

City of Philadelphia

Bill No. 980232 Certified Copy
payable to the person who is the registered owner hereof at the close of business on the fifteenth (15th) day prior to the date set for the payment of such defaulted interest (the "Special Payment Date"). Such Special Payment Date shall be fixed by the Fiscal Agent in accordance with Section 2.03 of the Ordinance (as hereinafter defined). The principal of and interest on this Bond are payable in lawful money of the United States of America.

Interest on this Bond shall be paid on each Interest Payment Date and shall be computed on the basis of a year of 360 days consisting of twelve 30-day months and the actual number of days elapsed.

This Bond is fully registered in the name of the owner on the Bond Register kept for that purpose at the Office of the Fiscal Agent. No transfer shall be valid as against the City or the Fiscal Agent unless made by the registered owner in person or by his duly authorized attorney or legal representative and similarly noted upon the Bond Register and hereon. Upon any such transfer or exchange, the City and the Fiscal Agent shall execute and deliver to or upon the order of the registered owner, a new registered Bond or Bonds, in authorized denominations aggregating the principal amount hereof, maturing on the same date, bearing interest at the same rate, bearing the same series designation as this Bond and registered in such names as shall be requested.

The City and the Fiscal Agent may treat the person in whose name this Bond is registered as the absolute owner of this Bond for all purposes whether or not this Bond shall be overdue, and the City and the Fiscal Agent shall not be affected by any notice to the contrary. All payments of the principal, interest or redemption price made to the registered owner hereof in the manner set forth herein and in the Ordinance (as hereinafter defined) shall be valid and effectual to satisfy and discharge the

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so that the Bonds may not be deemed to be "arbitrage bonds" as such term is defined in the Code and applicable regulations, all as the Council of the City may deem appropriate and proper and as shall be authorized or permitted by the Act, but no such amendments, provisions, terms, covenants or agreements (other than those permitted under Section 9.01 and adopted pursuant thereto) which shall be inconsistent with the provisions of, or if they would impair a prior covenant contained in, this Ordinance as at the time amended or supplemented, shall become effective until all Bonds the holders of which are entitled to the protection of, or to enforce compliance with, such prior covenant shall cease to be outstanding.

Prior to the issuance of any Series of Bonds hereunder, the Director of Finance shall, in addition to the filing requirements of Section 12 of the Act, file with the Fiscal Agent a transcript of the proceedings authorizing the issuance of such Series of Bonds which shall include (i) a certified copy of this Ordinance (unless previously so filed); (ii) a certified copy of the Supplemental Ordinance; (iii) an executed or certified copy of the report of the Director of Finance required by subsection (a) of Section 8 of the Act; (iv) an executed copy of the opinion of the City Solicitor required by subsection (b) of Section 8 of the Act; and (v) an opinion of Bond Counsel to the effect that (1) the Series of Bonds has been duly issued for a permitted purpose under the Act and under this Ordinance, (2) all conditions precedent to the issuance of the Series of Bonds pursuant to the Act and this Ordinance have been satisfied, (3) the Series of Bonds has been duly authorized, executed and delivered and constitutes the legal, valid and binding obligation of the City and (4) if the interest on the Series of Bonds is intended to be excluded from gross income for Federal income tax purposes, interest on the Series of Bonds will be so excluded; and thereupon the proper officers of the City and the Fiscal Agent shall be authorized to execute and deliver the

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the Director of Finance, who is hereby designated as the officer of the City to make such determinations based, to the extent applicable, on the prices, interest rates or other terms set forth in the highest and best proposal conforming to the bidding specifications as ascertained and accepted on behalf of the City by the Director of Finance.

SECTION 4.06. Conditions of Issuing Bonds, Supplemental Ordinance; Filing of Transcript; Use of Proceeds; Refunding Bonds. Prior to the issuance of any Series of Bonds, the Council of the City shall adopt an ordinance supplemental hereto specifying the aggregate principal amount or maximum aggregate principal amount, and authorizing the issuance of such Bonds; stating that such Bonds are issued in respect of capital costs of a Gas Works project or projects of the City or to fund or refund bond anticipation or other obligations of the City issued in respect thereof or for the purpose of refunding debt issued for such purpose; making a finding based on the report of the Director of Finance required by Section 8 of the Act that the Gas Works Revenues pledged hereunder will be sufficient to comply with the Rate Covenant and also to pay all costs, expenses and payments required to be paid therefrom and in the order and priority stated in Section 4.02; and containing the covenant as to the payment of debt service required by Article IX, Section 10 of the Pennsylvania Constitution. Such Supplemental Ordinance may specify such form, terms and provisions of the Bonds to be issued thereunder; may specify a particular method of sale; may specify the terms upon which, or the prices for which, the Bonds are to be sold or exchanged, including, if applicable, competitive bidding specifications; may contain such amendments to this Ordinance, including amendments or rescission of the covenants herein contained, and may contain or authorize such further covenants and agreements, including such covenants as may be appropriate under existing regulations

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liability upon this Bond to the extent of the sum or sums so paid, whether or not notation of the same be made hereon, and any consent, waiver or action taken by such registered owner pursuant to the provisions of the Ordinance shall be conclusive and binding upon such registered owner, such owner's heirs, successors and assigns, and upon all transferees hereof, whether or not notation thereof be made hereon or on any Bond issued in exchange therefor.

This Bond is one of a duly authorized issue of bonds of the City designated as its Gas Works Revenue Bonds (1998 General Ordinance) of the Series designated hereon (the "Bonds"), limited in aggregate principal amount to \$ _____ issued or to be issued pursuant to The First Class City Revenue Bond Act (Act No. 234 of the Pennsylvania General Assembly approved October 18, 1972, as amended, 53 P.S. 15901 et seq.) (the "Act") under the General Gas Works Revenue Bond Ordinance of 1998 (the "Ordinance") and the supplemental ordinance dated _____ (the "Supplemental Ordinance"). (Terms used herein, unless defined herein, shall have the meanings given in the Ordinance or the Supplemental Ordinance.) The Bonds, together with all previous bonds of the City, if any, issued under the Ordinance and under previous supplemental ordinances and together with all bonds of the City hereafter issued under the Ordinance and all subsequent supplemental ordinances, are and will be secured under the Ordinance by a pledge of all the rents, rates and charges imposed or charged by the City for the use of or services rendered by the Gas Works of the City and of certain other moneys derived from the Gas Works and from the investment of such revenue (the "Gas Works Revenues") and amounts held in the Sinking Fund Reserve established under the Ordinance (collectively, the "Pledged Amounts"). This Bond is a [Senior] [Subordinate] Bond and is [prior] [subordinate] in right of payment to other bonds issued under the Ordinance except other [Senior]

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[Subordinate] Bonds, as to which it is equally and ratably secured. The Ordinance requires Gas Works Revenues to be applied in order of priority to (1) Net Operating Expenses then payable, (2) debt service on bonds issued under the General Gas Works Revenue Bond Ordinance of 1975, as amended, and amounts required to be paid into the sinking fund reserve thereunder, (3) debt service on Senior Bonds, payments (other than termination payments) due to the issuers of Qualified Swaps and Exchange Agreements related to Senior Bonds and payments due in respect of obligations of the Gas Works to The Philadelphia Municipal Authority existing on the date of adoption of the Ordinance, (4) payments due to issuers of Credit Facilities related to Senior Bonds, (5) debt service on Subordinate Bonds and payments due to issuers of the Gas Works on a parity with Subordinate Bonds (including notes issued under the City's General Inventory and Receivables Gas Works Revenue Note Ordinance of 1993, or any similar ordinance, and amounts payable to the provider of a Credit Facility in respect of such notes) and payments (other than termination payments) due to the issuers of Qualified Swaps and Exchange Agreements related to Subordinate Bonds, (6) payments due to issuers of Credit Facilities related to Subordinate Bonds, (7) required payments of the Rebate Amount to the United States, (8) replenishment of any deficiency in the Sinking Fund Reserve, (9) payment of general obligation bonds of the City adjudged to be self-liquidating from Gas Works revenues, (10) debt service on other general obligation bonds issued for the Gas Works, and (11) City charges and any other proper purpose of the Gas Works (including any termination payments to issuers of Qualified Swaps and Exchange Agreements), except Unrelated Expenses.

The City covenants, so long as this Bond shall remain outstanding, to make payments of interest on the indebtedness represented by this Bond, out of the Sinking Fund, in the semi-

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The City hereby reserves the right, and nothing herein shall be construed to impair such right, to finance improvements to its Gas Works by the issuance of its general obligation bonds or Ordinances, of Gas Works obligations other than Supplemental Gas Works Revenues may be pledged subject and subordinate in each Fiscal Year to the prior payment from such revenues of all principal, premium, interest and sinking fund requirements payable during such Fiscal Year under this Ordinance, as from time to time supplemented and amended, in respect of Bonds.

SECTION 4.05. Sale of Bonds; Taxes Not to be Assumed; Terms and Provisions; Authority of Director of Finance. To the extent that the Supplemental Ordinance authorizing any Series of Bonds hereunder shall not otherwise provide pursuant to Section 4.06:

(a) All Bonds shall be sold at public, private or invited sale upon such terms not inconsistent with the Act as a majority of the Mayor, the City Controller and the City Solicitor may determine to be in the best interest of the City and, if sold at competitive public sale, shall be sold to the purchaser or purchasers submitting the highest and best bid upon such terms and conditions of the bidding as shall be specified in an official notice of sale issued in the name of the City by the Director of Finance;

(b) no covenant to pay or assume any taxes shall be included in such Bonds; and

(c) subject to the foregoing, the terms upon which or the prices for which the Bonds are to be sold or exchanged, and the form, terms and provisions of the Bonds, including, without limitation, the matters referred to in Section 5 of the Act and in the second paragraph of Section 3.03, shall be determined by

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operation of the Gas Works setting forth, among other things, in reasonable detail financial data concerning the Gas Works for such Fiscal Year, including a balance sheet, statements of income, equity, and changes in financial condition, and an analysis of funds available to cover debt service (in each case not inconsistent with the statements of income, expenses, and other accounts of the City audited by the City Controller) prepared by the Manager in accordance with generally recognized municipal accounting principles consistently applied, showing compliance with the Rate Covenant, accompanied by a certificate of the Manager that the Gas Works are in good operating condition and by a certificate of the Director of Finance that as of the date of such report the City has complied with all of the covenants in this Ordinance and in all ordinances supplemental hereto on its part to be performed. Such report shall be furnished to the Fiscal Agent in such reasonable number of copies as shall be required to meet the written requests of Bondholders therefor on a first come first served basis. The Fiscal Agent shall keep on file a copy of each report and its accompanying certificates for a period of ten (10) years and shall exhibit the same to, and permit the copying thereof by, any Bondholder or his authorized representative at all reasonable times.

SECTION 4.04. Parity and Priority of Bonds. All Bonds issued hereunder shall be secured by the pledge of, and grant of a security interest in, the Gas Works Revenues, except as limited for a Series of Bonds in the Supplemental Ordinance authorizing the issuance of such Series of Bonds. Subordinate Bonds shall be subordinate to Senior Bonds in right of payment of principal, premium, if any, and interest. Senior Bonds and Subordinate Bonds shall not have any preference, priority or distinction as to lien or otherwise, except as otherwise provided herein or in a Supplemental Ordinance, over any other Senior Bonds or Subordinate Bonds, respectively.

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annual amount shown hereon on each interest payment date of this Bond, or, as the case may be, the proportionate part thereof from the date hereof to the next interest payment date, and to pay, upon surrender hereof, from the Sinking Fund on the maturity date hereof or, if this Bond shall be selected for mandatory or optional redemption, then on the applicable redemption date, the principal amount hereof with the applicable premium, if any, plus, in the case of redemption, all interest accrued to the redemption date.

Reference is hereby made to the Ordinance for a statement of the terms and conditions under which previous bonds, if any, have been issued, under which the Bonds are issued and under which additional bonds will be issued, and for a statement of the particular rentals, revenues and moneys pledged for the security and payment of all bonds issued under the Ordinance, the nature, extent and manner of enforcement of the security, the terms and conditions under which the Ordinance may be amended or modified, and the rights of the holders or registered owners of the Bonds with respect to such security. The City hereby represents to and covenants with the registered owner of this Bond that, except for bonds issued under the General Gas Works Revenue Bond Ordinance of 1975 (which has been closed to future bond issuances other than refunding bonds and bonds issued upon exchanges, transfers or replacements), and in the case of Subordinate Bonds, outstanding and future Senior Bonds, (i) no Gas Works revenue bonds of the City have been or will be issued for the payment of which the holder has or shall have a prior lien on or security interest in the revenues pledged for the payment of this Bond or a prior right to payment therefrom and (ii) all Gas Works revenue bonds which have been or will be equally and ratably secured by such pledged revenues have and will be issued in accordance with the provisions of the Ordinance. However, nothing herein contained shall be construed to prevent the City from financing

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Gas Works projects by the issuance of its general obligation bonds or by the issuance of Gas Works revenue bonds under other authorization for the payment of which project revenues of the Gas Works may be pledged subject and subordinate in each fiscal year to the prior payment from such revenues of all principal, premium, interest and sinking fund requirements payable during such fiscal year under the Ordinance in respect of Gas Works revenue bonds issued and outstanding thereunder.

[Insert redemption provisions.]

Notice of Redemption

When the City shall determine to redeem Bonds, upon prior written notice to the Fiscal Agent of the redemption date and the principal amount of Bonds to be redeemed, or whenever the Fiscal Agent shall be required to redeem Bonds from moneys in the Sinking Fund, without action on the part of the City, the Fiscal Agent, at the City's expense, shall cause a notice of redemption to be mailed to the Bondholders. Such notice shall, among other things, state the redemption price and the date fixed for redemption, that on such date the Bonds called for redemption will be due and become payable at the Office of the Fiscal Agent, and that from and after such date interest thereon shall cease to accrue; provided, however, that the Holders of any Bonds to be redeemed may file written waivers of notice with the Fiscal Agent, and if so waived, such Bonds may be redeemed and all rights and liabilities of said Holders shall mature and accrue on the date set for such redemption without the requirement of written notice. If a notice is given with respect to an optional redemption prior to moneys for such redemption being deposited with the Fiscal Agent, such notice shall be conditioned upon the deposit of moneys with the Fiscal Agent on or before the date fixed for redemption and such

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from gross income for Federal income tax purposes of interest on any Outstanding Bonds the interest on which is intended to be so excluded. Proceeds received from any such securitization and sale shall be excluded from Gas Works Revenues in all calculations relating to the Rate Covenant and, notwithstanding any provision of this Ordinance to the contrary, may be used to redeem or refund obligations issued to finance the related assets designated as non-performing.

(c) It will pay or cause the Fiscal Agent or any paying agent appointed by the City to pay from the Gas Works Revenues deposited in the Sinking Fund the principal of, and premium, if any, and interest on, all Bonds as the same shall become due and payable and as more particularly set forth in the Bonds.

(d) It will continuously maintain in good condition and continuously operate the Gas Works.

(e) It will not in any Fiscal Year pay from the Gas Works Revenues any City Charges or deposit from the Gas Works Revenues in the general sinking fund of the City any sinking fund charges in respect of general obligation bonds of the City unless prior thereto or concurrently therewith all sinking fund charges then payable in respect of Outstanding Bonds shall have been deposited in the Sinking Fund, all amounts then payable in respect of obligations of the Gas Works which are on a parity with Bonds shall have been paid, all amounts then payable to issuers of Credit Facilities and providers of Qualified Swaps and Exchange Agreements shall have been paid and all deposits then required to the Sinking Fund Reserve shall have been made.

(f) It will, not later than 120 days following the close of each Fiscal Year, file with the Fiscal Agent a report of the

over a period of up to the maximum term permitted by the Act, but not in excess of the useful life of the assets to be financed, on an approximately level debt service basis and bear interest at the average interest rate on bonds of a similar maturity and credit rating (without any credit enhancement) as the Bonds Outstanding under this Ordinance and (2) Variable Rate Bonds will bear interest at a rate equal to the average interest rate on such Variable Rate Bonds during the period of twenty-four (24) consecutive calendar months immediately preceding the date of calculation or during such shorter period that such Variable Rate Bonds have been Outstanding.

The Gas Commission is hereby authorized and directed, without further authorization, to impose and charge and to collect, or cause to be collected, rents, rates and charges which shall be sufficient in each Fiscal Year to comply with the foregoing Rate Covenant.

Notwithstanding the requirements of this Section 4.03(b) and the pledge under Section 4.02, the City may, at such time as there are no bonds outstanding under the 1975 Ordinance, pursuant to a Supplemental Ordinance, securitize and sell that portion of the Gas Works rents, rates and charges which relate to assets which are designated as non-performing by the Gas Commission and as to which the Gas Commission has designated specific rents, rates or charges; provided that prior to any such securitization and sale the City delivers to the Fiscal Agent (1) an Engineer's report including a statement that, for the three year period following such securitization and sale, the Gas Works rents, rates and charges (excluding those securitized and sold) are currently and will be sufficient to comply with the Rate Covenant set forth in Section 4.03(b) applied as if the percentage in subsection A(iii) were 175% rather than 150% and (2) an opinion of Bond Counsel that such securitization and sale will not adversely affect the exclusion

notice shall be of no effect unless such moneys are so deposited.

The notice to Bondholders shall be deposited by the Fiscal Agent in the United States mail, first-class postage prepaid, at least thirty (30) days, but not more than sixty (60) days prior to the redemption date, addressed to the Holders of Bonds called for redemption at the addresses appearing upon the Bond Register. Any notice of redemption mailed in accordance with the requirements set forth herein shall be conclusively presumed to have been duly given, whether or not such notice is actually received by the Bondholder. No defect in the notice with respect to any Bond (whether in the form of notice or the mailing thereof) shall affect the validity of the redemption proceedings for any other Bonds.

No covenant or agreement contained in this Bond or in the Ordinance shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the City in his individual capacity, and any official executing this Bond nor any such officer, agent or employee shall be liable personally on this Bond or under the Ordinance or the Supplemental Ordinance or be subject to any personal liability or accountability by reason of the issuance or sale of this Bond, all such liability of such members, officers, agents and employees being released as a condition of and as consideration for the adoption of the Ordinance and the Supplemental Ordinance and the issuance of this Bond.

THIS BOND IS A SPECIAL OBLIGATION OF THE CITY PAYABLE SOLELY FROM THE PLEDGED AMOUNTS AND NEITHER THE CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, THIS BOND, NOR SHALL THIS BOND BE DEEMED TO BE A GENERAL OBLIGATION OF THE CITY.

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It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Act and under the Ordinance precedent to and in the issuance of this Bond, exist, have happened and have been performed, and that the issuance and delivery of this Bond have been duly authorized by ordinance of the City duly adopted.

IN WITNESS WHEREOF, The City of Philadelphia, Pennsylvania has caused this Bond to be properly executed by its Fiscal Agent, by two duly authorized officers thereof, and the facsimile of the seal of the City of Philadelphia to be imprinted hereon, and to be duly countersigned and attested by a facsimile signature of the City Controller, as of

THE CITY OF PHILADELPHIA, PENNSYLVANIA

By: _____
Fiscal Agent

Countersigned and Attested
by (Facsimile Signature)

By: _____
Authorized Officer

City Controller

By: _____
Authorized Officer

SECTION 3.03. General Form, Content and Payment of Bonds. The Bonds shall be generally designated as Gas Works Revenue Bonds (1998 General Ordinance) of the City and shall be issued in such Series and within such Series in such subseries as the City may from time to time determine. The aggregate principal amount of Bonds which may be issued,

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United States during such Fiscal Year; and

(vii) the amounts required to be paid to the issuers of Credit Facilities and the providers of Qualified Swaps and Exchange Agreements during such Fiscal Year; or

B. The sum of:

(i) all Net Operating Expenses payable during such Fiscal Year;

(ii) all principal of and interest on bonds issued and outstanding under the 1975 Ordinance payable during such Fiscal Year and amounts required to be paid into the sinking fund reserve under the 1975 Ordinance during such Fiscal Year;

(iii) all Sinking Fund deposits required during such Fiscal Year in respect of all Outstanding Bonds and all amounts payable in respect of obligations of the Gas Works which are on a parity with any of the Bonds and in respect of general obligation bonds issued for improvements to the Gas Works and all amounts, if any, required during such Fiscal Year to be paid into the Sinking Fund Reserve;

(iv) the Rebate Amount required to be paid to the United States during such Fiscal Year; and

(v) the amounts required to be paid to the issuers of Credit Facilities and the providers of Qualified Swaps and Exchange Agreements during such Fiscal Year.

For purposes of estimating Sinking Fund deposits with respect to Interim Debt and Variable Rate Bonds, the City shall be entitled to assume that (1) Interim Debt will be amortized

(cc) a statement that, in the opinion of the Engineer, the Gas Works are in good operating condition or that adequate steps are being taken to make them so.

(b) It will, at a minimum, impose, charge and collect in each Fiscal Year such gas rates and charges as shall, together with all other Gas Works Revenues to be received in such Fiscal Year, equal not less than the greater of:

A. The sum of:

(i) all Net Operating Expenses payable during such Fiscal Year;

(ii) all principal of and interest on bonds issued and outstanding under the 1975 Ordinance payable during such Fiscal Year and amounts required to be paid into the sinking fund reserve under the 1975 Ordinance during such Fiscal Year;

(iii) 150% of the amount required to pay Sinking Fund deposits required during such Fiscal Year in respect of all Outstanding Senior Bonds and 100% of the amounts payable in respect of the Prior Obligations during such Fiscal Year;

(iv) the amount required to pay Sinking Fund deposits required during such Fiscal Year in respect of all Outstanding Subordinate Bonds and other obligations of the Gas Works on a parity with Subordinate Bonds payable during such Fiscal Year;

(v) the amount, if any, required to be paid into the Sinking Fund Reserve during such Fiscal Year;

(vi) the Rebate Amount required to be paid to the

authenticated and delivered under this Ordinance is unlimited, but prior to issuance of each Series of Bonds, the City shall adopt a Supplemental Ordinance authorizing such Series.

The Bonds of each Series shall be issued in such aggregate principal amount, shall be dated on or as of such date or dates, shall be in such denominations, shall mature or be subject to mandatory redemption in such principal amounts and on such dates, shall bear interest from such date or dates and at such rate or rates (including, without limitation, variable, adjustable and convertible rates), shall be subject to optional redemption at such times and upon such terms, shall be designated as Senior Bonds or Subordinate Bonds (and within such categories may be designated as subordinate to other Bonds in such category and may be limited as to source of payment to one or more specific components of Gas Works Revenues), and shall contain such other terms and conditions not inconsistent with this Ordinance or the Act, all as shall be determined by the City and set forth in the Supplemental Ordinance under which such Bonds are issued, or as shall be determined by a designated officer or officers of the City thereunto authorized by the Supplemental Ordinance or, in the absence of such provisions or designation, as shall be determined by the Director of Finance as specified in Section 4.05.

If permitted by applicable law, any Series of Bonds may be issued as Uncertificated Bonds and the foregoing provisions specifying the form of Bonds shall be inapplicable to such Series of Bonds.

A Series of Bonds may be secured by a Credit Facility meeting the requirements of this Ordinance and the applicable Supplemental Ordinance. In connection with the issuance of its Bonds or at any time thereafter so long as a Series of Bonds remains Outstanding, the City also may enter into Qualified

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Swaps or Exchange Agreements if a majority of the Mayor, the City Controller and the City Solicitor determines that such Qualified Swap or Exchange Agreement will assist the City in more effectively managing its interest costs or its interest rate exposure. The City's payment obligation under any Qualified Swap or Exchange Agreement shall be made only from Gas Works Revenues. Unless otherwise acknowledged by each Rating Agency by virtue of its confirmation of the existing credit ratings on the City's Outstanding Bonds, the City will not enter into any Qualified Swap or Exchange Agreement unless it gives at least fifteen (15) days advance notice of its intention to do so to each of the Rating Agencies, which notice shall specify the identify of the Qualified Swap Provider or Exchange Agreement counterparty, as the case may be.

The principal of, premium, if any, and interest on Bonds issued hereunder shall be payable in lawful money of the United States of America, which at the time of payment is legal tender for the payment of public and private debts; provided that, if applicable law permits, the principal or redemption price of and the interest on a Series of Bonds may be payable in such foreign currency as may be specified in the Supplemental Ordinance authorizing such Series of Bonds. Principal of and premium, if any, on Bonds shall be payable at the Office of the Fiscal Agent, upon presentation and surrender of the Bonds as the same shall become due and payable. Interest on the Bonds shall be paid by the Fiscal Agent on each interest payment date by check or draft mailed to the person in whose name a Bond is registered on the registration books maintained by the Fiscal Agent (as hereinafter provided) at the close of business on the associated record date, and at the address appearing on such registration books or in lieu thereof, if so requested in a written notice provided to the Fiscal Agent not less than ten (10) days prior to the relevant interest payment date by a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds, by

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covenants with the Holders of all Bonds from time to time and at the time outstanding under this Ordinance, that so long as any such Bonds shall remain outstanding:

(a) No Bonds will be issued by the City hereunder or under any ordinance supplemental hereto unless the financial report of the chief fiscal officer of the City required by Section 8 of the Act is filed with the Council of the City. Such report may be given in reliance on an engineering report of an Independent consulting engineer or an Independent firm of consulting engineers, in either case having broad experience in the design and analysis of the operation of gas works or gas distribution systems of the magnitude and scope of the Gas Works and a favorable reputation for competence in such field (the "Engineer") setting forth the qualifications of the Engineer and

(i) containing a statement that the Engineer has made such investigation of the physical properties included in the Gas Works and of the books and records of the Gas Works maintained by the City or by the Manager, as it deemed necessary; and

(ii) on the basis of such investigation containing:

(aa) the same matters, statements and opinion as are required by Section 8 of the Act to be contained in the financial report of the chief fiscal officer supported by appropriate schedules and summaries;

(bb) a statement that the Gas Works rents, rates and charges, on the basis of which the statements required by the foregoing clause (aa) are made, are currently and will be sufficient to comply with the Rate Covenant set forth in Section 4.03(b); and

(including notes issued under the City's General Inventory and Receivables Gas Works Revenue Note Ordinance of 1993, or any similar ordinance, and amounts payable to the provider of a Credit Facility in respect of such notes) and payments (other than termination payments) due to the issuers of Qualified Swaps and Exchange Agreements related to Subordinate Bonds, (6) payments due to issuers of Credit Facilities related to Subordinate Bonds, (7) required payments of the Rebate Amount to the United States, (8) replenishment of any deficiency in the Sinking Fund Reserve, (9) payment of general obligation bonds of the City adjudged to be self-liquidating from Gas Works Revenues, (10) debt service on other general obligation bonds issued for the Gas Works, and (11) City charges and any other proper purpose of the Gas Works (including any termination payments to issuers of Qualified Swaps and Exchange Agreements), except Unrelated Expenses. The foregoing provisions shall not be construed to require the segregation of revenues upon collection.

Neither the Bonds nor the City's reimbursement or other contractual obligations with respect to any Credit Facility, Qualified Swap or Exchange Agreement shall constitute a general indebtedness or a pledge of the full faith and credit of the City within the meaning of any constitutional or statutory provision or limitation of indebtedness. No Bondholder or beneficiary of any of the foregoing agreements shall ever have the right, directly or indirectly, to require or compel the exercise of the ad valorem taxing power of the City for the payment of the principal and redemption price of or interest on the Bonds or the making of any payments hereunder. The Bonds and the obligations evidenced thereby and by the foregoing agreements shall not constitute a lien on any property of the City other than the Gas Works Revenues.

SECTION 4.03. Particular Covenants. The City

wire transfer to an account in a bank located in the United States designated by such Bondholder. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof as of the associated record date, and shall be payable to the person who is the registered owner thereof (or of one or more predecessor bonds) at the close of business on the special record date preceding the special payment date set by the Fiscal Agent whenever moneys become available for payment of such interest. Notice of such special payment date shall be given by the Fiscal Agent to registered owners as of the special record date not less than ten (10) days prior to the special payment date. All Bonds shall provide that principal or redemption price and interest in respect thereof shall be payable only out of Gas Works Revenues, moneys in the Sinking Fund Reserve and proceeds of any applicable letter of credit, bond insurance policy or other Credit Facility then in effect.

Each Bond executed and delivered upon any transfer, exchange or substitution, shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by the Bond or Bonds surrendered upon such transfer or exchange, or, as the case may be, the part thereof represented by such new Bond, and, notwithstanding anything to the contrary contained in this Ordinance, such new Bond shall be so dated that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

The foregoing provisions of this Section 3.03, any other provision in this Ordinance to the contrary notwithstanding, are subject to the express understanding that the principal of and interest on all Bonds issued hereunder and the premium, if any, payable on redemption thereof, shall be payable only from the rentals, revenues and moneys of the City pledged for the payment thereof pursuant to this Ordinance and not otherwise.

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SECTION 3.04. Registration, Transfer and Exchange of Bonds; Persons Treated as Bondholders. The Fiscal Agent shall maintain and keep on behalf of the City, at its Principal Office, the Bond Register, which shall, at all reasonable times, be open for inspection by the City; and, upon presentation for such purpose of any Bond entitled to registration or registration of exchange or transfer at the Office of the Fiscal Agent, the Fiscal Agent shall register or register the exchange or transfer of such Bond in the Bond Register, under the provisions hereof and such reasonable regulations as the City and the Fiscal Agent may prescribe. The Fiscal Agent shall make all necessary provisions to permit the exchange or transfer of Bonds at its Principal Office.

The transfer of any Bond shall be registered in the Bond Register at the written request of the Bondholder thereof or his attorney duly authorized in writing, upon surrender and cancellation thereof at the Office of the Fiscal Agent, together with a written instrument of transfer satisfactory to the Fiscal Agent duly executed by the Bondholder or his duly authorized attorney. Upon the registration of transfer of any such Bond or Bonds, the City shall issue in the name of the transferee, in authorized denominations, a new fully registered Bond or Bonds in the same aggregate principal amount and of like tenor as the surrendered Bond or Bonds.

The Bonds, upon surrender thereof at the Office of the Fiscal Agent, may, at the option of the Bondholder thereof or his attorney duly authorized in writing, be exchanged for an equal aggregate principal amount of any authorized denominations of Bonds of the same Series and maturity and having the same interest rate as the surrendered Bonds.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the City shall execute and the

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The City hereby pledges for the security and payment of all Bonds issued under this Ordinance and hereby grants a lien on and security interest in, all Gas Works Revenues, all accounts, contract rights and general intangibles representing the Gas Works Revenues and all funds and accounts established under this Ordinance, and in each case, the proceeds of the foregoing, except as limited for a Series of Bonds in the Supplemental Ordinance authorizing the issuance of such Series of Bonds; provided, however, that the pledge of this Ordinance may also be for the benefit of the provider of a Credit Facility, Qualified Swap or Exchange Agreement, or any other person who undertakes to provide moneys for the account of the City for the payment of principal or redemption price of and interest on any Series of Bonds on an equal and ratable basis with the related Series of Bonds, to the extent provided by any Supplemental Ordinance. For the purpose of compliance with the filing requirements of the Uniform Commercial Code in order to perfect the security interest herein granted, the Fiscal Agent shall be deemed to be, and the City hereby recognizes the Fiscal Agent as, the representative of Bondholders to execute financing statements as the secured party. All Gas Works Revenues as and when collected in each Fiscal Year shall be applied in order of priority, to the extent then payable, to (1) Net Operating Expenses then payable, (2) debt service on bonds issued under the 1975 Ordinance and amounts required to be paid into the sinking fund reserve under the 1975 Ordinance, (3) debt service on Senior Bonds, payments (other than termination payments) due to the issuers of Qualified Swaps and Exchange Agreements related to Senior Bonds and payments due in respect of obligations of the Gas Works to The Philadelphia Municipal Authority existing on the date of adoption of the Ordinance, (4) payments due to issuers of Credit Facilities related to Senior Bonds, (5) debt service on Subordinate Bonds and payments due in respect of obligations of the Gas Works on a parity with Subordinate Bonds

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in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the City, whether or not the Bond so alleged to be destroyed, lost or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefit of this Ordinance with all other Bonds issued under this Ordinance.

SECTION 3.09. Credit Enhancement; Exchange Agreements; Qualified Swaps. As provided by Supplemental Ordinance and subject to the requirements of this Ordinance, the City may provide for a Credit Facility, Exchange Agreement or Qualified Swap with respect to any Series of Bonds or portion thereof.

ARTICLE IV

ISSUANCE OF BONDS; PLEDGE OF REVENUES; COVENANTS

SECTION 4.01. Purpose of Bonds. The Bonds issued under this Ordinance shall be issued for the purpose of paying the cost of projects, as such term is defined in the Act, related to the Gas Works, of reimbursing any fund of the City from which such costs have been paid or advanced, of funding any of such costs for which the City shall have outstanding bond anticipation notes or other obligations, of refunding any bonds of the City issued for the foregoing purposes under the Act, of refunding general obligation bonds of the City issued for the foregoing purposes or of financing anything else relating to the Gas Works permitted under the Act.

SECTION 4.02. Pledge of Revenues; Grant of Security Interest; Application of Revenues; Limitation on Recourse.

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Fiscal Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Fiscal Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The Fiscal Agent shall not be required to make any exchange or transfer of any Bonds during the period of fifteen Business Days next preceding any interest payment date for such Bonds or during the period of twenty Business Days next preceding the first mailing of any notice of redemption of such Bonds or to make any exchange or transfer of any Bonds called for redemption.

All Bonds executed, authenticated and delivered in exchange for Bonds surrendered or upon the transfer of surrendered Bonds shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, and shall be secured by this Ordinance to the same extent as such surrendered Bonds.

The City and the Fiscal Agent may deem and treat the Bondholder of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and the City and the Fiscal Agent shall not be affected by any notice to the contrary. All such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. Any consent, waiver or other action taken by the Holder of any Bond pursuant to the provisions of this

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Ordinance shall be conclusive and binding upon such Holder, such Holder's heirs, successors or assigns and upon all transferees of such Bond, whether or not notation thereof is made on such Bond or any Bond issued in exchange therefor.

SECTION 3.05. Bonds are Negotiable Instruments. The Bonds shall have the qualities of negotiable instruments under the law merchant and the laws pertaining to negotiable instruments of the Commonwealth of Pennsylvania, subject to the provisions for registration and transfer contained in Section 3.04 and in the Bonds.

SECTION 3.06. Temporary Bonds. Until Bonds in definitive form are ready for delivery, the City and the Fiscal Agent may execute and deliver to the purchasers thereof, subject to the provisions, limitations and conditions set forth above, one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form of the definitive Bonds, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit of this Ordinance, including the right to transfer and exchange any Bond in temporary form for other Bonds in temporary form. Upon the presentation and surrender of any Bond or Bonds in temporary form, the City and the Fiscal Agent shall, without unreasonable delay, prepare, execute and deliver to the Holder or Holders thereof, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made without making any charge therefor to the Holders of such Bonds in temporary form.

SECTION 3.07. Execution of Bonds. The Bonds shall be executed on behalf of the City by the Fiscal Agent by the manual signatures of two of its duly authorized officers, under

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the seal of the City which shall be either affixed or reproduced thereon in facsimile and shall be countersigned and attested by the manual or facsimile signature of the City Controller, all in accordance with the Act of March 24, 1949, P. L. 312, or in such other manner as shall be authorized by law and prescribed by Supplemental Ordinance. Any such Bonds may be executed, issued and delivered notwithstanding that one or more of the officers signing such Bonds or whose facsimile signature shall be upon such Bonds, shall have ceased to be such officer or officers at the time when such Bonds shall actually be delivered, and although at the nominal date of such Bonds any such person shall not have been such officer.

SECTION 3.08. Mutilated, Destroyed, Lost or Stolen Bonds. Upon receipt by the Fiscal Agent and the City of evidence satisfactory to both of them that any Outstanding Bond has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to both of them, the City and the Fiscal Agent shall execute and deliver a new Bond of the same Series, maturity date, principal amount and interest rate in exchange and substitution for, and upon surrender and cancellation of, the mutilated Bond or in lieu of and in substitution for the Bond so destroyed, lost or stolen.

The City may, for each new Bond authenticated and delivered under the provisions of this Section 3.08, require the payment of the expenses, including counsel fees, which may be incurred by the City and the Fiscal Agent in connection therewith. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City, in its discretion, may, instead of issuing a new Bond, direct the payment thereof at maturity and the Fiscal Agent shall thereupon pay the same.

" Any Bond issued under the provisions of this Section 3.08

City of Philadelphia

Bill No. 990286

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on May 27, 1999. The Bill was Signed by the Mayor on May 31, 1999.



Marie B. Hauser
Chief Clerk of the City Council

City of Philadelphia



(Bill No. 990286)

AN ORDINANCE

Constituting the Second Supplemental Ordinance to the General Gas Works Revenue Bond Ordinance of 1998 (the "1998 General Ordinance"); authorizing the Mayor, the City Controller and the City Solicitor, or a majority of them, to sell, either at public or private sale, Gas Works Revenue Bonds (1998 General Ordinance), Second Series, of the City of Philadelphia, in one or more subseries, in the maximum aggregate principal amount of one hundred fifteen million (115,000,000) dollars (the "Second Series Bonds"); provided, however, that, if the Second Series Bonds are sold at a discount, the aggregate principal amount may be increased to reflect such discount as long as the aggregate gross proceeds to the City from the sale of the Second Series Bonds do not exceed one hundred fifteen million (115,000,000) dollars, plus accrued interest, if any; designating that the Second Series Bonds are being issued to pay the costs of certain projects of the Philadelphia Gas Works (the "Gas Works") and the application of proceeds of the Second Series Bonds for such purpose; authorizing the City to obtain credit enhancement for the Second Series Bonds; determining the sufficiency of Gas Works revenues; covenanting the separation of Gas Works revenue accounts and proceeds of the Second Series Bonds from general accounts of the City; covenanting the payment of interest and principal on the Second Series Bonds; authorizing covenants and action in order that the Second Series Bonds shall not be

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arbitrage bonds; authorizing the Second Series Bonds to be issued in book-entry form and providing book-entry provisions to apply in such case; and providing that this Ordinance is supplemental to the 1998 General Ordinance and that the provisions of the 1998 General Ordinance, to the extent not modified, amended or superseded by this Ordinance, are applicable.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Mayor, the City Controller and the City Solicitor (the "Bond Committee"), or a majority of them, are hereby authorized, on behalf of the City, to borrow, by the issuance and sale of the City's Gas Works Revenue Bonds (1998 General Ordinance), Second Series (the "Second Series Bonds"), in one or more subseries and with such relative priorities as they deem desirable, pursuant to The First Class City Revenue Bond Act of October 18, 1972, Act No. 234 (the "Act") and the General Gas Works Revenue Bond Ordinance of 1998, Bill No. 980232 (approved May 8, 1998) (the "1998 General Ordinance"), a sum or sums which in the aggregate shall not exceed the principal amount of Second Series Bonds authorized to be issued hereunder, to be expended as provided in Section 2 of this Ordinance. The Second Series Bonds shall be sold at public or private sale and shall contain such terms and provisions as are determined by a majority of the Bond Committee to be in the best interests of the City and are not inconsistent with the provisions hereof, of the Act or of the 1998 General Ordinance. If a majority of the Bond Committee determines it to be in the best interests of the City, the Second Series Bonds may be issued in book-entry form; and in such event a majority of the Bond Committee shall also select a securities depository (the "Depository") for the Second Series

Bonds. If a majority of the Bond Committee determines it to be in the best interests of the City, the City may obtain credit enhancement for all or a portion of the Second Series Bonds. A majority of the Bond Committee is authorized to take any and all other actions as may be necessary or appropriate in connection with the consummation of the transactions contemplated herein.

