,097,218	4,956,577	3,996,885	4,007,848	107,579,615		107,579,615
INDUSTRIAL	431,976	293,861	692,017	1,511,369	2,058,203	2,110,999	1,780,842	1,045,337	578,718	453,582	369,459	370,557	11,696,921		11,696,921
MUNICIPAL	70,493	371,910	528,458	1,928,367	2,414,647	2,475,383	2,014,047	995,798	477,314	333,083	275,842	275,842	12,161,184		12,161,184
HOUSING AUTHORITY	197,339	424,025	1,016,208	1,849,044	2,785,052	2,852,167	2,403,479	1,409,608	753,348	550,067	444,601	444,506	15,129,440		15,129,440
TOTAL HEATING	13,370,816	20,671,932	33,693,472	77,766,599	125,865,686	128,595,124	111,308,466	71,880,142	38,980,644	26,649,474	21,215,013	21,112,898	691,010,264		645,159,216
TOTAL FIRM HTG & NON-HTG	15,777,117	24,082,159	38,293,512	84,130,803	133,887,407	138,180,029	120,275,952	79,141,812	44,620,101	32,271,607	25,649,698	25,537,721	761,847,916		714,849,694

**11 MILLION RATE INCREASE
CUSTOMER CHARGE**
(Compressed Effective March 1, 2001)

Rate	Current Customer Charge	Customers						Total Number of Customer's Billed (March - August)	Customer Charge Revenue
		March 2001	April 2001	May 2001	June 2001	July 2001	August 2001		
ResGS/PHAGS/Seniors		90,989	90,989	90,989	90,989	90,989	90,989		
20% Seniors		18,198	18,198	18,198	18,198	18,198	18,198		
ResGS/PHAGS		399,108	398,004	396,300	394,198	391,094	388,191		
80% Seniors		72,791	72,791	72,791	72,791	72,791	72,791		
Total ResGS/PHAGS Billings	\$ 8	471,899	470,795	469,091	466,989	463,885	460,982	2,803,642 \$	
ComGS/MUNGS/Seniors		26	26	26	26	26	26		
20% Seniors		5	5	5	5	5	5		
ComGS/MUNGS		24,879	24,895	24,912	24,929	24,946	24,963		
80% Seniors		21	21	21	21	21	21		
Total ComGS/MUNGS Billings	\$ 10	24,900	24,916	24,933	24,950	24,967	24,984	149,649 \$	
Industrial/GS	\$ 20	1,176	1,181	1,185	1,189	1,194	1,198	7,123 \$	
PHA/PHA	\$ -	478	478	478	478	478	478	2,868 \$	
MUN/MS	\$ -	892	892	892	892	892	892	5,352 \$	
Total Customers		499,345	498,262	496,579	494,498	491,416	488,534	2,968,634 \$	
Revenue Increase	\$ 11,000,000								
Original Revenue	\$24,068,086								
% Increase	45.7%								

Rate	Number of Customer's Billed	Current Customer Charge	Percentage Increase	Proposed Customer Charge	Current Customer Charge Revenue	Proposed Customer Charge Revenue	Proposed Revenue Increase
ResGS/PHAGS	2,803,642	\$ 8	1.457	\$ 11.66	\$ 22,429,138	\$ 32,690,468	\$ 10,261,330
ComGS/MUNGS	149,649	\$ 10	1.457	\$ 14.57	\$ 1,496,488	\$ 2,180,383	\$ 683,895
Industrial/GS	7,123	\$ 20	1.457	\$ 29.14	\$ 142,460	\$ 207,564	\$ 65,104
PHA/PHA	2,868	\$ -	-	\$ -	\$ -	\$ -	\$ -
MUN/MS	5,352	\$ -	-	\$ -	\$ -	\$ -	\$ -
Total	2,968,634				\$ 24,068,086	\$ 35,078,415	\$ 11,010,330

**11 MILLION RATE INCREASE
CUSTOMER CHARGE
(Annualized)**

<u>Rate</u>	<u>Current Customer Charge</u>	<u>Number of Customer's Billed</u> (Sept.- August)	<u>Current Customer Charge Revenue</u>	<u>Proposed Customer Charge</u>	<u>Proposed Customer Charge Revenue</u>	<u>Proposed Revenue Increase</u>	<u>Percentage Increase</u>
ResGS/PHAGS	\$ 8	5,601,018	\$ 44,808,147	\$ 9.83	\$ 55,058,011	\$ 10,249,864	22.9%
ComGS/MUNGS	\$ 10	298,689	\$ 2,986,886	\$ 12.29	\$ 3,670,883	\$ 683,997	22.9%
Industrial/GS	\$ 20	14,080	\$ 281,600	\$ 24.58	\$ 346,086	\$ 64,486	22.9%
PHA/PHA	\$ -	5,736	\$ -	\$ -	\$ -	\$ -	
MUN/MS	\$ -	<u>10,704</u>	\$ -	\$ -	\$ -	\$ -	
Total Customers		5,930,227	\$ 48,076,633		\$ 59,074,980	\$ 10,998,347	

Revenue Increase \$ 11,000,000
Original Revenue \$48,076,633
% Increase 22.9%

Schedule 4

FIRST QUARTER GCR FILING
SOCIAL COSTS INCLUDED IN GCR FACTOR

		<u>GCR Factor</u>	<u>Total Cost</u>
Senior Citizen	1,862,791 Mcf	\$0.2472	\$14,806,208
CWP (Conservation Works)		\$0.0367	\$2,200,000
CRP Discount		\$0.6670	\$39,946,070
Total Costs		\$0.9510	\$56,952,278
Applicable Sales	59,886,185 Mcf		
GCR Factor	\$7.9484 (Annualized)		
Total GCR Factor			\$7.9484
Minus Social Costs \$/Mcf of GCR			<u>(\$0.9510)</u>
GCR Factor without Social Costs			\$6.9974

02/14/2001

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INTERIM SETTLEMENT INCREASE
SOCIAL COSTS INCLUDED IN GCR FACTOR (4&8)

		<u>GCR Factor</u>	<u>Total Cost</u>
Senior Citizen	1,805,673 Mcf	\$0.2385	\$14,493,957
CWP (Conservation Works)		\$0.0362	\$2,200,000
CRP Discount		\$0.7735	\$46,998,221
Total Costs		\$1.0483	\$63,692,178
Applicable Sales	60,760,276 Mcf		
GCR Factor	\$8.0269 (Annualized)		
Total GCR Factor			\$8.0269
Minus Social Costs \$/Mcf of GCR			<u>(\$1.0483)</u>
GCR Factor without Social Costs			\$6.9786

02/22/2001

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FUEL ADJUSTMENT
STATEMENT OF RECONCILIATION

2000-2001

	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
PRIOR YEAR'S CARRYOVER:										
1999-2000 FINALIZED OVERBILLING									(14,050,659)	
2000-2001 NATURAL GAS REFUNDS									3,868,972	
TOTAL "E" FACTOR									(10,181,687)	
2000-2001										
SEPTEMBER	12,843,601	1,478,752	3.1800	4,702,431	8,141,170	1.0982	1,617,646	(6,523,524)	(50,808)	(6,574,332)
OCTOBER	22,444,908	2,554,322	3.1800	8,122,744	14,322,164	1.0982	2,801,115	(11,521,049)	(570,671)	(12,091,720)
NOVEMBER ACTUAL	36,479,761	4,295,733	3.1800	13,660,431	22,819,330	1.0982	5,250,291	(17,569,039)	(814,339)	(18,383,378)
DECEMBER ESTIMATED	65,524,287	7,943,902	3.1800	25,261,609	40,262,678	2.6678	21,192,742	(19,069,935)	(957,700)	(20,027,635)
JANUARY	93,416,296	12,027,446	3.1800	38,247,278	55,169,018	4.6724	56,197,039	1,028,021	(1,767,767)	(739,746)
FEBRUARY	75,718,984	10,149,239	3.1800	32,274,580	43,444,403	6.1985	62,910,059	19,465,655	(2,064,999)	17,400,656
MARCH	66,997,745	8,477,995	3.1800	26,960,023	40,037,722	6.1985	52,550,850	12,513,128	(1,327,052)	11,186,076
APRIL	32,441,553	5,331,404	3.1800	16,953,865	15,487,688	6.1985	33,046,708	17,559,020	(822,016)	16,737,004
MAY	17,842,194	2,820,953	3.1800	8,970,631	8,871,563	6.1985	17,485,678	8,614,115	(570,495)	8,043,619
JUNE	13,022,104	1,923,942	3.1800	6,118,134	6,903,969	6.1985	11,925,552	5,021,583	(601,786)	4,419,798
JULY	13,136,422	1,444,059	3.1800	4,592,107	8,544,315	6.1985	8,950,998	406,683	(329,468)	77,215
AUGUST	13,234,120	1,438,438	3.1800	4,574,233	8,659,887	6.1985	8,916,159	256,272	(304,586)	(48,314)
TOTAL	463,101,974	59,886,185		190,438,067	272,663,907		282,844,837	10,180,930	(10,181,687)	(757)

FUEL ADJUSTMENT
STATEMENT OF RECONCILIATION
2000-2001

	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
PRIOR YEAR'S CARRYOVER:										
1999-2000 FINALIZED OVERBILLING									(14,050,659)	
2000-2001 NATURAL GAS REFUNDS									3,888,544	
TOTAL "E" FACTOR									(10,162,116)	
2000-2001										
SEPTEMBER	12,843,601	1,478,937	3.1800	4,703,020	8,140,581	1.0982	1,616,117	(6,524,464)	(50,711)	(6,575,175)
OCTOBER	22,444,908	2,554,309	3.1800	8,122,703	14,322,205	1.0982	2,801,077	(11,521,128)	(569,574)	(12,090,702)
NOVEMBER	36,538,935	4,316,481	3.1800	13,726,410	22,812,525	1.0982	5,097,105	(17,715,420)	(812,774)	(18,528,194)
DECEMBER ACTUAL	73,639,933	8,640,857	3.1800	27,477,925	46,162,008	2.6678	22,271,133	(23,890,875)	(955,859)	(24,846,734)
JANUARY ESTIMATED	96,289,885	11,415,792	3.1800	36,302,217	59,987,668	4.6724	53,339,145	(6,648,523)	(1,764,369)	(8,412,892)
FEBRUARY	72,705,853	10,397,840	3.1800	33,065,131	39,640,722	6.1985	64,451,012	24,810,290	(2,061,030)	22,749,260
MARCH	66,129,140	8,692,809	3.1800	27,643,132	38,486,008	6.4552	56,113,819	17,627,810	(1,324,501)	16,303,309
APRIL	34,072,656	5,466,660	3.1800	17,383,978	16,688,678	6.6959	36,604,207	19,915,530	(820,436)	19,095,093
MAY	21,249,580	2,888,604	3.1800	9,185,762	12,063,819	6.6959	19,341,806	7,277,987	(569,399)	6,708,589
JUNE	14,858,954	1,965,180	3.1800	6,249,272	8,609,682	6.6959	13,158,648	4,548,965	(600,629)	3,948,336
JULY	15,059,705	1,474,361	3.1800	4,688,469	10,371,235	6.6959	9,872,177	(499,059)	(328,834)	(827,893)
AUGUST	15,252,895	1,468,446	3.1800	4,669,659	10,583,335	6.6959	9,832,570	(750,766)	(304,000)	(1,054,766)
								6,630,348		
TOTAL	481,086,144	60,760,276		193,217,678	287,868,466		294,498,814	6,630,348	(10,162,116)	(3,531,768)

FUEL ADJUSTMENT
STATEMENT OF RECONCILIATION
FINALIZED
1999-2000

	NET COST OF FUEL 1	APPLICABLE SALES 2	BASE FUEL FACTOR 3	BASE FUEL CREDIT 4=2*3	FUEL COST REMAINING TO BE RECOVERED 5=1-4	GCR FACTOR APPLIED 6	GCR REVENUE BILLED 7	1999-2000 OVER/(UNDER) RECOVERY 8=7-5	CARRYOVER DISTRIBUTED ON GCR BUDGET VOLUME 9	NET OVER/(UNDER) RECOVERY 10=8+9
PRIOR YEAR'S CARRYOVER:										
1998-1999 FINALIZED OVERBILLING									16,094,412	
1999-2000 NATURAL GAS REFUNDS									22,425	
TOTAL "E" FACTOR									<u>16,116,837</u>	
1999-2000										
September 1999	6,116,534	264,014	3.18	839,565	5,276,969	1.0114	(474,309)	(5,751,278)	399,116	(5,352,161)
October	15,410,221	2,965,366	3.18	9,429,864	5,980,357	1.0114	2,337,855	(3,642,703)	574,018	(3,068,684)
November	19,668,637	4,231,536	3.18	13,456,284	6,212,353	1.0114	3,492,673	(2,719,679)	1,181,163	(1,538,517)
December	30,977,046	4,976,480	3.18	15,825,206	15,151,840	1.1254	5,897,113	(9,254,727)	1,790,099	(7,464,628)
January 2000	43,568,130	9,185,819	3.18	29,210,904	14,357,226	1.1688	10,680,825	(3,676,401)	3,026,773	(649,628)
February	38,005,427	10,730,321	3.18	34,122,420	3,883,007	1.0982	11,840,679	7,957,672	2,355,883	10,313,555
March	24,032,505	6,895,739	3.18	21,928,450	2,104,055	1.0982	7,570,139	5,466,084	2,412,336	7,878,419
April	18,700,908	4,271,430	3.18	13,583,147	5,117,761	1.0982	4,433,769	(883,992)	1,694,691	1,010,699
May	14,686,099	2,964,455	3.18	9,426,967	5,259,132	1.0982	3,510,002	(1,749,130)	1,144,829	(604,301)
June	19,052,613	3,127,049	3.18	9,944,016	9,108,597	1.0982	3,443,637	(5,664,960)	613,684	(5,051,275)
July	12,552,319	1,712,007	3.18	5,444,182	7,108,137	1.0982	1,883,082	(5,225,055)	464,454	(4,760,601)
August	11,983,430	1,582,715	3.18	5,033,035	6,950,395	1.0982	1,727,066	(5,223,329)	459,791	(4,763,538)
TOTAL	254,753,869	52,906,931		168,244,041	86,509,828		56,342,331	(30,167,497)	16,116,837	(14,050,660)

Schedule 9

CITY GATE GAS PRICES

(Dollars / Dth)
 4 & 8 Actual/Estimated
 2000-2001

Transco

	<u>3rd Party Suppliers - F</u>		<u>Pipeline Merchant Firm (FS)</u>	
	<u>1st QTR</u> <u>GCR Filing</u>	<u>4 & 8</u> <u>Filing</u>	<u>1st QTR</u> <u>GCR Filing</u>	<u>4 & 8</u> <u>Filing</u>
September	\$ 4.8432 *	\$4.8432 *	\$ 4.8804 *	\$ 4.8804 *
October	\$ 5.3476 *	\$5.3476 *	\$ 5.5794 *	\$ 5.5794 *
November	\$ 4.9718 **	\$4.6550 *	\$ 4.7647 *	\$ 4.7647 *
December	\$ 5.9283	\$5.2369 *	\$ 6.0400	\$ 6.3616 *
January	\$ 9.0071	\$9.4110	\$10.2990	\$ 10.5033
February	\$ 8.1595	\$7.0422	\$ 8.5241	\$ 6.5701
March	\$ 7.5776	\$6.5600	\$ 7.4617	\$ 6.5797
April	\$ 5.7002	\$6.2461	\$ 5.7364	\$ 6.2879
May	\$ 5.1994	\$6.0217	\$ 5.2666	\$ 6.0832
June	\$ 5.1699	\$5.9741	\$ 5.2353	\$ 6.0518
July	\$ 5.1526	\$5.9993	\$ 5.2157	\$ 6.0727
August	\$ 5.1215	\$6.0122	\$ 5.1818	\$ 6.0832

Texas Eastern

	<u>3rd Party Suppliers - FT</u>	
	<u>1st QTR</u> <u>GCR Filing</u>	<u>4 & 8</u> <u>Filing</u>
September	\$4.9822 *	\$ 4.9822 *
October	\$5.4697 *	\$ 5.4697 *
November	\$5.1262 **	\$ 4.6404 *
December	\$6.3357	\$ 5.3438 *
January	\$9.1747	\$ 9.5773
February	\$8.9883	\$ 7.9181
March	\$7.8330	\$ 6.8244
April	\$5.9878	\$ 6.5238
May	\$5.4908	\$ 6.3187
June	\$5.4577	\$ 6.2865
July	\$5.4012	\$ 6.2831
August	\$5.3862	\$ 6.3038

* Actual

** Preliminary

CITY GATE GAS PRICES

(Dollars / Dth)

4 & 8 Actual/Estimated

2000-2001

Transco

	<u>3rd Party Suppliers - FT</u>		<u>Pipeline Merchant Firm (FS)</u>	
	75%		75%	
	4 & 8 Filing	Methodology 4 & 8 Filing	4 & 8 Filing	Methodology 4 & 8 Filing
September *	\$ 4.8432	\$ 4.8432	\$ 4.8804	\$ 4.8804
October *	\$ 5.3476	\$ 5.3476	\$ 5.5794	\$ 5.5794
November *	\$ 4.6550	\$ 4.6550	\$ 4.7647	\$ 4.7647
December *	\$ 5.2369	\$ 5.2369	\$ 6.3616	\$ 6.3616
January	\$ 9.4110	\$ 9.4110	\$ 10.5033	\$ 10.5033
February	\$ 7.0422	\$ 7.0422	\$ 6.5701	\$ 6.5710
March	\$ 6.5600	\$ 6.4015	\$ 6.5797	\$ 6.3530
April	\$ 6.2461	\$ 6.3337	\$ 6.2879	\$ 6.3758
May	\$ 6.0217	\$ 6.2498	\$ 6.0832	\$ 6.3128
June	\$ 5.9741	\$ 6.0365	\$ 6.0518	\$ 6.1147
July	\$ 5.9993	\$ 6.0337	\$ 6.0727	\$ 6.1074
August	\$ 6.0122	\$ 6.0075	\$ 6.0832	\$ 6.0785

Texas Eastern

	<u>3rd Party Suppliers - FT</u>	
	75%	
	4 & 8 Filing	Methodology 4 & 8 Filing
September *	\$ 4.9822	\$ 4.9822
October *	\$ 5.4697	\$ 5.4697
November *	\$ 4.6404	\$ 4.6404
December *	\$ 5.3438	\$ 5.3438
January	\$ 9.5773	\$ 9.5773
February	\$ 7.9181	\$ 7.9181
March	\$ 6.8244	\$ 6.6398
April	\$ 6.5238	\$ 6.5848
May	\$ 6.3187	\$ 6.5299
June	\$ 6.2865	\$ 6.3235
July	\$ 6.2831	\$ 6.2893
August	\$ 6.3038	\$ 6.2685

* Actual

CALCULATION OF RECOVERED CHARGES

4 & 8 Actual/Estimated

	Usage		Usage		Usage		Usage		Total 2000-01	
	MCFs	\$	MCFs	\$	MCFs	\$	MCFs	\$	MCFs	\$
Applicable Sales (MCFs)										
September 1 thru November 21	10,022,151 ⁽¹⁾									
November 22 thru December 31			12,492,203 ⁽²⁾							
January 1 thru February 28					20,496,060 ⁽³⁾					
March 1 thru August 31							17,749,862 ⁽⁴⁾		60,760,276	
Total Applicable Sales										
Base Fuel Factor \$/MCF	3.18		3.18		3.18		3.18			
Base Fuel Charge		31,870,439		39,725,206		65,177,471		56,444,561		193,217,677
GCR Fuel Factor \$/Mcf	1.0982		3.0445		6.1985		6.6959			
GCR Fuel Charge		11,350,955 ⁽⁵⁾		37,251,596 ⁽⁵⁾		127,044,828		118,851,301		294,498,680
Total Projected Recovery		<u>43,221,394</u>		<u>76,976,802</u>		<u>192,222,299</u>		<u>175,295,862</u>		<u>487,716,357</u>

⁽¹⁾ Proper utilization of sales include billed sales for September 1st through November 30th plus 6 days of average December billed sales recognizing PGW's cycle billing.

⁽²⁾ Proper utilization of sales include 25 days of average December billed sales and 15 days of average January billed sales recognizing PGW's cycle billing.

⁽³⁾ Proper utilization of sales include 16 days of average January billed sales, all of February billed sales and 15 days of average March billed sales recognizing PGW's cycle billing.

⁽⁴⁾ Proper utilization of sales include 16 days of average March billed sales and billed sales for the months of April through August 2001 recognizing PGW's cycle billing.

⁽⁵⁾ Represents actual GCR revenue

NOTE: The "Total Projected Recovery" includes the Base Fuel Factor of \$3.18 plus the GCR Fuel Factor which fluctuates based on actual natural gas prices times Applicable Sales.

CALCULATION OF RECOVERED CHARGES

2000-01 3 & 9 ESTIMATE

	Usage		Usage		Usage		Total 2000-01	
	MCFs	\$	MCFs	\$	MCFs	\$	MCFs	\$
Applicable Sales (MCFs)								
September 1 thru December 6 ⁽¹⁾	9,866,335							
December 7 thru January 15 ⁽²⁾			12,226,102					
January 16 thru August 31 ⁽³⁾					37,793,748			
Total Applicable Sales							59,886,185	
Base Fuel Factor \$/MCF	3.18		3.18		3.18			
Base Fuel Charge		31,374,944		38,879,004		120,184,119		190,438,067
GCR Fuel Factor \$/Mcf	1.0982		3.0445		6.1985			
GCR Fuel Charge		11,357,603 ⁽⁴⁾		37,222,368		234,264,547		282,844,518
Total Projected Recovery		<u>42,732,547</u>		<u>76,101,372</u>		354,448,666		<u>473,282,585</u>

⁽¹⁾ Represents usage from September 1st through November 21st.

⁽²⁾ Represents usage from November 22nd through December 31st.

⁽³⁾ Represents usage from January 1st through August 31st.

⁽⁴⁾ GCR Fuel Charge for September 1st through December 6th includes actual revenues through November 30th and 6/31st of estimated revenue for December.

NOTE: The Total GCR Projected Recovery includes the base rate of \$3.18 plus the GCR factor which fluctuates dependent on Natural Gas Prices times applicable GCR sales.