The Second Series Bonds are authorized to be issued hereunder in an aggregate principal amount up to one hundred fifteen million (115,000,000) dollars; provided, however, that, if any of the Second Series Bonds are to be sold at discounts which are in lieu of periodic interest, the aggregate principal amount of Second Series Bonds which may be issued hereunder shall be increased to reflect such discounts, as long as the aggregate gross proceeds to the City from the sale of the Second Series Bonds shall not exceed one hundred fifteen million (115,000,000) dollars, plus accrued interest, if any.

The Second Series Bonds shall not pledge the City's credit or taxing power, create any debt or charge against the tax or general revenues of the City or create any lien against any property of the City other than the revenues pledged by the 1998 General Ordinance. The opinion of the City Solicitor required by Section 8 of the Act with respect to the matters stated in the preceding sentence is attached hereto as Exhibit A.

SECTION 2. The Second Series Bonds shall be issued for the purpose of providing funds for any or all of the following purposes: (i) the capital projects included in the capital program of the Gas Works as from time to time included in the capital budgets of the Gas Works, as approved by City Council, which may include, without limitation, (a) the acquisition of land or rights therein; (b) the acquisition, construction or improvement of buildings, structures and facilities together with their related

furnishings, equipment, machinery and apparatus; (c) the acquisition, construction or replacement of pipes and pipe lines; and (d) the acquisition or replacement of property of a capital nature for use in the operation, maintenance and administration of the Gas Works system of the City; (ii) paying the costs of issuing the Second Series Bonds and making any required deposit to the Sinking Fund Reserve; and (iii) paying any other Project Costs (as defined in the Act), which may include, without limitation, the repayment to any fund of the City or to accounts of the Gas Works of amounts advanced for Project Costs, and the funding or refunding of outstanding bond anticipation notes or other obligations of the City issued in respect of Project Costs.

The City covenants that the proceeds of the Second Series Bonds which remain available for the payment of the costs of the capital improvements, after payment of the financing costs, the required payment into the Sinking Fund Reserve and the repayment to the City and the Gas Works of amounts previously advanced for Project Costs or for the funding or refunding of bond anticipation notes or other obligations as described above, shall be deposited and held in and disbursed from one or more unsegregated accounts of the Gas Works which shall be separate and apart from and not commingled with the consolidated cash account of the City or any other account of the City not held exclusively for Gas Works purposes. This covenant shall not be construed to require the establishment of any Gas Works account segregated from any other Gas Works accounts. All interest and income earned on the investment of such proceeds (except for amounts to be rebated to the United States) pending expenditure for the aforesaid purposes may be transferred to and deposited in the operating funds of the Gas Works and applied as Gas Works Revenues in accordance with Section 4.02 of the 1998 General Ordinance.

required or permitted to be made by Bondholders under the 1998 General Ordinance on a fractionalized basis on behalf of some or all of the Beneficial Owners.

The appropriate officials of the City are authorized to execute any documentation required by the Depository in connection with book-entry registration of the Second Series Bonds.

SECTION 8. This Ordinance is supplementary to the 1998 General Ordinance and all sections of the 1998 General Ordinance not modified, amended or superseded by this Ordinance are applicable to the Second Series Bonds. All definitions of terms contained in the Act or the 1998 General Ordinance not inconsistent herewith shall apply to such terms in this Ordinance.

SECTION 9. This Ordinance shall take effect immediately.

the Participants and thereafter paid by the Participants to the Beneficial Owners. The payments to the Depository shall satisfy the City's obligations under the Second Series Bonds.

For every transfer and exchange of the Second Series Bonds, the Fiscal Agent, the Depository and the Participants may charge the Beneficial Owner of the Second Series Bonds a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. No transfer or exchange of any Second Series Bonds shall be required to be made fewer than fifteen (15) days prior to any interest payment date or fifteen (15) days prior to any mailing of notice of redemption of the Second Series Bonds. No transfers shall be made of Second Series Bonds previously called for redemption, except pursuant to any optional or mandatory tender provisions thereof.

The Depository may determine to discontinue providing its services with respect to the Second Series Bonds at any time by giving notice to the City and the Fiscal Agent and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the City is obligated to deliver bond certificates in such names as the City and the Fiscal Agent are directed by the Depository.

The Bondholders have no right to a depository for the Second Series Bonds. If the book-entry only system is no longer utilized, bond certificates will be issued in such names as the City and the Fiscal Agent are directed by the Depository.

Notwithstanding any other provision of the 1998 General Ordinance, so long as the Depository is the registered Bondholder of all Second Series Bonds, the Depository may present notices, approvals, waivers or other communications

SECTION 3. Based on the report of the Director of Finance of the City required by Section 8 of the Act (the "Financial Report"), it is hereby determined that the pledged Gas Works Revenues (as defined in the 1998 General Ordinance) will be sufficient to comply with the rate covenant contained in Section 4.03(b) of the 1998 General Ordinance and also to pay all costs, expenses and payments required to be paid therefrom in the order and priority stated in Section 4.02 of the 1998 General Ordinance. An executed copy of the Financial Report is attached hereto as Exhibit B.

SECTION 4. The City covenants that, as long as any of the Second Series Bonds shall remain outstanding, all pledged Gas Works Revenues shall be deposited and held in and disbursed from one or more unsegregated accounts of the Gas Works which shall be separate from and not commingled with the consolidated cash account of the City or any other account of the City not held exclusively for Gas Works purposes. This covenant shall not be construed to require the establishment of any Gas Works account segregated from any other Gas Works accounts except as provided in Section 2 hereof or as otherwise required by the 1998 General Ordinance.

SECTION 5. The City covenants that, as long as any Second Series Bonds shall remain unpaid, it shall make payments or cause payments to be made out of its 1998 Gas Works Revenue Bond Sinking Fund created under the 1998 General Ordinance at such times and in such amounts as shall be sufficient for the payment of the interest thereon and the principal thereof when due; provided, however, that whenever the City shall be required to deposit moneys with the Fiscal Agent for the mandatory redemption of any of the Second Series Bonds, such obligation may be satisfied, in whole or in part, by the delivery by the City to the Fiscal Agent of a principal amount of Second Series Bonds of the maturity

required to be redeemed for cancellation prior to the date specified for such redemption.

SECTION 6. The Director of Finance is authorized to make such elections under the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder with respect to the Second Series Bonds and to take such actions on behalf of the City with respect to the investment of the proceeds of the Second Series Bonds as he deems advisable, and the Director of Finance or any member of the Bond Committee is authorized to make such covenants as may be necessary or advisable in order that the Second Series Bonds shall not be "arbitrage bonds" as defined in the Internal Revenue Code of 1986, as amended.

SECTION 7. In the event Second Series Bonds are issued in book-entry form, the ownership of one fully registered Second Series Bond for each maturity, each in the aggregate principal amount of such maturity, will be registered in the name(s) designated by the Depository. So long as, but only so long as, the book-entry only system is applicable to the Second Series Bonds, the following provisions of this Section 7 shall govern as to matters set forth in Section 3 of the 1998 General Ordinance.

Pursuant to the book-entry only system, ownership interests in the Second Series Bonds may be purchased in the manner directed by the Depository, which may be through financial institutions for whom the Depository effects book-entry transfers (the "Participants"). A person who owns such an interest in a Second Series Bond (a "Beneficial Owner"), will not receive certificated Second Series Bonds and will not be the registered owner thereof. Receipt by the Beneficial Owners of timely payment of principal, purchase price, redemption price and interest on the Second Series Bonds is subject to the

Depository's making such timely payment, either to the Beneficial Owner or to the Participants to be forwarded to the Beneficial Owners. Neither the City nor the Fiscal Agent will have any responsibility or obligation to such Participants or to the Beneficial Owners for any failure of the Depository to act or make any payment with respect to the Second Series Bonds or the providing of notices relating to redemption or mandatory tender to Participants or the Beneficial Owners of the Second Series Bonds.

The Depository will receive payments from the Fiscal Agent to be remitted by the Depository to the Beneficial Owners or to the Participants for whom the Depository holds the Second Series Bonds for subsequent disbursement to the Beneficial Owners. The ownership interest of each Beneficial Owner in the Second Series Bonds shall be recorded on the records of the Depository or the records of the Participants, whose ownership interests will be recorded on the records of the Depository.

When notices are given, they shall be sent by the Fiscal Agent to the Depository with a request that the Depository forward (or cause to be forwarded) the notice to the Participants so that such Participants may forward (or cause to be forwarded) the notices to the Beneficial Owners.

Transfers of ownership interests in the Second Series Bonds will be accomplished by book-entries made by the Depository and/or the Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Second Series Bonds, except as specifically provided herein. So long as the Depository is the Bondholder, interest, principal and redemption price of the Second Series Bonds will be paid when due by the Fiscal Agent to the Depository, then paid by the Depository to the Beneficial Owners, or by the Depository to

Final Quantitative Analysis for:

Philadelphia Gas Works



Verified by Drucker & Scaccetti

Merrill Lynch & Co.

June 23, 1999

City of Philadelphia, Gas Works Revenue Bonds
\$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
\$113,965,000 Second Series Bonds (1998 Ordinance)
Schedule 6.A.1
POST REFUNDING
OUTSTANDING DEBT SERVICE: ELEVENTH SERIES C

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Bond-Year Debt Service
0	6/23/1999						
1							
2	7/1/1999						
3	1/1/2000	7.000%	3,420,457	-	3,810,648	7,231,105	7,231,105
4	7/1/2000						
5	1/1/2001	7.000%	3,196,967	-	4,043,033	7,240,000	7,240,000
6	7/1/2001						
7	1/1/2002	7.050%	2,965,866	-	4,274,134	7,240,000	7,240,000
8	7/1/2002						
9	1/1/2003	7.100%	2,748,811	-	4,491,189	7,240,000	7,240,000
10	7/1/2003						
11	1/1/2004	7.150%	2,543,464	-	4,691,536	7,235,000	7,235,000
12	7/1/2004						
13	1/1/2005						
14	7/1/2005						
15	1/1/2006						
16	7/1/2006						
17	1/1/2007						
18	7/1/2007						
19	1/1/2008						
20	7/1/2008						
21	1/1/2009						
22	7/1/2009						
23	1/1/2010						
24	7/1/2010						
25	1/1/2011	7.250%	2,319,035	-	8,697,758	11,016,793	11,016,793
26	7/1/2011						
27	1/1/2012	7.250%	2,745,400	-	11,259,600	14,005,000	14,005,000
TOTALS			19,940,000	-	41,267,897	61,207,897	61,207,897

City of Philadelphia, Gas Works Revenue Bonds
\$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
\$113,965,000 Second Series Bonds (1998 Ordinance)
Schedule 3.A.2
OUTSTANDING SENIOR DEBT SERVICE
TWELFTH SERIES A

Row	Date	Coupon	Principal	Interest	Compound Interest	Seni-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1	5/15/1999	6.750%	1,530,000	107,228		1,637,228	1,637,228
2	11/15/1999			55,590		55,590	
3	5/15/2000	6.800%	1,635,000	55,590		1,690,590	1,746,180
4	11/15/2000			-		-	
5	5/15/2001	6.850%	824,687	-	920,313	1,745,000	1,745,000
6	11/15/2001			-		-	
7	5/15/2002	6.900%	766,474	-	978,526	1,745,000	1,745,000
8	11/15/2002			-		-	
9	5/15/2003	6.950%	1,900,488	-	2,759,512	4,660,000	4,660,000
10	11/15/2003			-		-	
11	5/15/2004	7.000%	1,761,033	-	2,893,967	4,655,000	4,655,000
12	11/15/2004			-		-	
13	5/15/2005	7.050%	1,631,950	-	3,023,050	4,655,000	4,655,000
14	11/15/2005			-		-	
15	5/15/2006	7.100%	1,510,920	-	3,144,080	4,655,000	4,655,000
16	11/15/2006						
17	5/15/2007						
18	11/15/2007						
19	5/15/2008						
20	11/15/2008						
21	5/15/2009						
22	11/15/2009						
23	5/15/2010						
24	11/15/2010						
TOTALS			11,560,552	218,408	13,719,448	25,498,408	25,498,408

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.A.3
OUTSTANDING SENIOR DEBT SERVICE
THIRTEENTH SERIES

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1	6/15/1999	7.300%	1,185,000	141,430		1,326,430	1,326,430
2	12/15/1999			98,178		98,178	
3	6/15/2000	7.400%	1,270,000	98,178		1,368,178	1,466,355
4	12/15/2000			51,188		51,188	
5	6/15/2001	7.500%	1,365,000	51,188		1,416,188	1,467,375
6	12/15/2001						
7	6/15/2002						
8	12/15/2002						
9	6/15/2003						
10	12/15/2003						
11	6/15/2004						
12	12/15/2004						
13	6/15/2005						
14	12/15/2005						
15	6/15/2006						
16	12/15/2006						
17	6/15/2007						
18	12/15/2007						
19	6/15/2008						
20	12/15/2008						
21	6/15/2009						
22	12/15/2009						
23	6/15/2010						
24	12/15/2010						
TOTALS			3,820,000	440,160	-	4,260,160	4,260,160

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.A.4
 OUTSTANDING SENIOR DEBT SERVICE
 FOURTEENTH SERIES

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	7/1/1999	5.600%	8,715,000	7,547,248		16,262,248	16,262,248
3	1/1/2000			7,303,228		7,303,228	
4	7/1/2000	5.700%	8,925,000	7,303,228		16,228,228	23,531,456
5	1/1/2001			7,048,866		7,048,866	
6	7/1/2001	5.800%	7,125,000	7,048,866		14,173,866	21,222,731
7	1/1/2002			6,842,241		6,842,241	
8	7/1/2002	7.000%	16,625,000	6,842,241		23,467,241	30,309,481
9	1/1/2003			6,260,366		6,260,366	
10	7/1/2003	5.500%	10,490,000	6,260,366		16,750,366	23,010,731
11	1/1/2004			5,971,891		5,971,891	
12	7/1/2004	5.500%	14,055,000	5,971,891		20,026,891	25,998,781
13	1/1/2005			5,585,378		5,585,378	
14	7/1/2005	6.250%	8,660,000	5,585,378		14,245,378	19,830,756
15	1/1/2006			5,314,753		5,314,753	
16	7/1/2006	6.250%	10,475,000	5,314,753		15,789,753	21,104,506
17	1/1/2007			4,987,409		4,987,409	
18	7/1/2007	6.250%	9,580,000	4,987,409		14,567,409	19,554,819
19	1/1/2008			4,688,034		4,688,034	
20	7/1/2008	6.250%	8,640,000	4,688,034		13,328,034	18,016,069
21	1/1/2009			4,418,034		4,418,034	
22	7/1/2009	6.375%	7,635,000	4,418,034		12,053,034	16,471,069
23	1/1/2010			4,174,669		4,174,669	
24	7/1/2010	6.375%	6,585,000	4,174,669		10,759,669	14,934,338
25	1/1/2011			3,964,772		3,964,772	
26	7/1/2011	6.375%	5,195,000	3,964,772		9,159,772	13,124,544
27	1/1/2012			3,799,181		3,799,181	
28	7/1/2012	6.375%	3,965,000	3,799,181		7,764,181	11,563,363
29	1/1/2013			3,672,797		3,672,797	
30	7/1/2013	6.375%	9,875,000	3,672,797		13,547,797	17,220,594
31	1/1/2014			3,358,031		3,358,031	
32	7/1/2014	6.375%	8,960,000	3,358,031		12,318,031	15,676,063
33	1/1/2015			3,072,431		3,072,431	
34	7/1/2015	6.375%	7,985,000	3,072,431		11,057,431	14,129,863
35	1/1/2016			2,817,909		2,817,909	
36	7/1/2016	6.375%	12,545,000	2,817,909		15,362,909	18,180,819
37	1/1/2017			2,418,038		2,418,038	
38	7/1/2017	6.375%	11,790,000	2,418,038		14,208,038	16,626,075
39	1/1/2018			2,042,231		2,042,231	
40	7/1/2018	6.375%	10,985,000	2,042,231		13,027,231	15,069,463
41	1/1/2019			1,692,084		1,692,084	
42	7/1/2019	6.375%	10,125,000	1,692,084		11,817,084	13,509,169
43	1/1/2020			1,369,350		1,369,350	
44	7/1/2020	6.375%	9,210,000	1,369,350		10,579,350	11,948,700
45	1/1/2021			1,075,781		1,075,781	
46	7/1/2021	6.375%	8,240,000	1,075,781		9,315,781	10,391,563
47	1/1/2022			813,131		813,131	
48	7/1/2022	6.375%	7,210,000	813,131		8,023,131	8,836,263
49	1/1/2023			583,313		583,313	
50	7/1/2023	6.375%	6,110,000	583,313		6,693,313	7,276,625
51	1/1/2024			388,556		388,556	
52	7/1/2024	6.375%	4,945,000	388,556		5,333,556	5,722,113
53	1/1/2025			230,934		230,934	
54	7/1/2025	6.375%	3,700,000	230,934		3,930,934	4,161,869
55	1/1/2026			112,997		112,997	
56	7/1/2026	6.375%	3,545,000	112,997		3,657,997	3,770,994
TOTALS			241,895,000	195,560,061		437,455,061	437,455,061

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.A.5
OUTSTANDING SENIOR DEBT SERVICE
FIFTEENTH SERIES A

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	8/1/1999	4.100%	4,170,000	769,599		4,939,599	4,939,599
3	2/1/2000			684,114		684,114	
4	8/1/2000	4.250%	4,490,000	684,114		5,174,114	5,858,229
5	2/1/2001			588,702		588,702	
6	8/1/2001	4.400%	4,425,000	588,702		5,013,702	5,602,404
7	2/1/2002			491,352		491,352	
8	8/1/2002	4.500%	1,495,000	491,352		1,986,352	2,477,704
9	2/1/2003			457,714		457,714	
10	8/1/2003	4.600%	185,000	457,714		642,714	1,100,429
11	2/1/2004			453,459		453,459	
12	8/1/2004	4.625%	205,000	453,459		658,459	1,111,919
13	2/1/2005			448,719		448,719	
14	8/1/2005	4.750%	180,000	448,719		628,719	1,077,438
15	2/1/2006			444,444		444,444	
16	8/1/2006	4.875%	705,000	444,444		1,149,444	1,593,888
17	2/1/2007			427,259		427,259	
18	8/1/2007	4.875%	670,000	427,259		1,097,259	1,524,519
19	2/1/2008			410,928		410,928	
20	8/1/2008	4.875%	885,000	410,928		1,295,928	1,706,856
21	2/1/2009			389,356		389,356	
22	8/1/2009	4.875%	905,000	389,356		1,294,356	1,683,713
23	2/1/2010			367,297		367,297	
24	8/1/2010	4.875%	9,725,000	367,297		10,092,297	10,459,594
25	2/1/2011			130,250		130,250	
26	8/1/2011	5.000%	165,000	130,250		295,250	425,500
27	2/1/2012			126,125		126,125	
28	8/1/2012	5.000%	170,000	126,125		296,125	422,250
29	2/1/2013			121,875		121,875	
30	8/1/2013	5.000%	175,000	121,875		296,875	418,750
31	2/1/2014			117,500		117,500	
32	8/1/2014	5.000%	170,000	117,500		287,500	405,000
33	2/1/2015			113,250		113,250	
34	8/1/2015	5.000%	4,530,000	113,250		4,643,250	4,756,500
TOTALS			33,250,000	12,314,289	-	45,564,289	45,564,289

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.A.6
OUTSTANDING SENIOR DEBT SERVICE
FIFTEENTH SERIES B

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	8/1/1999	4.100%	10,845,000	727,038		11,572,038	11,572,038
3	2/1/2000			504,715		504,715	
4	8/1/2000	4.250%	11,200,000	504,715		11,704,715	12,209,430
5	2/1/2001			266,715		266,715	
6	8/1/2001	4.400%	6,300,000	266,715		6,566,715	6,833,430
7	2/1/2002			128,115		128,115	
8	8/1/2002	4.500%	1,445,000	128,115		1,573,115	1,701,230
9	2/1/2003			95,603		95,603	
10	8/1/2003	4.600%	1,380,000	95,603		1,475,603	1,571,205
11	2/1/2004			63,863		63,863	
12	8/1/2004	4.625%	1,370,000	63,863		1,433,863	1,497,725
13	2/1/2005			32,181		32,181	
14	8/1/2005	4.750%	1,355,000	32,181		1,387,181	1,419,363
15	2/1/2006						
16	8/1/2006						
17	2/1/2007						
18	8/1/2007						
19	2/1/2008						
20	8/1/2008						
21	2/1/2009						
22	8/1/2009						
23	2/1/2010						
24	8/1/2010						
TOTALS			33,895,000	2,909,420	-	36,804,420	36,804,420

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.A.7
OUTSTANDING SENIOR DEBT SERVICE
FIFTEENTH SERIES C

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	8/1/1999			1,797.395		1,797.395	1,797.395
3	2/1/2000			1,797.395		1,797.395	
4	8/1/2000			1,797.395		1,797.395	3,594.790
5	2/1/2001			1,797.395		1,797.395	
6	8/1/2001			1,797.395		1,797.395	3,594.790
7	2/1/2002			1,797.395		1,797.395	
8	8/1/2002	4.900%	4,550,000	1,797.395		6,347.395	8,144.790
9	2/1/2003			1,685.920		1,685.920	
10	8/1/2003	5.000%	2,430,000	1,685.920		4,115.920	5,801.840
11	2/1/2004			1,625.170		1,625.170	
12	8/1/2004	5.100%	2,610,000	1,625.170		4,235.170	5,860.340
13	2/1/2005			1,558.615		1,558.615	
14	8/1/2005	5.125%	2,860,000	1,558.615		4,418.615	5,977.230
15	2/1/2006			1,485.328		1,485.328	
16	8/1/2006	5.250%	1,075,000	1,485.328		2,560.328	4,045.655
17	2/1/2007			1,457.109		1,457.109	
18	8/1/2007	5.375%	1,130,000	1,457.109		2,587.109	4,044.218
19	2/1/2008			1,426.740		1,426.740	
20	8/1/2008	5.400%	1,195,000	1,426.740		2,621.740	4,048.480
21	2/1/2009			1,394.475		1,394.475	
22	8/1/2009	5.500%	1,255,000	1,394.475		2,649.475	4,043.950
23	2/1/2010			1,359.963		1,359.963	
24	8/1/2010	5.500%	1,325,000	1,359.963		2,684.963	4,044.925
25	2/1/2011			1,323.525		1,323.525	
26	8/1/2011	5.250%	2,815,000	1,323.525		4,138.525	5,462.050
27	2/1/2012			1,249.631		1,249.631	
28	8/1/2012	5.250%	2,960,000	1,249.631		4,209.631	5,459.263
29	2/1/2013			1,171.931		1,171.931	
30	8/1/2013	5.250%	3,115,000	1,171.931		4,286.931	5,458.863
31	2/1/2014			1,090.163		1,090.163	
32	8/1/2014	5.250%	3,280,000	1,090.163		4,370.163	5,460.325
33	2/1/2015			1,004.063		1,004.063	
34	8/1/2015	5.250%	3,450,000	1,004.063		4,454.063	5,458.125
35	2/1/2016			913.500		913.500	
36	8/1/2016	5.250%	2,855,000	913.500		3,768.500	4,682.000
37	2/1/2017			838.556		838.556	
38	8/1/2017	5.250%	3,035,000	838.556		3,873.556	4,712.113
39	2/1/2018			758.888		758.888	
40	8/1/2018	5.250%	3,220,000	758.888		3,978.888	4,737.775
41	2/1/2019			674.363		674.363	
42	8/1/2019	5.250%	3,420,000	674.363		4,094.363	4,768.725
43	2/1/2020			584.588		584.588	
44	8/1/2020	5.250%	3,625,000	584.588		4,209.588	4,794.175
45	2/1/2021			489.431		489.431	
46	8/1/2021	5.250%	3,845,000	489.431		4,334.431	4,823.863
47	2/1/2022			388.500		388.500	
48	8/1/2022	5.250%	4,685,000	388.500		5,073.500	5,462.000
49	2/1/2023			265.519		265.519	
50	8/1/2023	5.250%	4,930,000	265.519		5,195.519	5,461.038
51	2/1/2024			136.106		136.106	
52	8/1/2024	5.250%	5,185,000	136.106		5,321.106	5,457.213
TOTALS			68,850,000	58,345,928	-	127,195,928	127,195,928

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.B
 AGGREGATE OUTSTANDING JUNIOR DEBT SERVICE

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	7/1/1999		1,365,000	7,284,996	-	8,649,996	8,649,996
3	1/1/2000		-	7,257,419	-	7,257,419	
4	7/1/2000		1,600,000	7,257,419	-	8,857,419	16,114,839
5	1/1/2001		-	7,223,714	-	7,223,714	
6	7/1/2001		9,590,000	7,223,714	-	16,813,714	24,037,429
7	1/1/2002		-	6,998,881	-	6,998,881	
8	7/1/2002		4,700,000	6,998,881	-	11,698,881	18,697,761
9	1/1/2003		-	6,889,742	-	6,889,742	
10	7/1/2003		10,855,000	6,889,742	-	17,744,742	24,634,484
11	1/1/2004		-	6,622,409	-	6,622,409	
12	7/1/2004		6,115,000	6,622,409	-	12,737,409	19,359,819
13	1/1/2005		-	6,473,752	-	6,473,752	
14	7/1/2005		10,535,000	6,473,752	-	17,008,752	23,482,504
15	1/1/2006		-	6,202,542	-	6,202,542	
16	7/1/2006		8,110,000	6,202,542	-	14,312,542	20,515,084
17	1/1/2007		-	5,994,567	-	5,994,567	
18	7/1/2007		12,450,000	5,994,567	-	18,444,567	24,439,134
19	1/1/2008		-	5,659,042	-	5,659,042	
20	7/1/2008		12,385,000	5,659,042	-	18,044,042	23,703,084
21	1/1/2009		-	5,324,889	-	5,324,889	
22	7/1/2009		12,320,000	5,324,889	-	17,644,889	22,969,779
23	1/1/2010		-	4,992,839	-	4,992,839	
24	7/1/2010		12,245,000	4,992,839	-	17,237,839	22,230,679
25	1/1/2011		-	4,675,712	-	4,675,712	
26	7/1/2011		10,605,000	4,675,712	-	15,280,712	19,956,424
27	1/1/2012		-	4,401,021	-	4,401,021	
28	7/1/2012		7,420,000	4,401,021	-	11,821,021	16,222,041
29	1/1/2013		-	4,205,681	-	4,205,681	
30	7/1/2013		7,070,000	4,205,681	-	11,275,681	15,481,363
31	1/1/2014		-	4,019,059	-	4,019,059	
32	7/1/2014		7,365,000	4,019,059	-	11,384,059	15,403,119
33	1/1/2015		-	3,825,916	-	3,825,916	
34	7/1/2015		7,755,000	3,825,916	-	11,580,916	15,406,831
35	1/1/2016		-	3,617,500	-	3,617,500	
36	7/1/2016		8,170,000	3,617,500	-	11,787,500	15,405,000
37	1/1/2017		-	3,413,250	-	3,413,250	
38	7/1/2017		8,580,000	3,413,250	-	11,993,250	15,406,500
39	1/1/2018		-	3,198,750	-	3,198,750	
40	7/1/2018		9,005,000	3,198,750	-	12,203,750	15,402,500
41	1/1/2019		-	2,973,625	-	2,973,625	
42	7/1/2019		9,455,000	2,973,625	-	12,428,625	15,402,250
43	1/1/2020		-	2,737,250	-	2,737,250	
44	7/1/2020		9,930,000	2,737,250	-	12,667,250	15,404,500
45	1/1/2021		-	2,489,000	-	2,489,000	
46	7/1/2021		10,425,000	2,489,000	-	12,914,000	15,403,000
47	1/1/2022		-	2,228,375	-	2,228,375	
48	7/1/2022		10,950,000	2,228,375	-	13,178,375	15,406,750
49	1/1/2023		-	1,954,625	-	1,954,625	
50	7/1/2023		11,495,000	1,954,625	-	13,449,625	15,404,250
51	1/1/2024		-	1,667,250	-	1,667,250	
52	7/1/2024		12,070,000	1,667,250	-	13,737,250	15,404,500
53	1/1/2025		-	1,365,500	-	1,365,500	
54	7/1/2025		12,675,000	1,365,500	-	14,040,500	15,406,000
55	1/1/2026		-	1,048,625	-	1,048,625	
56	7/1/2026		13,305,000	1,048,625	-	14,353,625	15,402,250
57	1/1/2027		-	716,000	-	716,000	
58	7/1/2027		13,970,000	716,000	-	14,686,000	15,402,000
59	1/1/2028		-	366,750	-	366,750	
60	7/1/2028		14,670,000	366,750	-	15,036,750	15,403,500
TOTALS			287,185,000	244,372,367		531,557,367	531,557,367

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.B.1
 OUTSTANDING JUNIOR DEBT SERVICE
 FIRST SERIES, SUBSERIES A

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	7/1/1999	4.500%	400,000	4,187,909		4,587,909	4,587,909
3	1/1/2000			4,178,909		4,178,909	
4	7/1/2000	4.500%	580,000	4,178,909		4,758,909	8,937,819
5	1/1/2001			4,165,859		4,165,859	
6	7/1/2001	4.750%	8,525,000	4,165,859		12,690,859	16,856,719
7	1/1/2002			3,963,391		3,963,391	
8	7/1/2002	4.750%	3,595,000	3,963,391		7,558,391	11,521,781
9	1/1/2003			3,878,009		3,878,009	
10	7/1/2003	5.000%	9,700,000	3,878,009		13,578,009	17,456,019
11	1/1/2004			3,635,509		3,635,509	
12	7/1/2004	5.000%	4,910,000	3,635,509		8,545,509	12,181,019
13	1/1/2005			3,512,759		3,512,759	
14	7/1/2005	5.250%	9,280,000	3,512,759		12,792,759	16,305,519
15	1/1/2006			3,269,159		3,269,159	
16	7/1/2006	5.250%	6,800,000	3,269,159		10,069,159	13,338,319
17	1/1/2007			3,090,659		3,090,659	
18	7/1/2007	5.500%	11,080,000	3,090,659		14,170,659	17,261,319
19	1/1/2008			2,785,959		2,785,959	
20	7/1/2008	5.500%	10,955,000	2,785,959		13,740,959	16,526,919
21	1/1/2009			2,484,697		2,484,697	
22	7/1/2009	5.500%	10,820,000	2,484,697		13,304,697	15,789,394
23	1/1/2010			2,187,147		2,187,147	
24	7/1/2010	5.250%	10,680,000	2,187,147		12,867,147	15,054,294
25	1/1/2011			1,906,797		1,906,797	
26	7/1/2011	5.250%	8,965,000	1,906,797		10,871,797	12,778,594
27	1/1/2012			1,671,466		1,671,466	
28	7/1/2012	5.375%	5,705,000	1,671,466		7,376,466	9,047,931
29	1/1/2013			1,518,144		1,518,144	
30	7/1/2013	5.375%	5,265,000	1,518,144		6,783,144	8,301,288
31	1/1/2014			1,376,647		1,376,647	
32	7/1/2014	5.375%	4,810,000	1,376,647		6,186,647	7,563,294
33	1/1/2015			1,247,378		1,247,378	
34	7/1/2015	5.375%	4,335,000	1,247,378		5,582,378	6,829,756
35	1/1/2016			1,130,875		1,130,875	
36	7/1/2016	5.000%	6,495,000	1,130,875		7,625,875	8,756,750
37	1/1/2017			968,500		968,500	
38	7/1/2017	5.000%	6,080,000	968,500		7,048,500	8,017,000
39	1/1/2018			816,500		816,500	
40	7/1/2018	5.000%	5,640,000	816,500		6,456,500	7,273,000
41	1/1/2019			675,500		675,500	
42	7/1/2019	5.000%	5,180,000	675,500		5,855,500	6,531,000
43	1/1/2020			546,000		546,000	
44	7/1/2020	5.000%	4,700,000	546,000		5,246,000	5,792,000
45	1/1/2021			428,500		428,500	
46	7/1/2021	5.000%	4,190,000	428,500		4,618,500	5,047,000
47	1/1/2022			323,750		323,750	
48	7/1/2022	5.000%	3,655,000	323,750		3,978,750	4,302,500
49	1/1/2023			232,375		232,375	
50	7/1/2023	5.000%	3,100,000	232,375		3,332,375	3,564,750
51	1/1/2024			154,875		154,875	
52	7/1/2024	5.000%	2,505,000	154,875		2,659,875	2,814,750
53	1/1/2025			92,250		92,250	
54	7/1/2025	5.000%	1,890,000	92,250		1,982,250	2,074,500
55	1/1/2026			45,000		45,000	
56	7/1/2026	5.000%	1,800,000	45,000		1,845,000	1,890,000
TOTALS			161,640,000	104,761,141		266,401,141	266,401,141

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.B.2
OUTSTANDING JUNIOR DEBT SERVICE
FIRST SERIES, SUBSERIES B

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	7/1/1999			2,595.163		2,595.163	2,595.163
3	1/1/2000			2,595.163		2,595.163	
4	7/1/2000			2,595.163		2,595.163	5,190.325
5	1/1/2001			2,595.163		2,595.163	
6	7/1/2001			2,595.163		2,595.163	5,190.325
7	1/1/2002			2,595.163		2,595.163	
8	7/1/2002			2,595.163		2,595.163	5,190.325
9	1/1/2003			2,595.163		2,595.163	
10	7/1/2003			2,595.163		2,595.163	5,190.325
11	1/1/2004			2,595.163		2,595.163	
12	7/1/2004			2,595.163		2,595.163	5,190.325
13	1/1/2005			2,595.163		2,595.163	
14	7/1/2005			2,595.163		2,595.163	5,190.325
15	1/1/2006			2,595.163		2,595.163	
16	7/1/2006			2,595.163		2,595.163	5,190.325
17	1/1/2007			2,595.163		2,595.163	
18	7/1/2007			2,595.163		2,595.163	5,190.325
19	1/1/2008			2,595.163		2,595.163	
20	7/1/2008			2,595.163		2,595.163	5,190.325
21	1/1/2009			2,595.163		2,595.163	
22	7/1/2009			2,595.163		2,595.163	5,190.325
23	1/1/2010			2,595.163		2,595.163	
24	7/1/2010			2,595.163		2,595.163	5,190.325
25	1/1/2011			2,595.163		2,595.163	
26	7/1/2011			2,595.163		2,595.163	5,190.325
27	1/1/2012			2,595.163		2,595.163	
28	7/1/2012			2,595.163		2,595.163	5,190.325
29	1/1/2013			2,595.163		2,595.163	
30	7/1/2013			2,595.163		2,595.163	5,190.325
31	1/1/2014			2,595.163		2,595.163	
32	7/1/2014	5.000%	665,000	2,595.163		3,260.163	5,855.325
33	1/1/2015			2,578.538		2,578.538	
34	7/1/2015	5.375%	3,420,000	2,578.538		5,998.538	8,577.075
35	1/1/2016			2,486.625		2,486.625	
36	7/1/2016	5.000%	1,675,000	2,486.625		4,161.625	6,648.250
37	1/1/2017			2,444.750		2,444.750	
38	7/1/2017	5.000%	2,500,000	2,444.750		4,944.750	7,389.500
39	1/1/2018			2,382.250		2,382.250	
40	7/1/2018	5.000%	3,365,000	2,382.250		5,747.250	8,129.500
41	1/1/2019			2,298.125		2,298.125	
42	7/1/2019	5.000%	4,275,000	2,298.125		6,573.125	8,871.250
43	1/1/2020			2,191.250		2,191.250	
44	7/1/2020	5.000%	5,230,000	2,191.250		7,421.250	9,612.500
45	1/1/2021			2,060.500		2,060.500	
46	7/1/2021	5.000%	6,235,000	2,060.500		8,295.500	10,356.000
47	1/1/2022			1,904.625		1,904.625	
48	7/1/2022	5.000%	7,295,000	1,904.625		9,199.625	11,104.250
49	1/1/2023			1,722.250		1,722.250	
50	7/1/2023	5.000%	8,395,000	1,722.250		10,117.250	11,839.500
51	1/1/2024			1,512.375		1,512.375	
52	7/1/2024	5.000%	9,565,000	1,512.375		11,077.375	12,589.750
53	1/1/2025			1,273.250		1,273.250	
54	7/1/2025	5.000%	10,785,000	1,273.250		12,058.250	13,331.500
55	1/1/2026			1,003.625		1,003.625	
56	7/1/2026	5.000%	11,505,000	1,003.625		12,508.625	13,512.250
57	1/1/2027			716.000		716.000	
58	7/1/2027	5.000%	13,970,000	716.000		14,686.000	15,402.000
59	1/1/2028			366.750		366.750	
60	7/1/2028	5.000%	14,670,000	366.750		15,036.750	15,403.500
TOTALS			103,550,000	130,331,863		233,881,863	233,881,863