Philadelphia Gas Works
Comparison of Applicable Sales
Showing Cycle Degree Days and Heating Degree Days (Calendar Degree Days)
1st Quarter GCR Filing (01/01/01 Filing) versus Interim Settlement GCR

	M C F		Cycle Degree Days ⁽¹⁾		Calendar Degree Days ⁽²⁾	
	Applicable Sales		01-Jan-01		Interim Settlement	
	01-Jan-01	Interim Settlement	01-Jan-01	Interim Settlement	01-Jan-01	Interim Settlement
	<u>1st Quarter Filing</u>	<u>4 & 8 Filing</u>	<u>1st Quarter Filing</u>	<u>4 & 8 Filing</u>	<u>1st Quarter Filing</u>	<u>4 & 8 Filing</u>
September 2000	1,478,752	1,478,937	7	7	57	57
October	2,554,322	2,554,309	103	103	197	197
November	4,295,731	4,316,481	254	254	537	537
December	7,943,902	8,640,857	738	761	1049	1011
January 2001	12,027,446	11,415,792	1205	1097	987	942
February	10,149,239	10,397,840	952	954	840	840
March	8,477,995	8,692,809	797	797	688	688
April	5,331,404	5,466,660	505	505	334	334
May	2,820,953	2,888,604	218	218	116	116
June	1,923,942	1,965,180	26	26	0	0
July	1,444,059	1,474,361	0	0	0	0
August	1,438,438	1,468,446	0	0	0	0
Total	<u>59,886,183</u>	<u>60,760,276</u>	<u>4805</u>	<u>4722</u>	<u>4805</u>	<u>4722</u>

(1) Degree days associated with sales and revenue

(2) Degree days associated with sendout

02/15/2001

Schedule 12

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of PGW's compliance filing and supporting documents upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA HAND DELIVERY, FACSIMILE and/or E-MAIL

Tanya McCloskey, Esq.
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Harrisburg, PA 17101

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

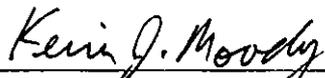
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Philip Bertocci, Esq.
Community Legal Services
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Craig A. Doll, Esq.
25 North Front St., 2nd Floor
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SECRETARY'S BUREAU
01 FEB 28 PM 4:37

Dated: February 28, 2001



Kevin J. Moody, Esquire

Wolf, Block, Schorr and Solis-Cohen LLP

212 Locust Street
Suite 300
Harrisburg, PA 17101
T: 717 237 7160
F: 717 237 7161
www.wolfblock.com

ORIGINAL

DANIEL CLEARFIELD
DIRECT DIAL: (717) 237-7173
E-MAIL: DCLEARFIELD@WOLFBLOCK.COM

March 1, 2001

DOCKETED

MAR 02 2001

DOCUMENT
FOLDER

SECRETARY'S BUREAU

01 MAR - 1 AM 9:51

RECEIVED

James McNulty, Secretary
Pa Public Utility Commission
Commonwealth Keystone Bldg., 2nd Fl.
Harrisburg, PA 17105

RE: Pennsylvania Public Utility Commission v. Philadelphia
Gas Works; Docket No. R-00005654

Dear Secretary McNulty:

On behalf of Philadelphia Gas Works ("PGW"), this letter hereby responds to the PUC's February 22, 2001 Order approving the Joint Petition for Settlement entered into between PGW and the PUC Law Bureau ("Joint Petition"). That Order indicated that PUC acceptance of the terms of the Joint Petition is contingent upon PGW's acceptance of the unmodified conditions in the November 22, 2000 Order at the above docket. PGW hereby accepts those unmodified conditions as set forth in Attachment "A" to this letter.

In addition, the February 22, 2001 Order also indicates that any management agreement executed pursuant to Attachment A of the Joint Petition must be submitted to the Commission for prior review and approval to ensure compliance with the terms and conditions of the Joint Petition as well as the standards set forth in the November 22, 2000 Order. We agree to take these steps to allow the PUC to review compliance with the process set forth in Attachment A to the Joint Petition, as well as adherence to the standards for selecting PGW management set forth in the November 22, 2000 Order (that is, that the new management selected will be permanent, independent, professional and experienced). PGW understands that this review will be conducted pursuant to, and consistent with, the PUC's authority in Section 2212 of the Public Utility Code and particularly Section 2212(s).

DSH:26300.1

James McNulty, Secretary
March 1, 2001
Page 2

Please also be advised that PGW and the City of Philadelphia has filed with Commonwealth Court a praecipe for withdrawal of their appeals at 557 M.D. 2000, a copy of which is attached hereto.

Very truly yours,



Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DC/lww

Enclosure

cc: All Parties of Record

Joan Stern, Esq.

Daniel Cantu-Hertzler, Esq.

Steven S. Hershey, Esq.

Janet Parrish, Esq.

Abby Pozefsky, Esq.

SECRETARY'S BUREAU
PHILADELPHIA, PA

01 MAR - 1 AM 9:51

Attachment A

Unmodified Ordering Paragraphs in November 22, 2000 Order

Ordering Paragraph 1	(Filing base rate case)
Ordering Paragraph 2	(Subject to refund)
Ordering Paragraph 3	(Will not seek recoupment)
Ordering Paragraph 4	(Transition to Excellence* and safe and adequate service)
Ordering Paragraph 5	(1% main replacement program*)
Ordering Paragraph 6	(Correcting its BCCS system*)
Ordering Paragraph 7	(LNG Liquefaction program*)
Ordering Paragraph 8	(Report on customer service improvements)
Ordering Paragraph 11	(Best practices working group)
Ordering Paragraph 13	(Monthly progress reports)

* These commitments are made under the same conditions set forth in PGW's November 27, 2000 letter with respect to its November GCR increase regarding financial ability to continue the specific activity.

IN THE COMMONWEALTH COURT OF PENNSYLVANIA

ORIGINAL

PHILADELPHIA GAS WORKS,
the PHILADELPHIA FACILITIES
MANAGEMENT CORPORATION; CITY
of PHILADELPHIA

Petitioners

v.

No. 557 M.D. 2000

PENNSYLVANIA PUBLIC
UTILITY COMMISSION

Respondent

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PRAECIPE FOR WITHDRAWAL OF PETITION FOR REVIEW

TO: DANIEL R. SCHUCKERS
PROTHONOTARY

A settlement with the Respondent having been reached, kindly withdraw the Petition for Review filed in the above-captioned matter.

Respectfully submitted:



Daniel W. Cantu-Hertzler, Chair
Corporate and Tax Group
City of Philadelphia Law Department
One Parkway, 17th Fl.
1515 Arch Street
Philadelphia, PA 19102-1595
215-683-5003

Counsel for Petitioner City of Philadelphia



Daniel Clearfield, Esq.
Mark S. Stewart, Esq.
Wolf, Block, Schorr and Solis-Cohen
LLP
202 Locust Street
Suite 300
Harrisburg, PA 17101
717-237-7160

Counsel for PGW and PFMC

Dated: February 28, 2001

PROOF OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the persons listed below in accordance with the requirements of Pa. R.A.P. 121.

VIA FIRST CLASS MAIL

Tanya McCloskey, Esq.
Steve Keene, Esq.
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Bohdan Pankiw
Pennsylvania Public Utility Commission
Law Bureau
Commonwealth Keystone Building
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James McNulty, Secretary
Pennsylvania Public Utility Commission
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Philadelphia, PA 19102

Craig A. Doll, Esq.
25 North Front St., 2nd Floor
Harrisburg, PA 17101-1606

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PA. P.U.C.
SECRETARY'S BUREAU

Date: February 28, 2001


Mark S. Stewart

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 FIRST CLASS MAIL, HAND DELIVERY and/or E-MAIL

Tanya McCloskey, Esq.
Steve Keene, Esq.
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Redding, CT 06896
(OCA)

Craig A. Doll, Esq.
25 North Front St., 2nd Floor
Harrisburg, PA 17101-1606

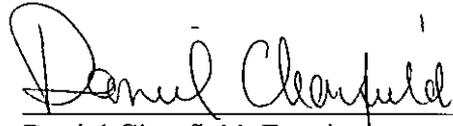
Brian Kalcic
Excel Consulting
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(OSBA)

Richard A. Baudino
J. Kennedy and Associates
570 Colonial Park Dr., Suite 305
Roswell, GA 30075

RECORDED
01 MAR -1 AM 9:52
PA. PUBLIC
SECRETARY'S BUREAU

Larry Speilvogel
203 Hughes Road
King of Prussia, PA 19406
(PICGUG)

Dated: March 1, 2001


Daniel Clearfield, Esquire

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01 MAR - 1 AM 9:51
P.A.P.U.C.
SECRETARY'S BUREAU

B-003848 SB
AT



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2001 MAR -1 PM 1:48

Commonwealth Court of Pennsylvania

Charles R. Hostutler
Deputy Prothonotary/Chief Clerk

LAW BUREAU

March 1, 2001

P.O. Box 11730
Harrisburg, PA 17108
717-255-1650

Notice of Discontinuance of Action

RE: Phila. Gas Works, et al. v. PUC
Appeal of:

Certified from the Record

MAR 1 2001

and Order Exit

Type of Action: Petition for Review

No. 557 MD 2000

Public Utility Commission

Agency Docket Number:

File ↓

R-00005654

The above-captioned matter has been marked "Discontinued" with this court. Certification is being sent to the lower court.

DOCKETED
APR 09 2001

Attorney Name	Party Name	Party Type
Charis Mincavage Burak, Esq.	Philadelphia Industrial and Commercial Gas Users Group	Intervenor
Angela T. Jones, Esq.	Office of Small Business Advocate	Intervenor
Edward A. McCool, Esq.	Consumers Education and Protective Association	Intervenor
Karen Marie Oill Moury, Esq.	Pennsylvania Public Utility Commission	Respondent
Jackie Battle Sparkman, Esq.	School District of Philadelphia	Intervenor
Mark S. Stewart, Esq.	Philadelphia Gas Works	Petitioner

DOCUMENT
FOLDER

DOCKETED

MAR 21 2001 [Signature]

Philadelphia Gas Works

Thomas E. Knudsen
Chief Financial Officer



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 684-6051
Fax: (215) 684-6101
E-mail: thomas.knudsen@pgworks.com

May 10, 2001

HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg., 2nd Fl.
Harrisburg, PA 17120

RECEIVED
MAY 10 2001

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ORIGINAL

Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-00005654

Dear Secretary McNulty,

In accordance with the PUC's February 22, 2001 Order approving the Joint Petition for Full Settlement in the above-referenced proceeding,¹ enclosed is PGW's initial "Monthly Progress Report" concerning implementation of the unmodified conditions imposed by the Commission in PGW's Interim Rates proceeding. This report is being served on all parties of record.

If the Commission requires further clarification on this report, please contact me immediately or contact our counsel of record, Daniel Clearfield.

Very truly yours,

Thomas Knudsen
Chief Financial Officer for:
Philadelphia Gas Works

DOCUMENT
FOLDER

- cc: As per Certificate of Service
- Veronica Smith, Esq., Deputy Executive Director
- Karen Moury, Esq., Law Bureau
- Robert Rosenthal, Bureau of Fixed Utility Services
- Mitch Miller, Bureau of Consumer Services
- Glenn Bartron, Bureau of Audits
- Joe Farley, Bureau of Consumer Services

¹ "[T]he Commission's approval of the terms and conditions set forth in the Joint Petition is expressly conditioned upon PGW's acceptance of the unmodified conditions in the November 22, 2000 Order." February 22, 2001 Order at Ordering ¶1.

65

Philadelphia Gas Works

RECEIVED

MAY 10 2001

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Monthly Progress Report to the Pennsylvania Public Utility Commission

Docket No. R-00005654

DOCUMENT
FOLDER

DOCKETED
MAY 11 2001

May 10, 2001

PGW Commitment #1¹

“PGW will commit to its "Transition to Excellence" plan for improvement and make a demonstration throughout the interim rate period that it is providing safe and adequate service.”

RESPONSE:

April 2001

The “Transition to Excellence” program has elements that have been completed and others that are on-going, as described below:

Regulatory

All PGW activity before the Philadelphia Gas Commission is complete.
The Management Audit and PGW response is complete.
The Base Rate Case is in process.
Customer Service Oversight is on-going (*see* PGW response to PUC Tentative Order entered April 20, 2001).

Strategy and Planning

FY2001 Strategic Plan is complete; working on FY2002 update.
Organization Plan and Position Evaluation is complete.
Compensation Restructuring is complete.
Labor negotiation task force is in operation pending completion of collective bargain efforts.

Stabilization

Control Study is complete.
Project Management Office structuring is complete.
IT Systems Improvements – Scheduled completion date is July, 2001.
Annual Audit is complete.

Cash Collection Initiatives

Full task force is in effect.

Call Center

All indicated activities are complete; successor program is under development.

Human Resources

All indicated activities are complete.

¹ Unmodified condition of Ordering Paragraph #4, 11/22/00 Order.

Information Technology

Reorganization is complete.

Corporate Planning & Process Control

All indicated activities are complete.

PGW Commitment #2²

“PGW must achieve a 1% replacement rate in its mains replacement program, as provided for in the Company’s base case capital budget.”

RESPONSE:

April 2001

PGW is proceeding with the above project at the present time and is on schedule to reduce its inventory of cast iron pipe by the 1% rate. At the beginning of the current fiscal year, several Distribution Department management personnel were assigned to directly oversee and manage this program. The group was given the accountability for the successful completion of this corporate objective. The Distribution Department has developed and reviewed a list of prioritized targeted main replacements based on the philosophy of the Navigant Study. With the assistance of the Engineering Department, appropriate designs are being completed and construction plans drawn.

To date, PGW and Outside Contractor crews have replaced, abandoned or rehabilitated approximately ten (10) miles of cast iron main, so 56% of the total project is complete, with successful project completion anticipated by the end of the Fiscal Year 2001.

² Unmodified condition of Ordering Paragraph #5, 11/22/00 Order.

PGW Commitment #3³

“PGW must commit to correcting the problems with its BCCS system, particularly the need to rectify the budget billing problems, providing quarterly reports to the PUC's Bureau of Consumer Services, on the progress it is making in correcting its BCCS problems.”

Response:

April 2001

The first quarterly report is due July 2, 2001. PGW will report on its BCCS problem corrections for the months of April – June 2001 in the July report.

³ Unmodified condition of Ordering Paragraph #6, 11/22/00 Order.

PGW Commitment #4⁴

"PGW must proceed with its LNG Liquefaction Replacement Program to ensure supply and reliability are maintained."

Response:

April 2001

PGW is proceeding to replace the liquefaction facilities at its Richmond Plant. Details are contained in PGW's monthly GCR Compliance Report which, for the PUC's convenience, are summarized below:

Contract documents were finalized in November, 2000. Process design and control philosophy was completed in January 2001. Approximately 25% of the total project was complete in January 2001, and approximately 35% was complete in February 2001.

In March 2001, process design engineering and associated drafting was completed, total project engineering and drafting was about two-thirds complete, and the vendor was on plant site to confirm locations of battery limits and to define skid/equipment centers and footprints.

In April 2001, process shutdown logic was finalized and could be fully incorporated into the piping and instrumentation diagrams. Major equipment manufacture commenced in March 2001 and, along with piping, civil, instrumentation and electrical design, has continued into April 2001. Total project was near 42% complete, with site mobilization (groundbreaking) scheduled for July, 2001, and project completion scheduled for March, 2002.

⁴ Unmodified condition of Ordering Paragraph #7, 11/22/00 Order.

PGW Commitment #5⁵

"PGW must show improvements in its customer service functions and report on its progress to the Commission on a quarterly basis. Such reports should include: monthly call center access reports for customer service and collection call centers (to include average speed of answer, average abandonment time, number of abandoned calls, average delay in queue and the percentage of calls answered); monthly consumer dispute reports (to include number of customer disputes filed, number and percentage of disputes responded to in under thirty days, and the average response time), the number and percentage of residential bills which PGW failed to render during the relevant billing cycles; the number and percentage of residential meters for which PGW has failed to obtain actual or customer supplied readings during the prior six months; and, monthly reports showing the number and percentage of missed customer service appointments.

Response:

April 2001

The first quarterly report is due July 2, 2001. PGW will collect the required monthly data for the months of April – June 2001 and include it in the July report.

⁵ Unmodified condition of Ordering Paragraph #8, 11/22/00 Order.

PGW Commitment #6⁶

“In addition to the management arrangements referred to above, PGW shall convene a "best practices" working group. The purpose of the working group is to solicit cost cutting steps from other entities such as natural gas distribution companies (NGDCs), industry associations and comparable municipal organizations. ”

Response:

April 2001

PGW is moving to structure a “best practices” working group by department. To date the following groups have been assembled and are collecting data or have association relationships as follows:

- Customer Affairs: Joined an industry benchmarking study on customer service practices and call center operations
- Distribution: PSE&G peer review group
- Operations: AGA best practices group
- Fleet Operations: Chatham Consulting Group benchmarking survey – triennial

⁶ Unmodified condition of Ordering Paragraph #11, 11/22/00 Order.

PGW Commitment #7⁷

“In addition to the management arrangements referred to above, PGW must commit to address and implement the management, operational, service and other improvement measures ultimately recommended in the management audit, unless otherwise directed by the Commission.”

Response:

March 2001

As required, in March of 2001 PGW submitted to the Commission its Implementation Plan for the management and operational audit. The Plan rejected three of the recommendations as beyond PGW’s legal authority to implement and rejected, in part, five other recommendations as either subject to collective bargaining or not feasible to implement. The Company is proceeding with the implementation of the remaining recommendations in accordance with the Plan.

April 2001

The Commission voted to make public the audit and the Company’s Implementation Plan. April activity included the responsible areas proceeding with the implementation schedule. Pertinent recommendations are in the process of being incorporated into the corporate strategic plan.

⁷ Unmodified condition of Ordering Paragraph #12, 11/22/00 Order.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of PGW's compliance filing and supporting documents upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

Tanya McCloskey, Esq.
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5th Floor, Forum Place Bldg.
555 Walnut Street
Harrisburg, PA 17101-1921

Steven Gray, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

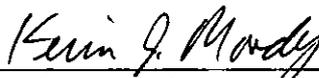
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Philip Bertocci, Esq.
Community Legal Services
1424 Chestnut Street
Philadelphia, PA 19102

Craig A. Doll, Esq.
25 North Front St., 2nd Floor
Harrisburg, PA 17101-1606

Dated: May 10, 2001



Kevin J. Moody, Esquire

Barbush, Barb

From: Patrick, Janet
Sent: Tuesday, May 29, 2001 7:14 AM
To: Barbush, Barb
Cc: Christianson, Robert
Subject: FW: P#s associated with last fall's PGW R#s

Barb can you take care of this from this e-mail

-----Original Message-----

From: Christianson, Robert
Sent: Wednesday, May 23, 2001 4:28 PM
To: McNulty, James
Cc: Patrick, Janet; Rohrbaugh, Eric; Pankiw, Bohdan; Chestnut, Marlane, R.; Lewis, Norma; Weisman, Wayne
Subject: P#s associated with last fall's PGW R#s

This is not a priority or "hurry" matter but I thought that I should address it now. I can provide more background, as necessary.

ALJ Chestnut had two PGW rate cases, at R-00005619 and R-00005654. In connection with those cases, PGW filed petitions at P-00001828 and P-00001831. The petitions essentially requested the proceedings which were undertaken at the two R#s. The P#s were at Public Meeting of August 17, 2000, on the Law Bureau agenda. The Commission adopted two Orders at the two P#s. However, the two proceedings were handled under the R#s.

Somehow, the two P#s got reassigned to OALJ, with the R#s. However, when the cases were completed, only the R#s were closed out. This was probably because the P#s had been essentially forgotten by then, having done their duty with the adoption of the August 17, 2000 Orders.

I request that the two P#s be closed. I repeat that there is no rush about this. We should, however, eventually get this done.

P.S.: I have spoken with ALJ Weisman and various other people in OALJ about the *docketing question he raised*. The basic problem concerns docketing when two or more utilities are named in one complaint. Other OALJ people have raised the same question. We can discuss this, at your convenience.

DOCUMENT
FOLDER

Philadelphia Gas Works

Thomas E. Knudsen
Chief Financial Officer



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 684-6051
Fax (215) 684-6101
E-mail: thomas.knudsen@pgworks.com

ORIGINAL

June 8, 2001

HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg., 2nd Fl.
Harrisburg, PA 17120

**DOCUMENT
FOLDER**

**RECEIVED
01 JUN - 8 PM 2:32
PA.P.U.C.
SECRETARY'S BUREAU**

Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-00005654

Dear Secretary McNulty,

In accordance with the PUC's February 22, 2001 Order approving the Joint Petition for Full Settlement in the above-referenced proceeding,¹ enclosed is PGW's "Monthly Progress Report" for May 2001 concerning implementation of the unmodified conditions imposed by the Commission in PGW's Interim Rates proceeding. This report is being served on all parties of record.

If the Commission requires further clarification on this report, please contact me immediately or contact our counsel of record, Daniel Clearfield.

Very truly yours,

Thomas Knudsen
Chief Financial Officer for:
Philadelphia Gas Works

- cc: As per Certificate of Service
- Veronica Smith, Esq., Deputy Executive Director
- Karen Moury, Esq., Law Bureau
- Robert Rosenthal, Bureau of Fixed Utility Services
- Mitch Miller, Bureau of Consumer Services
- Glenn Bartron, Bureau of Audits
- Joe Farley, Bureau of Consumer Services

¹ "[T]he Commission's approval of the terms and conditions set forth in the Joint Petition is expressly conditioned upon PGW's acceptance of the unmodified conditions in the November 22, 2000 Order." February 22, 2001 Order at Ordering ¶1.

ORIGINAL

Philadelphia Gas Works

DOCKETED
JUN 25 2001

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01 JUN -8 PM 2:32
P.A.P.U.C.
SECRETARY'S BUREAU

**Monthly Progress Report to the
Pennsylvania Public Utility Commission**

Docket No. R-00005654

**DOCUMENT
FOLDER**

June 8, 2001

PGW Commitment #1¹

“PGW will commit to its "Transition to Excellence" plan for improvement and make a demonstration throughout the interim rate period that it is providing safe and adequate service.”

RESPONSE:

May 2001

The “Transition to Excellence” program has elements that have been completed as set forth in the April 2001 report. Other on-going elements are described below:

Regulatory

The Base Rate Case is in process and scheduled for completion in October 2001.
Customer Service Oversight is on-going with a comprehensive initiative to begin in June 2001.

Strategy and Planning

Presently working on a FY2002, Strategic Plan update.
Labor negotiation task force is in operation pending completion of collective bargaining efforts.

Stabilization

IT Billing Systems Improvements are scheduled for completion in August 2001.

Call Center

The successor program is under development.

¹ Unmodified condition of Ordering Paragraph #4, 11/22/00 Order.

PGW Commitment #2²

“PGW must achieve a 1% replacement rate in its mains replacement program, as provided for in the Company’s base case capital budget.”