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.B.3
OUTSTANDING JUNIOR DEBT SERVICE
FIRST SERIES, SUBSERIES C

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	7/1/1999	3.850%	965,000	501,924		1,466,924	1,466,924
3	1/1/2000			483,348		483,348	
4	7/1/2000	4.050%	1,020,000	483,348		1,503,348	1,986,695
5	1/1/2001			462,693		462,693	
6	7/1/2001	4.200%	1,065,000	462,693		1,527,693	1,990,385
7	1/1/2002			440,328		440,328	
8	7/1/2002	4.300%	1,105,000	440,328		1,545,328	1,985,655
9	1/1/2003			416,570		416,570	
10	7/1/2003	4.300%	1,155,000	416,570		1,571,570	1,988,140
11	1/1/2004			391,738		391,738	
12	7/1/2004	4.300%	1,205,000	391,738		1,596,738	1,988,475
13	1/1/2005			365,830		365,830	
14	7/1/2005	4.400%	1,255,000	365,830		1,620,830	1,986,660
15	1/1/2006			338,220		338,220	
16	7/1/2006	4.500%	1,310,000	338,220		1,648,220	1,986,440
17	1/1/2007			308,745		308,745	
18	7/1/2007	4.500%	1,370,000	308,745		1,678,745	1,987,490
19	1/1/2008			277,920		277,920	
20	7/1/2008	4.600%	1,430,000	277,920		1,707,920	1,985,840
21	1/1/2009			245,030		245,030	
22	7/1/2009	4.600%	1,500,000	245,030		1,745,030	1,990,060
23	1/1/2010			210,530		210,530	
24	7/1/2010	4.700%	1,565,000	210,530		1,775,530	1,986,060
25	1/1/2011			173,753		173,753	
26	7/1/2011	4.800%	1,640,000	173,753		1,813,753	1,987,505
27	1/1/2012			134,393		134,393	
28	7/1/2012	4.900%	1,715,000	134,393		1,849,393	1,983,785
29	1/1/2013			92,375		92,375	
30	7/1/2013	5.000%	1,805,000	92,375		1,897,375	1,989,750
31	1/1/2014			47,250		47,250	
32	7/1/2014	5.000%	1,890,000	47,250		1,937,250	1,984,500
TOTALS			21,995,000	9,279,364		31,274,364	31,274,364

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 2
 AGGREGATE PROPOSED DEBT SERVICE

Row	Date	Coupon	Yield	Price	Principal	Interest	Gross Semi-Annual Debt Service	Gross Bond Year Debt Service	Accrued Interest	Net Semi-Annual Debt Service	Net Proposed Bond Year Debt Service
0	6/23/1999								547,788.54	(547,788.54)	
1	7/1/1999										(547,788.54)
2	1/1/2000					5,228,890.62	5,228,890.62			5,228,890.62	
3	7/1/2000				2,075,000.00	4,481,906.25	6,556,906.25	11,785,796.87		6,556,906.25	11,785,796.87
4	1/1/2001					4,438,256.25	4,438,256.25			4,438,256.25	
5	7/1/2001				2,430,000.00	4,438,256.25	6,868,256.25	11,306,512.50		6,868,256.25	11,306,512.50
6	1/1/2002					4,387,418.75	4,387,418.75			4,387,418.75	
7	7/1/2002				2,535,000.00	4,387,418.75	6,922,418.75	11,309,837.50		6,922,418.75	11,309,837.50
8	1/1/2003					4,334,387.50	4,334,387.50			4,334,387.50	
9	7/1/2003				2,640,000.00	4,334,387.50	6,974,387.50	11,308,775.00		6,974,387.50	11,308,775.00
10	1/1/2004					4,278,287.50	4,278,287.50			4,278,287.50	
11	7/1/2004				2,755,000.00	4,278,287.50	7,033,287.50	11,311,575.00		7,033,287.50	11,311,575.00
12	1/1/2005					4,218,293.75	4,218,293.75			4,218,293.75	
13	7/1/2005				9,855,000.00	4,218,293.75	14,073,293.75	18,291,587.50		14,073,293.75	18,291,587.50
14	1/1/2006					3,967,550.00	3,967,550.00			3,967,550.00	
15	7/1/2006				10,335,000.00	3,967,550.00	14,302,550.00	18,270,100.00		14,302,550.00	18,270,100.00
16	1/1/2007					3,704,562.50	3,704,562.50			3,704,562.50	
17	7/1/2007				10,840,000.00	3,704,562.50	14,544,562.50	18,249,125.00		14,544,562.50	18,249,125.00
18	1/1/2008					3,427,246.88	3,427,246.88			3,427,246.88	
19	7/1/2008				11,365,000.00	3,427,246.88	14,792,246.88	18,219,493.75		14,792,246.88	18,219,493.75
20	1/1/2009					3,134,965.63	3,134,965.63			3,134,965.63	
21	7/1/2009				11,525,000.00	3,134,965.63	14,659,965.63	17,794,931.25		14,659,965.63	17,794,931.25
22	1/1/2010					2,838,771.88	2,838,771.88			2,838,771.88	
23	7/1/2010				2,655,000.00	2,838,771.88	5,493,771.88	8,332,543.75		5,493,771.88	8,332,543.75
24	1/1/2011					2,772,396.88	2,772,396.88			2,772,396.88	
25	7/1/2011				2,790,000.00	2,772,396.88	5,562,396.88	8,334,793.75		5,562,396.88	8,334,793.75
26	1/1/2012					2,702,646.88	2,702,646.88			2,702,646.88	
27	7/1/2012				2,925,000.00	2,702,646.88	5,627,646.88	8,330,293.75		5,627,646.88	8,330,293.75
28	1/1/2013					2,624,037.50	2,624,037.50			2,624,037.50	
29	7/1/2013				9,850,000.00	2,624,037.50	12,474,037.50	15,098,075.00		12,474,037.50	15,098,075.00
30	1/1/2014					2,353,162.50	2,353,162.50			2,353,162.50	
31	7/1/2014				10,380,000.00	2,353,162.50	12,733,162.50	15,086,325.00		12,733,162.50	15,086,325.00
32	1/1/2015					2,067,712.50	2,067,712.50			2,067,712.50	
33	7/1/2015				6,460,000.00	2,067,712.50	8,527,712.50	10,595,425.00		8,527,712.50	10,595,425.00
34	1/1/2016					1,890,062.50	1,890,062.50			1,890,062.50	
35	7/1/2016				3,625,000.00	1,890,062.50	5,515,062.50	7,405,125.00		5,515,062.50	7,405,125.00
36	1/1/2017					1,790,375.00	1,790,375.00			1,790,375.00	
37	7/1/2017				3,820,000.00	1,790,375.00	5,610,375.00	7,400,750.00		5,610,375.00	7,400,750.00
38	1/1/2018					1,694,875.00	1,694,875.00			1,694,875.00	
39	7/1/2018				4,015,000.00	1,694,875.00	5,709,875.00	7,404,750.00		5,709,875.00	7,404,750.00
40	1/1/2019					1,594,500.00	1,594,500.00			1,594,500.00	
41	7/1/2019				4,215,000.00	1,594,500.00	5,809,500.00	7,404,000.00		5,809,500.00	7,404,000.00
42	1/1/2020					1,489,125.00	1,489,125.00			1,489,125.00	
43	7/1/2020				4,425,000.00	1,489,125.00	5,914,125.00	7,403,250.00		5,914,125.00	7,403,250.00
44	1/1/2021					1,378,500.00	1,378,500.00			1,378,500.00	
45	7/1/2021				4,645,000.00	1,378,500.00	6,023,500.00	7,402,000.00		6,023,500.00	7,402,000.00
46	1/1/2022					1,262,375.00	1,262,375.00			1,262,375.00	
47	7/1/2022				4,880,000.00	1,262,375.00	6,142,375.00	7,404,750.00		6,142,375.00	7,404,750.00
48	1/1/2023					1,140,375.00	1,140,375.00			1,140,375.00	
49	7/1/2023				5,120,000.00	1,140,375.00	6,260,375.00	7,400,750.00		6,260,375.00	7,400,750.00
50	1/1/2024					1,012,375.00	1,012,375.00			1,012,375.00	
51	7/1/2024				5,645,000.00	1,012,375.00	6,657,375.00	7,669,750.00		6,657,375.00	7,669,750.00
52	1/1/2025					870,000.00	870,000.00			870,000.00	
53	7/1/2025				6,035,000.00	870,000.00	6,905,000.00	7,775,000.00		6,905,000.00	7,775,000.00
54	1/1/2026					717,750.00	717,750.00			717,750.00	
55	7/1/2026				6,445,000.00	717,750.00	7,162,750.00	7,880,500.00		7,162,750.00	7,880,500.00
56	1/1/2027					555,125.00	555,125.00			555,125.00	
57	7/1/2027				6,820,000.00	555,125.00	7,375,125.00	7,930,250.00		7,375,125.00	7,930,250.00
58	1/1/2028					383,062.50	383,062.50			383,062.50	
59	7/1/2028				7,325,000.00	383,062.50	7,708,062.50	8,091,125.00		7,708,062.50	8,091,125.00
60	1/1/2029					198,187.50	198,187.50			198,187.50	
61	7/1/2029				7,850,000.00	198,187.50	8,048,187.50	8,246,375.00		8,048,187.50	8,246,375.00
TOTALS					176,280,000.00	144,163,565.62	320,443,565.62	320,443,565.62	547,788.54	319,895,777.08	319,895,777.08

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)

Schedule 2.A

PROPOSED CURRENT REFUNDING DEBT SERVICE

Row	Date	Coupon	Yield	Price	Principal	Interest	Gross Semi-Annual Debt Service	Gross Bond Year Debt Service	Accrued Interest	Net Semi-Annual Debt Service	Net Proposed Bond Year Debt Service	Refunded Annual Debt Service	Gross Savings
0	6/23/1999								200,394.03	(200,394.03)			
1	7/1/1999										(200,394.03)	2,105,743.75	2,306,137.78
2	1/1/2000												
3	7/1/2000	4.000%	3.350%	100.647	355,000	1,912,852.08	1,912,852.08			1,912,852.08			
4	1/1/2001							1,907,439.58		1,994,587.50	3,907,439.58	4,211,487.50	104,047.92
5	7/1/2001	4.000%	4.000%	100.000	640,000	1,632,487.50	1,632,487.50			1,632,487.50			
6	1/1/2002							3,904,975.00		2,272,487.50	3,904,975.00	4,211,487.50	306,512.50
7	7/1/2002	4.000%	4.150%	99.577	670,000	1,619,687.50	1,619,687.50			1,619,687.50			
8	1/1/2003							3,909,375.00		2,289,687.50	3,909,375.00	4,211,487.50	302,112.50
9	7/1/2003	4.250%	4.350%	99.633	695,000	1,606,287.50	1,606,287.50			1,606,287.50			
10	1/1/2004							3,907,575.00		2,301,287.50	3,907,575.00	4,211,487.50	303,912.50
11	7/1/2004	4.300%	4.450%	99.330	725,000	1,591,518.75	1,591,518.75			1,591,518.75			
12	1/1/2005							3,908,037.50		2,316,518.75	3,908,037.50	4,211,487.50	303,450.00
13	7/1/2005	5.250%	4.625%	103.251	7,735,000	1,575,931.25	1,575,931.25			1,575,931.25			
14	1/1/2006							10,886,862.50		9,310,931.25	10,886,862.50	11,189,037.50	302,175.00
15	7/1/2006	5.250%	4.750%	102.954	8,120,000	1,372,887.50	1,372,887.50			1,372,887.50			
16	1/1/2007							10,865,775.00		9,492,887.50	10,865,775.00	11,170,106.25	304,331.25
17	7/1/2007	5.250%	4.850%	102.630	8,525,000	1,159,737.50	1,159,737.50			1,159,737.50			
18	1/1/2008							10,844,475.00		9,684,737.50	10,844,475.00	11,146,843.75	302,368.75
19	7/1/2008	5.250%	4.930%	102.306	8,945,000	935,956.25	935,956.25			935,956.25			
20	1/1/2009							10,816,912.50		9,880,956.25	10,816,912.50	11,121,531.25	304,618.75
21	7/1/2009	5.250%	5.000%	101.950	8,990,000	701,150.00	701,150.00			701,150.00			
22	1/1/2010							10,392,300.00		9,691,150.00	10,392,300.00	10,696,131.25	303,831.25
23	7/1/2010							930,325.00		465,162.50			
24	1/1/2011									465,162.50	930,325.00	1,209,262.50	278,937.50
25	7/1/2011									465,162.50			
26	1/1/2012							930,325.00		465,162.50	930,325.00	1,209,262.50	278,937.50
27	7/1/2012									465,162.50			
28	1/1/2013							930,325.00		465,162.50	930,325.00	1,209,262.50	278,937.50
29	7/1/2013	5.500%	5.200%	102.491	6,765,000	465,162.50	465,162.50			465,162.50			
30	1/1/2014							7,695,325.00		7,230,162.50	7,695,325.00	8,002,000.00	306,675.00
31	7/1/2014	5.500%	5.230%	102.238	7,125,000	279,125.00	279,125.00			279,125.00			
32	1/1/2015							7,683,250.00		7,404,125.00	7,683,250.00	7,986,443.75	303,193.75
33	7/1/2015	5.500%	5.270%	101.902	3,025,000	83,187.50	83,187.50			83,187.50			
TOTALS					62,315,000.00	32,389,652.08	94,704,652.08	94,704,652.08	200,394.03	94,504,258.05	94,504,258.05	101,597,137.50	7,092,879.45

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 2.B

AGGREGATE PROPOSED NEW MONEY DEBT SERVICE

Row	Date	Coupon	Yield	Price	Principal	Coupon	Yield	Price	Principal	Interest	Gross Semi-Annual Debt Service	Gross Bond Year Debt Service	Accrued Interest	Net Semi-Annual Debt Service	Net Proposed Bond Year Debt Service
0	6/23/1999												347,394.51	(347,394.51)	
1	7/1/1999														(347,394.51)
2	1/1/2000									3,316,039	3,316,038.54		3,316,038.54		
3	7/1/2000	4.250%	3.350%	100.896	1,720,000					2,842,319	4,562,318.75	7,878,337.29	4,562,318.75	7,878,337.29	
4	1/1/2001									2,805,769	2,805,768.75		2,805,768.75		
5	7/1/2001	4.250%	4.000%	100.440	1,790,000					2,805,769	4,395,768.75	7,401,537.50	4,395,768.75	7,401,537.50	
6	1/1/2002									2,767,731	2,767,731.25		2,767,731.25		
7	7/1/2002	4.250%	4.150%	100.280	1,865,000					2,767,731	4,632,731.25	7,400,462.50	4,632,731.25	7,400,462.50	
8	1/1/2003									2,728,100	2,728,100.00		2,728,100.00		
9	7/1/2003	4.250%	4.350%	99.633	1,945,000					2,728,100	4,673,100.00	7,401,200.00	4,673,100.00	7,401,200.00	
10	1/1/2004									2,686,769	2,686,768.75		2,686,768.75		
11	7/1/2004	4.375%	4.450%	99.664	2,030,000					2,686,769	4,716,768.75	7,401,537.50	4,716,768.75	7,401,537.50	
12	1/1/2005									2,642,363	2,642,362.50		2,642,362.50		
13	7/1/2005	4.500%	4.625%	99.348	2,120,000					2,642,363	4,762,362.50	7,404,725.00	4,762,362.50	7,404,725.00	
14	1/1/2006									2,594,663	2,594,662.50		2,594,662.50		
15	7/1/2006	4.500%	4.750%	98.520	2,215,000					2,594,663	4,809,662.50	7,404,325.00	4,809,662.50	7,404,325.00	
16	1/1/2007									2,544,825	2,544,825.00		2,544,825.00		
17	7/1/2007	4.625%	4.850%	98.518	2,315,000					2,544,825	4,859,825.00	7,404,650.00	4,859,825.00	7,404,650.00	
18	1/1/2008									2,491,291	2,491,290.63		2,491,290.63		
19	7/1/2008	4.750%	4.930%	98.700	2,420,000					2,491,291	4,911,290.63	7,402,581.25	4,911,290.63	7,402,581.25	
20	1/1/2009									2,433,816	2,433,815.63		2,433,815.63		
21	7/1/2009	4.750%	5.000%	98.046	2,535,000					2,433,816	4,968,815.63	7,402,631.25	4,968,815.63	7,402,631.25	
22	1/1/2010									2,373,609	2,373,609.38		2,373,609.38		
23	7/1/2010	5.000%	5.050%	99.579	2,655,000					2,373,609	5,028,609.38	7,402,218.75	5,028,609.38	7,402,218.75	
24	1/1/2011									2,307,234	2,307,234.38		2,307,234.38		
25	7/1/2011	5.000%	5.130%	98.842	2,790,000					2,307,234	5,097,234.38	7,404,468.75	5,097,234.38	7,404,468.75	
26	1/1/2012									2,237,484	2,237,484.38		2,237,484.38		
27	7/1/2012	5.375%	5.170%	101.704	2,925,000					2,237,484	5,162,484.38	7,399,968.75	5,162,484.38	7,399,968.75	
28	1/1/2013									2,158,875	2,158,875.00		2,158,875.00		
29	7/1/2013	5.500%	5.200%	102.491	3,085,000					2,158,875	5,243,875.00	7,402,750.00	5,243,875.00	7,402,750.00	
30	1/1/2014									2,074,038	2,074,037.50		2,074,037.50		
31	7/1/2014	5.500%	5.230%	102.238	3,255,000					2,074,038	5,329,037.50	7,403,075.00	5,329,037.50	7,403,075.00	
32	1/1/2015									1,984,525	1,984,525.00		1,984,525.00		
33	7/1/2015	5.500%	5.270%	101.902	3,435,000					1,984,525	5,419,525.00	7,404,050.00	5,419,525.00	7,404,050.00	
34	1/1/2016									1,890,063	1,890,062.50		1,890,062.50		
35	7/1/2016	5.500%	5.320%	101.485	3,625,000					1,890,063	5,515,062.50	7,405,125.00	5,515,062.50	7,405,125.00	
36	1/1/2017									1,790,375	1,790,375.00		1,790,375.00		
37	7/1/2017	5.800%	5.350%	95.982	3,820,000					1,790,375	5,610,375.00	7,400,750.00	5,610,375.00	7,400,750.00	
38	1/1/2018									1,694,875	1,694,875.00		1,694,875.00		
39	7/1/2018	5.000%	5.380%	95.508	4,015,000					1,694,875	5,709,875.00	7,404,750.00	5,709,875.00	7,404,750.00	
40	1/1/2019									1,594,500	1,594,500.00		1,594,500.00		
41	7/1/2019	5.000%	5.400%	95.139	4,215,000					1,594,500	5,809,500.00	7,404,000.00	5,809,500.00	7,404,000.00	
42	1/1/2020									1,489,125	1,489,125.00		1,489,125.00		
43	7/1/2020	5.000%	5.450%	94.010	4,425,000					1,489,125	5,914,125.00	7,403,250.00	5,914,125.00	7,403,250.00	
44	1/1/2021									1,378,500	1,378,500.00		1,378,500.00		
45	7/1/2021	5.000%	5.450%	94.010	4,645,000					1,378,500	6,023,500.00	7,402,000.00	6,023,500.00	7,402,000.00	
46	1/1/2022									1,262,375	1,262,375.00		1,262,375.00		
47	7/1/2022	5.000%	5.450%	94.010	4,880,000					1,262,375	6,142,375.00	7,404,750.00	6,142,375.00	7,404,750.00	
48	1/1/2023									1,140,375	1,140,375.00		1,140,375.00		
49	7/1/2023	5.000%	5.450%	94.010	5,120,000					1,140,375	6,260,375.00	7,400,750.00	6,260,375.00	7,400,750.00	
50	1/1/2024									1,012,375	1,012,375.00		1,012,375.00		
51	7/1/2024	5.000%	5.470%	93.106	4,645,000	5.250%	5.470%	96.772	1,000,000	1,012,375	6,657,375.00	7,669,750.00	6,657,375.00	7,669,750.00	
52	1/1/2025									870,000	870,000.00		870,000.00		
53	7/1/2025	5.000%	5.470%	93.106	4,935,000	5.250%	5.470%	96.772	1,100,000	870,000	6,905,000.00	7,775,000.00	6,905,000.00	7,775,000.00	
54	1/1/2026									717,750	717,750.00		717,750.00		
55	7/1/2026	5.000%	5.470%	93.106	5,245,000	5.250%	5.470%	96.772	1,200,000	717,750	7,162,750.00	7,880,500.00	7,162,750.00	7,880,500.00	
56	1/1/2027									555,125	555,125.00		555,125.00		
57	7/1/2027	5.000%	5.470%	93.106	5,570,000	5.250%	5.470%	96.772	1,250,000	555,125	7,375,125.00	7,930,250.00	7,375,125.00	7,930,250.00	
58	1/1/2028									383,063	383,062.50		383,062.50		
59	7/1/2028	5.000%	5.470%	93.106	5,925,000	5.250%	5.470%	96.772	1,400,000	383,063	7,708,062.50	8,091,125.00	7,708,062.50	8,091,125.00	
60	1/1/2029									198,188	198,187.50		198,187.50		
61	7/1/2029	5.000%	5.470%	93.106	6,300,000	5.250%	5.470%	96.772	1,550,000	198,188	8,048,187.50	8,246,375.00	8,048,187.50	8,246,375.00	
TOTALS					106,465,000				7,500,000	111,773,913.54	225,738,913.54	225,738,913.54	347,394.51	225,391,519.03	225,391,519.03

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 2B.2
 NEW MONEY DEBT SERVICE: PART B

Row	Date	Coupon	Yield	Price	Principal	Interest	Gross Semi-Annual Debt Service	Gross Bond Year Debt Service	Accrued Interest	Net Semi-Annual Debt Service	Net Proposed Bond Year Debt Service
0	6/23/1999								24,062.50	(24,062.50)	
1	7/1/1999										(24,062.50)
2	1/1/2000					229,687.50	229,687.50			229,687.50	
3	7/1/2000					196,875.00	196,875.00	426,562.50		196,875.00	426,562.50
4	1/1/2001					196,875.00	196,875.00			196,875.00	
5	7/1/2001					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
6	1/1/2002					196,875.00	196,875.00			196,875.00	
7	7/1/2002					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
8	1/1/2003					196,875.00	196,875.00			196,875.00	
9	7/1/2003					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
10	1/1/2004					196,875.00	196,875.00			196,875.00	
11	7/1/2004					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
12	1/1/2005					196,875.00	196,875.00			196,875.00	
13	7/1/2005					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
14	1/1/2006					196,875.00	196,875.00			196,875.00	
15	7/1/2006					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
16	1/1/2007					196,875.00	196,875.00			196,875.00	
17	7/1/2007					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
18	1/1/2008					196,875.00	196,875.00			196,875.00	
19	7/1/2008					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
20	1/1/2009					196,875.00	196,875.00			196,875.00	
21	7/1/2009					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
22	1/1/2010					196,875.00	196,875.00			196,875.00	
23	7/1/2010					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
24	1/1/2011					196,875.00	196,875.00			196,875.00	
25	7/1/2011					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
26	1/1/2012					196,875.00	196,875.00			196,875.00	
27	7/1/2012					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
28	1/1/2013					196,875.00	196,875.00			196,875.00	
29	7/1/2013					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
30	1/1/2014					196,875.00	196,875.00			196,875.00	
31	7/1/2014					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
32	1/1/2015					196,875.00	196,875.00			196,875.00	
33	7/1/2015					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
34	1/1/2016					196,875.00	196,875.00			196,875.00	
35	7/1/2016					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
36	1/1/2017					196,875.00	196,875.00			196,875.00	
37	7/1/2017					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
38	1/1/2018					196,875.00	196,875.00			196,875.00	
39	7/1/2018					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
40	1/1/2019					196,875.00	196,875.00			196,875.00	
41	7/1/2019					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
42	1/1/2020					196,875.00	196,875.00			196,875.00	
43	7/1/2020					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
44	1/1/2021					196,875.00	196,875.00			196,875.00	
45	7/1/2021					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
46	1/1/2022					196,875.00	196,875.00			196,875.00	
47	7/1/2022					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
48	1/1/2023					196,875.00	196,875.00			196,875.00	
49	7/1/2023					196,875.00	196,875.00	393,750.00		196,875.00	393,750.00
50	1/1/2024					196,875.00	196,875.00			196,875.00	
51	7/1/2024	5.250%	5.470%	96.772	1,000,000	196,875.00	1,196,875.00	1,393,750.00		1,196,875.00	1,393,750.00
52	1/1/2025					170,625.00	170,625.00			170,625.00	
53	7/1/2025	5.250%	5.470%	96.772	1,100,000	170,625.00	1,270,625.00	1,441,250.00		1,270,625.00	1,441,250.00
54	1/1/2026					141,750.00	141,750.00			141,750.00	
55	7/1/2026	5.250%	5.470%	96.772	1,200,000	141,750.00	1,341,750.00	1,483,500.00		1,341,750.00	1,483,500.00
56	1/1/2027					110,250.00	110,250.00			110,250.00	
57	7/1/2027	5.250%	5.470%	96.772	1,250,000	110,250.00	1,360,250.00	1,470,500.00		1,360,250.00	1,470,500.00
58	1/1/2028					77,437.50	77,437.50			77,437.50	
59	7/1/2028	5.250%	5.470%	96.772	1,400,000	77,437.50	1,477,437.50	1,554,875.00		1,477,437.50	1,554,875.00
60	1/1/2029					40,687.50	40,687.50			40,687.50	
61	7/1/2029	5.250%	5.470%	96.772	1,550,000	40,687.50	1,590,687.50	1,631,375.00		1,590,687.50	1,631,375.00
TOTALS					7,500,000	10,958,062.50	18,458,062.50	18,458,062.50	24,062.50	18,434,000.00	18,434,000.00

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 2B.1
 NEW MONEY DEBT SERVICE: PART A

Row	Date	Coupon	Yield	Price	Principal	Interest	Gross Semi-Annual Debt Service	Gross Bond Year Debt Service	Accrued Interest	Net Semi-Annual Debt Service	Net Proposed Bond Year Debt Service
0	6/23/1999								323,332.01	(323,332.01)	
1	7/1/1999										(323,332.01)
2	1/1/2000					3,086,351.04	3,086,351.04			3,086,351.04	
3	7/1/2000	4.250%	3.350%	100.896	1,720,000	2,645,443.75	4,365,443.75	7,451,794.79		4,365,443.75	7,451,794.79
4	1/1/2001					2,608,893.75	2,608,893.75			2,608,893.75	
5	7/1/2001	4.250%	4.000%	100.480	1,790,000	2,608,893.75	4,398,893.75	7,007,787.50		4,398,893.75	7,007,787.50
6	1/1/2002					2,570,856.25	2,570,856.25			2,570,856.25	
7	7/1/2002	4.250%	4.150%	100.280	1,865,000	2,570,856.25	4,435,856.25	7,006,712.50		4,435,856.25	7,006,712.50
8	1/1/2003					2,531,225.00	2,531,225.00			2,531,225.00	
9	7/1/2003	4.250%	4.350%	99.633	1,945,000	2,531,225.00	4,476,225.00	7,007,450.00		4,476,225.00	7,007,450.00
10	1/1/2004					2,489,893.75	2,489,893.75			2,489,893.75	
11	7/1/2004	4.375%	4.450%	99.664	2,030,000	2,489,893.75	4,519,893.75	7,009,787.50		4,519,893.75	7,009,787.50
12	1/1/2005					2,445,487.50	2,445,487.50			2,445,487.50	
13	7/1/2005	4.500%	4.625%	99.348	2,120,000	2,445,487.50	4,565,487.50	7,010,975.00		4,565,487.50	7,010,975.00
14	1/1/2006					2,397,787.50	2,397,787.50			2,397,787.50	
15	7/1/2006	4.500%	4.750%	98.520	2,215,000	2,397,787.50	4,612,787.50	7,010,575.00		4,612,787.50	7,010,575.00
16	1/1/2007					2,347,950.00	2,347,950.00			2,347,950.00	
17	7/1/2007	4.625%	4.850%	98.518	2,315,000	2,347,950.00	4,662,950.00	7,010,900.00		4,662,950.00	7,010,900.00
18	1/1/2008					2,294,415.63	2,294,415.63			2,294,415.63	
19	7/1/2008	4.750%	4.930%	98.700	2,420,000	2,294,415.63	4,714,415.63	7,008,831.25		4,714,415.63	7,008,831.25
20	1/1/2009					2,236,940.63	2,236,940.63			2,236,940.63	
21	7/1/2009	4.750%	5.000%	98.046	2,535,000	2,236,940.63	4,771,940.63	7,008,881.25		4,771,940.63	7,008,881.25
22	1/1/2010					2,176,734.38	2,176,734.38			2,176,734.38	
23	7/1/2010	5.000%	5.050%	99.579	2,655,000	2,176,734.38	4,831,734.38	7,008,468.75		4,831,734.38	7,008,468.75
24	1/1/2011					2,110,359.38	2,110,359.38			2,110,359.38	
25	7/1/2011	5.000%	5.130%	98.842	2,790,000	2,110,359.38	4,900,359.38	7,010,718.75		4,900,359.38	7,010,718.75
26	1/1/2012					2,040,609.38	2,040,609.38			2,040,609.38	
27	7/1/2012	5.375%	5.170%	101.704	2,925,000	2,040,609.38	4,965,609.38	7,006,218.75		4,965,609.38	7,006,218.75
28	1/1/2013					1,962,000.00	1,962,000.00			1,962,000.00	
29	7/1/2013	5.500%	5.200%	102.491	3,085,000	1,962,000.00	5,047,000.00	7,009,000.00		5,047,000.00	7,009,000.00
30	1/1/2014					1,877,162.50	1,877,162.50			1,877,162.50	
31	7/1/2014	5.500%	5.230%	102.238	3,255,000	1,877,162.50	5,132,162.50	7,009,325.00		5,132,162.50	7,009,325.00
32	1/1/2015					1,787,650.00	1,787,650.00			1,787,650.00	
33	7/1/2015	5.500%	5.270%	101.902	3,435,000	1,787,650.00	5,222,650.00	7,010,300.00		5,222,650.00	7,010,300.00
34	1/1/2016					1,693,187.50	1,693,187.50			1,693,187.50	
35	7/1/2016	5.500%	5.320%	101.485	3,625,000	1,693,187.50	5,318,187.50	7,011,375.00		5,318,187.50	7,011,375.00
36	1/1/2017					1,593,500.00	1,593,500.00			1,593,500.00	
37	7/1/2017	5.000%	5.350%	95.982	3,820,000	1,593,500.00	5,413,500.00	7,007,000.00		5,413,500.00	7,007,000.00
38	1/1/2018					1,498,000.00	1,498,000.00			1,498,000.00	
39	7/1/2018	5.000%	5.380%	95.508	4,015,000	1,498,000.00	5,513,000.00	7,011,000.00		5,513,000.00	7,011,000.00
40	1/1/2019					1,397,625.00	1,397,625.00			1,397,625.00	
41	7/1/2019	5.000%	5.400%	95.139	4,215,000	1,397,625.00	5,612,625.00	7,010,250.00		5,612,625.00	7,010,250.00
42	1/1/2020					1,292,250.00	1,292,250.00			1,292,250.00	
43	7/1/2020	5.000%	5.450%	94.010	4,425,000	1,292,250.00	5,717,250.00	7,009,500.00		5,717,250.00	7,009,500.00
44	1/1/2021					1,181,625.00	1,181,625.00			1,181,625.00	
45	7/1/2021	5.000%	5.450%	94.010	4,645,000	1,181,625.00	5,826,625.00	7,008,250.00		5,826,625.00	7,008,250.00
46	1/1/2022					1,065,500.00	1,065,500.00			1,065,500.00	
47	7/1/2022	5.000%	5.450%	94.010	4,880,000	1,065,500.00	5,945,500.00	7,011,000.00		5,945,500.00	7,011,000.00
48	1/1/2023					943,500.00	943,500.00			943,500.00	
49	7/1/2023	5.000%	5.450%	94.010	5,120,000	943,500.00	6,063,500.00	7,007,000.00		6,063,500.00	7,007,000.00
50	1/1/2024					815,500.00	815,500.00			815,500.00	
51	7/1/2024	5.000%	5.470%	93.106	4,645,000	815,500.00	5,460,500.00	6,276,000.00		5,460,500.00	6,276,000.00
52	1/1/2025					699,375.00	699,375.00			699,375.00	
53	7/1/2025	5.000%	5.470%	93.106	4,935,000	699,375.00	5,634,375.00	6,333,750.00		5,634,375.00	6,333,750.00
54	1/1/2026					576,000.00	576,000.00			576,000.00	
55	7/1/2026	5.000%	5.470%	93.106	5,245,000	576,000.00	5,821,000.00	6,397,000.00		5,821,000.00	6,397,000.00
56	1/1/2027					444,875.00	444,875.00			444,875.00	
57	7/1/2027	5.000%	5.470%	93.106	5,570,000	444,875.00	6,014,875.00	6,459,750.00		6,014,875.00	6,459,750.00
58	1/1/2028					305,625.00	305,625.00			305,625.00	
59	7/1/2028	5.000%	5.470%	93.106	5,925,000	305,625.00	6,230,625.00	6,536,250.00		6,230,625.00	6,536,250.00
60	1/1/2029					157,500.00	157,500.00			157,500.00	
61	7/1/2029	5.000%	5.470%	93.106	6,300,000	157,500.00	6,457,500.00	6,615,000.00		6,457,500.00	6,615,000.00
TOTALS					106,465,000	100,815,851.04	207,280,851.04	207,280,851.04	323,332.01	206,957,519.03	206,957,519.03

City of Philadelphia, Gas Works Revenue Bonds
\$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
\$113,965,000 Second Series Bonds (1998 Ordinance)
Schedule 3.C
AGGREGATE OUTSTANDING SUBORDINATE DEBT SERVICE

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999	---					
1							
2							
3	10/1/1999		3,199,277	770,158	-	3,969,435	
4	4/1/2000		3,338,982	679,878	-	4,018,860	7,988,294
5	10/1/2000		3,379,739	585,571	-	3,965,310	
6	4/1/2001		3,521,574	490,186	-	4,011,760	7,977,070
7	10/1/2001		3,564,518	390,717	-	3,955,235	
8	4/1/2002		1,708,599	290,111	-	1,998,710	5,953,945
9	10/1/2002		1,753,847	244,863	-	1,998,710	
10	4/1/2003		1,800,293	198,416	-	1,998,709	3,997,419
11	10/1/2003		1,847,970	150,740	-	1,998,710	
12	4/1/2004		1,896,909	101,801	-	1,998,710	3,997,420
13	10/1/2004		1,947,144	51,566	-	1,998,710	
14	4/1/2005		-	-	-	-	1,998,710
15	10/1/2005		-	-	-	-	
16	4/1/2006		-	-	-	-	
17	10/1/2006		-	-	-	-	
18	4/1/2007		-	-	-	-	
19	10/1/2007		-	-	-	-	
20	4/1/2008		-	-	-	-	
21	10/1/2008		-	-	-	-	
22	4/1/2009		-	-	-	-	
23	10/1/2009		-	-	-	-	
24	4/1/2010		-	-	-	-	
25	10/1/2010		-	-	-	-	
TOTALS			27,958,852	3,954,006	-	31,912,858	31,912,858

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.C.1

OUTSTANDING SUBORDINATE DEBT SERVICE
SUBORDINATE LEASE REVENUE BONDS (PRIVATE PLACEMENT)

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999	...					
1							
2							
3	10/1/1999	5.297%	1,499,277	499,433		1,998,710	
4	4/1/2000	5.297%	1,538,982	459,728		1,998,710	3,997,419
5	10/1/2000	5.297%	1,579,739	418,971		1,998,710	
6	4/1/2001	5.297%	1,621,574	377,136		1,998,710	3,997,420
7	10/1/2001	5.297%	1,664,518	334,192		1,998,710	
8	4/1/2002	5.297%	1,708,599	290,111		1,998,710	3,997,420
9	10/1/2002	5.297%	1,753,847	244,863		1,998,710	
10	4/1/2003	5.297%	1,800,293	198,416		1,998,709	3,997,419
11	10/1/2003	5.297%	1,847,970	150,740		1,998,710	
12	4/1/2004	5.297%	1,896,909	101,801		1,998,710	3,997,420
13	10/1/2004	5.297%	1,947,144	51,566		1,998,710	
14	4/1/2005			-		-	1,998,710
15	10/1/2005			-		-	-
16	4/1/2006			-		-	-
17	10/1/2006			-		-	-
18	4/1/2007			-		-	-
19	10/1/2007			-		-	-
20	4/1/2008			-		-	-
21	10/1/2008			-		-	-
22	4/1/2009			-		-	-
23	10/1/2009			-		-	-
24	4/1/2010			-		-	-
25	10/1/2010			-		-	-
TOTALS			18,858,852	3,126,956	-	21,985,808	21,985,808

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 3.C.2

**OUTSTANDING SUBORDINATE DEBT SERVICE
 SUBORDINATE LEASE REVENUE BONDS (PRIVATE PLACEMENT)**

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2							
3	10/1/1999	5.950%	1,700,000	270,725		1,970,725	
4	4/1/2000	5.950%	1,800,000	220,150		2,020,150	3,990,875
5	10/1/2000	5.950%	1,800,000	166,600		1,966,600	
6	4/1/2001	5.950%	1,900,000	113,050		2,013,050	3,979,650
7	10/1/2001	5.950%	1,900,000	56,525		1,956,525	
8	4/1/2002			-		-	1,956,525
9	10/1/2002			-		-	
10	4/1/2003			-		-	
11	10/1/2003			-		-	
12	4/1/2004			-		-	
13	10/1/2004			-		-	
14	4/1/2005			-		-	
15	10/1/2005			-		-	
16	4/1/2006			-		-	
17	10/1/2006			-		-	
18	4/1/2007			-		-	
19	10/1/2007			-		-	
20	4/1/2008			-		-	
21	10/1/2008			-		-	
22	4/1/2009			-		-	
23	10/1/2009			-		-	
24	4/1/2010			-		-	
25	10/1/2010			-		-	
TOTALS			9,100,000	827,050	-	9,927,050	9,927,050

City of Philadelphia, Gas Works Revenue Bonds
 \$62,315,000 Sixteenth Series Bonds (1975 Ordinance)
 \$113,965,000 Second Series Bonds (1998 Ordinance)
 Schedule 6 -- POST REFUNDING
 AGGREGATE OUTSTANDING DEBT SERVICE