Response:

May 2001

PGW is proceeding with the above project now and is on schedule to reduce its inventory of cast iron pipe by the 1% rate. The Distribution Department continues to develop and review a list of prioritized targeted main replacements based on the determinants of the Navigant Study. With the assistance of the Engineering Department, appropriate designs are being completed and construction plans drawn.

To date, PGW and Outside Contractor crews have replaced, abandoned or rehabilitated approximately eleven (11) miles of cast iron main. Sixty-one percent (61%) of the total project is complete. PGW anticipates successful project completion by the end of Fiscal Year 2001.

² Unmodified condition of Ordering Paragraph #5, 11/22/00 Order.

PGW Commitment #3³

“PGW must commit to correcting the problems with its BCCS system, particularly the need to rectify the budget billing problems, providing quarterly reports to the PUC's Bureau of Consumer Services, on the progress it is making in correcting its BCCS problems.”

Response:

May 2001

The first quarterly report is due July 2, 2001. PGW will report on its BCCS problem corrections for the months of April – June 2001 in the July report.

³ Unmodified condition of Ordering Paragraph #6, 11/22/00 Order.

PGW Commitment #4⁴

"PGW must proceed with its LNG Liquefaction Replacement Program to ensure supply and reliability are maintained."

Response:

May 2001

During May 2001, major equipment manufacture and piping, civil, instrumentation and electrical design continued. The finalized process shutdown logic has been incorporated onto instrument diagrams and is now being reviewed. Due to an underground structure problem of an old piling support system, the plot plan has been slightly modified to allow room for a new piling system. This modification has moved the projected completion date from March 2002 to April 2002, with the site mobilization scheduled for the latter part of July 2001. Total project is near 46% complete.

⁴ Unmodified condition of Ordering Paragraph #7, 11/22/00 Order.

PGW Commitment #5⁵

"PGW must show improvements in its customer service functions and report on its progress to the Commission on a quarterly basis. Such reports should include: monthly call center access reports for customer service and collection call centers (to include average speed of answer, average abandonment time, number of abandoned calls, average delay in queue and the percentage of calls answered); monthly consumer dispute reports (to include number of customer disputes filed, number and percentage of disputes responded to in under thirty days, and the average response time), the number and percentage of residential bills which PGW failed to render during the relevant billing cycles; the number and percentage of residential meters for which PGW has failed to obtain actual or customer supplied readings during the prior six months; and, monthly reports showing the number and percentage of missed customer service appointments.

Response:

May 2001

The first quarterly report is due July 2, 2001. PGW will collect the required monthly data for the months of April – June 2001 and include it in the July report.

⁵ Unmodified condition of Ordering Paragraph #8, 11/22/00 Order.

PGW Commitment #6⁶

“In addition to the management arrangements referred to above, PGW shall convene a "best practices" working group. The purpose of the working group is to solicit cost cutting steps from other entities such as natural gas distribution companies (NGDCs), industry associations and comparable municipal organizations. ”

Response:

May 2001

PGW is moving to structure a “best practices” working group by department. To date the following groups have been assembled and are collecting data or have association relationships as follows:

- Customer Affairs: Provided information for incorporation in an industry benchmarking study on customer service practices and call center operations

- Distribution: PSE&G peer review group

- Operations: AGA best practices group

- Fleet Operations: Chatham Consulting Group benchmarking survey – triennial

⁶ Unmodified condition of Ordering Paragraph #11, 11/22/00 Order.

PGW Commitment #7⁷

“In addition to the management arrangements referred to above, PGW must commit to address and implement the management, operational, service and other improvement measures ultimately recommended in the management audit, unless otherwise directed by the Commission.”

Response:

May 2001

May activity included the responsible areas proceeding with the implementation schedule. Pertinent recommendations are in the process of being incorporated into the corporate strategic plan.

⁷ Unmodified condition of Ordering Paragraph #12, 11/22/00 Order.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of PGW's compliance filing and supporting documents upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

Tanya McCloskey, Esq.
Steve Keene, Esq.
Office of Consumer Advocate
5th Floor, Forum Place Bldg.
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Harrisburg, PA 17101-1921

Steven Gray, Esq.
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Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

Dated: June 8, 2001



Kevin J. Moody, Esquire

Philadelphia Gas Works

Thomas E. Knudsen
Chief Financial Officer



PGW

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July 11, 2001

HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg., 2nd Fl.
Harrisburg, PA 17120

ORIGINAL
DOCUMENT
FOLDER

PA P.U.C.
SECRETARY'S BUREAU

01 JUL 11 PM 3:48

RECEIVED

Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-00005654

Dear Secretary McNulty,

In accordance with the PUC's February 22, 2001 Order approving the Joint Petition for Full Settlement in the above-referenced proceeding,¹ enclosed is PGW's "Monthly Progress Report" for April, May, and June 2001 concerning implementation of the unmodified conditions imposed by the Commission in PGW's Interim Rates proceeding. This report includes quarterly data (April - June 2001) concerning commitments #3 and #5. The report is being served on all parties of record.

If the Commission requires further clarification on this report, please contact me immediately or contact our counsel of record, Daniel Clearfield.

Very truly yours,

Thomas Knudsen

Thomas Knudsen
Chief Financial Officer for:
Philadelphia Gas Works

- cc: As per Certificate of Service
- Veronica Smith, Esq., Deputy Executive Director
- Karen Moury, Esq., Law Bureau
- Robert Rosenthal, Bureau of Fixed Utility Services
- Mitch Miller, Bureau of Consumer Services
- Glenn Bartron, Bureau of Audits
- Joe Farley, Bureau of Consumer Services

¹ "[T]he Commission's approval of the terms and conditions set forth in the Joint Petition is expressly conditioned upon PGW's acceptance of the unmodified conditions in the November 22, 2000 Order." February 22, 2001 Order at Ordering ¶1.

ORIGINAL

Philadelphia Gas Works

DOCKETED
JUL 18 2001

**DOCUMENT
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**Monthly Progress Report to the
Pennsylvania Public Utility Commission**

Docket No. R-00005654

RECEIVED
01 JUL 11 PM 3:48
PA.P.U.C.
SECRETARY'S BUREAU

July 11, 2001

PGW Commitment #1¹

“PGW will commit to its "Transition to Excellence" plan for improvement and make a demonstration throughout the interim rate period that it is providing safe and adequate service.”

RESPONSE:

June 2001

The “Transition to Excellence” program has elements that have been completed as set forth in the April 2001 and May 2001 reports. Other ongoing elements are described below:

Regulatory

The Base Rate Case is in process and scheduled for completion in October 2001. Customer Service Oversight is ongoing with a comprehensive Customer Service Initiative Program that began on June 25, 2001.

Strategy and Planning

Presently working on a FY2002 Strategic Plan update and expect to meet with the owners in July to discuss the draft Strategic Plan and related budget. Labor negotiation task force is in operation pending completion of collective bargaining efforts.

Stabilization

IT Billing Systems Improvements are scheduled for completion in August 2001.

Call Center

The successor program is under development.

¹ Unmodified condition of Ordering Paragraph #4, 11/22/00 Order.

PGW Commitment #2²

“PGW must achieve a 1% replacement rate in its mains replacement program, as provided for in the Company’s base case capital budget.”

Response:

June 2001

PGW is proceeding with the above project and is on schedule to reduce its inventory of cast iron pipe by the 1% rate. The Distribution Department continues to develop and review a list of prioritized targeted main replacements based on the determinants of the Navigant Study. With the assistance of the Engineering Department, appropriate designs are being completed and construction plans drawn.

To date, PGW and Outside Contractor crews have replaced, abandoned or rehabilitated approximately thirteen (13) miles of cast iron main. Seventy-two percent (72%) of the total project is complete. PGW anticipates successful project completion by the end of Fiscal Year 2001.

² Unmodified condition of Ordering Paragraph #5, 11/22/00 Order.

PGW Commitment #3³

“PGW must commit to correcting the problems with its BCCS system, particularly the need to rectify the budget billing problems, providing quarterly reports to the PUC's Bureau of Consumer Services, on the progress it is making in correcting its BCCS problems.”

Response:

June 2001

Budget billing issues

The following issues were all resolved with the current version of the budget billing monitoring process. This process was moved to production status on March 10, 2001.

- The new budget process will monitor budgets and review/renew the budget three times a year
- New calculations are required to calculate the budget amount. The calculations incorporate the following:
 - * Use the prior 12-month history and include arrearage
 - * Default minimum amount based on customer class
 - * Use current budget amount if insufficient histories
 - * All premises attached to the account (including expired USA's) are part of the total budget calculation.
 - * Consider a rate increase when calculating the budget and when reviewed
- Scheduled budget payments are to correspond with the bill cycle schedules
- Payments are to be applied correctly based on PGW's business rules.
- Add additional bill messages, based on the status of the budget

PGW continues to monitor the accuracy of budget bills on a daily basis.

³ Unmodified condition of Ordering Paragraph #6, 11/22/00 Order.

PAYMENT ARRANGEMENTS

The Program Management Office (PMO) created a document that explains the business requirements for payment arrangements necessary to meet the regulations and PUC guidelines. On June 26, 2001, approval was given to the vendor to proceed on the payment arrangement enhancements. The changes are extensive and will take approximately five (5) months to implement. The bullets listed below are a few of the most critical functions that will be part of this enhancement.

- Evaluation of the Budget three (3) times in a 12-month period for budget plus arrears arrangements
- The arrangement is not created until the down payment is received
- PUC required information will be captured; for example: Household income, level of payment terms, and monthly expenses
- Payment arrangement screen will allow the CSR to create an arrangement for any number of months
- Payment arrangement screen will allow the CSR to create the agreement for any monthly dollar amount within specified guidelines
- The arrangement can be one of two type – budget plus monthly arrears amount or current bill plus monthly arrears amount
- Due dates will be based on cycle billing
- The arrangement will be broken after two missed payments
- Payments will be applied to the monthly arrangement amount (arrears) first and then to the budget or current bill; any overpayments will reduce the life of the arrangement (i.e., number of installments)
- A late payment will cure the broken (missed) installment
- One of six new messages will be presented on the bill based on the arrangement status

PGW Commitment #4⁴

"PGW must proceed with its LNG Liquefaction Replacement Program to ensure supply and reliability are maintained."

Response:

June 2001

Various major components such as heat exchangers, cold box, pretreatment vessels, heaters, and companders have reached various stages of fabrication. Final review of process shutdown logic is near completion. Detailed piping, civil, instrumentation and electrical design is near completion. Due to the revisions to equipment and building foundation design, referenced last month, site mobilization is now scheduled for August 2001. Plant startup is still planned for spring 2002 with performance testing scheduled for April 2002. Total project is slightly over 50% complete.

⁴ Unmodified condition of Ordering Paragraph #7, 11/22/00 Order.

PGW Commitment #5⁵

"PGW must show improvements in its customer service functions and report on its progress to the Commission on a quarterly basis. Such reports should include: monthly call center access reports for customer service and collection call centers (to include average speed of answer, average abandonment time, number of abandoned calls, average delay in queue and the percentage of calls answered); monthly consumer dispute reports (to include number of customer disputes filed, number and percentage of disputes responded to in under thirty days, and the average response time), the number and percentage of residential bills which PGW failed to render during the relevant billing cycles; the number and percentage of residential meters for which PGW has failed to obtain actual or customer supplied readings during the prior six months; and, monthly reports showing the number and percentage of missed customer service appointments.