Row	Date	Coupon	Principal	Interest	Compound Interest	Semi-Annual Debt Service	Fiscal Year Debt Service
0	6/23/1999						
1							
2	7/1/1999		27,810,000	18,374,933	-	46,184,933	46,184,933
3	1/1/2000		3,420,457	22,929,530	3,810,648	30,160,634	-
4	7/1/2000		31,195,000	22,182,546	-	53,377,546	91,526,474
5	1/1/2001		3,196,967	21,414,836	4,043,033	28,654,836	-
6	7/1/2001		32,059,687	21,414,836	920,313	54,394,836	91,026,742
7	1/1/2002		2,965,866	20,645,402	4,274,134	27,885,402	-
8	7/1/2002		32,116,474	20,645,402	978,526	53,740,402	87,579,749
9	1/1/2003		2,748,811	19,723,732	4,491,189	26,963,732	-
10	7/1/2003		29,880,488	19,723,732	2,759,512	52,363,732	83,324,884
11	1/1/2004		2,543,464	19,015,079	4,691,536	26,250,079	-
12	7/1/2004		28,871,033	19,015,079	2,893,967	50,780,079	81,027,578
13	1/1/2005		-	18,316,939	-	18,316,939	-
14	7/1/2005		35,076,950	18,316,939	3,023,050	56,416,939	76,732,587
15	1/1/2006		-	17,414,616	-	17,414,616	-
16	7/1/2006		32,210,920	17,414,616	3,144,080	52,769,616	70,184,233
17	1/1/2007		-	16,570,907	-	16,570,907	-
18	7/1/2007		34,670,000	16,570,907	-	51,240,907	67,811,814
19	1/1/2008		-	15,611,991	-	15,611,991	-
20	7/1/2008		34,470,000	15,611,991	-	50,081,991	65,693,983
21	1/1/2009		-	14,661,721	-	14,661,721	-
22	7/1/2009		33,640,000	14,661,721	-	48,301,721	62,963,441
23	1/1/2010		-	13,733,539	-	13,733,539	-
24	7/1/2010		32,535,000	13,733,539	-	46,268,539	60,002,079
25	1/1/2011		2,319,035	12,866,656	8,697,758	23,883,449	-
26	7/1/2011		31,570,000	12,866,656	-	34,436,656	58,320,104
27	1/1/2012		2,745,400	12,278,605	11,259,600	26,283,605	-
28	7/1/2012		17,440,000	12,278,605	-	29,718,605	56,002,210
29	1/1/2013		-	11,796,322	-	11,796,322	-
30	7/1/2013		30,085,000	11,796,322	-	41,881,322	53,677,644
31	1/1/2014		-	10,937,916	-	10,937,916	-
32	7/1/2014		30,155,000	10,937,916	-	41,092,916	52,030,831
33	1/1/2015		-	10,083,372	-	10,083,372	-
34	7/1/2015		30,180,000	10,083,372	-	40,263,372	50,346,744
35	1/1/2016		-	9,238,972	-	9,238,972	-
36	7/1/2016		27,195,000	9,238,972	-	36,433,972	45,672,944
37	1/1/2017		-	8,460,219	-	8,460,219	-
38	7/1/2017		27,225,000	8,460,219	-	35,685,219	44,145,438
39	1/1/2018		-	7,694,744	-	7,694,744	-
40	7/1/2018		27,225,000	7,694,744	-	34,919,744	42,614,488
41	1/1/2019		-	6,934,572	-	6,934,572	-
42	7/1/2019		27,215,000	6,934,572	-	34,149,572	41,084,144
43	1/1/2020		-	6,180,313	-	6,180,313	-
44	7/1/2020		27,190,000	6,180,313	-	33,370,313	39,550,625
45	1/1/2021		-	5,432,713	-	5,432,713	-
46	7/1/2021		27,155,000	5,432,713	-	32,587,713	38,020,425
47	1/1/2022		-	4,692,381	-	4,692,381	-
48	7/1/2022		27,725,000	4,692,381	-	32,417,381	37,109,763
49	1/1/2023		-	3,943,831	-	3,943,831	-
50	7/1/2023		27,655,000	3,943,831	-	31,598,831	35,542,663
51	1/1/2024		-	3,204,288	-	3,204,288	-
52	7/1/2024		27,845,000	3,204,288	-	31,049,288	34,253,575
53	1/1/2025		-	2,466,434	-	2,466,434	-
54	7/1/2025		22,410,000	2,466,434	-	24,876,434	27,342,869
55	1/1/2026		-	1,879,372	-	1,879,372	-
56	7/1/2026		23,295,000	1,879,372	-	25,174,372	27,053,744
57	1/1/2027		-	1,271,125	-	1,271,125	-
58	7/1/2027		20,790,000	1,271,125	-	22,061,125	23,332,250
59	1/1/2028		-	749,813	-	749,813	-
60	7/1/2028		21,995,000	749,813	-	22,744,813	23,494,625
61	1/1/2029		-	198,188	-	198,188	-
62	7/1/2029		7,850,000	198,188	-	8,048,188	8,246,375
TOTALS			876,675,552	658,324,197	54,987,346	1,589,987,095	1,621,899,954

**PROPOSED
FISCAL 2001 CAPITAL BUDGET
AND
FORECAST FISCAL 2002 - 2006
Volume I**

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SECRETARY'S BUREAU

June 19, 2000

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FISCAL 2001 CAPITAL BUDGET & FORECAST FISCAL 2002-2006

INTRODUCTION

Respectfully submitted in accordance with the existing Management Agreement is PGW's Capital Budget for Fiscal Year 2001 and Forecast Years 2002-2006. The filing of PGW's FY 2001 Capital Budget request for \$49,688,000 reflects a balance between the critical need to continue to invest in both maintaining the integrity of PGW's facilities and the level of financial resources available to support this investment.

Provided below are responses to several basic questions the Gas Commission instructed to be addressed in PGW's Capital filing:

- **What does PGW want?**

Upon conclusion of the Commission's review process, provide a favorable recommendation to City Council to approve PGW's proposed Capital Budget for Fiscal Year 2001 in the amount of \$49,688,000.

- **Why does it want it?**

This filing supports a capital plan to replace existing facilities and acquire additional assets to insure safe and reliable operations, as well as continue to provide necessary funding in repositioning PGW to achieve its major strategic priorities, to improve customer service, increase core business revenues, improve efficiency, and reduce cost.

- **What is it going to cost?**

The level of capital funding requested in this submittal reflects the need to operate PGW within prudent financial parameters, recognizing the reality that PGW competes in a marketplace where the rates and services provided must be competitive in the marketplace and affordable to our customers. Acknowledging these needs, the level of capital authorization requested for Fiscal Year 2001 is a net total of \$49,688,000. The attached exhibit provides a summary of this request by budget category.

- **What is the impact on ratepayers?**

Approval of the FY 2001 Capital Budget will insure adequate resources are provided to support achievement of PGW's strategic priorities. The achievement of these strategic priorities are key to providing PGW customers with a safe and reliable energy service.

2001 Capital Budget Summary by Category

Category	Programs	Budget Amount
Gas Processing	<ul style="list-style-type: none"> • Liquefaction Plant Replacement (Phase I) • Odorant Injection System • Replace Fire Gates • Miscellaneous Additions and Replacements 	\$4,015,000 \$199,000 \$158,000 \$460,000 \$4,832,000
Distribution	<ul style="list-style-type: none"> • Main and service additions - new customers • Enforced Relocation Replacements • Main and Service prudent replacement to ensure integrity of existing facilities • Pressure Regulation and Corrosion Control Facilities - \$350,000 • Tool Additions and Replacements - \$400,000 • GIS - \$800,000 • Encapsulation & Joint Clamping • Salvage and Reimbursement - (\$3,577,000) 	\$5,813,000 \$8,662,000 \$17,030,000 \$350,000 \$400,000 \$800,000 \$2,450,000 (\$3,577,000) \$31,928,000
Field Services	<ul style="list-style-type: none"> • Additional Meter and Regulator - new customers • Replacement Regulators and Meters • Commercial and Industrial Telemetering Systems • Automatic Meter Reading Program • Training facilities equipment • Salvage and Contributions 	\$1,922,000 \$1,224,000 \$644,000 \$2,697,000 \$50,000 (\$143,000) \$6,394,000
Transportation	<ul style="list-style-type: none"> • Vehicle Replacements* • Mobile Equipment • Shop Tools and Equipment - • Salvage 	\$627,000 \$499,000 \$95,000 (\$70,000) \$1,151,000
Building Services	<ul style="list-style-type: none"> • CSC Security System • Replace Ramp - 1849 N 9th • Enhance CNG Station • Misc. additions and replacements for various building facilities 	\$175,000 \$153,000 \$150,000 \$744,000 \$1,222,000
Customer Affairs	<ul style="list-style-type: none"> • Enhancements to BCCS • Customer Complaint Tracking • E-Mail ACD • Customer Satisfaction Survey 	\$500,000 \$50,000 \$100,000 \$100,000 \$750,000
Information Technology	<ul style="list-style-type: none"> • Data & Software Testing Tools • Configuration Management • Upgrade GPOS to NT • PC Additions and Replacements & Misc.* • Tape Library • Server Additions and Replacements • Direct Access Storage Devices • Digital Data Interchange Upgrade 	\$512,000 \$250,000 \$92,000 \$925,000 \$66,000 \$694,000 \$568,000 \$136,000 \$3,243,000
Gas Control	SCADA Server & Station and Remote Terminal Units - \$168,000	\$168,000
Total		\$49,688,000

* Vehicle replacements for \$627,000 and PC equipment for \$885,000 will be acquired through an operating lease. This funding is provided for in the FY 2001 Operating Budget.

PHILADELPHIA GAS WORKS

FY 2001 CAPITAL BUDGET

OVERVIEW

PGW's proposed FY 2001 Capital Budget for \$49,688,000 supports a capital plan to replace existing facilities and acquire additional assets to insure safe and reliable operations, as well as continue to provide necessary funding for initiatives to improve customer service, and increase efficiency. Of significant importance, this years budget submission includes a funding request for an increased Cast Iron Main Replacement Program, developed in response to the findings and recommendations presented in a recently completed review of PGW's replacement program conducted by an independent consultant. This review recommended PGW replace approximately 18 miles of cast iron main annually to insure the continued safety of PGW's distribution infrastructure. Funding requested in this budget submittal will provide the resources to meet this replacement target.

Provided below is a short synopsis of specific initiatives by major budget category provided for in the proposed FY 2001 Capital Budget:

Gas Processing

The proposed \$4.832 million budget for Gas Processing includes \$4.015 million for completion of Phase I of the LNG Liquefaction Plant Replacement Program at PGW's Richmond facility. This funding request, in addition to that provided for in the FY 1999 and FY 2000 Capital Budgets, reflects the additional authorization necessary to increase the capacity of the Open Expander option being proposed from 12.5 MMSCFD to 20 MMSCFD and complete Phase I of the project. By modifying the original Phase I scope to incorporate components of Phase II, a \$13 million reduction in the forecasted cost for Phase II can be realized. The total cost for the liquefaction plant replacement is reduced from \$38 million to \$29 million by this change in the scope for Phase I.

The prudent replacement of PGW's liquefaction facilities is necessary due to the increasing age of the facility, where major components of the liquefaction process have been in service for nearly 30 years and require replacement. The new facility will also reduce maintenance cost due to the nature of the new process being implemented, which requires fewer moving parts and thus less maintenance requirements.

Distribution

The FY 2001 Capital Budget request for Distribution is a net \$31.928 million. Included in this request is \$5.813 million to provide main and service facilities for new customer additions. In addition, \$17.030 million in funding is requested for prudent main and service replacements to maintain the integrity of PGW's facilities to insure the delivery of a safe and reliable service, with an

additional \$8.662 million budgeted for enforced relocation projects caused by City, State, and Federal Work. In the instance of enforced relocation replacements, PGW is able to replace distribution facilities at reduced cost through reimbursement from various agencies for the work completed.

The proposed FY 2001 Distribution Capital Program, in conjunction with additional funding provided from previous capital programs to be spent in FY 2001, will allow PGW to meet its commitment to replace approximately eighteen miles of its cast iron mains in FY 2001. This replacement level was recommended by Navigant Consulting, which recently completed a comprehensive review of PGW's Cast Iron Replacement Program.

Field Services

The FY 2001 Capital Budget request for Field Services is \$6.394 million. Included in this request is \$1.922 million to provide meter and regulator facilities for new customer additions, and \$1.224 million request for replacement meters and regulators to maintain the integrity of PGW's facilities to insure the delivery of a safe and reliable service. In addition, a total of \$3.341 million is requested for meter reading related initiatives, including \$2.697 for completion of PGW's AMR program, as well as funding for replacement units, and \$644,000 for Commercial and Industrial Telemetry.

With the installation of the 20,000 units proposed in the FY 2001 Capital Program, and the 16,000 units provided for in the FY 2000 Program, PGW will have approximately 516,000 AMR units installed in the premises of its residential customers by the end of FY 2001.

Transportation

Transportation's \$1.151 million FY 2001 Capital Budget includes \$627,000 for the replacement of vehicles, and \$465,000 provides for the replacement of mobile equipment, with remaining funds targeted for miscellaneous shop equipment and mobile equipment additions.

These prudent replacement requirements for Transportation are necessary to improve fleet reliability and help reduce operating expenses by replacing older and less efficient vehicles that are more costly to maintain. It is anticipated that vehicle replacements will be acquired through an operating lease. However, by requesting capital authorization in this budget, if this assumption of executing an operating lease is found to be uneconomical at the time of the transaction, PGW will have authority to acquire the vehicles through a more advantageous capital transaction.

Building Services

The FY 2001 Building Service's Capital Budget of \$1.222 million includes \$150,000 for enhancements to its Norris Street CNG refueling station that are

necessary to improve reliability in servicing PGW's expanded CNG fleet at this location. Also provided in this budget request is \$175,000 for a Security System for PGW's Customer Service Centers.

Customer Affairs

The FY 2001 Capital Budget for Customer Affairs includes \$500,000 for enhancements to BCCS, as well as \$50,000 for a Customer Complaint Tracking System, \$100,000 for implementation of a Customer Satisfaction Survey, and \$100,000 for an E-Mail ACD System. These initiatives will provide PGW the ability to address customer inquiries in an efficient manner, as well as provide PGW with important feedback from its customers to help identify and target future improvement opportunities.

Information Technology

The FY 2001 Capital Program for Information Technology is \$3.243. Included in this request is \$925,000 for PC acquisition, both additions and replacements and other related items, some \$750,000 for tools and systems to improve the efficiency and operation of PGW's information technology infrastructure, and over \$1.2 million for servers and storage devices to insure efficient operation of major business systems. The remainder of IT's capital request is for miscellaneous projects, including upgraded tape library and Fiber Digital Data Interchange facilities.

2001 CAPITAL BUDGET PROCESS

A. Capital Budget Assumption Letter

PGW's budget process is initiated with the forwarding of a capital budget assumption letter, which provides overall direction to those responsible for preparing individual departmental capital requests (Copy of assumption letter provided in Appendix). Concisely stated in this document are operating assumptions that need to be considered in identifying capital requirements, as well as specific economic parameters applicable to formulating capital cost estimates. Application of these assumptions assures that individual departmental budgets are prepared on a consistent basis. Further, this letter establishes a timetable for the development of a Capital Budget so as to insure adequate time to obtain the necessary approvals or recommendations from the Philadelphia Facilities Management Corporation (PFMC) Board, the Philadelphia Gas Commission, the City Finance Director, and ultimately City Council.

Corporate direction is established within the general guidelines of this assumption letter and are utilized in preparing the capital program. Projects submitted must satisfy the stated criteria; to be essential for preserving PGW's capability to continue to deliver safe and reliable service, improve overall cost efficiency and/or generate additional value-added revenue.

For budget preparation purposes all cost estimates are to be based upon the anticipated dates of purchase and/or construction as opposed to the fiscal year the project would be work ordered. In estimating project cost the following economic and financial assumptions are to be applied:

Rate	Budget 2001	Forecast 2002	Forecast 2003	Forecast 2004	Forecast 2005	Forecast 2006
Escalation(%)	2.5	2.5	2.5	2.5	2.5	2.5
A&G (%)	13.5	14.6	14.7	14.5	14.2	14.7
AFUDC (%)	5.59	5.64	5.65	5.62	5.64	5.67

The above cost escalation rates represent a composite factor for all elements related to capital expenditures. For the FY 2001 budget and forecast years the 2.5% escalation rate represents an average of over 50 forecasts of the Consumer Price Index published in the Wall Street Journal issue of January 4, 2000 (Copy of Wall Street forecast provided in Appendix).

The Allowance for Funds Used During Construction (AFUDC) and the Administrative and General (A&G) rates are based on data developed from the 1998-99 Operating Budget and the five year forecast (Detail calculation of A&G and AFUDC factors provided in Appendix).

An Allowance for Funds Used During Construction is an added cost and must be included in all budget and forecast items requiring a construction period.

An allocation of the Administrative and General expenses is included on appropriate capital budget and forecast items, the percentage is applicable to the estimated project cost not including AFUDC.

B. Capital Budget Development

A major driving factor in determining key components of PGW's Capital Budget and Forecast requirements is the design day/design hour forecast prepared by the Gas Planning Department. The methodology used to develop these design day/design hour requirements include the following:

- The Gas Planning Department obtains actual customer usage data from the previous year, specifically, those weekdays with temperatures of 32 degrees Fahrenheit and below. The total sendout for these days, as recorded under the actual conditions, is adjusted to a base sendout for firm customers only, with the removal of load for interruptible customer with alternative fuel capability.
- The Gas Planning Department takes the firm customer loads and using a computer generated linear regression procedure develops an algebraic formula expressing the relationship between sendout requirements and temperature. This process is repeated using a quadratic and cubic regression procedure. The results are tested for statistical significance and the best fitting curve is selected. Extrapolating this curve produces a projection of a design day condition of zero degrees Fahrenheit and a design hour requirement of minus five degrees.
- A Marketing forecast of expected load additions for the next five years quantifies potential new load additions and is based upon information from published reports and marketing contacts for identifying longer term developments. The timing and extent of future load growth expectations are incorporated into the process to the extent these projections impact on the design day load into the forecast period.

For the large operating departments, whose needs comprise the vast majority of PGW's capital requirements, the design forecast is one of the key elements in determining their capital requirements. In addition to insuring the continued safety of PGW's operations, reliability of service is a major concern when considering the need for capital resources. This concern is addressed by the Gas Processing Department by providing and maintaining the necessary facilities to supply pipeline and supplemental gas and capacity requirements; while the Distribution Department in its Capital Budget process is concerned with continuing to provide and properly maintain a distribution network to safely deliver natural gas at adequate pressure to satisfy the requirements of the appliances and equipment of PGW's customers. In addition, the Field Services Department utilizes the forecast of customer attachments, developed in the marketing forecast, to identify new meter installations that must be provided for in their Capital Budget.

Proposed capital projects are identified within the operating departments, as well as other departments, through a continual process by which departments evaluate each function to determine their needs based upon a current status of their operation, as well as anticipated future requirements. A short synopsis, discussing the development of the capital budget and forecast from the departmental levels is provided:

Gas Processing

The Gas Processing Department's capital evaluation process includes, but is not limited to, a review of equipment maintenance records, recommendations produced by pressure flow studies conducted as part of the annual design day and planned failure investigation analysis and additions and/or replacements required to meet City, State and Federal codes.

At the time a project need is identified, the Department Manager determines if the project must be completed immediately, on an emergency basis, or if the project should be considered for placement in the Capital Budget and Forecast for future implementation. Once a project has been identified for consideration in the Capital Budget and Forecast and alternative options have been identified and evaluated, the Engineering Department is requested to perform a detailed cost estimate for all major projects that are beyond the estimating capability of the department. Based upon this detailed cost estimate, a judgment is made on the overall benefits of the project and a decision is rendered whether or not to include the project in the Capital Budget and Forecast.

Draft capital programs are developed for the Richmond and Passyunk plants and submitted to the Manager. After thorough review by the Manager, an internal departmental meeting is conducted to discuss project priority, cost effectiveness, option analysis, operating budget impacts and needs assessments. The necessity and viability of each project is further considered and agreed upon, prior to final departmental approval. This departmental draft is forwarded to the Senior Vice President of Operations and Senior Management for further review to determine that all corporate capital objectives are being met. At this time, program submittals may be completely deleted; have their implementation timing adjusted; or have the scope of the project changed.

The FY 2001 Capital Budget program for Gas Processing is \$4,832,000. Included in this amount is \$4,015,000 to provide the necessary authorization to complete the construction of Phase I of PGW's LNG Liquefaction Replacement Program at the Richmond Plant. Maintaining PGW's liquefaction facility in proper operating condition is critical to ensuring safe and reliable service. A liquefaction plant failure could imperil the LNG supply for PGW's design day and hour gas supply requirements. A failure of this facility could require curtailment, endangering the delivery of gas service to residential customers. The need to invest in the replacement of this gas supply alternative is dictated by the advancing age of several major components of the liquefaction

process, some components have been in service for 30 years or more and are nearing the end of their useful life.

The request for additional LNG funding was not forecast in the FY 2000 Capital Budget filing. However, after consultation with various LNG experts and further evaluation, PGW is proposing to revise the scope of its LNG Replacement Program to achieve certain economies. The Open Expander option now being proposed will have a capacity of 20 MMSCFD, an increase from the 12.5 MMSCFD capacity provided in PGW's original proposal. This increase in capacity will require an additional \$4.015 million in FY 2001 authority to complete the revised Phase I. However, by revising the Phase I scope, the selected design provides the opportunity to include part of the original Phase II in this initial program, resulting in a \$13 million reduction in the forecast years for Phase II. The total cost of the liquefaction plant replacement is reduced from \$38 million to \$29 million.

Dennis E. Stinson, Senior Vice President of Operations, John Kelly, Project Manager - LNG and Abdol R. Nayak, Manager of Gas Processing will be available for cross-examination to provide further information on this issue.

Distribution

The Distribution Department capital program of \$31,928,000 is focused on providing necessary resources to install and maintain safe and reliable distribution facilities to new and existing customers. This level of investment, in conjunction with the resources provided in PGW's Operating Budget insures that PGW can continue to meet its commitment to its customers to provide safe and reliable service.

To support this commitment, draft capital proposals are developed based upon satisfying specific needs, including providing facilities for new customers, addressing enforced relocation situations driven by the construction schedules of other agencies, and providing funds for the prudent replacement of mains and services that require replacement. After the Manager thoroughly reviews all proposals, a departmental design meeting is conducted to discuss project priority, cost effectiveness, option analysis, operating budget impacts and needs assessments. The necessity and viability of each project is further considered and agreed upon prior to final departmental approval. This departmental draft is forwarded to the Senior Vice President of Operations and Senior Management for further review to determine that all corporate capital objectives are being met. At this time, program submittals may be completely deleted; have their implementation timing adjusted; or have the scope of the project changed.

The FY 2001 Capital Budget includes main and service additions of \$5.813 million for new customers and are based on PGW's marketing forecast of new facilities required for residential, commercial and industrial

customers. Applying this forecast for Fiscal 2001 against the approved main and service estimates and actual expenditures from the previous five year period, the cost per unit, feet per unit, and the number of mains and services by size are developed to calculate the total project cost by budget category.

Network Analysis models the entire distribution system based on systematically applying the present and future design day/design hour loads supplied by Gas Supply Department. As a result of this analysis, the determination has been made that no system main work will be required to be undertaken to meet minimum design criteria in FY 2001.

Based upon the results of a recently completed assessment conducted by Navigant Consulting, PGW will adopt a main replacement program to replace approximately 18 miles of it's cast iron main inventory in FY 2001. This level of replacement, in conjunction with the utilization of PGW's Prioritization Model, will allow PGW to aggressively target the main segments most prone to failure, resulting in a reduction of overall system risk. The following table provides details, by individual budget category, of the targets established to meet PGW's commitment to replace approximately 18 miles of cast iron main in FY 2001.

Table
PGW Cast Iron Replacement

Budget Category	Budget Amount	Footage
52-20-2-01	\$1,528,000	6,685
52-21-2-01	\$5,048,000	35,178
52-21-2-02	\$4,106,000	28,500
52-22-2-01	\$2,086,000	8,112
Total - FY 2001	\$12,768,000	78,475
<i>Carryover Spending from FY 2000</i>	\$2,430,000	17,357
Annual Total	\$15,198,000	95,832

In addition to the above main replacements, PGW has an additional \$12.924 million budget in FY 2001 for service replacements.

The FY 2001 Capital Budget for Distribution also includes funding of \$2.45 million for the installation of joint clamps and encapsulation activities. These procedures, which rehabilitate and extend the functional life of underground facilities, are an economic alternative to the alternative of complete replacement of these existing facilities.

The FY 2001 Capital Budget for Distribution also includes \$800,000 for further implementation of a Geographic Information System (GIS). The

requested funding for this program will be utilized to capture specific attributes from individual main segments from PGW's existing maps records, and translate this information into the GIS data base. This enhanced data base will allow PGW to conduct analysis that will help determine additional factors that should be considered in prioritizing PGW's main replacement program. With improved prioritization of its main replacement program, PGW will be able to further minimize its safety risk, and optimize the amount of future resources allocated to this main replacement program.

For the 2001 Capital Budget, the cost of removal and abandonments has been eliminated from the Capital Budget. These costs will be accounted for as a depreciation expense for both Distribution and Field Services.

Dennis E. Stinson, Senior Vice President of Operations, and Brian Schenk, Manager of Distribution will be available for cross-examination to provide further information on this issue.

Field Services

The majority of the department's recurring capital requirements are dictated by the need to provide meter and regulating facilities, whether for additions for new customers or replacements for existing facilities. Meter and regulator additions are driven by the marketing forecast of new customers, while determination of replacement needs are based upon the useful life of the meters and regulators and PGW's Age-In-Service criteria which dictates how many and what type meters and regulators are due for replacement in the field during the coming year. Meter replacement requirements are also driven by the need to support PGW's AMR Program.

Meter and service regulator unit prices are obtained from various meter manufacturers and maintained by the department for comparative purposes. Historical and current meter and regulator installation costs are also maintained and analyzed for estimating installation cost for new facilities which are incorporated in the capital budget. The FY 2001 Capital Program for meter and regulator additions and replacements amounts to \$3.146 million.

Periodically, other specific projects which will improve efficiency and reduce costs are identified and evaluated for possible inclusion in the department's Capital Budget. These projects are identified as a result of continual monitoring of departmental operations, keeping abreast of industry trends, technological advancements, and reviewing other gas utility's operations for possible improvements. Once identified, projects are evaluated and a cost/benefit is prepared to justify inclusion in the capital budget. For example this year's capital budget includes a request to continue PGW's Automatic Meter Reading Program. The 2001 Capital Program for Field Services includes \$2,372,000 for the installation of 20,000 AMR units in FY 2001. With the addition of these 20,000 units,

overall installations at the end of FY 2001 will be approximately 516,000 units. In addition, this year's Field Service's budget includes funding of \$325,000 for the replacement of AMR units as a result of the need to replace the AMR unit's battery. An additional \$644,000 is budgeted for the installation of Telemetering devices for commercial and industrial customers.

Future requirements to complete PGW's AMR Program are in the process of being evaluated. While PGW will have approximately 516,000 units installed with the approval and installation of the 20,000 units requested in the FY 2001 Capital Budget, additional units might be required to convert remaining active meters with an AMR device by the end of FY 2001. The major reason for these additional AMR units above the number originally budgeted for is to compensate for units installed during the early stages of AMR implementation that are now located on inactive accounts. Quantification of these requirements will be determined upon evaluating an accurate status of the current deployment of AMR units. Any additional requirements above the requested level will be obtained through a supplemental authorization request or deferred until the submission of the FY 2002 Capital Budget.

After the Manager thoroughly reviews all proposals, a departmental review meeting is conducted to discuss project priority, cost effectiveness, option analysis, operating budget impacts and needs assessments. The necessity of each project is further considered and agreed upon prior to final departmental approval. This departmental draft is forwarded to the Senior President of Operations and Senior Management for further review to determine that all corporate capital objectives are being met. At this time, program submittals may be completely deleted; have their implementation timing adjusted; or have the scope of the project changed.

Dennis E. Stinson, Senior Vice President of Operations, and Leo T. Middlemiss, Manager of Field Services will be available for cross-examination to provide further information on this issue.

Transportation

Transportation's \$1,151,000 FY 2001 Capital Budget includes \$627,000 replacement of vehicles, which includes the acquisition of eight (8) Multi-purpose vehicles; two (2) Mini-vans; and six (6) Distribution maintenance trucks. Most of the vehicles scheduled for replacement are a minimum of eight to ten years old and are past their economic useful life, causing increased costs of operation and maintenance, as well as affecting PGW's ability to provide expected customer service.

It is anticipated that vehicle replacements will be acquired through an operating lease. However, by requesting capital authorization in this budget, if this assumption of executing an operating lease is found to be

uneconomical at the time of the transaction, PGW will have authority to acquire the vehicles through a more advantageous transaction.

The FY 2001 Capital Budget also request \$95,000 for miscellaneous shop tools and equipment, and \$499,000 for mobile equipment replacements and additions. Mobile equipment replacements include: twenty (20) Portable Compressors and two (2) Digger/Loaders. Also included in this request is funding for a CNG Donor Trailer to provide safe refueling for CNG vehicles on the street.

James L. Spadotto, Manager of Transportation will be available for cross-examination to provide further information on this issue.

Building Services

Building Service's capital requirements are associated with providing for and maintaining PGW's physical facilities in proper working condition. The proposed FY 2001 Capital Budget in this area amounts to \$1,222,000. Among the projects requested, the company is allocating \$175,000 to implement a security system for PGW's Customer Service Centers. In addition, PGW is designating \$153,000 to complete the replacement of a concrete ramp at its 1849 N 9th St. facility. This building improvement is necessary to correct a deteriorating situation that if not addressed could create a safety hazard.

The FY 2001 Capital Budget also includes \$150,000 for enhancements to its Norris Street CNG Refueling Station that is required to improve the reliability of the station given the increasing number of CNG fueled vehicles being serviced at this location.

Dennis E. Stinson, Senior Vice President of Operations, and Ramanujam S. Rajan, Director of Engineering and Building Services will be available for cross-examination to provide further information on this issue.

Information Technology

The proposed Fiscal Year 2001 Capital Budget for the Information Technology Department is \$3.243 million. Included in this request is approximately \$925,000 for PC additions and replacement and other peripheral, these requirements were compiled based upon the requested needs of individual departments. This investment is necessary to provide the tools to utilize and secure the enhanced capabilities of the new business initiatives, and for prudent replacement of older units that have reached the end of the technological life cycle.

Funding of approximately \$750,000 is requested for various data and software testing tools and configuration management systems to improve

the efficiency of PGW's information technology infrastructure. In addition \$1.2 million is budgeted for server additions and replacements, as well as Direct Access Storage Devices, that will enhance the existing technology infrastructure and improve the operation of the new business systems.

Sherry Rubin, Vice President and Chief Information Officer will be available for cross-examination to provide further information on this issue.

Customer Affairs

The FY 2001 Capital Budget for Customer Affairs includes \$500,000 for enhancements to BCCS, as well as \$50,000 for a Customer Contact Tracking System. These initiatives will provide PGW the ability to address customer inquiries in an improved manner. Also requested in the FY 2001 Capital Budget is \$100,000 for implementation of an E-Mail ACD system that will improve PGW's customers ability to access PGW by allowing customers to directly contact PGW. In addition, \$100,000 has been requested to install a Customer Satisfaction Survey utilizing the existing IVR in the Call Center, that will provide PGW critical feedback on how well PGW's customers needs have been satisfied.

Karen Sweat, Vice President of Customer Affairs, will be available for cross-examination to provide further information on these issues.

C. Capital Budget Consolidation

With each department's capital budget requirements determined, individual items are documented for review and approval at the corporate level. To facilitate this review process, documentation is prepared on a Capital Program Proposal form, which includes the following information:

- Budget Category
- Project Priority
- Project Description
- Estimated Cost
- Expenditure Schedule

In addition to the information provided on the Capital Program Proposal forms, a cost benefit and/or option analysis, project timing schedules and savings and/or cost impact on the operating budget is included as part of the budget submittal where appropriate.

The individual departmental budgets are consolidated into a single document that is reviewed in its entirety from the perspective of determining spending priorities in light of the need for PGW to live within its financial means. Based upon this review process, and after review and approval by PGW's Senior

Team, the preliminary Capital Budget is prepared for approval by the Philadelphia Facilities Management Corporation (PFMC). Initial review by PFMC is conducted by the Finance Committee of the Board, prior to submittal to the entire Board. The Board's review is one which focuses on achieving a balance between the operating and fiscal capabilities of PGW to achieve its strategic direction, with due considerations for minimizing the economic impact on PGW's customers.

D. Capital Budget Priorities

Summarized for this year's Capital Budget is a profile by budget priorities. Detailed description of the priority classification, as well as requirements for project consideration within a priority designation is included in the Capital Budget Assumption Letter provided in the Appendix.

Priority	Description	Budget	Percent of Budget
1	Safety	\$21,202,000	39.7%
2	Reliability	\$7,032,000	13.1%
3	Enforced Relocation	\$8,662,000	16.2%
4	Revenue Producing	\$7,735,000	14.5%
5	Improved Efficiency	\$8,847,000	16.5%
Total		\$53,478,000	100%

E. Capital Budget Spending Profile

Exhibit I has been prepared to provide a profile of PGW's Capital Budget Spending forecast. Spending information includes the amount of capital dollars forecasted to be spent for both FY 2000, as well as FY 2001.

F. Prepared Testimony of Dennis E. Stinson

Prepared in support of PGW's FY 2001 Capital Budget request of \$49,688,000 is the direct formal testimony of Dennis E. Stinson, Senior Vice President of Operations. Mr. Stinson's testimony will focus on explaining any significant deviations from prior fiscal year's budget, and provide underlying assumptions and rationale to support this deviation. This testimony can be found in the Appendix of this filing.

G. Other Filing Requirements

In response to previous Commission orders, the following information is provided in the Appendix of Volume I:

- Budget year program segmented by spending categories;

- Outyear program forecast by priority level;
- Distribution Department's summary of the "go-forward" position of its main and service programs; and
- Budget year programs monthly spending profile.

Exhibit I
Capital Budget Spending Forecast

**PHILADELPHIA GAS WORKS
1997 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Gas Processing												
Miscellaneous Additions	53-01-1-01	76,000	82,019	(6,019)	-	-	-	-	-	-	82,019	(6,019)
Miscellaneous Replacements	53-01-2-01	30,000	27,410	2,590	(226)	-	(226)	-	-	-	27,184	2,816
Miscellaneous Additions	53-02-1-01	65,000	53,599	11,401	1,595	-	1,595	-	-	-	55,194	9,806
LNG Instrumentation	53-02-2-01	185,000	122,873	62,127	4,008	55,452	59,460	-	-	-	182,333	2,667
Miscellaneous Replacements	53-02-1-03	100,000	121,475	(21,475)	-	-	-	-	-	-	121,475	(21,475)
Replace Process Piping	53-02-1-04	70,000	70,000	-	-	-	70,000	-	-	-	70,000	-
Building and Structures	53-03-2-01	65,000	55,632	9,368	1,598	-	1,598	-	-	-	57,230	7,770
Miscellaneous Replacements	53-03-2-02	85,000	85,000	-	-	-	85,000	-	-	-	85,000	-
Demolish Compressor Build	53-03-2-03	150,000	139,656	10,344	-	-	139,656	-	-	-	139,656	10,344
Demolitions	53-03-2-99	25,000	25,165	(165)	-	-	25,165	-	-	-	25,165	(165)
Total Gas Processing		851,000	782,829	68,171	6,975	55,452	62,427	-	-	-	845,256	5,744
Distribution												
High Pressure												
Load Additions	52-20-1-01	1,722,000	1,898,703	(176,703)	-	-	-	-	-	-	1,898,703	(176,703)
Enforced Relocation	52-20-2-01	367,000	1,008,391	(641,391)	-	-	-	-	-	-	1,008,391	(641,391)
Low/Intermediate Pressure												
Increase Capacity	52-21-1-01	1,142,000	1,245,655	(103,655)	-	-	-	-	-	-	1,245,655	(103,655)
Enforced Relocation	52-21-2-01	3,745,000	5,469,964	(1,724,964)	11,806	-	11,806	-	-	-	5,481,770	(1,736,770)
Prudent Main Replacement	52-21-2-02	7,826,000	3,289,055	4,536,945	145,934	-	145,934	-	-	-	3,434,989	4,391,011
Low/Intermediate - 12 IN and Larger												
Additional Load	52-22-1-01	150,000	16,154	133,846	-	-	-	-	-	-	16,154	133,846
Enforced Relocation	52-22-2-01	652,000	1,953,805	(1,301,805)	146	-	146	-	-	-	1,953,951	(1,301,951)
Regulation/Corrosion												
Cathodic Protection	52-23-1-01	276,000	462,339	(186,339)	-	-	-	-	-	-	462,339	(186,339)
Main Valves	52-23-2-01	440,000	125,003	314,997	-	-	-	-	-	-	125,003	314,997
Regulating/Corrosion Facilities	52-23-2-02	60,000	-	60,000	-	-	-	-	-	-	-	60,000
Services												
New - 1-1/4" and Smaller	52-24-1-01	1,894,000	2,500,795	(606,795)	-	-	-	-	-	-	2,500,795	(606,795)
New - 2" or Larger	52-24-1-02	1,053,000	1,383,744	(330,744)	-	-	-	-	-	-	1,383,744	(330,744)
Replacement - 1-1/4" or Smaller	52-24-2-01	14,191,000	14,570,498	(379,498)	-	-	-	-	-	-	14,570,498	(379,498)
Replacement - 2" or Larger	52-24-2-02	1,008,000	535,264	472,736	-	-	-	-	-	-	535,264	472,736
Other Facilities												
Tools - Addition	52-29-1-01	65,000	190,564	(125,564)	-	-	-	-	-	-	190,564	(125,564)
Facilities Management System	52-29-1-02	200,000	182,463	17,537	-	-	-	-	-	-	182,463	17,537
Tools - Replacement	52-29-2-01	200,000	411,963	(211,963)	-	-	-	-	-	-	411,963	(211,963)
Salvage		(30,000)	(56,791)	26,791	-	-	-	-	-	-	(56,791)	26,791
Reimbursement		(913,000)	(908,665)	(4,335)	(14,745)	-	(14,745)	-	-	-	(923,410)	10,410
Removal and Abandonment		1,750,000	2,460,139	(710,139)	-	-	-	-	-	-	-	710,139
Total Distribution		35,798,000	36,739,043	(941,043)	143,141	-	143,141	-	-	-	36,882,184	(1,084,184)

PHILADELPHIA GAS WORKS
1997 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW

<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Field Services												
New Meter Installation	50-30-1-01	2,006,000	1,555,282	450,718	-	-	-	-	-	-	1,555,282	450,718
Replacement Meters	50-30-2-01	1,422,000	921,533	500,467	-	-	-	-	-	-	921,533	500,467
New Regulator Installations	50-32-1-01	50,000	46,840	3,160	-	-	-	-	-	-	46,840	3,160
Replacement Regulators	50-32-2-01	37,000	20,495	16,505	-	-	-	-	-	-	20,495	16,505
New Telemetering Installations	50-33-1-01	195,000	279,773	(84,773)	20,782	(20,782)	-	-	-	-	279,773	(84,773)
Replace Telemetering	50-33-2-01	36,000	-	36,000	-	-	-	-	-	-	-	36,000
Meter Shop Equip - Add	50-34-1-01	46,000	46,000	-	-	-	-	-	-	-	46,000	-
Meter Shop Equip - Repl	50-34-2-01	134,000	39,099	94,901	-	-	-	-	-	-	39,099	94,901
New Training Equipment	50-35-1-01	13,000	1,267	11,733	-	-	-	-	-	-	1,267	11,733
Replace Training Equipment	50-35-2-01	16,000	12,806	3,194	-	-	-	-	-	-	12,806	3,194
AMR Installations	50-36-1-01	3,167,000	3,254,858	(87,858)	-	-	-	-	-	-	3,254,858	(87,858)
Adj Capitalization for Exist Inv	50-36-1-02	3,551,000	3,510,051	40,949	-	-	-	-	-	-	3,510,051	40,949
Cost of Removal	50-99-2-99	71,000	51,968	19,032	-	-	-	-	-	-	51,968	19,032
Salvage	50-98-2-98	(27,000)	(37,461)	10,461	-	-	-	-	-	-	(37,461)	10,461
Contributions	50-94-1-94	(112,000)	(42,374)	(69,626)	-	-	-	-	-	-	(42,374)	(69,626)
Total Field Services		10,605,000	9,660,137	944,863	20,782	(20,782)	-	-	-	-	9,660,137	944,863
Transportation												
Shop Equipment - Additions	73-01-1-01	158,000	6,088	151,912	-	-	-	-	-	-	6,088	151,912
Mobile Radio Equip Repl	73-01-2-01	365,000	11,164	353,836	-	-	-	-	-	-	11,164	353,836
Shop Equipment Replacement	73-01-2-02	36,000	8,947	27,053	-	-	-	-	-	-	8,947	27,053
Master Lease		-	2,831,829	(2,831,829)	-	-	-	-	-	-	2,831,829	(2,831,829)
Salvage		(200,000)	-	(200,000)	-	-	-	-	-	-	-	(200,000)
Total Transportation		359,000	2,858,028	(2,499,028)	-	-	-	-	-	-	2,858,028	(2,499,028)

**PHILADELPHIA GAS WORKS
1997 CAPITAL PROGRAM
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<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Building Services												
Miscellaneous - Additions	72-01-1-01	31,000	30,376	624	-	-	-	-	-	-	30,376	624
Additional Equipment	72-01-1-02	23,000	6,159	16,841	-	-	-	-	-	-	6,159	16,841
Additional Furniture	72-01-1-03	48,000	32,016	15,984	15,926	-	15,926	-	-	-	47,942	58
Tioga Refueling	72-01-1-04	280,000	12,210	267,790	92,206	169,587	261,793	-	-	-	274,003	5,997
Facilities Improvement	72-01-1-05	103,000	125,462	(22,462)	-	-	-	-	-	-	125,462	(22,462)
Miscellaneous - Replacements	72-01-2-01	69,000	62,711	6,289	(1,989)	-	(1,989)	-	-	-	60,722	8,278
Replacement Equipment	72-01-2-02	39,000	1,766	37,234	14,097	-	14,097	-	-	-	15,863	23,137
Replacement Furniture	72-01-2-03	30,000	16,580	13,420	-	-	-	-	-	-	16,580	13,420
Structural Repairs	72-01-2-04	52,000	67,525	(15,525)	-	-	-	-	-	-	67,525	(15,525)
Replace Gas Fired Chiller	72-01-2-05	48,000	49,116	(1,116)	-	-	-	-	-	-	49,116	(1,116)
Replace UPS Phase I	72-01-2-06	247,000	257,319	(10,319)	-	-	-	-	-	-	257,319	(10,319)
Replace Steam Generator	72-1-02-07	51,000	65,888	(14,888)	-	-	-	-	-	-	65,888	(14,888)
Resurface Parking Lot	72-01-2-08	105,000	15,265	89,735	-	-	-	-	-	-	15,265	89,735
Replace Heating - Hunt Park	72-01-2-09	75,000	65,127	9,873	-	-	-	-	-	-	65,127	9,873
Relocate Weld Shop	72-01-2-10	50,000	11,906	38,094	-	-	-	-	-	-	11,906	38,094
Consolidate Call Center	72-01-2-11	569,000	818,299	(249,299)	-	-	-	-	-	-	818,299	(249,299)
Total Building Services		1,820,000	1,637,725	182,275	120,240	169,587	289,827	-	-	-	1,927,552	(107,552)
Information Technology												
Direct Access Storage	47-01-1-01	100,000	-	100,000	-	-	-	-	-	-	-	100,000
IT Strategy I	47-01-1-02	1,000,000	878,752	121,248	-	-	-	-	-	-	878,752	121,248
Appointment/Complaint Proc.	47-01-1-03	115,000	-	115,000	-	-	-	-	-	-	-	115,000
Magnetic Tape Drive	47-01-2-01	200,000	-	200,000	-	-	-	-	-	-	-	200,000
Direct Access Storage	47-01-2-02	290,000	331,401	(41,401)	-	-	-	-	-	-	331,401	(41,401)
Laser Printer	47-01-2-03	180,000	-	180,000	-	-	-	-	-	-	-	180,000
Voice Logging	47-01-2-04	120,000	145,450	(25,450)	-	-	-	-	-	-	145,450	(25,450)
Master Lease		-	2,597,053	(2,597,053)	-	-	-	-	-	-	2,597,053	(2,597,053)
Total Information Technology		2,005,000	3,952,656	(1,947,656)	-	-	-	-	-	-	3,952,656	(1,947,656)
Other Departments												
GMS	15-01-1-01	2,000,000	1,264,427	735,573	435,155	-	435,155	-	-	-	1,699,582	300,418
Chemical Instrumentation	31-01-2-01	25,000	24,906	94	-	-	-	-	-	-	24,906	94
Replace CIS	10-01-2-01	1,000,000	991,809	8,191	-	-	-	-	-	-	991,809	8,191
Security Facilities	14-01-1-01	300,000	309,110	(9,110)	-	-	-	-	-	-	309,110	(9,110)
Replace FIS	40-01-2-01	700,000	-	700,000	-	-	-	-	-	-	-	700,000
Safety Program	18-01-1-01	425,000	147,965	277,035	20,108	-	20,108	-	-	-	168,073	256,927
HRIS	18-01-1-02	570,000	297,459	272,541	-	272,541	272,541	-	-	-	570,000	-
Predictive Dialer	49-01-2-01	800,000	513,510	286,490	27,374	-	27,374	-	-	-	540,884	259,116
Meter Read - Route Reconfig.	42-01-2-01	60,000	-	60,000	-	-	-	-	-	-	-	60,000
Total Other Departments		5,880,000	3,549,186	2,330,814	482,637	272,541	755,178	-	-	-	4,304,364	1,575,636
Total 1997 Capital Program		57,318,000	59,179,604	(1,861,604)	773,775	476,798	1,250,573	-	-	-	60,430,177	(3,112,177)

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<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Gas Processing												
Miscellaneous Additions	53-01-1-01	25,000		25,000								25,000
Miscellaneous Replacements	53-01-2-01	75,000	112,924	(37,924)		26,000	26,000				138,924	(63,924)
Miscellaneous Additions	53-02-1-01	100,000		100,000								100,000
Miscellaneous Replacement	53-02-2-01	400,000	619,715	(219,715)	(252,093)		(252,093)				367,622	32,378
Miscellaneous Additions	53-03-1-01	40,000	67,895	(27,895)							67,895	(27,895)
Building and Structures	53-03-2-01	67,000	68,357	(1,357)							68,357	(1,357)
Miscellaneous Replacements	53-03-2-02	88,000	10,559	77,441	83		83				10,642	77,358
Demolitions	53-03-2-99	26,000	100,210	(74,210)							100,210	(74,210)
Total Gas Processing		821,000	979,660	(158,660)	(252,010)	26,000	(226,010)				753,650	67,350
Distribution												
High Pressure												
Load Additions	52-20-1-01	261,000	977,640	(716,640)	28,606	258,229	286,835				1,264,475	(1,003,475)
Enforced Relocation	52-20-2-01	394,000	527,432	(133,432)	626		626				528,058	(134,058)
Low/Intermediate Pressure												
Increase Capacity	52-21-1-01	1,259,000	1,002,710	256,290	596		596				1,003,306	255,694
Enforced Relocation	52-21-2-01	5,200,000	5,343,440	(143,440)	19,376		19,376				5,362,816	(162,816)
Prudent Main Replacement	52-21-2-02	5,836,000	1,596,342	4,239,658	35,262	164,787	200,049				1,796,391	4,039,609
Low/Intermediate - 12 IN and Larger												
Additional Load	52-22-1-01	155,000	12,601	142,399							12,601	142,399
Enforced Relocation	52-22-2-01	912,000	2,095,740	(1,183,740)	4,580	475,574	480,154				2,575,894	(1,663,894)
Regulation/Corrosion												
Cathodic Protection	52-23-1-01	375,000	181,271	193,729	47,592	101,886	149,478				330,749	44,251
Main Valves	52-23-2-01	453,000	89,319	363,681	84,826		84,826				174,145	278,855
Regulating/Corrosion Facilities	52-23-2-02	62,000	22,782	39,218							22,782	39,218
Services												
New - 1-1/4" and Smaller	52-24-1-01	2,021,000	2,871,126	(850,126)	94		94				2,871,220	(850,220)
New - 2" or Larger	52-24-1-02	2,045,000	1,377,447	667,553	178		178				1,377,625	667,375
Replacement - 1-1/4" or Smaller	52-24-2-01	12,260,000	12,332,570	(72,570)	24,092	317,147	341,239				12,673,809	(413,809)
Replacement - 2" or Larger	52-24-2-02	1,403,000	695,661	707,339							695,661	707,339
Other Facilities												
Tools - Addition	52-29-1-01	200,000	245,608	(45,608)	1,410		1,410				247,018	(47,018)
Tools - Replacement	52-29-2-01	200,000	155,040	50,960	40,336		40,336				195,376	10,624
Salvage		(44,000)	(9,230)	(34,770)	244		244				(8,986)	(35,014)
Reimbursement		(1,381,000)	(594,342)	(786,658)	(54,649)		(54,649)				(648,991)	(732,009)
Total Distribution		31,617,000	28,923,157	2,693,843	233,169	1,317,623	1,550,792				30,473,949	1,143,051

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<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Field Services												
New Meter Installation	50-30-1-01	940,000	1,587,499	(647,499)	-	-	-	-	-	-	1,587,499	(647,499)
Replacement Meters	50-30-2-01	775,000	1,401,694	(626,694)	-	-	-	-	-	-	1,401,694	(626,694)
New Regulator Installations	50-32-1-01	51,000	224,969	(173,969)	-	-	-	-	-	-	224,969	(173,969)
Replacement Regulators	50-32-2-01	37,000	23,600	13,400	-	-	-	-	-	-	23,600	13,400
New Telemetering Installations	50-33-1-01	201,000	233,617	(32,617)	-	-	-	-	-	-	233,617	(32,617)
Replace Telemetering	50-33-2-01	38,000	-	38,000	-	-	-	-	-	-	-	38,000
Meter Shop Equip - Add	50-34-1-01	25,000	5,384	19,616	21,185	-	21,185	-	-	-	26,569	(1,569)
Meter Shop Equip - Repl	50-34-2-01	29,000	-	29,000	-	-	-	-	-	-	-	29,000
New Training Equipment	50-35-1-01	25,000	6,139	18,861	-	-	-	-	-	-	6,139	18,861
Replace Training Equipment	50-35-2-01	88,000	8,241	79,759	100,231	-	100,231	-	-	-	108,472	(20,472)
AMR Installations	50-36-1-01	6,600,000	7,181,179	(581,179)	-	-	-	-	-	-	7,181,179	(581,179)
Replace AMR Units	50-36-2-01	428,000	422,888	5,112	-	-	-	-	-	-	422,888	5,112
Salvage	50-98-2-98	(36,000)	(19,887)	(16,113)	-	-	-	-	-	-	(19,887)	(16,113)
Contributions	50-94-1-94	(116,000)	(43,214)	(72,786)	-	-	-	-	-	-	(43,214)	(72,786)
Total Field Services		9,085,000	11,032,109	(1,947,109)	121,416	-	121,416	-	-	-	11,153,525	(2,068,525)
Transportation												
Shop Equipment - Additions	73-01-1-01	74,000	72,631	1,369	-	-	-	-	-	-	72,631	1,369
Mobile Radio Equip Repl	73-01-2-01	318,000	449,713	(131,713)	-	-	-	-	-	-	449,713	(131,713)
Vehicle Replacement	73-01-2-02	5,239,000	4,248,422	990,578	(30,204)	-	(30,204)	-	-	-	4,218,218	1,020,782
Mobile Equip Replacement	73-01-2-03	356,000	90,081	265,919	-	-	-	-	-	-	90,081	265,919
Salvage		-	(123,983)	123,983	-	-	-	-	-	-	(123,983)	123,983
Shop Equipment Replacement	73-01-2-04	250,000	109,266	140,734	-	-	-	-	-	-	109,266	140,734
Total Transportation		6,237,000	4,846,130	1,390,870	(30,204)	-	(30,204)	-	-	-	4,815,926	1,421,074

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Budget Description	Budget Category	Amount Approved	Amount Spent (8/31/99)	Balance (8/31/99)	Actual FY00 Spending through 2/00	Forecast FY00 Spending 3/00 - 8/00	Total FY00 Spending	FY01 Spending	FY02 Spending	FY03 Spending	Total Spending	Budget Balance
Building Services												
Miscellaneous - Additions	72-01-1-01	52,000	71,193	(19,193)	9,894	-	9,894	-	-	-	81,087	(29,087)
Additional Equipment	72-01-1-02	36,000	5,859	30,141	3,754	-	3,754	-	-	-	9,613	26,387
Additional Furniture	72-01-1-03	51,000	8,399	42,601	-	-	-	-	-	-	8,399	42,601
Statordyne Monitoring	72-01-1-04	10,000	5,905	4,095	-	-	-	-	-	-	5,905	4,095
Warehouse	72-01-1-05	2,600,000	3,219,515	(619,515)	-	-	-	-	-	-	3,219,515	(619,515)
CNG Stations (2)	72-01-1-06	925,000	985,994	(60,994)	-	-	-	-	-	-	985,994	(60,994)
Miscellaneous - Replacements	72-01-2-01	150,000	98,178	51,822	3,775	-	3,775	-	-	-	101,953	48,047
Replacement Equipment	72-01-2-02	27,000	7,627	19,373	-	-	-	-	-	-	7,627	19,373
Replacement Furniture	72-01-2-03	60,000	3,149	56,851	-	-	-	-	-	-	3,149	56,851
Structural Repairs	72-01-2-04	54,000	93,669	(39,669)	-	-	-	-	-	-	93,669	(39,669)
Replace Elect A/C	72-01-2-05	100,000	105,118	(5,118)	-	-	-	-	-	-	105,118	(5,118)
Replace Security System	72-01-2-06	150,000	122,376	27,624	17,154	-	17,154	-	-	-	139,530	10,470
Signs @ CSC	72-1-02-07	49,000	-	49,000	-	-	-	-	-	-	-	49,000
Consolidate Dispatching	72-01-2-08	496,000	510,680	(14,680)	-	-	-	-	-	-	510,680	(14,680)
Salvage	72-98-2-98	-	(5,350)	5,350	-	-	-	-	-	-	(5,350)	5,350
Total Building Services		4,760,000	5,232,312	(472,312)	34,577	-	34,577	-	-	-	5,266,889	(506,889)
Information Technology												
Computer/Telephone Integration	47-01-1-01	200,000	-	200,000	-	200,000	200,000	-	-	-	200,000	-
Enterprise Imaging	47-01-1-02	800,000	710,712	89,288	-	-	-	-	-	-	710,712	89,288
Network Management	47-01-1-03	143,000	164,758	(21,758)	-	-	-	-	-	-	164,758	(21,758)
Health/Capacity Reporting	47-01-1-04	102,000	-	102,000	-	-	-	-	-	-	-	102,000
Network Printer	47-01-1-05	120,000	-	120,000	-	-	-	-	-	-	-	120,000
IT Strategy I	47-01-1-06	1,120,000	18,604	1,101,396	-	500,000	500,000	-	-	-	518,604	601,396
Call Center Technology	47-01-1-07	300,000	58,720	241,280	(6)	-	(6)	-	-	-	58,714	241,286
Gas Plant LAN/WAN	47-01-1-08	228,000	295,941	(67,941)	(1,895)	-	(1,895)	-	-	-	294,046	(66,046)
Network Dial In/Out	47-01-1-09	17,000	-	17,000	-	-	-	-	-	-	-	17,000
Network Design II	47-01-1-10	364,000	141,203	222,797	1,071	-	1,071	-	-	-	142,274	221,726
Network Design III	47-01-1-11	137,000	1,791	135,209	7,395	127,347	134,742	-	-	-	136,533	467
Internet/Intranet	47-01-1-12	137,000	-	137,000	-	-	-	-	-	-	-	137,000
Unix Infrastructure	47-01-1-13	4,300,000	5,987,574	(1,687,574)	(501,838)	-	(501,838)	-	-	-	5,485,736	(1,185,736)
Cisco Infrastructure	47-01-1-14	745,000	863,494	(118,494)	-	-	-	-	-	-	863,494	(118,494)
Computing Servers	47-01-1-15	542,000	8,966	533,034	13,068	-	13,068	-	-	-	22,034	519,966
Voice Logging System	47-01-1-16	180,000	154,733	25,267	(320)	-	(320)	-	-	-	154,413	5,587
Call Center Infrastructure	47-01-1-17	450,000	724,582	(274,582)	16,822	-	16,822	-	-	-	741,404	(291,404)
File/Print Servers	47-01-2-01	228,000	-	228,000	25,986	-	25,986	-	-	-	25,986	202,014
Voice Network - Richmond	47-01-2-02	300,000	196,774	103,226	12,163	83,048	95,211	-	-	-	291,985	8,015
Call Center Enhancements	47-01-2-03	325,000	147,990	177,010	11,718	-	11,718	-	-	-	159,708	165,292
Upgrade E-Mail	47-01-2-04	208,000	4,211	203,789	-	-	-	-	-	-	4,211	203,789
Total Information Technology		10,926,000	9,480,053	1,445,947	(415,836)	910,395	494,559	-	-	-	9,974,612	951,388

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1998 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Other Departments												
Work & Asset Management	56-01-1-01	5,320,000	2,708,092	2,611,908	(45,913)	1,312,913	1,267,000				3,975,092	1,344,908
Chemical Insurumentation	31-01-1-01	38,000	14,805	23,195							14,805	23,195
Replace CIS	10-01-2-01	8,700,000	20,544,684	(11,844,684)	29,556	1,103,631	1,133,187				21,677,871	(12,977,871)
Implement FAMIS	40-01-1-01	2,000,000	3,107,648	(1,107,648)							3,107,648	(1,107,648)
Training Facilities	18-01-1-01	75,000	-	75,000							-	75,000
Holding Account	45-00-0-60	-	74,445	(74,445)							74,445	(74,445)
Total Other Departments		16,133,000	26,449,674	(10,316,674)	(16,357)	2,416,544	2,400,187				28,849,861	(12,716,861)
Total 1998 Capital Program		79,579,000	86,943,095	(7,364,095)	(325,245)	4,670,562	4,345,317				91,288,412	(11,709,412)

**PHILADELPHIA GAS WORKS
1999 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Gas Processing												
Miscellaneous Additions	53-01-1-01	10,000	2,610	7,390	-	-	-	-	-	-	2,610	7,390
Modify Piping At O-30 MR	53-01-2-01	195,000	87,722	107,278	120,589	-	120,589	-	-	-	208,311	(13,311)
Miscellaneous Replacements	53-01-2-02	26,000	16,811	9,189	424	-	424	-	-	-	17,235	8,765
Miscellaneous Additions	53-02-1-01	36,000	1,880	34,120	3,432	27,326	30,758	-	-	-	32,638	3,362
Liquefaction Plant Replacement	53-02-2-01	1,885,657	46,979	1,838,678	159,311	1,679,369	1,838,680	-	-	-	1,885,659	(2)
Miscellaneous Replacement	53-02-2-02	144,000	51,095	92,905	6,752	93,248	100,000	-	-	-	151,095	(7,095)
Miscellaneous Additions	53-03-1-01	13,000	-	13,000	1,593	-	1,593	-	-	-	1,593	11,407
Building and Structures	53-03-2-01	67,000	-	67,000	-	67,000	67,000	-	-	-	67,000	-
Miscellaneous Replacements	53-03-2-02	32,000	10,040	21,960	292	-	292	-	-	-	10,332	21,668
Demolitions	53-03-2-99	26,000	-	26,000	-	-	-	-	-	-	-	26,000
Total Gas Processing		2,434,657	217,137	2,217,520	292,393	1,866,943	2,159,336				2,376,473	58,184
Distribution												
High Pressure												
Load Additions	52-20-1-01	300,000	110,756	189,244	4,649	-	4,649	-	-	-	115,405	184,595
Southwark Project	52-20-1-02	488,551	219,780	268,771	53,235	82,336	135,571	-	-	-	355,351	133,200
Enforced Relocation	52-20-2-01	254,000	520,301	(266,301)	-	-	-	-	-	-	520,301	(266,301)
Low/Intermediate Pressure												
Increase Capacity	52-21-1-01	1,152,000	977,997	174,003	-	-	-	-	-	-	977,997	174,003
Enforced Relocation	52-21-2-01	3,729,000	4,557,924	(828,924)	289,357	132,752	422,109	-	-	-	4,980,033	(1,251,033)
Prudent Main Replacement	52-21-2-02	1,741,000	1,606,950	134,050	54,204	2,805	57,009	-	-	-	1,663,959	77,041
Low/Intermediate - 12 IN and Larger												
Additional Load	52-22-1-01	75,000	174,125	(99,125)	-	-	-	-	-	-	174,125	(99,125)
Enforced Relocation	52-22-2-01	651,000	1,307,912	(656,912)	-	-	-	-	-	-	1,307,912	(656,912)
Market-Frankford Construction	52-22-2-02	3,716,000	-	3,716,000	32,728	-	32,728	-	-	-	32,728	3,683,272
Regulation/Corrosion												
Cathodic Protection	52-23-1-01	200,000	3,810	196,190	77	-	77	-	-	-	3,887	196,113
Main Valves	52-23-2-01	75,000	101,381	(26,381)	737	-	737	-	-	-	102,118	(27,118)
Regulating/Corrosion Facilities	52-23-2-02	100,000	41,320	58,680	32,317	-	32,317	-	-	-	73,637	26,363
Services												
New - 1-1/4" and Smaller	52-24-1-01	2,187,000	2,078,686	108,314	-	-	-	-	-	-	2,078,686	108,314
New - 2" or Larger	52-24-1-02	1,100,000	1,089,925	10,075	1,205	-	1,205	-	-	-	1,091,130	8,870
Replacement - 1-1/4" or Smaller	52-24-2-01	9,046,000	10,940,661	(1,894,661)	2	-	2	-	-	-	10,940,663	(1,894,663)
Replacement - 2" or Larger	52-24-2-02	603,000	750,239	(147,239)	-	-	-	-	-	-	750,239	(147,239)
Other Facilities												
Tools - Addition	52-29-1-01	100,000	52,969	47,031	26,358	-	26,358	-	-	-	79,327	20,673
Tools - Replacement	52-29-2-01	200,000	-	200,000	-	-	-	-	-	-	-	200,000
Reimbursement		(4,057,000)	(552,599)	(3,504,401)	(27,337)	-	(27,337)	-	-	-	(579,936)	(3,477,064)
Salvage			1,765	(1,765)	-	-	-	-	-	-	1,765	(1,765)
Total Distribution		21,660,551	23,983,902	(2,323,351)	467,532	217,893	685,425				24,669,327	(3,008,776)

PHILADELPHIA GAS WORKS
1999 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW

<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Field Services												
New Meter Installation	50-30-1-01	542,000	1,045,860	(503,860)	-	-	-	-	-	-	1,045,860	(503,860)
Replacement Meters	50-30-2-01	890,000	1,010,540	(120,540)	-	-	-	-	-	-	1,010,540	(120,540)
New Regulator Installations	50-32-1-01	50,000	111,982	(61,982)	-	-	-	-	-	-	111,982	(61,982)
Replacement Regulators	50-32-2-01	15,000	30,661	(15,661)	-	-	-	-	-	-	30,661	(15,661)
New Telemetering Installations	50-33-1-01	53,000	21,392	31,608	-	-	-	-	-	-	21,392	31,608
Replace Telemetering	50-33-2-01	41,000	-	41,000	-	-	-	-	-	-	41,000	41,000
New Training Equipment	50-35-1-01	50,000	-	50,000	32,694	-	32,694	-	-	-	32,694	17,306
Replace Training Equipment	50-35-2-01	75,000	-	75,000	7,254	-	7,254	-	-	-	7,254	67,746
AMR Installations	50-36-1-01	6,164,000	6,440,371	(276,371)	549,665	-	549,665	-	-	-	6,990,036	(826,036)
Replace AMR Units	50-36-2-01	360,000	354,213	5,787	-	-	-	-	-	-	354,213	5,787
Salvage	50-98-2-98	(39,000)	(5,485)	(33,515)	-	-	-	-	-	-	(5,485)	(33,515)
Contributions	50-94-1-94	(119,000)	(53,913)	(65,087)	-	-	-	-	-	-	(53,913)	(65,087)
Total Field Services		8,082,000	8,955,621	(873,621)	589,613	-	589,613	-	-	-	9,545,234	(1,463,234)
Transportation												
Shop Equipment - Additions	73-01-1-01	21,000	-	21,000	-	-	-	-	-	-	-	21,000
Mobile Radio Equip Repl	73-01-2-01	419,000	347,830	71,170	-	-	-	-	-	-	347,830	71,170
Vehicle Replacement	73-01-2-02	1,941,000	-	1,841,000	-	-	-	-	-	-	-	1,841,000
Mobile Equip Replacement	73-01-2-03	-	-	-	-	-	-	-	-	-	-	-
Shop Equipment Replacement	73-01-2-04	35,000	-	35,000	-	-	-	-	-	-	-	35,000
Salvage	73-98-2-98	-	(162,237)	162,237	(75,542)	-	(75,542)	-	-	-	(237,779)	237,779
Total Transportation		2,316,000	185,593	2,130,407	(75,542)	-	(75,542)	-	-	-	110,051	2,205,949

**PHILADELPHIA GAS WORKS
1999 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

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Building Services												
Miscellaneous - Additions	72-01-1-01	53,000	1,325	51,675	56,305	-	56,305				57,630	(4,630)
Additional Equipment	72-01-1-02	10,000	4,099	5,901	-	-	-				4,099	5,901
Additional Furniture	72-01-1-03	27,000	-	27,000	-	-	-				-	27,000
Miscellaneous - Replacements	72-01-2-01	153,000	12,959	140,041	4,230	152,082	156,312				169,271	(16,271)
Replacement Equipment	72-01-2-02	10,000	-	10,000	-	-	-				-	10,000
Replacement Furniture	72-01-2-03	44,000	-	44,000	3,586	-	3,586				3,586	40,414
Renovations - 1800-2	72-01-2-04	27,000	-	27,000	-	-	-				-	27,000
Convert HVAC to Gas	72-01-2-05	200,000	194,643	5,357	14,465	-	14,465				209,108	(9,108)
Replace UPS for Data Center	72-01-2-06	114,000	107,136	6,864	2,698	-	2,698				109,834	4,166
Total Building Services		638,000	320,162	317,838	81,284	152,082	233,366				553,528	84,472
Information Technology												
Management & Analytical Tools	47-01-1-01	285,000	-	285,000	-	115,000	115,000				115,000	170,000
Network Voice mail	47-01-1-02	254,000	254,000	-	-	-	-				254,000	-
Disaster Recovery Center	47-01-1-03	316,000	-	316,000	-	-	-				-	316,000
Call Center Enhancements	47-01-1-04	394,000	215,612	178,388	2,869	148,000	150,869				366,481	27,519
Computer/Telephony Integration	47-01-1-05	228,000	-	228,000	-	183,000	183,000				183,000	45,000
Y2K	47-01-1-06	1,016,000	-	1,016,000	-	-	-				-	1,016,000
System Services	47-01-2-01	1,948,000	931,809	1,016,191	3,262	-	3,262				935,071	1,012,929
Replace PBX System	47-01-2-02	2,760,000	1,080,027	1,679,973	638,502	1,041,471	1,679,973				2,760,000	-
Customer Satisfaction	47-01-2-03	33,000	-	33,000	-	-	-				-	33,000
Network Services	47-01-2-04	1,249,000	187,032	1,061,968	(54,688)	-	(54,688)				132,344	1,116,656
Total Information Technology		8,483,000	2,668,480	5,814,520	589,945	1,487,471	2,077,416				4,745,896	3,737,104

**PHILADELPHIA GAS WORKS
1999 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

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Other Departments												
Enhancements to FAMIS	40-01-1-01	900,000	-	900,000	-	-	-	-	-	-	-	900,000
Battery Management System	09-01-1-01	85,000	-	85,000	-	85,000	85,000	-	-	-	85,000	-
SCADA	09-01-2-01	999,000	679,850	319,150	330,972	-	330,972	-	-	-	1,010,822	(11,822)
Chemical Services Instrument	31-01-1-01	-	2,538	(2,538)	-	-	-	-	-	-	2,538	(2,538)
Holding Account	45-00-0-60	-	(74,445)	74,445	-	-	-	-	-	-	(74,445)	74,445
Total Other Departments		1,984,000	607,943	1,376,057	330,972	85,000	415,972	-	-	-	1,023,915	960,085
Total 1999 Capital Program		45,598,208	36,938,838	8,659,370	2,276,197	3,809,389	6,085,586	-	-	-	43,024,424	2,573,784

PHILADELPHIA GAS WORKS
2000 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW

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Gas Processing												
Miscellaneous Additions	53-01-1-01	15,000		15,000	5,593		5,593				5,593	9,407
Miscellaneous Replacements	53-01-2-01	26,000		26,000								26,000
Miscellaneous Additions	53-02-1-01	36,000		36,000	11,239		11,239				11,239	24,761
Liquefaction Plant Replacement	53-02-2-01	14,185,000		14,185,000		104,000	104,000	14,081,000			14,185,000	
Miscellaneous Replacement	53-02-2-02	139,000		139,000		75,000	75,000				75,000	64,000
Miscellaneous Additions	53-03-1-01	15,000		15,000		10,000	10,000				10,000	5,000
Building and Structures	53-03-2-01	65,000		65,000		30,000	30,000				30,000	35,000
Miscellaneous Replacements	53-03-2-02	32,000		32,000		15,000	15,000				15,000	17,000
Demolitions	53-03-2-99	26,000		26,000								26,000
Total Gas Processing		14,539,000		14,539,000	16,832	234,000	250,832	14,081,000			14,331,832	207,168
Distribution												
High Pressure												
Load Additions	52-20-1-01	200,000		200,000	100,739	99,000	199,739				199,739	261
Enforced Relocation	52-20-2-01	254,000		254,000	428,094	-	428,094				428,094	(174,094)
Low/Intermediate Pressure												
Increase Capacity	52-21-1-01	1,252,000		1,252,000	367,556	700,000	1,067,556				1,067,556	184,444
Enforced Relocation	52-21-2-01	3,729,000		3,729,000	1,731,860	1,997,000	3,728,860				3,728,860	140
Prudent Main Replacement	52-21-2-02	6,169,000		6,169,000	893,907	2,275,000	3,168,907	2,430,000			5,598,907	570,093
Joint Clamping 8" and Smaller	52-21-2-03	500,000		500,000		500,000	500,000				500,000	
Encapsulation 8" and Smaller	52-21-2-04	800,000		800,000		800,000	800,000				800,000	
Low/Intermediate - 12 IN and Larger												
Additional Load	52-22-1-01	75,000		75,000	1,426	70,000	71,426				71,426	3,574
Enforced Relocation	52-22-2-01	481,000		481,000	1,150,136		1,150,136				1,150,136	(669,136)
Encapsulation 12" and Larger	52-22-2-02	900,000		900,000		900,000	900,000				900,000	
Joint Clamping 12" and Larger	52-22-2-03	250,000		250,000		250,000	250,000				250,000	
Other Facilities												
Cathodic Protection	52-23-1-01	200,000		200,000		200,000	200,000				200,000	
Main Valves	52-23-2-01	75,000		75,000	33,228	40,000	73,228				73,228	1,772
Regulating/Corrosion Facilities	52-23-2-02	75,000		75,000		75,000	75,000				75,000	
Services												
New - 1-1/4" and Smaller	52-24-1-01	2,185,000		2,185,000	1,051,134	1,134,000	2,185,134				2,185,134	(134)
New - 2" or Larger	52-24-1-02	1,400,000		1,400,000	516,461	800,000	1,316,461				1,316,461	83,539
Replacement - 1-1/4" or Smaller	52-24-2-01	9,623,000		9,623,000	5,293,617	4,329,000	9,622,617				9,622,617	383
Replacement - 2" or Larger	52-24-2-02	603,000		603,000	332,597	270,000	602,597				602,597	403
Other Facilities												
Tools - Addition	52-29-1-01	200,000		200,000		200,000	200,000				200,000	
Tools - Replacement	52-29-2-01	200,000		200,000		200,000	200,000				200,000	

PHILADELPHIA GAS WORKS
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Reimbursement		(802,000)		(802,000)	(689,058)	(112,000)	(801,058)	(750,000)			(1,551,058)	749,058
Salvage					59		59				59	(59)
Additions/Advanced Eng	52-00-0-00				668,003	(668,011)	(8)				(8)	8
Total Distribution		28,369,000		28,369,000	11,879,759	14,058,989	25,938,748	1,680,000			27,618,748	750,252
Field Services												
New Meter Installation	50-30-1-01	1,842,000		1,842,000	516,660	1,325,296	1,841,956				1,841,956	44
Replacement Meters	50-30-2-01	1,255,000		1,255,000	23,703	968,853	992,556				992,556	262,444
New Regulator Installations	50-32-1-01	79,000		79,000	45,427	33,573	79,000				79,000	
Replacement Regulators	50-32-2-01	26,000		26,000	25,525	476	26,001				26,001	(1)
New Telemetry Installations	50-33-1-01	634,000		634,000	124,261	488,957	613,218				613,218	20,782
Replace Telemetry	50-33-2-01	42,000		42,000		42,000	42,000				42,000	
New Training Equipment	50-35-1-01	51,000		51,000	31,254	19,746	51,000				51,000	
Replace Training Equipment	50-35-2-01	50,000		50,000		50,000	50,000				50,000	
AMR Installations	50-36-1-01	1,836,000		1,836,000	333,853	3,502,147	3,836,000				3,836,000	(2,000,000)
Replace AMR Units	50-36-2-01	827,000		827,000	18,290	307,000	325,290				325,290	501,710
Salvage	50-98-2-98	(22,000)		(22,000)	(2,043)	(20,000)	(22,043)				(22,043)	43
Contributions	50-94-1-94	(121,000)		(121,000)	(100,133)	(19,000)	(119,133)				(119,133)	(1,867)
Total Field Services		6,499,000		6,499,000	1,016,797	6,699,048	7,715,845				7,715,845	(1,216,845)
Transportation												
Shop Equipment - Additions	73-01-1-01	23,000		23,000		23,000	23,000				23,000	
Mobile Radio Equip Repl	73-01-2-01	420,000		420,000		200,000	200,000				200,000	220,000
Vehicle Replacement	73-01-2-02	3,547,000		3,547,000	104,742		104,742				104,742	3,442,258
Mobile Equip Replacement	73-01-2-03	201,000		201,000		457,000	457,000				457,000	(256,000)
Shop Equipment Replacement	73-01-2-04	37,000		37,000		37,000	37,000				37,000	
Vehicle Maintenance Tracking	73-01-2-04	144,000		144,000		144,000	144,000				144,000	
Salvage	73-98-2-98	(291,000)		(291,000)				(291,000)			(291,000)	
Total Transportation		4,081,000		4,081,000	104,742	861,000	965,742	(291,000)			674,742	3,406,258