Response:

June 2001

Please see the attached reports for Monthly Call Center Access Reports and Dispute Reports.

⁵ Unmodified condition of Ordering Paragraph #8, 11/22/00 Order.

Monthly Call Center Access Reports for Customer Service and Collection Call Centers

Philadelphia Gas Works			
Customer Service Department			
Call Center Statistics			
Monthly Call Volume- April-June 2001			
	April	May	June
Calls Received	131,444	107,511	119,254
Calls Answered	75,597	76,856	68,698
Calls Abandoned	55,847	30,655	50,556
% of Calls Answered	58%	71%	58%
% of Abandoned Calls	42%	29%	42%
Average CTR'S* per Day	51	48	40
Average Speed of Answer	9:34	4:15	7:33
Average Abandon Time	4:19	2:39	3:50
Average Talk Time in Minutes	4:09	4:01	3:51
Average Abandon Time in Minutes	1:41	1:17	1:22
Legend			
*	Customer Telephone Representatives		

Monthly Consumer Dispute Reports

PGW												
Dispute Resolution Completed Jobs Statistics												
	High Bills				Correspondence				Statements			
<u>Year</u>	<u>Received</u>	<u>Completed</u>			<u>Received</u>	<u>Completed</u>			<u>Received</u>	<u>Completed</u>		
		<u>Within</u>	<u>%</u>	<u>Average</u>		<u>Within</u>	<u>%</u>	<u>Average</u>		<u>Within</u>	<u>%</u>	<u>Average</u>
		<u><=30</u>		<u>#</u>		<u><=30</u>		<u>#</u>		<u><=30</u>		<u># Of</u>
		<u>Days</u>		<u>Of Days</u>		<u>Days</u>		<u>Of Days</u>		<u>Days</u>		<u>Days</u>
2001												
April	84	49	58.33%	2.40	1,789	1,016	56.79%	2.1	23	11	47.83%	1
May	124	69	55.65%	2.88	1,914	1,212	63.32%	1	28	25	89.29%	1
June	100	53	53.00%	2.56	1,663	1,333	80.16%	1	43	39	90.70%	1

Number and Percentage of Residential Bills Not Rendered During Relevant Billing Cycles

PHILADELPHIA GAS WORKS BILLING EXCEPTIONS BY CYCLE						
	Total bills		% of bills		Average/Cycle (22)	
	not issued	issued	not issued	issued	not issued	issued
April	5,253	530,889	0.98%	99.02%	239	24,131
May	5,157	527,930	0.97%	99.03%	234	23,997
June	7,037	524,132	1.32%	98.68%	320	23,824

Billing Exceptions: Number of bills which failed to issue during the relevant billing cycle.
Manual issuance occurred in most cases approximately 3 to 5 days after report of the exception.

Total bills issued includes Commercial and Industrial Accounts.

Number and Percentage of Residential Meters Without Actual or Customer Supplied Readings - Prior Six Months

PHILADELPHIA GAS WORKS RESIDENTIAL METERS ESTIMATED & NON ESTIMATED BILLING						
	Jan.	Feb.	March	April	May	June
Total Accounts Billed	494,333	488,949	494,474	488,269	494,452	494,081
Non Estimated Bills	447,990	449,017	451,450	445,433	453,797	453,443
Estimated Bills	46,343	39,932	43,024	42,836	40,655	40,638
% Estimated Bills	9.37%	8.17%	8.70%	8.77%	8.22%	8.22%

Note:

Estimated and Non-Estimated Billing is the first time the system produces a combination of all meter reads obtained including customer-supplied readings.

Number and Percentage of Missed Customer Service Appointments.

Philadelphia Gas Works					
Missed Customer Service Appointments					
April - June 2001					
	A	B	C	D=B+C	E=D/A
Month	All Orders	CGI Orders	Appointments Missed	Total Missed Orders	% Missed
April	21,407	4,369	1,024	5,393	25.2
May	21,821	5,079	1,419	6,498	29.8
June	21,445	4,525	1,630	6,155	28.7

PGW Commitment #6¹

“In addition to the management arrangements referred to above, PGW shall convene a “best practices” working group. The purpose of the working group is to solicit cost cutting steps from other entities such as natural gas distribution companies (NGDCs), industry associations and comparable municipal organizations. ”

Response:

June 2001

PGW is moving to structure a “best practices” working group by department. To date the following groups have been assembled and are collecting data or have association relationships as follows:

- Customer Affairs: Provided information for incorporation in an industry benchmarking study on customer service practices and call center operations

- Distribution: PSE&G peer review group

- Operations: AGA best practices group

- Fleet Operations: Chatham Consulting Group benchmarking survey – triennial

¹ Unmodified condition of Ordering Paragraph #11, 11/22/00 Order.

PGW Commitment #7²

“In addition to the management arrangements referred to above, PGW must commit to address and implement the management, operational, service and other improvement measures ultimately recommended in the management audit, unless otherwise directed by the Commission.”

Response:

June 2001

June activity included the responsible areas proceeding with the implementation schedule. Pertinent recommendations are in the process of being incorporated into the corporate strategic plan.

² Unmodified condition of Ordering Paragraph #12, 11/22/00 Order.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of PGW's compliance filing and supporting documents upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

Tanya McCloskey, Esq.
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Harrisburg, PA 17101-1921

Steven Gray, Esq.
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300 North 2nd Street
Harrisburg, PA 17101

Johnnie Simms, Esq.
Office of Trial Staff
PA Public Utility Commission
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Harrisburg, PA 17105-3265

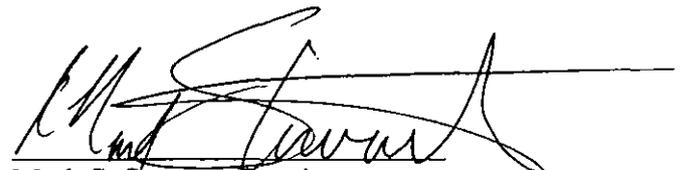
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Angela Jones, Esq.
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

Dated: July 11, 2001


Mark S. Stewart, Esquire

Philadelphia Gas Works



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Telephone: (215) 684-6051
Fax: (215) 684-6101
E-mail: thomas.knudsen@pgworks.com

August 3, 2001

ORIGINAL

HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg., 2nd Fl.
Harrisburg, PA 17120

**DOCUMENT
FOLDER**

Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-00005654

Dear Secretary McNulty,

In accordance with the PUC's February 22, 2001 Order approving the Joint Petition for Full Settlement in the above-referenced proceeding,¹ enclosed is PGW's "Monthly Progress Report" for July 2001 concerning implementation of the unmodified conditions imposed by the Commission in PGW's Interim Rates proceeding. The report is being served on all parties of record.

If the Commission requires further clarification on this report, please contact me immediately or contact our counsel of record, Daniel Clearfield.

Very truly yours,

Thomas Knudsen
Interim President and
Chief Executive Officer for:
Philadelphia Gas Works

cc: As per Certificate of Service
Veronica Smith, Esq., Deputy Executive Director
Karen Moury, Esq., Law Bureau
Robert Rosenthal, Bureau of Fixed Utility Services
Mitch Miller, Bureau of Consumer Services
Glenn Bartron, Bureau of Audits
Joe Farley, Bureau of Consumer Services

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SECRETARY'S BUREAU

¹ "[T]he Commission's approval of the terms and conditions set forth in the Joint Petition is expressly conditioned upon PGW's acceptance of the unmodified conditions in the November 22, 2000 Order." February 22, 2001 Order at Ordering ¶1.

45

ORIGINAL

Philadelphia Gas Works

Monthly Progress Report to the Pennsylvania Public Utility Commission

DOCKETED
AUG 13 2001

Docket No. R-00005654

**DOCUMENT
FOLDER**

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P.A.U.C.
SECRETARY'S BUREAU

August 3, 2001

PGW Commitment #1¹

“PGW will commit to its "Transition to Excellence" plan for improvement and make a demonstration throughout the interim rate period that it is providing safe and adequate service.”

RESPONSE:

July 2001

The “Transition to Excellence” program has elements that have been completed as set forth in the prior reports. Other ongoing elements are described below:

Regulatory

The Base Rate Case is in process and scheduled for completion in October 2001. Customer Service Oversight is ongoing with a comprehensive Customer Service Initiative Program (CSI) that began on June 25, 2001. PGW met with the Bureau of Consumer Services staff in July to brief them on the Program and another meeting is scheduled in August, when PGW will have more information to report on this important effort.

Strategy and Planning

PGW is working on an FY2002 Strategic Plan update. Meetings with the owner representatives occurred in July to discuss the draft Operations & Maintenance budget as it relates to the Strategic Plan. As required by the Philadelphia Gas Commission, the Operating Budget will be filed in early August and the Strategic Plan will be filed in September. The Capital Budget was filed with the Philadelphia Gas Commission in July 2001.

The Labor negotiation task force is in operation pending completion of collective bargaining efforts.

Stabilization

IT Billing Systems Improvements are scheduled for completion in August 2001.

Call Center

The successor program is under development and is related to the ongoing effort in the CSI Program.

¹ Unmodified condition of Ordering Paragraph #4, 11/22/00 Order.

PGW Commitment #2²

“PGW must achieve a 1% replacement rate in its mains replacement program, as provided for in the Company’s base case capital budget.”

Response:

July 2001

PGW is proceeding with the above project and is on schedule to reduce its inventory of cast iron pipe by the 1% rate. The Distribution Department continues to develop and review a list of prioritized targeted main replacements based on the determinants of the Navigant Study. With the assistance of the Engineering Department, appropriate designs are being completed and construction plans drawn.

To date, PGW and Outside Contractor crews have replaced, abandoned or rehabilitated approximately fifteen (15) miles of cast iron main. Eighty-three percent (83%) of the total project is complete. PGW anticipates successful project completion by the end of Fiscal Year 2001.

² Unmodified condition of Ordering Paragraph #5, 11/22/00 Order.

PGW Commitment #3³

“PGW must commit to correcting the problems with its BCCS system, particularly the need to rectify the budget billing problems, providing quarterly reports to the PUC's Bureau of Consumer Services, on the progress it is making in correcting its BCCS problems.”

Response:

July 2001

The second quarterly report is due October 1, 2001. PGW will report on its BCCS problem corrections for the months of July – September 2001 in that report.

³ Unmodified condition of Ordering Paragraph #6, 11/22/00 Order.

PGW Commitment #4⁴

"PGW must proceed with its LNG Liquefaction Replacement Program to ensure supply and reliability are maintained."

Response:

July 2001

Mechanical, civil and structural design was completed and the construction bid package was distributed to local contractors. Chicago Bridge & Iron and PGW representatives conducted vendor site visit on July 10, 2001, at the Richmond Plant. Chicago Bridge & Iron opened the proposals on July 30, 2001 and the selected vendor will move on site in the first or second week of August. Factory inspections of major equipment commenced this month and will continue through September 2001. The electrical and instrumentation bid package is near completion and will be distributed in the near future. Total project is over 55% complete with plant startup still scheduled for the Spring of 2002.

⁴ Unmodified condition of Ordering Paragraph #7, 11/22/00 Order.

PGW Commitment #5⁵

"PGW must show improvements in its customer service functions and report on its progress to the Commission on a quarterly basis. Such reports should include: monthly call center access reports for customer service and collection call centers (to include average speed of answer, average abandonment time, number of abandoned calls, average delay in queue and the percentage of calls answered); monthly consumer dispute reports (to include number of customer disputes filed, number and percentage of disputes responded to in under thirty days, and the average response time), the number and percentage of residential bills which PGW failed to render during the relevant billing cycles; the number and percentage of residential meters for which PGW has failed to obtain actual or customer supplied readings during the prior six months; and, monthly reports showing the number and percentage of missed customer service appointments."