**PHILADELPHIA GAS WORKS
2000 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Building Services												
Miscellaneous - Additions	72-01-1-01	49,000		49,000		25,000	25,000				25,000	24,000
Additional Equipment	72-01-1-02	15,000		15,000		7,000	7,000				7,000	8,000
Additional Furniture	72-01-1-03	17,000		17,000		10,000	10,000				10,000	7,000
Construct New CNG Station	72-01-1-04	550,000		550,000	68,496	431,504	500,000	50,000			550,000	-
Geographical Information Sys	72-01-1-05	200,000		200,000		120,000	120,000	80,000			200,000	-
Miscellaneous - Replacements	72-01-2-01	100,000		100,000	13,305	-	13,305				13,305	86,695
Replacement Equipment	72-01-2-02	23,000		23,000		10,000	10,000				10,000	13,000
Replacement Furniture	72-01-2-03	53,000		53,000		20,000	20,000				20,000	33,000
Replace Concrete Ramp	72-01-2-04	248,000		248,000		248,000	248,000				248,000	-
Replace Underground Tank	72-01-2-05	154,000		154,000		-	-	154,000			154,000	-
Upgrade Chillers Refrigerant	72-01-2-06	97,000		97,000	84,904	-	84,904				84,904	12,096
Improve Facilities (Phase I)	72-01-2-07	75,000		75,000		75,000	75,000				75,000	-
Upgrade Customer Service Ctrs	72-01-2-08	525,000		525,000	1,533	300,000	301,533	223,000			524,533	467
Advanced Engineering					968,467	(968,467)	-				-	-
Total Building Services		2,106,000		2,106,000	1,136,705	278,037	1,414,742	507,000			1,921,742	184,258
Information Technology												
Desktop PC's & Peripherals	47-01-1-01	50,000		50,000	639	49,000	49,639				49,639	361
Server Hardware Upgrades	47-01-1-02	25,000		25,000		25,000	25,000				25,000	-
Enterprise & Endeavor Servers	47-01-1-03	120,000		120,000		120,000	120,000				120,000	-
Desktop Software Upgrades	47-01-2-01	40,000		40,000		40,000	40,000				40,000	-
Upgrade of Network Software	47-01-2-02	108,000		108,000		108,000	108,000				108,000	-
Desktop PC's & Peripherals	47-01-2-03	68,000		68,000		68,000	68,000				68,000	-
Replace Dialin Modem Pool	47-01-2-04	20,000		20,000		20,000	20,000				20,000	-
Replace 1015 Dell Desktops	47-01-2-05	22,000		22,000		22,000	22,000				22,000	-
Total Information Technology		453,000		453,000	639	452,000	452,639				452,639	361

**PHILADELPHIA GAS WORKS
2000 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Other Departments												
Enhancements to BCCS	10-01-1-01	402,000		402,000		500,000	500,000				500,000	(98,000)
Kiosk Upgrade	10-01-1-02	288,000		288,000		171,000	171,000				171,000	117,000
Diebold Pay Stations	10-01-1-03	386,000		386,000		80,000	80,000				80,000	306,000
Nice Log Enhancements	10-01-1-04	86,000		86,000		86,000	86,000				86,000	-
Modernize, Equip Training Area	10-01-1-05	150,000		150,000		150,000	150,000				150,000	-
PCB Gas Chromatograph	31-01-2-01	26,000		26,000		7,000	7,000	19,000			26,000	-
Automatic Shut-Off Test Pilot	42-01-1-01	100,000		100,000		-	-				-	100,000
Data Command Unit	42-01-2-01	214,000		214,000	175,314	38,685	213,999				213,999	1
MAPS System	71-01-2-01	1,269,000		1,269,000	79,242	1,189,000	1,268,242				1,268,242	758
Contract Mgt System Software	08-01-2-01	40,000		40,000		40,000	40,000				40,000	-
Filing Cabinets & Office Furn	08-01-2-02	35,000		35,000		25,000	25,000				25,000	10,000
HRIS w/ Payroll System	18-01-1-01	575,000		575,000		-	-	575,000			575,000	-
Holding Account					(2,617)		(2,617)				(2,617)	2,617
Total Other Departments		3,571,000		3,571,000	251,939	2,286,685	2,538,624	594,000			3,132,624	438,376
Total 2000 Capital Program		59,618,000		59,618,000	14,407,413	24,869,759	39,277,172	16,571,000			55,848,172	3,769,828
Total 1997 - 2000 Capital Programs		242,113,208	183,061,537	59,051,671	17,132,140	33,826,508	50,958,648	16,571,000			250,591,185	(8,477,977)

PHILADELPHIA GAS WORKS
2001 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW

<u>Budget Description</u>	<u>Budget Category</u>	<u>Amount Approved</u>	<u>Amount Spent (8/31/99)</u>	<u>Balance (8/31/99)</u>	<u>Actual FY00 Spending through 2/00</u>	<u>Forecast FY00 Spending 3/00 - 8/00</u>	<u>Total FY00 Spending</u>	<u>FY01 Spending</u>	<u>FY02 Spending</u>	<u>FY03 Spending</u>	<u>Total Spending</u>	<u>Budget Balance</u>
Gas Processing												
Miscellaneous Additions	53-01-1-01	26,000						26,000			26,000	
Miscellaneous Replacements	53-01-2-01	50,000						50,000			50,000	
Replace Odorant Injection Sys	53-01-2-02	199,000						199,000			199,000	
Miscellaneous Additions	53-02-1-01	75,000						75,000			75,000	
Liquefaction Plant Repl - (Ph I)	53-02-2-01	4,015,000						1,787,000	2,228,000		4,015,000	
Miscellaneous Replacement	53-02-2-02	140,000						140,000			140,000	
Repl Boil-Off Compressors	53-02-2-03											
Repl Fire Gates # 4 & # 10	53-02-2-04	158,000						158,000			158,000	
Miscellaneous Additions	53-03-1-01	25,000						25,000			25,000	
Building and Structures	53-03-2-01	67,000						67,000			67,000	
Miscellaneous Replacements	53-03-2-02	50,000						50,000			50,000	
Demolitions	53-03-2-99	27,000						27,000			27,000	
Total Gas Processing		4,832,000						2,604,000	2,228,000		4,832,000	
Distribution												
High Pressure												
Load Additions	52-20-1-01	168,000						168,000			168,000	
Enforced Relocation	52-20-2-01	1,528,000						1,222,400	305,600		1,528,000	
Low/Intermediate Pressure												
Increase Capacity	52-21-1-01	1,254,000						1,254,000			1,254,000	
Enforced Relocation	52-21-2-01	5,048,000						4,813,000	235,000		5,048,000	
Prudent Main Replacement	52-21-2-02	4,106,000						4,106,000			4,106,000	
Joint Clamping 8" and Smaller	52-21-2-03	500,000						500,000			500,000	
Encapsulation 8" and Smaller	52-21-2-04	800,000						800,000			800,000	
Low/Intermediate - 12 IN and Larger												
Additional Load	52-22-1-01	75,000						75,000			75,000	
Enforced Relocation	52-22-2-01	2,086,000						2,086,000			2,086,000	
Encapsulation 12" and Larger	52-22-2-02	900,000						900,000			900,000	
Joint Clamping 12" and Larger	52-22-2-03	250,000						250,000			250,000	
Regulation/Corrosion												
Cathodic Protection	52-23-1-01	200,000						200,000			200,000	
Main Valves	52-23-2-01	75,000						75,000			75,000	
Regulating/Corrosion Facilities	52-23-2-02	75,000						75,000			75,000	

**PHILADELPHIA GAS WORKS
2001 CAPITAL PROGRAM
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Services												
New - 1-1/4" and Smaller	52-24-1-01	2,199,000						2,199,000			2,199,000	
New - 2" or Larger	52-24-1-02	2,117,000						2,117,000			2,117,000	
Replacement - 1-1/4" or Smaller	52-24-2-01	12,097,000						12,097,000			12,097,000	
Replacement - 2" or Larger	52-24-2-02	827,000						827,000			827,000	
Other Facilities												
Tools - Addition	52-29-1-01	200,000						200,000			200,000	
GIS		800,000						800,000			800,000	
Tools - Replacement	52-29-2-01	200,000						200,000			200,000	
Reimbursement -Mkt-Frank		(2,775,000)						(862,000)	(1,913,000)		(802,000)	
Reimbursement		(802,000)						(400,000)	(402,000)		(802,000)	
Salvage												
Additions/Advanced Eng	52-00-0-00											
Total Distribution		31,928,000						33,702,400	(1,774,400)		31,928,000	
Field Services												
New Meter Installation	50-30-1-01	1,842,000						1,842,000			1,842,000	
Replacement Meters	50-30-2-01	1,196,000						1,196,000			1,196,000	
New Regulator Installations	50-32-1-01	80,000						80,000			80,000	
Replacement Regulators	50-32-2-01	28,000						28,000			28,000	
New Telemetering Installations	50-33-1-01	600,000						600,000			600,000	
Replace Telemetering	50-33-2-01	44,000						44,000			44,000	
New Training Equipment	50-35-1-01	25,000						25,000			25,000	
Replace Training Equipment	50-35-2-01	25,000						25,000			25,000	
AMR Installations	50-36-1-01	2,372,000						372,000			372,000	2,000,000
Replace AMR Units	50-36-2-01	325,000						325,000			325,000	
Salvage	50-98-2-98	(22,000)						(22,000)			(22,000)	
Contributions	50-94-1-94	(121,000)						(121,000)			(121,000)	
Total Field Services		6,394,000						4,394,000			4,394,000	2,000,000
Transportation												
Shop Equipment - Additions	73-01-1-01	39,000						39,000			39,000	
Mobile Equipment - Additions	73-01-1-02	34,000						34,000			34,000	
Vehicle Replacement	73-01-2-01	627,000										627,000
Mobile Equip Replacement	73-01-2-02	465,000						465,000			465,000	
Shop Equipment Replacement	73-01-2-03	56,000						56,000			56,000	
Salvage	73-98-2-98	(70,000)						(70,000)			(70,000)	
Total Transportation		1,151,000						524,000			524,000	627,000

**PHILADELPHIA GAS WORKS
2001 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

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<u>Building Services</u>												
Miscellaneous - Additions	72-01-1-01	50,000						50,000			50,000	
Additional Equipment	72-01-1-02	22,000						22,000			22,000	
Additional Furniture	72-01-1-03	11,000						11,000			11,000	
Increase Capacity-CNG Station	72-01-1-04	150,000						150,000			150,000	
Snow Brush for Snow Plows	72-01-1-05	15,000						15,000			15,000	
Miscellaneous - Replacements	72-01-2-01	102,000						102,000			102,000	
Replacement Equipment	72-01-2-02	21,000						21,000			21,000	
Replacement Furniture	72-01-2-03	11,000						11,000			11,000	
Replace Carpet - Various Loc.	72-01-2-04	50,000						50,000			50,000	
Replace HVAC System - 800	72-01-2-05	55,000						55,000			55,000	
Replace Windows - 1800	72-01-2-06	130,000						130,000			130,000	
Replace Air Compressor - 1849	72-01-2-07	50,000						50,000			50,000	
Improve Facilities - Tioga (Ph II)	72-01-2-08	75,000						75,000			75,000	
Replace Ramp - 1849 (Ph II)	72-01-2-09	153,000						153,000			153,000	
Upg. Office Ergonomics - 1800	72-01-2-10	100,000						100,000			100,000	
Security Systems for CSC	72-01-2-12	175,000						175,000			175,000	
Replace Call Master Phones	72-01-2-13	52,000						52,000			52,000	
Advanced Engineering												
Total Building Services		1,222,000						1,222,000			1,222,000	
<u>Information Technology</u>												
Database Performance Tools	47-01-1-01	170,000						170,000			170,000	
Configuration Management	47-01-1-02	250,000						250,000			250,000	
Software Testing Tools	47-01-1-03	342,000						342,000			342,000	
Kiosk Upgrade	47-01-1-04											
Upgrade GPOS7 to NT	47-01-1-05	92,000						92,000			92,000	
Desktop PC's & Peripherals	47-01-1-08	500,000										500,000
Server Hardware Upgrade	47-01-1-09	242,000						242,000			242,000	
Tape Library, & (2) Server CPU	47-01-1-10	66,000						66,000			66,000	
(2) Data Servers	47-01-1-11	310,000						310,000			310,000	
Direct Access Storage Devices	47-01-1-12	568,000						568,000			568,000	
Desktop Software Upgrades	47-01-2-01	40,000						40,000			40,000	
Replace 950 Dell Desktops	47-01-2-02	250,000										250,000
Desktop PC's & Peripherals	47-01-2-05	135,000										135,000
Replace Server & Netw. Hardw.	47-01-2-06	142,000						142,000			142,000	
Digital Data Interchange Upgr.	47-01-2-08	136,000						136,000			136,000	
Total Information Technology		3,243,000						2,358,000			2,358,000	885,000
<u>Other Departments</u>												
Customer Satisfaction Survey		100,000						100,000			100,000	
Customer Complaint Tracking		50,000						50,000				
BCCS Enhancements		500,000						500,000				
E-Mail ACD		100,000						100,000			100,000	
RTU @ M&R		27,000						27,000			27,000	

**PHILADELPHIA GAS WORKS
2001 CAPITAL PROGRAM
AUTHORIZATION/SPENDING REVIEW**

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SCADA Server		86,000						86,000			86,000	-
Operator Station SCADA		55,000						55,000			55,000	-
Total Other Departments		918,000						918,000			918,000	
Total 2001 Capital Program		49,688,000						45,722,400	453,600		46,176,000	3,512,000
Total 1997 - 2001 Capital Programs		291,801,208	183,061,537	59,051,671	17,132,140	33,826,508	50,958,648	62,293,400	453,600		296,767,185	(4,965,977)

PHILADELPHIA GAS WORKS

PROPOSED
CAPITAL BUDGET

FISCAL YEAR 2001 AND FORECAST 2002 THROUGH 2006

	2001 CAPITAL BUDGET	2002-2006 5 YEAR FORECAST	TOTAL 6 YEARS
GAS PROCESSING			
ADDITIONS	126,000	1,180,000	1,306,000
REPLACEMENTS	4,706,000	18,009,000	22,715,000
TOTAL	4,832,000	19,189,000	24,021,000
DISTRIBUTION			
ADDITIONS	7,013,000	34,404,000	41,417,000
REPLACEMENTS	28,492,000	149,716,000	178,208,000
GROSS TOTAL	35,505,000	184,120,000	219,625,000
LESS: REIMBURSEMENTS*	(3,577,000)	(4,056,000)	(7,633,000)
LESS: SALVAGE			
NET TOTAL	31,928,000	180,064,000	211,992,000
FIELD SERVICES			
ADDITIONS	4,919,000	13,045,000	17,964,000
REPLACEMENTS	1,618,000	19,155,000	20,773,000
GROSS TOTAL	6,537,000	32,200,000	38,737,000
LESS: CONTRIBUTIONS	(121,000)	(635,000)	(756,000)
LESS: SALVAGE	(22,000)	(116,000)	(138,000)
NET TOTAL	6,394,000	31,449,000	37,843,000
TRANSPORTATION			
ADDITIONS	73,000	210,000	283,000
REPLACEMENTS	1,148,000	17,390,000	18,538,000
GROSS TOTAL	1,221,000	17,600,000	18,821,000
LESS SALVAGE	(70,000)	(2,092,000)	(2,162,000)
NET TOTAL	1,151,000	15,508,000	16,659,000

PHILADELPHIA GAS WORKS

PROPOSED
CAPITAL BUDGET

FISCAL YEAR 2001 AND FORECAST 2002 THROUGH 2006

	2001 CAPITAL BUDGET	2002-2006 5 YEAR FORECAST	TOTAL 6 YEARS
OTHER DEPARTMENTS			
ADDITIONS	3,538,000	6,248,000	9,786,000
REPLACEMENTS	1,845,000	17,289,000	19,134,000
TOTAL	5,383,000	23,537,000	28,920,000
TOTAL			
ADDITIONS	15,669,000	55,087,000	70,756,000
REPLACEMENTS	37,809,000	221,559,000	259,368,000
GROSS TOTAL	53,478,000	276,646,000	330,124,000
LESS: REIMBURSEMENT	(3,577,000)	(4,056,000)	(7,633,000)
LESS: CONTRIBUTIONS	(121,000)	(635,000)	(756,000)
LESS: SALVAGE	(92,000)	(2,208,000)	(2,300,000)
NET TOTAL	49,688,000	269,747,000	319,435,000

* REIMBURSEMENT TO PGW FOR RELOCATING STRUCTURES AND EQUIPMENT

PHILADELPHIA GAS WORKS

 PROPOSED CAPITAL BUDGET
 =====

(COMPARISON)

DEPARTMENT	2000 BUDGET	2001 FORECAST	2001 BUDGET	---2001 VS 2000 BUDGET---		--2001 BUDGET VS FORECAST--	
				\$DIFFERENCE	%DIFFERENCE	\$DIFFERENCE	%DIFFERENCE

GAS PROCESSING							

ADDITIONS	66,000	126,000	126,000	60,000	90.9%		
REPLACEMENTS	14,473,000	2,688,000	4,706,000	(9,767,000)	-67.5%	2,018,000	75.1%
TOTAL	14,539,000	2,814,000	4,832,000	(9,707,000)	-66.8%	2,018,000	71.7%

DISTRIBUTION							

ADDITIONS	5,512,000	5,719,000	7,013,000	1,501,000	27.2%	1,294,000	22.6%
REPLACEMENTS	23,659,000	25,234,000	28,492,000	4,833,000	20.4%	3,258,000	12.9%
GROSS TOTAL	29,171,000	30,953,000	35,505,000	6,334,000	21.7%	4,552,000	14.7%
LESS REIMBURSEMENT	(802,000)	(817,000)	(3,577,000)	(2,775,000)	346.0%	(2,760,000)	337.8%
LESS SALVAGE					ERR		ERR
NET TOTAL	28,369,000	30,136,000	31,928,000	3,559,000	12.5%	1,792,000	5.9%

FIELD SERVICES							

ADDITIONS	4,442,000	3,044,000	4,919,000	477,000	10.7%	1,875,000	61.6%
REPLACEMENTS	2,200,000	2,027,000	1,618,000	(582,000)	-26.5%	(409,000)	-20.2%
GROSS TOTAL	6,642,000	5,071,000	6,537,000	(105,000)	-1.6%	1,466,000	28.9%
LESS CONTRIBUTIONS	(121,000)	(121,000)	(121,000)				
LESS SALVAGE	(22,000)	(22,000)	(22,000)				
NET TOTAL	6,499,000	4,928,000	6,394,000	(105,000)	-1.6%	1,466,000	29.7%

PHILADELPHIA GAS WORKS

 PROPOSED CAPITAL BUDGET
 =====

(COMPARISON)

DEPARTMENT	2000 BUDGET	2001 FORECAST	2001 BUDGET	----2001 VS 2000 BUDGET---	--2001 BUDGET VS FORECAST--		
				\$DIFFERENCE	%DIFFERENCE	\$DIFFERENCE	%DIFFERENCE

TRANSPORTATION							

ADDITIONS	23,000	37,000	73,000	50,000	217.4%	36,000	97.3%
REPLACEMENTS	4,349,000	4,774,000	1,148,000	(3,201,000)	-73.6%	(3,626,000)	-76.0%

GROSS TOTAL	4,372,000	4,811,000	1,221,000	(3,151,000)	-72.1%	(3,590,000)	-74.6%
LESS SALVAGE	(291,000)	(430,000)	(70,000)	221,000	-75.9%	360,000	-83.7%

NET TOTAL	4,081,000	4,381,000	1,151,000	(2,930,000)	-71.8%	(3,230,000)	-73.7%

OTHER							

ADDITIONS	3,013,000	2,014,000	3,538,000	525,000	17.4%	1,524,000	75.7%
REPLACEMENTS	3,117,000	2,951,000	1,845,000	(1,272,000)	-40.8%	(1,106,000)	-37.5%

TOTAL	6,130,000	4,965,000	5,383,000	(747,000)	-12.2%	418,000	8.4%

TOTAL							

ADDITIONS	13,056,000	10,940,000	15,669,000	2,613,000	20.0%	4,729,000	43.2%
REPLACEMENTS	47,798,000	37,674,000	37,809,000	(9,989,000)	-20.9%	135,000	0.4%

GROSS TOTAL	60,854,000	48,614,000	53,478,000	(7,376,000)	-12.1%	4,864,000	10.0%
LESS REIMBURSEMENT	(802,000)	(817,000)	(3,577,000)	(2,775,000)	346.0%	(2,760,000)	337.8%
LESS CONTRIBUTIONS	(121,000)	(121,000)	(121,000)				
LESS SALVAGE	(313,000)	(452,000)	(92,000)	221,000	-70.6%	360,000	-79.6%

NET TOTAL	59,618,000	47,224,000	49,688,000	(9,930,000)	-16.7%	2,464,000	5.2%
=====							

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 CAPITAL BUDGET

SUMMARY ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED
CURRENT BUDGET	15,548,000	15,548,000	34,140,000	33,686,000	49,688,000	49,234,000
YEAR 1				454,000		454,000
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	15,548,000	15,548,000	34,140,000	34,140,000	49,688,000	49,688,000

GAS PROCESSING DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

 SUMMARY

CATEGORY	ADDITIONS	REPLACEMENTS	COST OF REMOVAL	TOTAL
53-01 NATURAL GAS MEASUREMENT AND CONTROL FACILITIES	26,000	249,000		275,000
53-02 SUPPLEMENTAL GAS FACILITIES	75,000	4,313,000		4,388,000
53-03 BUILDING AND GROUNDS	25,000	117,000	27,000	169,000
TOTAL GAS PROCESSING	126,000	4,679,000	27,000	4,832,000

GAS PROCESSING DEPARTMENT

FISCAL YEAR 2001

BUDGET/FORECAST COMPARISON

CATEGORY		2000 BUDGET	2001 FORECAST	2001 BUDGET	2001 VS 2000 BUDGET		2001 VS FORECAST	
					\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
53-01	NATURAL GAS							
	ADDITIONS	15,000	26,000	26,000	11,000	73.3%	0	0.0%
	MEASUREMENT AND CONTROL FACILITIES	26,000	937,000	249,000	223,000	857.7%	(688,000)	-73.4%
	TOTAL	41,000	963,000	275,000	234,000	570.7%	(688,000)	-71.4%
53-02	SUPPLEMENTAL GAS FACILITIES							
	ADDITIONS	36,000	75,000	75,000	39,000	108.3%	0	0.0%
	REPLACEMENTS	14,324,000	1,607,000	4,313,000	(10,011,000)	-69.9%	2,706,000	168.4%
	TOTAL	14,360,000	1,682,000	4,388,000	(9,972,000)	-69.4%	2,706,000	160.9%
53-03	BUILDING AND GROUNDS							
	ADDITIONS	15,000	25,000	25,000	10,000	66.7%	0	0.0%
	REPLACEMENTS	123,000	144,000	144,000	21,000	17.1%	0	0.0%
	TOTAL	138,000	169,000	169,000	31,000	22.5%	0	0.0%
TOTAL GAS PROCESSING		14,539,000	2,814,000	4,832,000	(9,707,000)	-66.8%	2,018,000	71.7%

GAS PROCESSING DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

P GS-1	NATURAL GAS MEASUREMENT AND CONTROL FACILITIES	AMOUNT

2	53-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	26,000
1	53-01-2-01 REPLACE ODORANT INJECTION SYSTEM - RICHMOND	199,000
2	53-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS	50,000

TOTAL GS-1		275,000
=====		
P GS-2	SUPPLEMENTAL GAS FACILITIES	

2	53-02-1-01 MISCELLANEOUS CAPITAL ADDITIONS	75,000
2	53-02-2-01 LIQUEFACTION PLANT REPLACEMENT/ENHANCEMENT-PHASE I RICHMOND PLANT	4,015,000
2	53-02-2-02 REPLACE FIRE-GATES #4 AND #10	158,000
2	53-02-2-03 MISCELLANEOUS CAPITAL REPLACEMENTS	140,000

TOTAL GS-2		4,388,000
=====		
P GS-3	BUILDINGS AND GROUNDS	

2	53-03-1-01 MISCELLANEOUS CAPITAL ADDITIONS - ALL LOCATIONS	25,000
2	53-03-2-01 IMPROVEMENT OF BUILDINGS AND STRUCTURES - ALL LOCATIONS	67,000
2	53-03-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - ALL LOCATIONS	50,000
1	53-03-2-99 MISCELLANEOUS DEMOLITIONS - ALL LOCATIONS	27,000

TOTAL GS-3		169,000
=====		
TOTAL GAS PROCESSING DEPARTMENT:		4,832,000
=====		

GAS PROCESSING DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S	P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 1								

1	1	GS1 53-01-2-01 REPLACE ODORANT INJECTION SYSTEM - RICHMOND	199,000	199,000				
2	1	GS3 53-03-2-99 MISCELLANEOUS DEMOLITIONS - ALL LOCATIONS	27,000	27,000				
PRIORITY 2								

1	2	GS2 53-02-2-01 LIQUEFACTION PLANT REPLACEMENT/ENHANCEMENT-PHASE I RICHMOND PLANT	4,015,000	1,787,000	2,228,000			
2	2	GS2 53-02-2-02 REPLACE FIRE-GATES #4 AND #10	158,000	158,000				
1	2	GS2 53-02-2-03 MISCELLANEOUS CAPITAL REPLACEMENTS	140,000	140,000				
2	2	GS2 53-02-1-01 MISCELLANEOUS CAPITAL ADDITIONS	75,000	75,000				
2	2	GS3 53-03-2-01 IMPROVEMENT OF BUILDINGS AND STRUCTURES - ALL LOCATIONS	67,000	67,000				
1	2	GS3 53-03-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - ALL LOCATIONS	50,000	50,000				
2	2	GS1 53-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS	50,000	50,000				
2	2	GS1 53-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	26,000	26,000				

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 CAPITAL BUDGET

GAS PROCESSING DEPARTMENT ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED
CURRENT BUDGET	126,000	126,000	4,706,000	2,478,000	4,832,000	2,604,000
YEAR 1				2,228,000		2,228,000
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	126,000	126,000	4,706,000	4,706,000	4,832,000	4,832,000

DISTRIBUTION DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

SUMMARY

CATEGORY -----	ADDITIONS	REPLACEMENTS	GROSS TOTAL	REIM- BURSEMENT	SALVAGE	NET TOTAL
-----	-----	-----	-----	-----	-----	-----
52-20 GAS MAINS-HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)	168,000	1,528,000	1,696,000	(1,036,000)		660,000
52-21 GAS MAINS-LOW AND INTERMEDIATE PRESSURE -8IN AND SMALLER	1,254,000	10,454,000	11,708,000	(1,161,000)		10,547,000
52-22 GAS MAINS-LOW AND INTERMEDIATE PRESSURE-12IN AND LARGER	75,000	3,236,000	3,311,000	(1,380,000)		1,931,000
52-23 PRESSURE REGULATION AND CORROSION CONTROL FACILITIES	200,000	150,000	350,000			350,000
52-24 SERVICES	4,316,000	12,924,000	17,240,000			17,240,000
52-29 OTHER DISTRIBUTION FACILITIES	1,000,000	200,000	1,200,000			1,200,000
52-99 COST OF REMOVAL AND ABANDONMENT						
SALVAGE						
TOTAL DISTRIBUTION	7,013,000	28,492,000	35,505,000	(3,577,000)		31,928,000

DISTRIBUTION DEPARTMENT

FISCAL YEAR 2001

BUDGET/FORECAST COMPARISON

CATEGORY		2000 BUDGET	2001 FORECAST	2001 BUDGET	2001 VS 2000 BUDGET		2001 VS FORECAST	
					\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
52-20	GAS MAINS-HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)							
	ADDITIONS	200,000	306,000	168,000	(32,000)	-16.0%	(138,000)	-45.1%
	REPLACEMENTS	173,000	173,000	492,000	319,000	184.4%	319,000	184.4%
	TOTAL	373,000	479,000	660,000	287,000	76.9%	181,000	37.8%
52-21	GAS MAINS-LOW AND INTERMEDIATE PRESSURE -8IN AND SMALLER							
	ADDITIONS	1,252,000	1,276,000	1,254,000	2,000	0.2%	(22,000)	-1.7%
	REPLACEMENTS	10,627,000	10,843,000	9,293,000	(1,334,000)	-12.6%	(1,550,000)	-14.3%
	TOTAL	11,879,000	12,119,000	10,547,000	(1,332,000)	-11.2%	(1,572,000)	-13.0%
52-22	GAS MAINS-LOW AND INTERMEDIATE PRESSURE-12IN AND LARGER							
	ADDITIONS	75,000	76,000	75,000	0	0.0%	(1,000)	-1.3%
	REPLACEMENTS	1,481,000	2,036,000	1,856,000	375,000	25.3%	(180,000)	-8.8%
	TOTAL	1,556,000	2,112,000	1,931,000	375,000	24.1%	(181,000)	-8.6%
52-23	PRESSURE REGULA- TION AND CORROSION CONTROL FACILITIES							
	ADDITIONS	200,000	204,000	200,000	0	0.0%	(4,000)	-2.0%
	REPLACEMENTS	150,000	153,000	150,000	0	0.0%	(3,000)	-2.0%
	TOTAL	350,000	357,000	350,000	0	0.0%	(7,000)	-2.0%
52-24	SERVICES							
	ADDITIONS	3,585,000	3,653,000	4,316,000	731,000	20.4%	663,000	18.1%
	REPLACEMENTS	10,226,000	11,008,000	12,924,000	2,698,000	26.4%	1,916,000	17.4%
	TOTAL	13,811,000	14,661,000	17,240,000	3,429,000	24.8%	2,579,000	17.6%
52-29	OTHER DISTRIBUTION FACILITIES							
	ADDITIONS	200,000	204,000	1,000,000	800,000	400.0%	796,000	390.2%
	REPLACEMENTS	200,000	204,000	200,000	0	0.0%	(4,000)	-2.0%
	TOTAL	400,000	408,000	1,200,000	800,000	200.0%	792,000	194.1%
52-99	COST OF REMOVAL AND ABANDONMENT			0	0	N/A	0	N/A
	SALVAGE	0		0	0	N/A	0	N/A
TOTAL DISTRIBUTION		28,369,000	30,136,000	31,928,000	3,559,000	12.5%	1,792,000	5.9%

DISTRIBUTION DEPARTMENT

FISCAL YEAR 2001 CAPITAL BUDGET

	GAS MAINS - HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)	AMOUNT
<hr/>		
P D-20	4 52-20-1-01 INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND EXTENSIONS TO SUPPLY ADDITIONAL LOADS	168,000
3	52-20-2-01 ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK	1,528,000
	GROSS TOTAL D-20	1,696,000
52-20-2-97	LESS REIMBURSEMENT	(1,036,000)
	NET TOTAL D-20	660,000
		<hr/> <hr/>

	GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8IN AND SMALLER	
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D-21	4 52-21-1-01 LOCAL MAINS TO SUPPLY NEW HOUSES AND TO PROVIDE FOR INCREASED CAPACITY	1,254,000
3	52-21-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK AND ENLARGEMENTS THAT MAY BE REQUIRED TO MAINTAIN SYSTEM PRESSURE	5,048,000
1	52-21-2-02 PRUDENT MAIN REPLACEMENTS	4,106,000
1	52-21-2-03 JOINT CLAMPING 8" AND SMALLER	500,000
1	52-21-2-04 ENCAPSULATION 8" AND SMALLER	800,000
	GROSS TOTAL D-21	11,708,000
52-21-2-97	LESS REIMBURSEMENT	(1,161,000)
	NET TOTAL D-21	10,547,000
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DISTRIBUTION DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

	GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 12IN AND LARGER	AMOUNT
4	52-22-1-01 TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INSTALLATION OF MAINS AHEAD-OF-PAVING	75,000
3	52-22-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK, AND NECESSARY REPLACEMENTS	2,086,000
1	52-22-2-02 ENCAPSULATION 12" AND LARGER	900,000
1	52-22-2-03 JOINT CLAMPING 12" AND LARGER	250,000
	GROSS TOTAL D-22	3,311,000
52-22-2-97	LESS REIMBURSEMENT	(1,380,000)
	NET TOTAL D-22	1,931,000

	PRESSURE REGULATION AND CORROSION CONTROL FACILITIES (NOT INCLUDED IN D-20 OR D-22)	
2	52-23-1-01 CATHODIC PROTECTION OF UNPROTECTED STEEL MAIN	200,000
1	52-23-2-01 REPLACEMENT OF HIGH PRESSURE MAIN VALVES	75,000
2	52-23-2-02 REPLACEMENT OF VARIOUS PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	75,000
	NET TOTAL D-23	350,000

DISTRIBUTION DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

P D-24	SERVICES	AMOUNT
-----		-----
4	52-24-1-01 INSTALLATION OF NEW 1-1/4" AND SMALLER SERVICES, HIGH, INTERMEDIATE AND LOW PRESSURE	2,199,000
4	52-24-1-02 INSTALLATION OF NEW 2 IN. AND LARGER SERVICES TO SUPPLY NEW LOAD	2,117,000
1	52-24-2-01 RENEWAL OF 1 1/4" AND SMALLER SERVICES FOR PRUDENT REASONS, AS A RESULT OF LEAK SURVEYS, CUSTOMER COMPLAINTS OR CITY AND STATE WORK	12,097,000
1	52-24-2-02 RENEWAL OF 2" AND LARGER SERVICES RESULTING FROM LEAKS OR OTHER REASONS	827,000
NET TOTAL D-24		17,240,000 =====
	D-29 OTHER DISTRIBUTION FACILITIES	

5	52-29-1-01 ADDITIONAL TOOLS AND WORK EQUIPMENT	200,000
5	52-29-1-02 GEOGRAPHICAL INFORMATION SYSTEM	800,000
2	52-29-2-01 REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK EQUIPMENT	200,000
NET TOTAL D-29		1,200,000 =====
1	52-99-2-99 REMOVAL AND ABANDONMENTS	-----
-----		-----
	GROSS TOTAL DISTRIBUTION DEPARTMENT	35,505,000
	LESS REIMBURSEMENTS	(3,577,000)
52-98-2-98	LESS SALVAGE	-----
NET TOTAL DISTRIBUTION DEPARTMENT		31,928,000 =====

DISTRIBUTION DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S	P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 1								

1	1	D24 52-24-2-01 RENEWAL OF 1 1/4" AND SMALLER SERVICES FOR PRUDENT REASONS, AS A RESULT OF LEAK SURVEYS, CUSTOMER COMPLAINTS OR CITY AND STATE WORK	12,097,000	12,097,000				
1	1	D21 52-21-2-02 PRUDENT MAIN REPLACEMENTS	4,106,000	4,106,000				
2	1	D22 52-22-2-02 ENCAPSULATION 12" AND LARGER	900,000	900,000				
1	1	D24 52-24-2-02 RENEWAL OF 2" AND LARGER SERVICES RESULTING FROM LEAKS OR OTHER REASONS	827,000	827,000				
2	1	D21 52-21-2-04 ENCAPSULATION 8" AND SMALLER	800,000	800,000				
2	1	D21 52-21-2-03 JOINT CLAMPING 8" AND SMALLER	500,000	500,000				
2	1	D22 52-22-2-03 JOINT CLAMPING 12" AND LARGER	250,000	250,000				
1	1	D23 52-23-2-01 REPLACEMENT OF HIGH PRESSURE MAIN VALVES	75,000	75,000				
PRIORITY 2								

2	2	D29 52-29-2-01 REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK EQUIPMENT	200,000	200,000				

DISTRIBUTION DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S	P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 2								

1	2	D23 52-23-1-01 CATHODIC PROTECTION OF UNPROTECTED STEEL MAIN	200,000	200,000				
1	2	D23 52-23-2-02 REPLACEMENT OF VARIOUS PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	75,000	75,000				
PRIORITY 3								

2	3	D21 52-21-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK AND ENLARGEMENTS THAT MAY BE REQUIRED TO MAINTAIN SYSTEM PRESSURE	5,048,000	4,813,000	235,000			
2	3	D22 52-22-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK, AND NECESSARY REPLACEMENTS	2,086,000	2,086,000				
2	3	D20 52-20-2-01 ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK	1,528,000	1,222,000	306,000			
PRIORITY 4								

3	4	D24 52-24-1-01 INSTALLATION OF NEW 1-1/4" AND SMALLER SERVICES, HIGH, INTERMEDIATE AND LOW PRESSURE	2,199,000	2,199,000				
3	4	D24 52-24-1-02 INSTALLATION OF NEW 2 IN. AND LARGER SERVICES TO SUPPLY NEW LOAD	2,117,000	2,117,000				

DISTRIBUTION DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 4							

3 4 D21	52-21-1-01 LOCAL MAINS TO SUPPLY NEW HOUSES AND TO PROVIDE FOR INCREASED CAPACITY	1,254,000	1,254,000				
3 4 D20	52-20-1-01 INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND EXTENSIONS TO SUPPLY ADDITIONAL LOADS	168,000	168,000				
3 4 D22	52-22-1-01 TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INSTALLATION OF MAINS AHEAD-OF-PAVING	75,000	75,000				
PRIORITY 5							

2 5 D29	52-29-1-02 GEOGRAPHICAL INFORMATION SYSTEM	800,000	800,000				
2 5 D29	52-29-1-01 ADDITIONAL TOOLS AND WORK EQUIPMENT	200,000	200,000				
REIMBURSEMENT							

	LESS: REIMBURSEMENT	(3,577,000)	(1,262,000)	(2,315,000)			

	TOTAL DISTRIBUTION DEPARTMENT:	31,928,000	33,702,000	(1,774,000)			
	ACQUIRE ASSETS	31,928,000	33,702,000	(1,774,000)			
	LEASE						
=====							

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 CAPITAL BUDGET

DISTRIBUTION DEPARTMENT ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED
CURRENT BUDGET	7,013,000	7,013,000	24,915,000	26,689,000	31,928,000	33,702,000
YEAR 1				(1,774,000)		(1,774,000)
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	7,013,000	7,013,000	24,915,000	24,915,000	31,928,000	31,928,000

FIELD SERVICES DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

 SUMMARY

CATEGORY	ADDITIONS	REPLACEMENTS	TOTAL
50-30 METERS & INSTALLATION	1,842,000	1,196,000	3,038,000
50-32 SERVICE REGULATORS AND INSTALLATIONS	80,000	28,000	108,000
50-33 COMMERCIAL & INDUSTRIAL TELEMETERING SYSTEMS	600,000	44,000	644,000
50-34 METER SHOP EQUIPMENT			
50-35 SERVICE SECTION EQUIPMENT	25,000	25,000	50,000
50-36 AUTOMATIC METER READING	2,372,000	325,000	2,697,000
50-99 COST OF REMOVAL			
GROSS TOTAL	4,919,000	1,618,000	6,537,000
LESS: SALVAGE		(22,000)	(22,000)
CONTRIBUTIONS	(121,000)		(121,000)
NET TOTAL FIELD SERVICES	4,798,000	1,596,000	6,394,000

FIELD SERVICES DEPARTMENT

FISCAL YEAR 2001

BUDGET/FORECAST COMPARISON

CATEGORY		2000 BUDGET	2001 FORECAST	2001 BUDGET	2001 VS 2000 BUDGET		2001 VS FORECAST	
					\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
50-30 METERS	ADDITIONS	1,842,000	1,994,000	1,842,000	0	0.0%	(152,000)	-7.6%
	REPLACEMENTS	1,255,000	1,115,000	1,196,000	(59,000)	-4.7%	81,000	7.3%
	TOTAL	3,097,000	3,109,000	3,038,000	(59,000)	-1.9%	(71,000)	-2.3%
50-32 SERVICE REGULATORS AND INSTALLATIONS	ADDITIONS	79,000	80,000	80,000	1,000	1.3%	0	0.0%
	REPLACEMENTS	26,000	28,000	28,000	2,000	7.7%	0	0.0%
	TOTAL	105,000	108,000	108,000	3,000	2.9%	0	0.0%
50-33 TELEMETERING AND INSTALLATIONS	ADDITIONS	634,000	655,000	600,000	(34,000)	-5.4%	(55,000)	-8.4%
	REPLACEMENTS	42,000	44,000	44,000	2,000	4.8%	0	0.0%
	TOTAL	676,000	699,000	644,000	(32,000)	-4.7%	(55,000)	-7.9%
50-34 METER SHOP EQUIPMENT	ADDITIONS	0	0	0	0	N/A	0	N/A
	REPLACEMENTS	0	0	0	0	N/A	0	N/A
	TOTAL	0	0	0	0	N/A	0	N/A
50-35 SERVICE SECTION EQUIPMENT	ADDITIONS	51,000	136,000	25,000	(26,000)	-51.0%	(111,000)	-81.6%
	REPLACEMENTS	50,000	50,000	25,000	(25,000)	-50.0%	(25,000)	-50.0%
	TOTAL	101,000	186,000	50,000	(51,000)	-50.5%	(136,000)	-73.1%
50-36 AUTOMATIC METER READING	ADDITIONS	1,836,000	179,000	2,372,000	536,000	29.2%	2,193,000	1225.1%
	REPLACEMENTS	827,000	790,000	325,000	(502,000)	-60.7%	(465,000)	-58.9%
	TOTAL	2,663,000	969,000	2,697,000	34,000	1.3%	1,728,000	178.3%
50-99 COST OF REMOVAL			0	0	0	N/A	0	N/A
SALVAGE		(22,000)	(22,000)	(22,000)	0	0.0%	0	0.0%
CONTRIBUTIONS		(121,000)	(121,000)	(121,000)	0	0.0%	0	0.0%
TOTAL FIELD SERVICES		6,499,000	4,928,000	6,394,000	(105,000)	-1.6%	1,466,000	29.7%

FIELD SERVICES DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

P	C-30	METERS	AMOUNT
-----			-----
4	50-30-1-01	PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR NEW CUSTOMERS	1,842,000
1	50-30-2-01	PURCHASE METERS TO SUPPORT AUTOMATIC METER READING	1,196,000
TOTAL C-30			3,038,000
			=====

C-32	SERVICE REGULATORS	-----	-----
4	50-32-1-01	PURCHASE AND INSTALLATION OF SERVICE REGULATORS	80,000
1	50-32-2-01	PURCHASE VARIOUS SIZE SERVICE REGULATORS	28,000
TOTAL C-32			108,000
			=====

C-33	COMMERCIAL & INDUSTRIAL TELEMETERING SYSTEMS	-----	-----
5	50-33-1-01	PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	600,000
1	50-33-2-01	REPLACE BPS METSCAN AND LBS METRETEK UNITS, EQUIPMENT AND INSTRUMENTATION	44,000
TOTAL C-33			644,000
			=====

C-34	METER SHOP EQUIPMENT	-----	-----
5	50-34-1-01	PURCHASE NEW SHOP TOOLS/EQUIPMENT AND AUTOMATED SYSTEMS	
2	50-34-2-01	REPLACEMENT OF OBSOLETE SHOP EQUIPMENT AND HAND-HELD TOOLS	
TOTAL C-34			-----
			=====

FIELD SERVICES DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

P	C-35	SERVICE SECTION EQUIPMENT	AMOUNT
-----			-----
5	50-35-1-01	PURCHASE EQUIPMENT UTILIZED BY THE TRAINING AND SERVICE SECTIONS	25,000
2	50-35-2-01	REPLACE EQUIPMENT UTILIZED BY THE TRAINING, CLERICAL AND SERVICE SECTIONS	25,000
TOTAL C-35			50,000
			=====
	C-36	AUTOMATIC METER READING	

5	50-36-1-01	PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	2,372,000
5	50-36-2-01	REPLACE AMR DEVICES WHERE BATTERIES FAILED	325,000
TOTAL C-36			2,697,000
			=====
1	50-99-2-99	COST OF REMOVAL	
-----			=====
GROSS TOTAL FIELD SERVICES DEPARTMENT			6,537,000
	50-98-2-98	LESS ESTIMATED SALVAGE	(22,000)
	50-94-1-94	LESS CONTRIBUTIONS	(121,000)
NET TOTAL FIELD SERVICES DEPARTMENT			6,394,000
			=====

FIELD SERVICES DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S	P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 1								

1	1	C30 50-30-2-01 PURCHASE METERS TO SUPPORT AUTOMATIC METER READING	1,196,000	1,196,000				
1	1	C33 50-33-2-01 REPLACE BPS METSCAN AND LBS METRETEK UNITS, EQUIPMENT AND INSTRUMENTATION	44,000	44,000				
1	1	C32 50-32-2-01 PURCHASE VARIOUS SIZE SERVICE REGULATORS	28,000	28,000				
PRIORITY 2								

4	2	C35 50-35-2-01 REPLACE EQUIPMENT UTILIZED BY THE TRAINING, CLERICAL AND SERVICE SECTIONS	25,000	25,000				
PRIORITY 4								

3	4	C30 50-30-1-01 PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR NEW CUSTOMERS	1,842,000	1,842,000				
3	4	C32 50-32-1-01 PURCHASE AND INSTALLATION OF SERVICE REGULATORS	80,000	80,000				

FIELD SERVICES DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 5							

1 5	C36 50-36-1-01 PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	2,372,000	2,372,000				
1 5	C33 50-33-1-01 PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	600,000	600,000				
1 5	C36 50-36-2-01 REPLACE AMR DEVICES WHERE BATTERIES FAILED	325,000	325,000				
4 5	C35 50-35-1-01 PURCHASE EQUIPMENT UTILIZED BY THE TRAINING AND SERVICE SECTIONS	25,000	25,000				

CONTRIBUTIONS & SALVAGE							

	LESS: CONTRIBUTIONS	(121,000)	(121,000)				
	LESS: SALVAGE	(22,000)	(22,000)				

	TOTAL FIELD SERVICES DEPARTMENT:	6,394,000	6,394,000				
	ACQUIRE ASSETS	6,394,000	6,394,000				
	LEASE						
=====							

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 CAPITAL BUDGET

FIELD SERVICES DEPARTMENT ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED
----- CURRENT BUDGET	4,798,000	4,798,000	1,596,000	1,596,000	6,394,000	6,394,000
YEAR 1						
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	4,798,000	4,798,000	1,596,000	1,596,000	6,394,000	6,394,000

TRANSPORTATION DEPARTMENT

 FISCAL YEAR 2001 CAPITAL BUDGET

P		AMOUNT
-		-----
2	73-01-1-01 SHOP EQUIPMENT ADDITIONS	39,000
2	73-01-1-02 MOBILE EQUIPMENT ADDITIONS	34,000
2	73-01-2-01 VEHICLE REPLACEMENTS	627,000
2	73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	465,000
2	73-01-2-03 SHOP EQUIPMENT REPLACEMENTS	56,000
	GROSS TOTAL TRANSPORTATION	----- 1,221,000
	73-98-2-98 LESS: ESTIMATED NET SALVAGE	(70,000)
	NET TOTAL TRANSPORTATION	----- 1,151,000 =====

TRANSPORTATION DEPARTMENT

FISCAL YEAR 2001

BUDGET/FORECAST COMPARISON

	2000 BUDGET	2001 FORECAST	2001 BUDGET	2001 VS 2000 BUDGET		2001 VS FORECAST	
				\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
73-01-1-01 MOBILE EQUIPMENT ADDITIONS	0	0	34,000	34,000	N/A	34,000	N/A.
73-01-1-02 ADDL SHOP TOOLS & EQUIP	23,000	37,000	39,000	16,000	69.6%	2,000	5.4%
73-01-2-01 VEHICLE MAINT. TRACKING SYS	144,000		0	(144,000)	N/A	0	N/A
73-01-2-02 VEHICLE REPLACEMENTS	3,547,000	3,941,000	627,000	(2,920,000)	-82.3%	(3,314,000)	-84.1%
73-01-2-03 MOBILE EQUIP REPLACEMENTS	201,000	361,000	465,000	264,000	131.3%	104,000	28.8%
73-01-2-04 REPLACE SHOP TOOLS & EQUIP	37,000	55,000	56,000	19,000	51.4%	1,000	1.8%
73-01-2-05 REPLACE MOBILE RADIO EQUIP	420,000	417,000		(420,000)	N/A	(417,000)	N/A
GROSS TOTAL	4,372,000	4,811,000	1,221,000	(3,151,000)	-72.1%	(3,590,000)	-74.6%
LESS: SALVAGE	(291,000)	(430,000)	(70,000)	221,000	-75.9%	360,000	-83.7%
NET TOTAL	4,081,000	4,381,000	1,151,000	(2,930,000)	-71.8%	(3,230,000)	-73.7%

TRANSPORTATION DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 2							

2 2 T	73-01-2-01 VEHICLE REPLACEMENTS*	627,000	627,000				
2 2 T	73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	465,000	465,000				
2 2 T	73-01-2-03 SHOP EQUIPMENT REPLACEMENTS	56,000	56,000				
2 2 T	73-01-1-01 SHOP EQUIPMENT ADDITIONS	39,000	39,000				
2 2 T	73-01-1-02 MOBILE EQUIPMENT ADDITIONS	34,000	34,000				
SALVAGE							

	LESS: SALVAGE	(70,000)	(70,000)				

	TOTAL TRANSPORTATION DEPARTMENT:	1,151,000	1,151,000				
	ACQUIRE ASSETS - CAPITAL	524,000	524,000				
	OPERATING LEASE*	627,000	627,000				
=====							

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 CAPITAL BUDGET

TRANSPORTATION DEPARTMENT ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED
CURRENT BUDGET	73,000	73,000	1,078,000	1,078,000	1,151,000	1,151,000
YEAR 1						
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	73,000	73,000	1,078,000	1,078,000	1,151,000	1,151,000

OTHER DEPARTMENTS

 FISCAL YEAR 2001 CAPITAL BUDGET

SUMMARY

	ADDITIONS	REPLACEMENTS	TOTAL
	-----	-----	-----
EXECUTIVE VICE PRESIDENT & COO			

BUILDING SERVICES	248,000	974,000	1,222,000
VP CUSTOMER AFFAIRS	750,000		750,000
GAS CONTROL & ACQUISITION		168,000	168,000
INFORMATION TECHNOLOGY	2,540,000	703,000	3,243,000
	=====	=====	=====
TOTAL EXECUTIVE VICE PRESIDENT & COO	3,538,000	1,845,000	5,383,000
	=====	=====	=====
TOTAL OTHER DEPARTMENTS	3,538,000	1,845,000	5,383,000
	=====	=====	=====

OTHER DEPARTMENTS

FISCAL YEAR 2001

BUDGET/FORECAST COMPARISON

					2001 VS 2000 BUDGET		2001 VS FORECAST	
		2000 BUDGET	2001 FORECAST	2001 BUDGET	\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
EXECUTIVE VICE PRESIDENT & COO								
VP CUSTOMER AFFAIRS	ADDITIONS	1,312,000	1,101,000	750,000	(562,000)	-42.8%	(351,000)	-31.9%
	REPLACEMENTS			0	0	N/A	0	N/A
	TOTAL	1,312,000	1,101,000	750,000	(562,000)	-42.8%	(351,000)	-31.9%
INFORMATION TECHNOLOGY	ADDITIONS	195,000	800,000	2,540,000	2,345,000	1202.6%	1,740,000	217.5%
	REPLACEMENTS	258,000	841,000	703,000	445,000	172.5%	(138,000)	-16.4%
	TOTAL	453,000	1,641,000	3,243,000	2,790,000	615.9%	1,602,000	97.6%
BUILDING SERVICES	ADDITIONS	831,000	77,000	248,000	(583,000)	-70.2%	171,000	222.1%
	REPLACEMENTS	1,275,000	2,110,000	974,000	(301,000)	-23.6%	(1,136,000)	-53.8%
	TOTAL	2,106,000	2,187,000	1,222,000	(884,000)	-42.0%	(965,000)	-44.1%
CHEMICAL SERVICES	ADDITIONS		36,000	0	0	N/A	(36,000)	N/A
	REPLACEMENTS	26,000		0	(26,000)	N/A	0	N/A
	TOTAL	26,000	36,000	0	(26,000)	N/A	(36,000)	N/A
GAS CONTROL & ACQUISITION	ADDITIONS			0	0	N/A	0	N/A
	REPLACEMENTS			168,000	168,000	N/A	168,000	N/A
	TOTAL	0	0	168,000	168,000	N/A	168,000	N/A
METER READING	ADDITIONS	100,000		0	(100,000)	N/A	0	N/A
	REPLACEMENTS	214,000		0	(214,000)	N/A	0	N/A
	TOTAL	314,000	0	0	(314,000)	N/A	0	N/A
MATERIALS MANAGEMENT	ADDITIONS			0	0	N/A	0	N/A
	REPLACEMENTS	1,269,000		0	(1,269,000)	N/A	0	N/A
	TOTAL	1,269,000	0	0	(1,269,000)	N/A	0	N/A
CUSTOMER SERVICE	ADDITIONS			0	0	N/A	0	N/A
	REPLACEMENTS			0	0	N/A	0	N/A
	TOTAL	0	0	0	0	N/A	0	N/A
TOTAL EXEC VP & COO		5,480,000	4,965,000	5,383,000	(97,000)	-1.8%	418,000	8.4%

OTHER DEPARTMENTS

 FISCAL YEAR 2001

 BUDGET/FORECAST COMPARISON

			2001 VS 2000 BUDGET		2001 VS FORECAST		
	2000 BUDGET	2001 FORECAST	2001 BUDGET	\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
SR VP & CHIEF FINANCIAL OFFICER							
OFFICE OF SR VP & CFO							
ADDITIONS			0	0	N/A	0	N/A
REPLACEMENTS			0	0	N/A	0	N/A
TOTAL	0	0	0	0	N/A	0	N/A
TOTAL SR VP & CFO	0	0	0	0	N/A	0	N/A
SR VP & GENERAL COUNSEL							
OFFICE OF SR VP & GENERAL COUNSEL							
ADDITIONS			0	0	N/A	0	N/A
REPLACEMENTS	75,000		0	(75,000)	N/A	0	N/A
TOTAL	75,000	0	0	(75,000)	N/A	0	N/A
VP HUMAN RESOURCES							
ADDITIONS	575,000		0	(575,000)	N/A	0	N/A
REPLACEMENTS			0	0	N/A	0	N/A
TOTAL	575,000	0	0	(575,000)	N/A	0	N/A
TOTAL SR VP & GENERAL COUNSEL	650,000	0	0	(650,000)	N/A	0	N/A
TOTAL OTHER DEPARTMENTS	6,130,000	4,965,000	5,383,000	(747,000)	-12.2%	418,000	8.4%

BUILDING SERVICES

FISCAL YEAR 2001

BUDGET/FORECAST COMPARISON

CATEGORY	2000 BUDGET	2001 FORECAST	2001 BUDGET	2001 VS 2000 BUDGET		2001 VS FORECAST	
				\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
72-01-1-01 MISC. CAPITAL ADDITIONS	49,000	55,000	65,000	16,000	32.7%	10,000	18.2%
72-01-1-02 OFFICE FURNITURE & EQUIP	32,000	22,000	33,000	1,000	3.1%	11,000	50.0%
72-01-1-03 INSTALL CNG STATION - PASSYUNK	550,000			(550,000)	N/A	0	N/A
72-01-1-04 GIS SYSTEM	200,000			(200,000)	N/A	0	N/A
72-01-1-05 INCREASE CAPACITY OF CNG STATION - NORRIS			150,000	150,000	N/A	150,000	N/A
72-01-2-01 OFFICE FURNITURE & EQUIP.	76,000	22,000	32,000	(44,000)	-57.9%	10,000	45.5%
72-01-2-02 MISC. CAPITAL REPLACEMENTS	100,000	159,000	102,000	2,000	2.0%	(57,000)	-35.8%
72-01-2-03 REPLACE CONCRETE RAMP - 1849 N. NINTH	248,000		153,000	(95,000)	-38.3%	153,000	N/A
72-01-2-04 REPLACE HVAC SYSTEM - 800 WEST		51,000	55,000	55,000	N/A	4,000	7.8%
72-01-2-05 REPLACE LOBBY SECURITY CONSOLE - 800 WEST		679,000		0	N/A	(679,000)	N/A
72-01-2-06 REPL UNDERGROUND STORAGE TANK - 9TH & DIAMOND	154,000			(154,000)	N/A	0	N/A
72-01-2-07 REPLACE WINDOWS -1800 N 9TH			130,000	130,000	N/A	130,000	N/A
72-01-2-08 UPGRADE EXISTING CHILLER - 1800 N 9TH	97,000			(97,000)	N/A	0	N/A
72-01-2-09 REPLACE HEATING BOILER - 1800 N 9TH		122,000		0	N/A	(122,000)	N/A
72-01-2-10 REPLACE AIR COMPRESSOR & PIPING - 1849 N 9TH			50,000	50,000	N/A	50,000	N/A
72-01-2-11 REPLACE CARPET AT VARIOUS LOCATIONS		50,000	50,000	50,000	N/A	0	0.0%
72-01-2-12 UPGRADE FACILITIES (PHASES I & II) - TIOGA	75,000	100,000	75,000	0	0.0%	(25,000)	-25.0%
72-01-2-13 UPGRADE CUSTOMER SERVICE CENTERS (PHASES I & II)	525,000	606,000		(525,000)	N/A	(606,000)	N/A
72-01-2-14 SECURITY SYSTEMS FOR CSC			175,000	175,000	N/A	175,000	N/A
72-01-2-15 REPLACE ELECTRIC A/C WITH GAS UNITS		251,000		0	N/A	(251,000)	N/A

BUILDING SERVICES

 FISCAL YEAR 2001

 BUDGET/FORECAST COMPARISON

CATEGORY	2000 BUDGET	2001 FORECAST	2001 BUDGET	2001 VS 2000 BUDGET		2001 VS FORECAST	
				\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
72-01-2-16 UPGRADE OFFICE ERGONOMICS (PHASE I) 1800 N 9TH			100,000	100,000	N/A	100,000	N/A
72-01-2-17 REPLACE CALL MASTER PHONES			52,000	52,000	N/A	52,000	N/A
72-01-2-18 REPLACE ROOF - 1800 N 9TH		70,000		0	N/A	(70,000)	N/A
TOTAL BUILDING SERVICES	2,106,000	2,187,000	1,222,000	(884,000)	-42.0%	(965,000)	-44.1%

OTHER DEPARTMENTS

 FISCAL YEAR 2001 CAPITAL BUDGET

P	DEPARTMENT	AMOUNT
-----		-----
	EXECUTIVE VICE PRESIDENT & COO	
	=====	
	BUILDING SERVICES	

5	72-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	65,000
5	72-01-1-02 ADDITIONAL OFFICE EQUIPMENT FOR ALL DEPARTMENTS	22,000
5	72-01-1-03 ADDITIONAL OFFICE FURNITURE FOR ALL DEPARTMENTS	11,000
2	72-01-1-04 CNG STATION ENHANCEMENTS- 9TH & NORRIS	150,000
2	72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS	102,000
5	72-01-2-02 REPLACEMENT OF OFFICE EQUIPMENT FOR ALL DEPTS.	21,000
5	72-01-2-03 REPLACEMENT OF OFFICE FURNITURE FOR ALL DEPTS.	11,000
1	72-01-2-04 REPLACE CONCRETE RAMP (PHASE II) - 1849 N 9TH	153,000
2	72-01-2-05 REPLACE CARPET - VARIOUS LOCATIONS	50,000
2	72-01-2-06 REPLACE HVAC SYSTEM - 800 WEST	55,000
5	72-01-2-07 IMPROVE FACILITIES (PHASE II) - TIOGA	75,000
2	72-01-2-08 REPLACE WINDOWS - 1800 N 9TH	130,000
2	72-01-2-09 REPLACE AIR COMPRESSOR & PIPING ~ 1849 N 9TH	50,000
5	72-01-2-10 UPGRADE OFFICE ERGONOMICS - 1800 N 9TH	100,000
5	72-01-2-11 SECURITY SYSTEMS FOR CUSTOMER SERVICE CENTERS	175,000
5	72-01-2-12 REPLACE CALL MASTER PHONES	52,000

	TOTAL BUILDING SERVICES	1,222,000

OTHER DEPARTMENTS

 FISCAL YEAR 2001 CAPITAL BUDGET

P	DEPARTMENT	AMOUNT
-	-----	-----
	INFORMATION TECHNOLOGY -----	
5	47-01-1-01 DESKTOP PC'S, PERIPHERALS AND SOFTWARE	500,000
5	47-01-1-02 SERVER HARDWARE UPGRADES	242,000
5	47-01-1-03 DATABASE PERFORMANCE TOOLS	170,000
5	47-01-1-04 CONFIGURATION MANAGEMENT	250,000
5	47-01-1-05 SOFTWARE TESTING TOOLS	342,000
5	47-01-1-06 DIRECT ACCESS STORAGE DEVICES	568,000
5	47-01-1-07 UPGRADE GPOS7 TO NT	92,000
5	47-01-1-08 (2) ADDITIONAL DATA SERVERS	310,000
5	47-01-1-09 UPGRADE DATA TAPE LIBRARY, & (2) ADDITIONAL CPU	66,000
5	47-01-2-01 DESKTOP PC'S, PERIPHERALS AND SOFTWARE	135,000
5	47-01-2-02 DESKTOP SOFTWARE UPGRADES	40,000
5	47-01-2-03 FIBER DIGITAL DATA INTERCHANGE UPGRADE	136,000
5	47-01-2-04 REPLACE 950 DELL OPTIFLEX DESKTOPS	250,000
5	47-01-2-05 REPLACE SERVER & NETWORK HARDWARE	142,000
	TOTAL INFORMATION TECHNOLOGY	----- 3,243,000

OTHER DEPARTMENTS

 FISCAL YEAR 2001 CAPITAL BUDGET

P	DEPARTMENT	AMOUNT
-	-----	-----
	VP CUSTOMER AFFAIRS	

5	10-01-1-01 CUSTOMER SATISFACTION SURVEY	100,000
5	10-01-1-02 E-MAIL ACD	100,000
5	10-01-1-03 CUSTOMER COMPLAINT	50,000
5	10-01-1-04 BCCS ENHANCEMENTS	500,000
	TOTAL VP CUSTOMER AFFAIRS	750,000
	GAS CONTROL & ACQUISITION	

2	09-01-2-01 REPLACE REMOTE TERMINAL UNIT COMPONENTS- OTHER LOC	27,000
2	09-01-2-02 REPLACE SERVERS FOR SCADA SYSTEM	86,000
2	09-01-2-03 REPLACE OPERATOR STATIONS FOR SCADA SYSTEM	55,000
	TOTAL GAS CONTROL & ACQUISITION	168,000
	TOTAL EXECUTIVE VICE PRESIDENT & COO	5,383,000
	TOTAL OTHER DEPARTMENTS	5,383,000

OTHER DEPARTMENTS

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S	P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 1								

2	1	72-01-2-04 REPLACE CONCRETE RAMP (PHASE II) - 1849 N 9TH	153,000	153,000				

PRIORITY 2								

2	2	72-01-1-04 CNG STATION ENHANCEMENTS- 9TH & NORRIS	150,000	150,000				
2	2	72-01-2-08 REPLACE WINDOWS - 1800 N 9TH	130,000	130,000				
2	2	72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS	102,000	102,000				
2	2	09-01-2-02 REPLACE SERVERS FOR SCADA SYSTEM	86,000	86,000				
2	2	72-01-2-06 REPLACE HVAC SYSTEM - 800 WEST	55,000	55,000				
2	2	09-01-2-03 REPLACE OPERATOR STATIONS FOR SCADA SYSTEM	55,000	55,000				
2	2	72-01-2-09 REPLACE AIR COMPRESSOR & PIPING - 1849 N 9TH	50,000	50,000				
2	2	72-01-2-05 REPLACE CARPET - VARIOUS LOCATIONS	50,000	50,000				
2	2	09-01-2-01 REPLACE REMOTE TERMINAL UNIT COMPONENTS- OTHER LOC	27,000	27,000				

OTHER DEPARTMENTS

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S	P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 5								

2	5	47-01-1-06 DIRECT ACCESS STORAGE DEVICES	568,000	568,000				
2	5	47-01-1-01 DESKTOP PC'S, PERIPHERALS AND SOFTWARE*	500,000	500,000				
1	5	10-01-1-04 BCCS ENHANCEMENTS	500,000	500,000				
2	5	47-01-1-05 SOFTWARE TESTING TOOLS	342,000	342,000				
2	5	47-01-1-08 (2) ADDITIONAL DATA SERVERS	310,000	310,000				
2	5	47-01-1-04 CONFIGURATION MANAGEMENT	250,000	250,000				
2	5	47-01-2-04 REPLACE 950 DELL OPTIFLEX DESKTOPS*	250,000	250,000				
2	5	47-01-1-02 SERVER HARDWARE UPGRADES	242,000	242,000				
2	5	72-01-2-11 SECURITY SYSTEMS FOR CUSTOMER SERVICE CENTERS	175,000	175,000				
2	5	47-01-1-03 DATABASE PERFORMANCE TOOLS	170,000	170,000				
2	5	47-01-2-05 REPLACE SERVER & NETWORK HARDWARE	142,000	142,000				
2	5	47-01-2-03 FIBER DIGITAL DATA INTERCHANGE UPGRADE	136,000	136,000				

OTHER DEPARTMENTS

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 5							

2 5	47-01-2-01 DESKTOP PC'S, PERIPHERALS AND SOFTWARE*	135,000	135,000				
2 5	72-01-2-10 UPGRADE OFFICE ERGONOMICS - 1800 N 9TH	100,000	100,000				
1 5	10-01-1-02 E-MAIL ACD	100,000	100,000				
1 5	10-01-1-01 CUSTOMER SATISFACTION SURVEY	100,000	100,000				
2 5	47-01-1-07 UPGRADE GPOS7 TO NT	92,000	92,000				
2 5	72-01-2-07 IMPROVE FACILITIES (PHASE II) - TIOGA	75,000	75,000				
2 5	47-01-1-09 UPGRADE DATA TAPE LIBRARY, & (2) ADDITIONAL CPU	66,000	66,000				
2 5	72-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	65,000	65,000				
2 5	72-01-2-12 REPLACE CALL MASTER PHONES	52,000	52,000				
1 5	10-01-1-03 CUSTOMER COMPLAINT	50,000	50,000				
2 5	47-01-2-02 DESKTOP SOFTWARE UPGRADES	40,000	40,000				
2 5	72-01-1-02 ADDITIONAL OFFICE EQUIPMENT FOR ALL DEPARTMENTS	22,000	22,000				

OTHER DEPARTMENTS

LISTING BY PRIORITY

FISCAL YEAR 2001 CAPITAL BUDGET

S P	CATEGORY	AMOUNT	BUD YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4 +

PRIORITY 5							

2 5	72-01-2-02 REPLACEMENT OF OFFICE EQUIPMENT FOR ALL DEPTS.	21,000	21,000				
2 5	72-01-1-03 ADDITIONAL OFFICE FURNITURE FOR ALL DEPARTMENTS	11,000	11,000				
2 5	72-01-2-03 REPLACEMENT OF OFFICE FURNITURE FOR ALL DEPTS.	11,000	11,000				

	TOTAL OTHER DEPARTMENTS:	5,383,000	5,383,000				
	ACQUIRE ASSETS - CAPITAL	4,498,000	4,498,000				
	OPERATING LEASE*	885,000	885,000				
=====							

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 CAPITAL BUDGET

OTHER DEPARTMENTS ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED
CURRENT BUDGET	3,538,000	3,538,000	1,845,000	1,845,000	5,383,000	5,383,000
YEAR 1						
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	3,538,000	3,538,000	1,845,000	1,845,000	5,383,000	5,383,000

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 AND FORECAST 2002 THROUGH 2006

DEPARTMENT	2001	FORECAST					TOTAL
	CAPITAL BUDGET	2002	2003	2004	2005	2006	6 YEARS
GAS PROCESSING							
ADDITIONS	126,000	131,000	617,000	141,000	145,000	146,000	1,306,000
REPLACEMENTS	4,706,000	10,609,000	3,871,000	2,219,000	777,000	533,000	22,715,000
TOTAL	4,832,000	10,740,000	4,488,000	2,360,000	922,000	679,000	24,021,000
ACQUIRE ASSETS LEASE	4,832,000	10,740,000	4,488,000	2,360,000	922,000	679,000	24,021,000
DISTRIBUTION							
ADDITIONS	7,013,000	6,674,000	6,772,000	6,873,000	6,977,000	7,108,000	41,417,000
REPLACEMENTS	28,492,000	29,624,000	29,624,000	30,152,000	30,158,000	30,158,000	178,208,000
GROSS TOTAL	35,505,000	36,298,000	36,396,000	37,025,000	37,135,000	37,266,000	219,625,000
LESS REIMBURSEMENT	(3,577,000)	(802,000)	(802,000)	(816,000)	(818,000)	(818,000)	(7,633,000)
LESS SALVAGE							
NET TOTAL	31,928,000	35,496,000	35,594,000	36,209,000	36,317,000	36,448,000	211,992,000
ACQUIRE ASSETS LEASE	31,928,000	35,496,000	35,594,000	36,209,000	36,317,000	36,448,000	211,992,000

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 AND FORECAST 2002 THROUGH 2006

DEPARTMENT	2001	FORECAST					TOTAL
	CAPITAL BUDGET	2002	2003	2004	2005	2006	6 YEARS
FIELD SERVICES							
ADDITIONS	4,919,000	2,896,000	2,432,000	2,519,000	2,551,000	2,647,000	17,964,000
REPLACEMENTS	1,618,000	1,861,000	1,877,000	1,943,000	6,631,000	6,843,000	20,773,000
GROSS TOTAL	6,537,000	4,757,000	4,309,000	4,462,000	9,182,000	9,490,000	38,737,000
LESS CONTRIBUTIONS	(121,000)	(121,000)	(124,000)	(127,000)	(130,000)	(133,000)	(756,000)
LESS SALVAGE	(22,000)	(22,000)	(23,000)	(23,000)	(24,000)	(24,000)	(138,000)
NET TOTAL	6,394,000	4,614,000	4,162,000	4,312,000	9,028,000	9,333,000	37,843,000
ACQUIRE ASSETS LEASE	6,394,000	4,614,000	4,162,000	4,312,000	9,028,000	9,333,000	37,843,000
TRANSPORTATION							
ADDITIONS	73,000	41,000	41,000	42,000	42,000	44,000	283,000
REPLACEMENTS*	1,148,000	2,448,000	2,961,000	3,473,000	3,995,000	4,513,000	18,538,000
GROSS TOTAL	1,221,000	2,489,000	3,002,000	3,515,000	4,037,000	4,557,000	18,821,000
LESS SALVAGE	(70,000)	(396,000)	(407,000)	(418,000)	(429,000)	(442,000)	(2,162,000)
NET TOTAL	1,151,000	2,093,000	2,595,000	3,097,000	3,608,000	4,115,000	16,659,000
ACQUIRE ASSETS - CAPITAL	524,000	2,093,000	2,595,000	3,097,000	3,608,000	4,115,000	16,032,000
OPERATING LEASE*	627,000						627,000

PHILADELPHIA GAS WORKS

FISCAL YEAR 2001 AND FORECAST 2002 THROUGH 2006

DEPARTMENT	2001	FORECAST					TOTAL
	CAPITAL BUDGET	2002	2003	2004	2005	2006	6 YEARS
OTHER							
ADDITIONS*	3,538,000	2,212,000	1,713,000	1,012,000	991,000	320,000	9,786,000
REPLACEMENTS*	1,845,000	4,387,000	3,775,000	3,084,000	2,275,000	3,768,000	19,134,000
TOTAL	5,383,000	6,599,000	5,488,000	4,096,000	3,266,000	4,088,000	28,920,000
ACQUIRE ASSETS - CAPITAL	3,871,000	6,599,000	5,488,000	4,096,000	3,266,000	4,088,000	27,408,000
OPERATING LEASE*	1,512,000						1,512,000
TOTAL							
ADDITIONS	15,669,000	11,954,000	11,575,000	10,587,000	10,706,000	10,265,000	70,756,000
REPLACEMENTS	37,809,000	48,929,000	42,108,000	40,871,000	43,836,000	45,815,000	259,368,000
GROSS TOTAL	53,478,000	60,883,000	53,683,000	51,458,000	54,542,000	56,080,000	330,124,000
LESS REIMBURSEMENT	(3,577,000)	(802,000)	(802,000)	(816,000)	(818,000)	(818,000)	(7,633,000)
LESS CONTRIBUTIONS	(121,000)	(121,000)	(124,000)	(127,000)	(130,000)	(133,000)	(756,000)
LESS SALVAGE	(92,000)	(418,000)	(430,000)	(441,000)	(453,000)	(466,000)	(2,300,000)
NET TOTAL	49,688,000	59,542,000	52,327,000	50,074,000	53,141,000	54,663,000	319,435,000
ACQUIRE ASSETS - CAPITAL	47,549,000	59,542,000	52,327,000	50,074,000	53,141,000	54,663,000	317,296,000
OPERATING LEASE*	2,139,000						2,139,000

PHILADELPHIA GAS WORKS

 PROPOSED 2002-2006 FORECAST
 =====
 (COMPARISON)

DEPARTMENT	2001-2005 FORECAST	2002-2006 FORECAST	AMOUNT DIFF.	PERCENT DIFF.
<u>GAS PROCESSING</u>				
ADDITIONS	1,160,000	1,180,000	20,000	1.7%
REPLACEMENTS	32,802,000	18,009,000	(14,793,000)	-45.1%
TOTAL	33,962,000	19,189,000	(14,773,000)	-43.5%
<u>DISTRIBUTION</u>				
ADDITIONS	29,700,000	34,404,000	4,704,000	15.8%
REPLACEMENTS	131,055,000	149,716,000	18,661,000	14.2%
GROSS TOTAL	160,755,000	184,120,000	23,365,000	14.5%
LESS REIMBURSEMENT	(4,245,000)	(4,056,000)	189,000	-4.5%
LESS SALVAGE				ERR
NET TOTAL	156,510,000	180,064,000	23,554,000	15.0%
<u>FIELD SERVICES</u>				
ADDITIONS	13,623,000	13,045,000	(578,000)	-4.2%
REPLACEMENTS	15,113,000	19,155,000	4,042,000	26.7%
GROSS TOTAL	28,736,000	32,200,000	3,464,000	12.1%
LESS CONTRIBUTIONS	(635,000)	(635,000)		
LESS SALVAGE	(116,000)	(116,000)		
NET TOTAL	27,985,000	31,449,000	3,464,000	12.4%

PHILADELPHIA GAS WORKS

 PROPOSED 2002-2006 FORECAST
 =====
 (COMPARISON)

DEPARTMENT	2001-2005 FORECAST	2002-2006 FORECAST	AMOUNT DIFF.	PERCENT DIFF.
TRANSPORTATION				
ADDITIONS	195,000	210,000	15,000	7.7%
REPLACEMENTS	25,469,000	17,390,000	(8,079,000)	-31.7%
GROSS TOTAL	25,664,000	17,600,000	(8,064,000)	-31.4%
LESS SALVAGE	(2,274,000)	(2,092,000)	182,000	-8.0%
NET TOTAL	23,390,000	15,508,000	(7,882,000)	-33.7%
OTHER				
ADDITIONS	4,176,000	6,248,000	2,072,000	49.6%
REPLACEMENTS	11,577,000	17,289,000	5,712,000	49.3%
TOTAL	15,753,000	23,537,000	7,784,000	49.4%
TOTAL				
ADDITIONS	48,854,000	55,087,000	6,233,000	12.8%
REPLACEMENTS	216,016,000	221,559,000	5,543,000	2.6%
GROSS TOTAL	264,870,000	276,646,000	11,776,000	4.4%
LESS REIMBURSEMENT	(4,245,000)	(4,056,000)	189,000	-4.5%
LESS CONTRIBUTIONS	(635,000)	(635,000)		
LESS SALVAGE	(2,390,000)	(2,208,000)	182,000	-7.6%
NET TOTAL	257,600,000	269,747,000	12,147,000	4.7%

GAS PROCESSING DEPARTMENT

 FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P		2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST

	GS-1 NATURAL GAS MEASUREMENT AND CONTROL FACILITIES								

A 2	53-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS - ALL LOCATIONS	15,000	26,000	27,000	28,000	29,000	30,000	30,000	144,000
A 2	53-01-2-01 REPLACE NATURAL GAS HEATER A. WHITMAN M&R STATION B. RICHMOND M&R STATION			556,000		584,000			556,000 584,000
A 1	53-01-2-02 REPLACE OODRIZATION MONITORING SYSTEM - ALL LOCATIONS			64,000					64,000
A 2	53-01-2-03 REPLACE FUEL GAS VALVES AND BURNER MANAGEMENT SYSTEM - SOMERTON STAT.			206,000					206,000
A 2	53-01-2-04 MISCELLANEOUS CAPITAL REPLACEMENTS- ALL LOCATIONS	26,000	50,000	52,000	54,000	56,000	58,000	60,000	280,000
A 2	53-01-2-05 REPLACE CONTROL AND POSITIVE SHUTOFF VALVES - M&R STATIONS A. SOMERTON M&R STATION B. IVY HILL M&R STATION			163,000		158,000			163,000 158,000