Response:

July 2001

The second quarterly report is due October 1, 2001. PGW will report on customer service functions for the months of July – September 2001 in that report.

⁵ Unmodified condition of Ordering Paragraph #8, 11/22/00 Order.

PGW Commitment #6⁶

“In addition to the management arrangements referred to above, PGW shall convene a “best practices” working group. The purpose of the working group is to solicit cost cutting steps from other entities such as natural gas distribution companies (NGDCs), industry associations and comparable municipal organizations. ”

Response:

July 2001

PGW is moving to structure a “best practices” working group by department. To date the following groups have been assembled and are collecting data or have association relationships as follows:

Customer Affairs: PGW provided information in May 2001 to the PA Consulting Group for incorporation in an industry benchmarking study titled PA Benchmarking™ 2001 "Customer Services Best Practices Survey". PGW joined other leading utilities across North America in comparing practices and performance levels for a wide range of customer service activities and Call Center operations. This should allow PGW to receive comprehensive benchmarks for use in process improvement activities and management planning. PGW received the first Draft in June 2001. The Second Draft should arrive in late August or early September 2001, with the Final Report mailed to PGW in early November 2001.

Distribution: PSE&G Peer Review Group

Operations: AGA Best Practices Group

Fleet Operations: Chatham Consulting Group Benchmarking Survey - triennial

For these three groups -- Distribution, Operations, and Fleet Operations -- PGW reviews all of the recommendations provided and implements those that improve productivity, efficiency and cost control. PGW also evaluates newly introduced products and services to ascertain their applicability to PGW's operation.

⁶ Unmodified condition of Ordering Paragraph #11, 11/22/00 Order.

PGW Commitment #7⁷

“In addition to the management arrangements referred to above, PGW must commit to address and implement the management, operational, service and other improvement measures ultimately recommended in the management audit, unless otherwise directed by the Commission.”

Response:

July 2001

July activity included the responsible areas proceeding with the implementation schedule. Pertinent recommendations are in the process of being incorporated into the corporate strategic plan. PGW anticipates filing a progress report in October 2001 as required by the Commission.

⁷ Unmodified condition of Ordering Paragraph #12, 11/22/00 Order.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of PGW's compliance filing and supporting documents upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

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SECRETARY'S BUREAU

Dated: August 3, 2001



Kevin J. Moody, Esquire

Philadelphia Gas Works



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 684-6051
Fax: (215) 684-6101
E-mail: thomas.knudsen@pgworks.com

September 10, 2001

REP

ORIGINAL

HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg., 2nd Fl.
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-00005654

Dear Secretary McNulty,

In accordance with the PUC's February 22, 2001 Order approving the Joint Petition for Full Settlement in the above-referenced proceeding,¹ enclosed is PGW's "Monthly Progress Report" for August 2001 concerning implementation of the unmodified conditions imposed by the Commission in PGW's Interim Rates proceeding. The report is being served on all parties of record.

If the Commission requires further clarification on this report, please contact me immediately or contact our counsel of record, Daniel Clearfield.

Very truly yours,

Thomas Knudsen
Interim President and
Chief Executive Officer for:
Philadelphia Gas Works

DOCUMENT
FOLDER

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P.U.C.
SECRETARY'S BUREAU

cc: As per Certificate of Service
Veronica Smith, Esq., Deputy Executive Director
Karen Moury, Esq., Law Bureau
Robert Rosenthal, Bureau of Fixed Utility Services
Mitch Miller, Bureau of Consumer Services
Glenn Bartron, Bureau of Audits
Joe Farley, Bureau of Consumer Services

¹ "[T]he Commission's approval of the terms and conditions set forth in the Joint Petition is expressly conditioned upon PGW's acceptance of the unmodified conditions in the November 22, 2000 Order." February 22, 2001 Order at Ordering ¶1.

Philadelphia Gas Works

ORIGINAL
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Monthly Progress Report to the Pennsylvania Public Utility Commission

Docket No. R-00005654

DOCUMENT
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DOCKETED
SEP 25 2001

September 7, 2001

PGW Commitment #1¹

“PGW will commit to its "Transition to Excellence" plan for improvement and make a demonstration throughout the interim rate period that it is providing safe and adequate service.”

RESPONSE:

August 2001

The “Transition to Excellence” program has elements that have been completed as set forth in the prior reports. Other ongoing elements are described below:

Regulatory

The Base Rate Case is in process and scheduled for completion in October 2001. Customer Service Oversight is ongoing with a comprehensive Customer Service Initiative Program (CSI) that began on June 25, 2001. PGW met with the Bureau of Consumer Services staff in late August, and provided an update on its effort and the development of the Request for Proposal for Outsourcing the Call Center.

Strategy and Planning

As required by the Philadelphia Gas Commission, the updated Strategic Plan will be filed in September. The Operating Budget was filed in August, as planned. A series of Interrogatories have been received concerning the Operating Budget, and responses are being prepared and filed with the Philadelphia Gas Commission.

The Labor negotiation task force is in operation pending completion of collective bargaining efforts.

Stabilization

Programming changes have been implemented or are currently in testing for 90% of the improvements previously identified in the Billing System stabilization project plan. Implementation for the new Payment Arrangement module, in order to have the ability to comply with BCS payment arrangement guidelines, will be completed in early December. PGW continues to review business processes to identify system and training issues that must be addressed to realize additional efficiencies. Any system issues identified are reviewed and, if viable, are scheduled for future implementation.

Call Center

The successor program is under development and is related to the ongoing effort in the CSI Program.

¹ Unmodified condition of Ordering Paragraph #4, 11/22/00 Order.

PGW Commitment #2²

“PGW must achieve a 1% replacement rate in its mains replacement program, as provided for in the Company’s base case capital budget.”

Response:

August 2001

PGW has completed the above project for Fiscal Year 2000-2001. The Distribution Department has reduced its inventory of cast iron pipe by the 1% rate.

To date, PGW and Outside Contractor crews have replaced, abandoned or rehabilitated approximately eighteen and half (18.5) miles of cast iron main.

² Unmodified condition of Ordering Paragraph #5, 11/22/00 Order.

PGW Commitment #3³

“PGW must commit to correcting the problems with its BCCS system, particularly the need to rectify the budget billing problems, providing quarterly reports to the PUC's Bureau of Consumer Services, on the progress it is making in correcting its BCCS problems.”

Response:

August 2001

The second quarterly report is due October 1, 2001. PGW will report on its BCCS problem corrections for the months of July – September 2001 in that report.

³ Unmodified condition of Ordering Paragraph #6, 11/22/00 Order.

PGW Commitment #4⁴

"PGW must proceed with its LNG Liquefaction Replacement Program to ensure supply and reliability are maintained."

Response:

August 2001

Chicago Bridge & Iron (CB&I) arrived at the Richmond Plant site on August 15, 2001, with its mechanical, civil and structural contractor arriving on August 21, 2001. The new plant site has been surveyed for designated locations of major equipment and excavation has commenced. The electrical and instrumentation bid package will be distributed to local vendors by August 31, 2001, with proposals due back to CB&I by the end of September. Construction and factory inspections of major equipment continue through this month. Total project is approximately 62% complete, with plant start-up scheduled for Spring 2002.

⁴ Unmodified condition of Ordering Paragraph #7, 11/22/00 Order.

PGW Commitment #5⁵

"PGW must show improvements in its customer service functions and report on its progress to the Commission on a quarterly basis. Such reports should include: monthly call center access reports for customer service and collection call centers (to include average speed of answer, average abandonment time, number of abandoned calls, average delay in queue and the percentage of calls answered); monthly consumer dispute reports (to include number of customer disputes filed, number and percentage of disputes responded to in under thirty days, and the average response time), the number and percentage of residential bills which PGW failed to render during the relevant billing cycles; the number and percentage of residential meters for which PGW has failed to obtain actual or customer supplied readings during the prior six months; and, monthly reports showing the number and percentage of missed customer service appointments."

Response:

August 2001

The second quarterly report is due October 1, 2001. PGW will report on customer service functions for the months of July – September 2001 in that report.

⁵ Unmodified condition of Ordering Paragraph #8, 11/22/00 Order.

PGW Commitment #6⁶

“In addition to the management arrangements referred to above, PGW shall convene a "best practices" working group. The purpose of the working group is to solicit cost cutting steps from other entities such as natural gas distribution companies (NGDCs), industry associations and comparable municipal organizations. ”

Response:

August 2001

PGW is moving to structure a “best practices” working group by department. To date the following groups have been assembled and are collecting data or have association relationships as follows:

Customer Affairs: The Second Draft of the PA Benchmarking™ 2001 "Customer Services Best Practices Survey" should arrive in September 2001, with the Final Report mailed to PGW in November 2001.

Distribution: PSE&G Peer Review Group

Operations: AGA Best Practices Group

Fleet Operations: Chatham Consulting Group Benchmarking Survey - triennial

For the latter three groups -- Distribution, Operations, and Fleet Operations -- PGW reviews all the recommendations provided and implements those that improve productivity, efficiency and cost control. PGW also evaluates newly introduced products and services to ascertain their applicability to PGW's operations.

⁶ Unmodified condition of Ordering Paragraph #11, 11/22/00 Order.

PGW Commitment #7⁷

“In addition to the management arrangements referred to above, PGW must commit to address and implement the management, operational, service and other improvement measures ultimately recommended in the management audit, unless otherwise directed by the Commission.”

Response:

August 2001

August activity included the responsible areas proceeding with the implementation schedule in the plan. The pertinent sections have been included in both the Capital and Operating budget submittals filed with the Philadelphia Gas Commission and in the Strategic Plan, which will be filed with the PGC in September. PGW continues to anticipate filing the progress report with the PA Public Utility Commission in October, as required.

⁷ Unmodified condition of Ordering Paragraph #12, 11/22/00 Order.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of PGW's compliance filing and supporting documents upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA FIRST CLASS MAIL

Tanya McCloskey, Esq.
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Office of Consumer Advocate
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Harrisburg, PA 17101-1921

Steven Gray, Esq.
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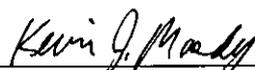
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300 North 2nd Street
Harrisburg, PA 17101

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SECRETARY'S BUREAU

Dated: September 10, 2001



Kevin J. Moody, Esquire

Philadelphia Gas Works

Thomas E. Knudsen
Chief Financial Officer



800 W. Montgomery Avenue, Philadelphia, PA 19122
Telephone: (215) 684-6051
Fax: (215) 684-6101
E-mail: thomas.knudsen@pgworks.com

ORIGINAL

October 5 2001

HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
Commonwealth Keystone Bldg., 2nd Fl.
Harrisburg, PA 17120

DOCUMENT
FOLDER

Re: Pennsylvania Public Utility Commission v. Philadelphia Gas Works
Docket No. R-00005654

Dear Secretary McNulty,

In accordance with the PUC's February 22, 2001 Order approving the Joint Petition for Full Settlement in the above-referenced proceeding,¹ enclosed is PGW's "Monthly Progress Report" for July, August, and September 2001 concerning implementation of the unmodified conditions imposed by the Commission in PGW's Interim Rates proceeding. This report includes quarterly data (July - September 2001) concerning commitments #3 and #5 as well as six-month data for commitment #5. The report is being served on all parties of record.

If the Commission requires further clarification on this report, please contact me immediately or contact our counsel of record, Daniel Clearfield.

Very truly yours,

Thomas E. Knudsen
President and Chief Executive Officer

- cc: As per Certificate of Service
- Veronica Smith, Esq., Deputy Executive Director
- Karen Moury, Esq., Law Bureau
- Robert Rosenthal, Bureau of Fixed Utility Services
- Mitch Miller, Bureau of Consumer Services
- Glenn Bartron, Bureau of Audits
- Joe Farley, Bureau of Consumer Services

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SECRETARY'S BUREAU

¹ "[T]he Commission's approval of the terms and conditions set forth in the Joint Petition is expressly conditioned upon PGW's acceptance of the unmodified conditions in the November 22, 2000 Order." February 22, 2001 Order at Ordering ¶1.

ORIGINAL

Philadelphia Gas Works

DOCKETED

OCT 18 2001

Monthly Progress Report to the Pennsylvania Public Utility Commission

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Docket No. R-00005654

DOCUMENT
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OCTOBER 5, 2001

PGW Commitment #1¹

“PGW will commit to its "Transition to Excellence" plan for improvement and make a demonstration throughout the interim rate period that it is providing safe and adequate service.”

RESPONSE:

September 2001

The “Transition to Excellence” program has elements that have been completed as set forth in the prior reports. Other ongoing elements are described below:

Regulatory

At its September 21, 2001 Public Meeting, the PUC adopted a motion concerning PGW's base rate case at Docket No. R00006042. The PUC authorized PGW to raise base rates by \$28 million. PGW anticipates that the Order will be issued on or before October 5, 2001.

Customer Service Oversight is ongoing with a comprehensive Customer Service Initiative Program (CSI) that began on June 25, 2001. PGW met with the PUC's Bureau of Consumer Services staff in late September and provided an update on its efforts. The Request for Proposal for the Outsourcing of the Call Center was sent out on September 20, 2001, and the bids are due back on October 8, 2001.

Nearly 200 interrogatories have been received from the hearing examiner and the public advocate concerning the FY 2002 Operating Budget filed with the Philadelphia Gas Commission. . PGW has responded to the majority of these requests and is currently working on providing responses to the remaining data requests as expeditiously as possible.

Strategy and Planning

Filed the updated Strategic Plan & Financial Forecast with the Philadelphia Gas Commission in September as required.

PGW reached a tentative labor agreement on Friday, September 21, 2001, with Gas Works Employees Union Local 686. The union's Executive Committee forwarded the contract to its members for a vote in the first week of October.

¹ Unmodified condition of Ordering Paragraph #4, 11/22/00 Order.

Stabilization

Programming changes have been implemented or are currently in testing for 90% of the improvements previously identified in the Billing System stabilization project plan. Implementation for the new Payment Arrangement module, in order to have the ability to comply with BCS payment arrangement guidelines, will be completed in early December 2001. PGW continues to review business processes to identify system and training issues that must be addressed to realize additional efficiencies. Any system issues identified are reviewed and, if viable, are scheduled for future implementation.

Call Center

The successor program is under development and is related to the ongoing effort in the CSI Program.

PGW Commitment #2²

“PGW must achieve a 1% replacement rate in its mains replacement program, as provided for in the Company’s base case capital budget.”

Response:

September 2001

PGW completed the above project for Fiscal Year 2000-2001. The Distribution Department reduced its inventory of cast iron pipe by the 1% rate. PGW and outside contractor crews replaced, abandoned or rehabilitated 18.8 miles of cast iron main during Fiscal Year 2001.

PGW is again proceeding with the above project for Fiscal Year 2001-2002 and is on schedule to reduce its inventory of cast iron pipe by the 1% rate. The Distribution Department continues to develop and review a list of prioritized targeted main replacements based on the determinants of the Navigant Study. With the assistance of the Engineering Department, appropriate designs are being completed and construction plans drawn.

To date in Fiscal Year 2002, PGW and outside contractor crews have replaced, abandoned or rehabilitated approximately 1.5 miles of cast iron main. PGW anticipates successful project completion by the end of Fiscal Year 2002.

² Unmodified condition of Ordering Paragraph #5, 11/22/00 Order.

PGW Commitment #3³

“PGW must commit to correcting the problems with its BCCS system, particularly the need to rectify the budget billing problems, providing quarterly reports to the PUC's Bureau of Consumer Services, on the progress it is making in correcting its BCCS problems.”

Response:

September 2001

PGW continues daily monitoring of the Billing Credit Collection System. Any anomalies are immediately investigated to insure system integrity. Changes to the Payment Arrangement module are underway. The new Payment Arrangement module is scheduled to go into production in early December 2001.

³ Unmodified condition of Ordering Paragraph #6, 11/22/00 Order.

PGW Commitment #4⁴

"PGW must proceed with its LNG Liquefaction Replacement Program to ensure supply and reliability are maintained."

Response:

September 2001

All foundation piling work at the new plant has been completed and concrete supports are now being formed. Layout for the underground fire water piping is complete, with the details for tie-in to the existing plant system near completion. The electrical and instrumentation bids have been received by CB&I, and the contract will be awarded in the next few days. Factory inspections of major equipment have continued through this month. Total project is approximately 66% complete with plant start-up still scheduled for spring 2002.

⁴ Unmodified condition of Ordering Paragraph #7, 11/22/00 Order.

PGW Commitment #5⁵

"PGW must show improvements in its customer service functions and report on its progress to the Commission on a quarterly basis. Such reports should include: monthly call center access reports for customer service and collection call centers (to include average speed of answer, average abandonment time, number of abandoned calls, average delay in queue and the percentage of calls answered); monthly consumer dispute reports (to include number of customer disputes filed, number and percentage of disputes responded to in under thirty days, and the average response time), the number and percentage of residential bills which PGW failed to render during the relevant billing cycles; the number and percentage of residential meters for which PGW has failed to obtain actual or customer supplied readings during the prior six months; and, monthly reports showing the number and percentage of missed customer service appointments.

Response:

September 2001

Please see the attached reports: Monthly Call Center Access Reports; Monthly Consumer Dispute Reports; Billing Exceptions By Cycle; Residential Meters - Estimated and Non-Estimated Billing; and Missed Customer Service Appointments.

⁵ Unmodified condition of Ordering Paragraph #8, 11/22/00 Order.

Monthly Call Center Access Reports for Customer Service and Collection Call Centers

Philadelphia Gas Works			
Customer Service Department			
Call Center Statistics			
<u>Monthly Call Volume- July-September 2001</u>			
	July	August	September
Calls Received	109,360	94,400	86,343
Calls Answered	73,304	77,687	83,659
Calls Abandoned	36,056	16,713	2,684
% of Calls Answered	67%	82%	97%
% of Abandoned Calls	33%	18%	3%
Average CTR'S* per Day	46	46	47
Average Speed of Answer	5:37	2:33	:22
Average Abandon Time	2:29	1:59	1:26
Average Talk Time in Minutes	3:59	3:51	3:21
Legend			
*	Customer Telephone Representatives		

Monthly Consumer Dispute Reports

PGW												
Dispute Resolution Completed Jobs Statistics												
	High Bills				Correspondence				Statements			
Year	Received	Completed			Received	Completed			Received	Completed		
		Within	%	Average		Within	%	Average		Within	%	Average
		<=30		#		<=30		#		<=30		# Of
		Days		Of Days		Days		Of Days		Days		Days
July	145	65	44.8%	3.4	1612	1180	73.2%	1.0	51	36	70.6%	1
Aug	194	78	40.2%	5.3	1464	816	55.7%	1.0	88	63	71.6%	2
Sept	170	53	31.2%	4.2	1116	733	65.7%	1.0	28	15	53.6%	3

Number and Percentage of Residential Bills Not Rendered During Relevant Billing Cycles

PHILADELPHIA GAS WORKS BILLING EXCEPTIONS BY CYCLE						
2001	Total bills		% of bills		Average/Cycle (22)	
	not issued	issued	not issued	issued	not issued	issued
July	6,958	521,799	1.32%	98.68%	316	23,718
August	7,992	518,730	1.52%	98.48%	363	23,578
September	6,450	524,745	1.21 %	98.79%	293	23,852

Billing Exceptions: Number of bills, which failed to issue during the relevant, billing cycle.
Manual issuance occurred in most cases approximately 3 to 5 days after report of the exception.

Total bills issued includes Commercial and Industrial Accounts.

Number and Percentage of Residential Meters Without Actual or Customer Supplied Readings - Prior Six Months

PHILADELPHIA GAS WORKS RESIDENTIAL METERS ESTIMATED & NON ESTIMATED BILLING						
2001	April	May	June	July	August	Sept
Total Accounts Billed	488,269	494,452	494,081	491,016	492,491	491,556
Non Estimated Bills	445,433	453,797	453,443	454,088	457,465	457,522
Estimated Bills	42,836	40,655	40,638	36,928	35,026	34,034
% Estimated Bills	8.77%	8.22%	8.22%	7.52%	7.11%	6.92%

Note:

Estimated and Non-Estimated Billing is the first time the system produces a combination of all meter reads obtained including customer-supplied readings.

Number and Percentage of Missed Customer Service Appointments.

Philadelphia Gas Works					
Missed Customer Service Appointments					
July – September 2001					
	A	B	C	D=B+C	E=D/A
	All	CGI	Appointments	Total Missed	%
Month	Orders	Orders	Missed	Orders	Missed
July	22,400	4,050	2,091	6,141	27.4
August	23,048	3,379	3,687	7,066	30.7
Sept.	23,136	3,258	3,400	6,658	28.8

PGW Commitment #6¹

“In addition to the management arrangements referred to above, PGW shall convene a "best practices" working group. The purpose of the working group is to solicit cost cutting steps from other entities such as natural gas distribution companies (NGDCs), industry associations and comparable municipal organizations. ”

Response:

September 2001

PGW is moving to structure a “best practices” working group by department. To date the following groups have been assembled and are collecting data or have association relationships as follows:

Customer Affairs: The Second Draft of the PA Benchmarking™ 2001 "Customer Services Best Practices Survey" arrived in September 2001, with the Final Report mailed to PGW in November 2001.

Distribution: PSE&G Peer Review Group

Operations: AGA Best Practices Group

Fleet Operations: Chatham Consulting Group Benchmarking Survey - triennial

For the latter three groups -- Distribution, Operations, and Fleet Operations -- PGW reviews all the recommendations provided and implements those that improve productivity, efficiency and cost control. PGW also evaluates newly introduced products and services to ascertain their applicability to PGW's operations.

¹ Unmodified condition of Ordering Paragraph #11, 11/22/00 Order.

PGW Commitment #7²

“In addition to the management arrangements referred to above, PGW must commit to address and implement the management, operational, service and other improvement measures ultimately recommended in the management audit, unless otherwise directed by the Commission.”

Response:

September 2001

September activity included the responsible areas proceeding with the Implementation of the approved recommendations in the management audit. The pertinent sections have been included in the Capital and Operating Budgets, as well as the Strategic Plan, and have been submitted to the Philadelphia Gas Commission. PGW filed the progress report on the Stratified Management and Operations Audit with the Secretary of the PA Public Utility Commission as required.

² Unmodified condition of Ordering Paragraph #12, 11/22/00 Order.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing report upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

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Mark S. Stewart, Esquire

Dated: October 5, 2001