GAS PROCESSING DEPARTMENT

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P		2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	GS-1 NATURAL GAS MEASUREMENT AND CONTROL FACILITIES								
A 1	53-01-2-06 REPLACE ODORANT INJECTION SYSTEM - RICHMOND		199,000						
A 1	53-01-2-07 REPLACE ALLEGHENY MAIN 150 PSIG OVER- PRESSURIZATION SYSTEM			77,000					77,000
	TOTAL GS-1	41,000	275,000	1,145,000	824,000	85,000	88,000	90,000	2,232,000
	GS-2 SUPPLEMENTAL GAS FACILITIES								
A 2	53-02-1-01 MISCELLANEOUS CAPITAL ADDITIONS - ALL LOCATIONS	36,000	75,000	78,000	81,000	84,000	86,000	86,000	415,000
A 1	53-02-1-02 INSTALL FOAM GENERATOR AND SUMP PUMP IN LNG CONTAINMENT BASIN EAST OF E-22F VAPORIZER - RICHMOND PLANT				481,000				481,000
A 2	53-02-2-01 LIQUEFACTION PLANT REPLACEMENT/ ENHANCEMENT (PHASE 1) - RICHMOND	14,185,000	4,015,000						

GAS PROCESSING DEPARTMENT

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P		2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	GS-2 SUPPLEMENTAL GAS FACILITIES								
A 2	53-02-2-02 LIQUEFACTION PLANT REPLACEMENT/ ENHANCEMENT (PHASE II) - RICHMOND			9,000,000					9,000,000
A 2	53-02-2-03 INCREMENTAL REPLACEMENT OF PLANT INSTRUMENTATION - RICHMOND						224,000		224,000
A 2	53-02-2-04 REPLACE FIRE GATES #4 & #10		158,000						
A 1	53-02-2-05 REPLACE VAPORIZATION OUTLET PIPING WITH STAINLESS STEEL - PASSYUNK			198,000					198,000
A 2	53-02-2-06 REPLACE NG FACILITIES INSTRUMENTATION				2,500,000			149,000	2,649,000
A 2	53-02-2-07 REPLACE GAS-ENGINE DRIVEN BOIL-OFF COMPRESSORS - RICHMOND								
A 1	53-02-2-08 REPLACE LNG TANK TEMPERATURE DATA SYSTEM - RICHMOND PLANT				132,000				132,000

GAS PROCESSING DEPARTMENT

 FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P		2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST	

	GS-2 SUPPLEMENTAL GAS FACILITIES									

A 2	53-02-2-09	MISCELLANEOUS CAPITAL REPLACEMENTS- ALL LOCATIONS	139,000	140,000	144,000	148,000	152,000	156,000	156,000	756,000
A 1	53-02-2-10	REPLACE INSTRUMENT AIR COMPRESSORS - RICHMOND					160,000			160,000
		TOTAL GS-2	14,360,000	4,388,000	9,420,000	3,342,000	396,000	466,000	391,000	14,015,000
			=====	=====	=====	=====	=====	=====	=====	=====
	GS-3 BUILDING AND GROUNDS									

A 2	53-03-1-01	MISCELLANEOUS CAPITAL ADDITIONS - ALL LOCATIONS	15,000	25,000	26,000	27,000	28,000	29,000	30,000	140,000
A 2	53-03-2-01	IMPROVEMENTS OF BUILDINGS AND STRUCTURES - ALL LOCATIONS	65,000	67,000	69,000	71,000	73,000	75,000	77,000	365,000
A 2	53-03-2-02	MISCELLANEOUS CAPITAL REPLACEMENTS- ALL LOCATIONS	32,000	50,000	52,000	54,000	56,000	58,000	60,000	280,000
A 2	53-03-2-03	MODIFY MAIN OFFICE - GAS CONTROL					175,000			175,000
A 2	53-03-2-04	RENOVATE LNG CONTROL ROOM- RICHMOND				141,000				141,000

DISTRIBUTION DEPARTMENT

 FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P		2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	D-20 HIGH PRESSURE MAINS								
A 4	52-20-1-01 UNSPECIFIED	200,000	168,000	168,000	171,000	174,000	177,000	180,000	870,000
A 3	52-20-2-01 CITY AND STATE WORK	254,000	1,528,000	254,000	254,000	254,000	260,000	260,000	1,282,000
	GROSS TOTAL D-20	454,000	1,696,000	422,000	425,000	428,000	437,000	440,000	2,152,000
	52-20-2-97 LESS: REIMBURSEMENT	(81,000)	(1,036,000)	(86,000)	(86,000)	(86,000)	(88,000)	(88,000)	(434,000)
	NET TOTAL D-20	373,000	660,000	336,000	339,000	342,000	349,000	352,000	1,718,000
	D-21 8IN. AND SMALLER I.P. AND L.P. MAIN								
A 4	52-21-1-01 ADDITIONS	1,252,000	1,254,000	1,615,000	1,647,000	1,680,000	1,714,000	1,748,000	8,404,000
A 3	52-21-2-01 CITY AND STATE WORK	3,729,000	5,048,000	4,690,000	4,690,000	4,783,000	4,783,000	4,783,000	23,729,000
A 1	52-21-2-02 PRUDENT	6,169,000	4,106,000	8,475,000	8,475,000	8,644,000	8,644,000	8,644,000	42,882,000
A 1	52-21-2-03 JOINT CLAMPING 8" AND SMALLER	500,000	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
A 1	52-21-2-04 ENCAPSULATION 8" AND SMALLER	800,000	800,000	800,000	800,000	800,000	800,000	800,000	4,000,000
	GROSS TOTAL D-21	12,450,000	11,708,000	16,080,000	16,112,000	16,407,000	16,441,000	16,475,000	81,515,000
	52-21-2-97 LESS: REIMBURSEMENT	(571,000)	(1,161,000)	(634,000)	(634,000)	(646,000)	(646,000)	(646,000)	(3,206,000)
	NET TOTAL D-21	11,879,000	10,547,000	15,446,000	15,478,000	15,761,000	15,795,000	15,829,000	78,309,000

FIELD SERVICES DEPARTMENT

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P		2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	C-30 METERS								
A 4	50-30-1-01 ADDITIONS AND INSTALLATIONS	1,842,000	1,842,000	1,976,000	2,026,000	2,076,000	2,128,000	2,182,000	10,388,000
A 1	50-30-2-01 REPLACEMENTS	1,255,000	1,196,000	1,069,000	1,089,000	1,110,000	1,131,000	1,153,000	5,552,000
	TOTAL C-30	3,097,000	3,038,000	3,045,000	3,115,000	3,186,000	3,259,000	3,335,000	15,940,000
	C-32 SERVICES REGULATORS								
A 4	50-32-1-01 ADDITIONS AND INSTALLATIONS	79,000	80,000	82,000	85,000	87,000	89,000	91,000	434,000
A 1	50-32-2-01 REPLACEMENTS	26,000	28,000	28,000	28,000	29,000	30,000	31,000	146,000
	TOTAL C-32	105,000	108,000	110,000	113,000	116,000	119,000	122,000	580,000
	C-33 TELEMETERING								
A 5	50-33-1-01 ADDITIONS AND INSTALLATIONS	634,000	600,000	579,000	83,000	85,000	86,000	89,000	922,000
A 1	50-33-2-01 REPLACEMENTS	42,000	44,000	44,000	47,000	48,000	49,000	50,000	238,000
	TOTAL C-33	676,000	644,000	623,000	130,000	133,000	135,000	139,000	1,160,000

FIELD SERVICES DEPARTMENT

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P		2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	C-34 METER SHOP EQUIPMENT								
A 5	50-34-1-01 ADDITIONS								
A 2	50-34-2-01 REPLACEMENTS								
	TOTAL C-34								
	C-35 SERVICE SECTION EQUIPMENT								
A 5	50-35-1-01 ADDITIONS	51,000	25,000	51,000	25,000	53,000	25,000	55,000	209,000
A 2	50-35-2-01 REPLACEMENTS	50,000	25,000	50,000	25,000	52,000	25,000	54,000	206,000
	TOTAL C-35	101,000	50,000	101,000	50,000	105,000	50,000	109,000	415,000
	C-36 AUTOMATIC METER READING								
A 5	50-36-1-01 ADDITIONS	1,836,000	2,372,000	208,000	213,000	218,000	223,000	230,000	1,092,000
A 5	50-36-2-01 REPLACEMENTS	827,000	325,000	670,000	688,000	704,000	5,396,000	5,555,000	13,013,000
	TOTAL C-36	2,663,000	2,697,000	878,000	901,000	922,000	5,619,000	5,785,000	14,105,000

FIELD SERVICES DEPARTMENT

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P		2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	C-37 AUTOMATED DISPATCHING SYSTEM								
	TOTAL C-37								
A 1	C-99 COST OF REMOVAL								
	GROSS TOTAL FIELD SERVICES DEPT.	6,642,000	6,537,000	4,757,000	4,309,000	4,462,000	9,182,000	9,490,000	32,200,000
	50-94-1-94 LESS: CONTRIBUTIONS	(121,000)	(121,000)	(121,000)	(124,000)	(127,000)	(130,000)	(133,000)	(635,000)
	50-98-2-98 LESS: SALVAGE	(22,000)	(22,000)	(22,000)	(23,000)	(23,000)	(24,000)	(24,000)	(116,000)
	NET TOTAL FIELD SERVICES DEPT.	6,499,000	6,394,000	4,614,000	4,162,000	4,312,000	9,028,000	9,333,000	31,449,000
	ACQUIRE ASSETS LEASE	6,499,000	6,394,000	4,614,000	4,162,000	4,312,000	9,028,000	9,333,000	31,449,000

OTHER DEPARTMENTS

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P	DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	EXECUTIVE VICE PRESIDENT & COO								
	BUILDING SERVICES								
A 5	72-01-1-01 ADDITIONAL FURNITURE, OFFICE MACHINES, & EQUIPMENT - ALL DEPTS	32,000	33,000	22,000	22,000	22,000	22,000	22,000	110,000
A 5	72-01-1-02 MISCELLANEOUS CAPITAL ADDITIONS	49,000	65,000	52,000	54,000	56,000	58,000	60,000	280,000
A 2	72-01-1-03 CONSTRUCT CNG STATION	550,000			650,000		650,000		1,300,000
A 5	72-01-1-04 GIS SYSTEM	200,000							
A 5	72-01-1-05 SECURITY SYSTEMS			100,000	102,000	104,000	106,000	108,000	520,000
A 2	72-01-1-06 CNG STATION ENHANCEMENTS - MORRIS		150,000						
A 5	72-01-1-07 DISASTER RECOVERY CENTER SOFTWARE			602,000					602,000
A 5	72-01-1-08 DOCUMENT MANAGEMENT SYSTEM			70,000	10,000	10,000	5,000	5,000	100,000
A 5	72-01-1-09 INSTALL MESSAGE MANAGER			91,000					91,000
A 5	72-01-2-01 REPLACEMENT FURNITURE, OFFICE MACHINES, & EQUIPMENT - ALL DEPTS	76,000	32,000	22,000	22,000	22,000	22,000	22,000	110,000
A 2	72-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS	100,000	102,000	105,000	108,000	111,000	114,000	117,000	555,000
A 5	72-01-2-03 STRUCTURAL REPAIRS			50,000	52,000	54,000	56,000	58,000	270,000

OTHER DEPARTMENTS

 FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P	DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
- -	-----	-----	-----	-----	-----	-----	-----	-----	-----
	BUILDING SERVICES								

A 2	72-01-2-04 REPLACE AIR COMPRESSOR/PIPING - 1849		50,000						
A 2	72-01-2-05 REPLACE ROOF - 1800 N 9TH			70,000	71,000	72,000			213,000
A 2	72-01-2-06 REPLACE HVAC SYSTEM - 800 WEST		55,000	57,000	59,000	61,000	63,000	65,000	305,000
A 5	72-01-2-07 UPGRADE OFFICE ERGONOMICS - 1800		100,000	89,000					89,000
A 1	72-01-2-08 REPLACE CONCRETE RAMP - 1849 N 9TH	248,000	153,000		200,000				200,000
A 5	72-01-2-09 SECURITY SYSTEMS FOR CSC		175,000	60,000					60,000
A 2	72-01-2-10 REPLACE ROOF - OTHER BUILDINGS					200,000	204,000		404,000
A 5	72-01-2-11 UPGRADES TO CUSTOMER SERVICE CENTERS (PHASES I, II & III)	525,000							
A 5	72-01-2-12 REPLACE ELECTRIC A/C WITH GAS UNITS			200,000	200,000	200,000	200,000		800,000
A 5	72-01-2-13 UPGRADE SUB-STATIONS - VARIOUS			100,000	103,000	106,000	109,000	112,000	530,000
A 5	72-01-2-14 UPGRADE SWITCHGEAR - 1800 N 9TH			100,000	103,000	106,000			309,000

OTHER DEPARTMENTS

 FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P	DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
- -	-----	-----							-----
	BUILDING SERVICES								

A 5	72-01-2-15 REPLACE ELECTRICAL SYSTEM - VARIOUS			100,000	150,000		150,000	150,000	550,000
A 2	72-01-2-16 REPLACE CARPET - VARIOUS		50,000	52,000	54,000	56,000	58,000	60,000	280,000
A 2	72-01-2-17 REPLACE HEATING BOILER - 1800 N 9TH			122,000	127,000			132,000	381,000
A 2	72-01-2-18 UPGRADE CHILLERS REFRIGERANT - 1800 N 9TH	97,000		105,000			300,000	300,000	705,000
A 2	72-01-2-19 REPLACE WINDOWS - 1800 N 9TH		130,000	134,000	138,000	142,000	146,000	150,000	710,000
A 5	72-01-2-20 RENOVATE SOUTH PHILA CUSTOMER SERVICE CENTER - 2ND FLOOR							799,000	799,000
A 5	72-01-2-21 REPLACE UNDERGROUND STORAGE TANK - 9TH & DIAMOND	154,000							
A 5	72-01-2-22 REPLACE #1 & #4 ELEVATORS - 1800			221,000	225,000				446,000
A 5	72-01-2-23 REPLACE LOBBY SECURITY CONSOLE- 800					679,000			679,000

OTHER DEPARTMENTS

 FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P	DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	BUILDING SERVICES								
A 5	72-01-2-24 UPGRADE AUTOMATIC GATES - VARIOUS			10,000	10,000	10,000	10,000	10,000	50,000
A 5	72-01-2-25 REPAVE PARKING LOT - 9TH & BERKS			56,000					56,000
A 5	72-01-2-26 REPAVE PARKING LOT - TIOGA				58,000				58,000
A 5	72-01-2-27 HEATING SYS- CALL CENTER 1800 N 9TH			20,000					20,000
A 5	72-01-2-28 PURCHASE BACK-UP GENERATOR - 1800				422,000	422,000			844,000
A 5	72-01-2-29 DISASTER RECOVERY CENTER - DIAMOND			438,000					438,000
A 5	72-01-2-30 REPLACE CALL MASTER PHONES		52,000	53,000					53,000
A 5	72-01-2-31 FACILITIES AT TIOGA-PHASES I,II,III	75,000	75,000	100,000					100,000
A 5	72-01-2-32 REPLACE HEAVY DUTY CLEANING EQUIP			8,000	8,000	8,000	8,000	8,000	40,000
	TOTAL BUILDING SERVICES	2,106,000	1,222,000	3,209,000	2,948,000	2,441,000	2,281,000	2,178,000	13,057,000

OTHER DEPARTMENTS

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P	DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	CHEMICAL SERVICES								
A 5	31-01-2-01 PCB GAS CHROMATOGRAPH	26,000							
	TOTAL CHEMICAL SERVICES	26,000							
	VP CUSTOMER AFFAIRS								
A 5	10-01-1-01 ENHANCEMENTS TO BILLING, CREDIT & COLLECTIONS, AND CUSTOMER SERVICE (BCCS) SYSTEM	402,000	500,000						
A 5	10-01-1-02 KIOSK UPGRADE	288,000							
A 5	10-01-1-03 DIEBOLD PAY STATIONS	386,000							
A 5	10-01-1-04 CUSTOMER SATISFACTION SURVEY		100,000						
A 5	10-01-1-05 NICE LOG ENHANCEMENTS	86,000							
A 5	10-01-1-06 E-MAIL ACD		100,000						
A 5	10-01-1-07 CUSTOMER COMPLAINT		50,000						
A 5	10-01-1-08 IVR ENHANCEMENT - SERVICE APPOINT.			350,000					350,000
A 5	10-01-1-09 MODERNIZE, EQUIP AND FURNISH TRAINING AREA	150,000							
	TOTAL VP CUSTOMER AFFAIRS	1,312,000	750,000	350,000					350,000

OTHER DEPARTMENTS

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P	DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	METER READING								
A 5	42-01-1-01 AUTOMATIC SHUT-OFF FIELD TEST PILOT	100,000							
A 5	42-01-2-01 DATA COMMAND UNIT	214,000							
A 5	42-01-2-02 MICROPROCESSING HARDWARE								
	TOTAL METER READING	314,000							

OTHER DEPARTMENTS

 FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P	DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	INFORMATION TECHNOLOGY								
A 5	47-01-1-01 DESKTOP PC'S, PERIPHERALS, SOFTWARE*	50,000	500,000						
A 5	47-01-1-02 DATA WAREHOUSE			100,000	50,000	30,000	25,000		205,000
A 5	47-01-1-03 SERVER HARDWARE UPGRADES	25,000	242,000	125,000	125,000	125,000	125,000	125,000	625,000
A 5	47-01-1-04 ENTERPRISE & ENDEAVOR FAILOVER SVRS	120,000							
A 5	47-01-1-05 DATA PERFORMANCE TOOLS		170,000						
A 5	47-01-1-06 CONFIGURATION MANAGEMENT		250,000						
A 5	47-01-1-07 SOFTWARE TESTING TOOLS		342,000						
A 5	47-01-1-08 KIOSK UPGRADE								
A 5	47-01-1-09 UPGRADE GPOS7 TO NT		92,000						
A 5	47-01-1-10 E-COMMERCE AND INTERNET			700,000	700,000	665,000			2,065,000
A 5	47-01-1-11 UPGRADE DATA TAPE LIBRARY & (2) CPU		66,000						
A 5	47-01-1-12 ADDITION OF (2) DATA SERVERS		310,000						
A 5	47-01-1-13 DIRECT ACCESS STORAGE DEVICES		568,000						

OTHER DEPARTMENTS

 FORECAST-FISCAL YEARS 2002 THROUGH 2006

DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
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INFORMATION TECHNOLOGY								
A 5 47-01-2-01 DESKTOP PC'S, PERIPHERALS, SOFTWARE*	68,000	135,000	100,000	100,000	100,000	100,000	100,000	500,000
A 5 47-01-2-02 DESKTOP SOFTWARE UPGRADE	40,000	40,000	250,000				250,000	500,000
A 5 47-01-2-03 UPGRADE NETWORK SOFTWARE	108,000							
A 5 47-01-2-04 REPLACE LAPTOPS			60,000	60,000	60,000	60,000	60,000	300,000
A 5 47-01-2-05 UPGRADE IBM SERVERS			250,000	250,000	250,000	250,000	250,000	1,250,000
A 5 47-01-2-06 REPLACE DELL OPTIPLEX PC'S*	22,000	250,000	800,000	800,000			700,000	2,300,000
A 5 47-01-2-07 UPGRADE NETWORK TO GIGABIT, 100MBPS			500,000	300,000	300,000	300,000	300,000	1,700,000
A 5 47-01-2-08 REPLACE SERVER & NETWORK HARDWARE		142,000	125,000	125,000	125,000	125,000	125,000	625,000
A 5 47-01-2-09 FIBER DIGITAL DATA INTERCHANGE		136,000						
A 5 47-01-2-10 REPLACE DIALIN MODEM POOL	20,000							
TOTAL INFORMATION TECHNOLOGY	453,000	3,243,000	3,010,000	2,510,000	1,655,000	985,000	1,910,000	10,070,000

OTHER DEPARTMENTS

FORECAST-FISCAL YEARS 2002 THROUGH 2006

R P	DEPARTMENT	2000 BUDGET	2001 BUDGET	2002	2003	2004	2005	2006	TOTAL FORECAST
	SR VP & GENERAL COUNSEL								
	OFFICE OF SR VP & GENERAL COUNSEL								
A 5	08-01-2-01 CONTRACT MANAGEMENT TRACKING SOFTW.	40,000							
A 5	08-01-2-02 FILING CABINETS AND OTHER OFFICE FURNITURE	35,000							
	TOTAL OFFICE SR VP & GEN COUNSEL	75,000							
	VP HUMAN RESOURCES								
A 5	18-01-1-01 HRIS SYSTEM INCLUDING PAYROLL	575,000							
	TOTAL VP HUMAN RESOURCES	575,000							
	TOTAL SR VP & GENERAL COUNSEL	650,000							
	TOTAL OTHER DEPARTMENTS	6,130,000	5,383,000	6,599,000	5,488,000	4,096,000	3,266,000	4,088,000	23,537,000
	ACQUIRE ASSETS - CAPITAL	6,130,000	3,871,000	6,599,000	5,488,000	4,096,000	3,266,000	4,088,000	23,537,000
	OPERATING LEASE*		1,512,000						

FINANCING PLAN

The Financing Plan to support the implementation of PGW's Capital Program is in the process of being developed. Upon completion, this plan will be forwarded to the Gas Commission for review.

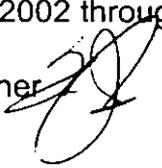
TABLE OF CONTEXT APPENDIX

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<i>TAB 1</i>	FY 2001 Capital Kick-off Letter
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<i>TAB 5</i>	Budget Year Program - Spending Category
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MEMORANDUM

To: All Members of the Executive Staff

Subject: FY 2001 Capital Budget and Forecast
For Fiscal Years 2002 through 2006

From: William J. Gallagher 

Date: March 1, 2000

A preliminary Fiscal 2001 Capital Budget and Five Year Forecast for Fiscal Years 2002-2006 must be prepared so that timely submissions can be made for the necessary approvals by the PFMC board and City Council in accordance with the attached Capital Budget Time Schedule (Exhibit 1). It is critical that this timetable be adhered to, allowing for appropriate internal review and evaluation in formulating a final decision on our capital budget requirements. Upon approval by the PFMC board, the Capital Budget will be forwarded to the Philadelphia Gas Commission on May 26, 2000 for their review and recommendation to City Council.

GENERAL GUIDELINES

Fundamental change to PGW's cost structures is critical if we are to be successful in a competitive environment. To achieve this change, business as usual is unacceptable in determining our capital requirements. Capital resources are limited and must be allocated based upon their contribution to meeting our strategic goals to improve customer service and reduce cost, while at the same time maintaining the integrity of PGW's infrastructure.

For FY 2001, a forecasted Capital Budget of \$47.224 million was established in last year's budget submittal. An allocation of this forecasted capital budget follows:

Function	Target Level
Gas Processing	\$2,814,000
Distribution	\$30,136,000
Field Services	\$4,928,000
Transportation	\$4,381,000
Facilities	\$2,223,000
Information Technology	\$1,641,000
Customer Service	\$1,101,000
Total	\$47,224,000

It is important to recognize that these target levels were preliminary and will be updated based upon the results of a thorough internal scrutiny of all programs during the current Capital Budget process. This review will focus on developing a Capital Program that provides resources to maintain a safe and reliable infrastructure and implement specific projects that will improve customer service and/or reduce overall cost. In recognizing the importance that capital resources are limited, it is required that all projects, if possible, be accompanied with a cost/benefit analysis to justify their inclusion in PGW's capital program. In preparing cost/benefit analysis a 5.7% cost of capital is to be assumed.

SALES POLICY/SENDOUT REQUIREMENTS

Marketing will prepare a sales forecast for the FY 2001 Budget and 2002-06 Forecast periods to reflect projected load additions. This forecast will be forwarded to appropriate departments to plan their capital requirements; including design day, main and service, and meter and regulator requirements.

BUILDING AND OFFICE FURNITURE REQUIREMENTS

Proposals for building renovations and furniture requirements must be discussed with the Building Services Department for inclusion in their budget. In addition, a detailed justification must be prepared for any building renovations to receive consideration for inclusion in the Capital Budget.

COMPUTER AND TECHNOLOGY EQUIPMENT

Proposals for computer and technology related equipment must be discussed with the Information Technology area. All computer related requirements will be consolidated and placed in the Information Technology capital budget.

TRANSPORTATION EQUIPMENT

All vehicle and mobile equipment needs must be discussed with the Transportation Department, who will be responsible for compiling these needs for inclusion in their budget.

MISCELLANEOUS CAPITAL REQUIREMENTS

For departments whose capital requirements include a number of items whose individual cost are less than \$50,000, such items are to be consolidated into a miscellaneous capital budget category. A single Capital Proposal Form should be prepared for this budget category, with an itemized tabulation of what is included in the category. Departments, whose entire capital requirements are less than \$50,000 will be consolidated into an overall miscellaneous account.

PROJECT ESTIMATION

Request for engineering and/or estimating services, where required, must be submitted to the Engineering Department as soon as possible. Further, Engineering must be consulted when proposed projects require support facility modifications, e.g power, heating, etc., since these costs must be incorporated in the cost estimate of the project.

All cost estimates must be based upon the estimated dates of purchase and/or construction, as opposed to the fiscal year in which the project will be work ordered. Cost estimates should be developed under the following assumptions:

Rates	2001	2002	2003	2004	2005	2006
Escalation(%)	2.5	2.5	2.5	2.5	2.5	2.5
A&G (%)	13.5	14.6	14.7	14.5	14.2	14.7
AFUDC (%)	5.59	5.64	5.65	5.62	5.64	5.67

Unless more project specific information is available, cost estimates should be based upon the above escalation rates, which represent a composite factor for all elements related to capital expenditures.

An Allowance For Funds Used During Construction (AFUDC) must be included in all Capital Budget and Forecast items requiring a construction period based upon the above assumptions.

An allocation of the Administrative and General (A&G) expenses must be included in all Capital Budget and Forecast items. This expense is applicable to the estimated project cost not including AFUDC and is based upon the above assumptions.

PROPOSAL REQUIREMENTS

Each capital proposal must be submitted on a Capital Program Proposal, Exhibit 2, complete with the required information. In categorizing project cost on the proposal form, it is important that estimates for PGW labor be as accurate as possible so that this estimate can be reconciled with labor in the Operating Budget.

Capital Budget Priority Criteria, Exhibit 3, has been attached and is to be used to determine individual project priorities. In addition, projects are to be designated by Strategic Priority, Improve Customer Service, Improve Efficiency and Reduce Cost, Core Business Growth, New Business Opportunity, or Culture Transformation.

Exhibit 1
Fiscal Year 2001
Capital Budget Time Schedule

Marketing Forecast of New Load Additions Forwarded to Appropriate Departments	March 3, 2000
Gas Management to Prepare Design Forecast to Establish Ground Rules	March 10, 2000
Revised Forecast of 2000 Capital Spending	March 24, 2000
Approved Departmental Capital Budget and Forecasts Forwarded to Corporate Planning for Compiling	April 10, 2000
Capital Budget Review by Senior Team	April 17, 2000
Capital Budget Presented to PFMC Finance Committee for Review	April 26, 2000
Present Capital Budget to PFMC Board for Approval	April 28, 2000
Present Proposed Capital Budget and Forecast to Gas Commission and City Finance Director	May 26, 2000
Present Proposed Capital Budget and Forecast to City Council for Approval	To Be Determined

The Wall Street Journal Forecasting Survey for 2000

In percent except for dollar vs. yen and dollar vs. euro

	JULY 1999 SURVEY						NEW FORECASTS FOR 2000									
	3-MO. TREASURY BILLS-a	30-YR. BONDS	GDP-b	CPI-c	D.L.R. vs. YEN	UNEMPL.	3-MO. TREASURY BILLS-a	30-YR. BONDS	GDP-b	CPI-c	D.L.R. vs. YEN	D.L.R. vs. EURO	UNEMPL.			
	Dec. 1999	Dec.	1ST-QTR. 1999	Nov.	Dec.	Nov.	June 2000	June	1ST-QTR. 2000	2ND-QTR. 2000	3RD-QTR. 2000	4TH-QTR. 2000	May	June	June	May
Edward Hyman, ISI Group	5.00	5.30	2.7	2.0	125	4.2	5.50	5.80	4.5	3.0	N.A.	N.A.	2.5	105	1.05	4.0
Maria F. Ramirez, MFR Inc.	5.40	7.00	3.7	2.5	125	4.0	5.50	6.70	4.5	3.8	1.5	2.8	2.6	112	1.10	3.9
Bruce Steinberg, Merrill Lynch	4.80	5.75	2.9	1.8	130	4.0	5.75	6.60	4.2	3.7	3.5	3.5	2.2	103	1.07	4.0
Kathleen Camilli, Tucker Anthony	5.00	4.50	3.7	2.3	130	4.0	5.70	5.50	4.0	3.5	3.0	3.5	2.3	105	1.10	3.8
Gail Foster, Conference Board	5.25	6.40	3.7	2.3	110	4.0	5.30	6.10	4.0	0.6	5.3	5.0	2.4	95	1.13	3.8
Stephen Gallagher, Societe Generale	5.00	5.90	2.7	1.9	120	4.0	5.50	6.30	4.0	3.5	3.5	3.0	2.8	115	1.08	3.9
Daniel E. Laufenberg, American Express	4.90	6.00	3.5	2.3	130	4.0	5.80	6.70	4.0	3.7	3.2	2.3	2.8	108	1.08	4.0
Elliott Platt, DJI	5.00	6.38	3.1	2.4	121	4.1	6.00	6.85	4.0	4.0	3.0	3.0	2.6	108	1.08	4.1
Bill Gross/Paul McCulley, PIMCO	5.10	6.00	3.1	2.5	125	4.3	6.00	6.50	3.8	3.6	2.3	2.8	2.9	115	1.10	4.1
David L. Littmann, Comerica	4.75	6.15	3.3	2.7	116	4.2	5.50	6.50	3.8	3.4	2.8	4.0	2.6	112	1.07	4.0
Aben Sinal, Prisma Decision	5.23	6.55	3.1	2.5	110	4.1	5.90	6.82	3.7	3.0	3.1	4.0	2.7	99	1.04	4.1
R. Berner/D. Greenlaw, Morgan Stanley	5.05	6.25	3.2	2.4	125	4.1	5.75	6.50	3.6	3.2	3.7	3.4	2.8	95	1.15	4.1
Saul Hynans, RSQE, Univ. of Michigan	4.83	5.95	2.9	2.5	120	4.3	5.68	6.53	3.6	2.7	3.2	3.0	2.8	103	1.05	4.2
Wayne Angell, Bear Stearns	4.70	5.50	3.3	2.3	132	4.0	5.80	6.30	3.5	4.2	4.1	4.4	2.3	115	0.98	4.0
William Hammer, Hammer Invest.	5.47	6.48	3.2	2.1	123	4.2	6.08	7.13	3.5	4.4	4.1	3.8	2.8	110	1.09	3.9
Mickey D. Levy, Bank of America	5.20	6.10	2.6	2.3	122	4.3	5.70	6.50	3.5	3.3	2.8	2.7	2.6	105	1.06	4.2
Tracy Herrick, Jefferies & Co.	4.80	5.45	2.7	2.0	125	4.5	5.40	6.40	3.4	3.0	3.2	3.0	2.8	90	1.06	4.3
Maureen F. Allyn, Scudder Kemper	5.10	5.75	2.5	2.2	130	4.1	6.20	6.80	3.2	1.7	3.4	2.2	2.5	97	1.05	4.2
J. Dewey Daane, Vanderbilt Univ.	5.00	6.00	2.6	2.1	120	4.5	5.75	6.75	3.2	3.0	2.8	2.7	2.6	102	1.02	4.3
David W. Berson, Fannie Mae	4.75	5.80	2.5	2.1	125	4.4	5.70	6.65	3.1	3.8	3.0	2.3	2.7	102	1.01	4.0
William A. Brown, J.P. Morgan	4.90	6.20	2.3	2.5	135	4.3	5.50	6.75	3.0	3.5	2.5	2.0	2.6	105	1.09	3.9
Rosanne Cahn, CS First Boston	4.90	6.50	3.6	2.4	120	4.0	6.25	6.65	3.0	4.2	4.0	3.8	2.5	106	1.04	3.7
James W. Coons, Huntington Natl Bank	5.25	6.50	2.4	2.7	135	4.2	5.70	6.65	3.0	3.5	3.5	3.5	2.8	110	1.05	3.9
Thomas W. Synnott III, U.S. Trust	4.70	5.75	2.6	2.3	120	4.0	5.60	6.75	2.8	2.9	4.0	4.0	2.6	108	1.06	4.0
Nicholas S. Perna, Perna Assoc.	5.10	5.70	2.5	2.7	116	4.1	5.90	6.40	2.6	3.3	2.9	3.1	2.9	105	1.03	4.1
Susan M. Sterne, Economic Analysis	4.80	5.50	2.7	1.7	124	4.2	5.00	6.00	2.6	4.9	3.8	3.2	2.1	103	1.00	4.0
Richard Yamarone, Argus Research	4.70	5.85	3.1	2.6	145	4.5	4.85	6.15	2.6	4.6	4.1	3.2	2.1	110	1.01	4.0
Mark Zandi, Dismal Scientist	4.90	5.90	2.5	2.3	130	4.2	5.80	6.50	2.6	4.3	2.7	2.2	2.6	115	1.05	4.0
David Realer, Nomura Securities	4.75	5.80	2.1	2.3	125	4.3	5.28	6.25	2.5	3.0	2.7	3.2	2.5	106	1.05	4.1
Sung Won Sohn, Wells Fargo	5.60	6.50	3.0	2.5	130	4.4	6.00	6.65	2.5	3.5	3.0	2.5	2.6	110	1.00	4.3
Diane C. Swank, Bank One	5.50	5.90	3.2	2.7	N.A.	3.9	5.40	6.63	2.5	3.8	3.4	4.9	2.4	103	1.09	4.2
William Dudley, Goldman Sachs	5.00	5.80	3.3	2.5	115	4.0	5.80	6.40	2.3	4.0	3.5	3.1	2.7	93	1.16	3.9
David Orr, First Union Corp.	5.45	6.35	3.8	2.5	135	4.2	5.40	6.00	2.3	2.7	3.3	3.5	2.9	95	1.14	4.3
John Mueller, LBMC	4.40	5.90	1.8	2.3	115	4.3	5.00	6.10	2.2	1.8	2.0	3.1	2.7	98	1.04	4.1
Donald Ratajczak, Georgia State Univ.	5.10	5.93	2.5	2.5	121	4.0	5.55	6.58	2.2	3.8	3.9	2.5	2.5	98	1.03	3.9
Brian Wesbury, Griffin, Kubik	4.85	5.10	2.2	2.1	135	4.3	5.30	5.70	2.2	2.5	3.1	3.3	2.0	111	0.98	4.4
David M. Blitzer, Standard & Poor's	5.00	6.14	2.8	2.3	125	4.1	5.70	6.38	2.1	3.6	3.4	3.4	2.3	110	1.00	4.0
Maury Harris, PaineWebber	4.80	5.40	2.6	2.0	130	4.5	5.50	6.20	2.1	3.1	4.0	4.0	2.5	108	1.10	4.2
John Lonzi, Moody's Investors Sec.	4.85	6.30	2.8	2.5	120	4.2	5.92	6.75	2.1	2.9	4.2	4.5	3.0	105	1.07	3.9
Richard Rippe, Prudential Securities	4.90	5.90	2.4	2.3	125	4.2	5.70	6.50	2.1	3.0	3.4	3.8	2.5	103	1.05	4.2
Michael Cosgrove, Econoclast	4.60	5.60	2.2	2.5	125	4.3	6.10	6.90	2.0	2.5	3.0	2.5	3.0	96	1.10	3.9
Michael R. Englund, MMS Intl	4.40	4.75	3.4	2.2	120	4.1	5.65	6.00	2.0	3.2	2.7	3.5	2.5	96	1.11	4.1
John McDermitt, 3M	4.50	5.50	2.8	1.9	125	4.3	5.50	6.50	2.0	3.6	3.4	3.2	2.5	112	1.08	4.3
Gary Thayer, A.G. Edwards	4.40	5.20	2.8	2.2	112	4.4	5.50	5.90	2.0	3.5	2.5	2.5	2.5	110	1.05	4.2
John Walter, Dow Corning	4.54	5.75	2.5	1.9	135	4.2	5.60	6.40	2.0	2.9	3.6	3.5	2.3	102	0.94	4.0
Arnold Moskowitz, Moskowitz Capital	4.50	5.35	2.6	2.0	120	4.2	5.20	6.43	1.9	2.6	2.7	2.8	2.2	105	1.10	N.A.
Alan Reynolds, Hudson Institute	5.20	6.40	2.6	2.8	117	4.7	5.70	6.40	1.7	2.6	4.2	4.0	2.7	102	0.96	4.6
Ian Shepherdson, High Frequency Econ.	5.50	5.70	3.3	2.1	135	4.0	5.25	5.75	1.5	5.0	3.2	3.5	2.4	100	0.95	4.2
Stuart G. Hoffman, PNC Bank	5.05	5.88	2.6	2.3	125	4.1	5.75	6.50	1.0	2.0	3.2	3.2	2.6	100	1.00	4.3
Kurt E. Karl, WEFA	4.50	5.50	2.6	2.5	122	4.2	5.40	6.40	1.0	3.7	3.2	3.0	2.4	109	1.10	4.5
James F. Smith, Natl Assn of Realtors	4.68	5.45	2.9	1.4	136	3.7	5.15	6.21	0.6	2.2	2.7	1.5	1.8	132	0.96	3.9
A. Gary Shilling, Shilling & Co.	4.50	5.25	1.4	0.4	135	5.5	5.00	6.00	-0.5	-1.4	-1.9	-1.9	1.5	110	1.06	5.0
Edward Yardezi, Deutsche Bank	3.70	5.00	3.5	1.7	120	4.4	4.50	4.80	-4.5	-3.0	-1.0	2.5	1.0	110	1.00	5.5
AVERAGE-d	4.90	5.83	2.8	2.3	125	4.2	5.59	6.39	2.6	3.1	3.1	3.1	2.5	105	1.05	4.1
ACTUAL NUMBER as of December 31, 1999	5.32	6.48	3.8	2.6	102	4.1										

N.A. Not Available. a: Treasury bill rates are on a bond-equivalent basis; b: Real gross domestic product, average annualized rate for first three quarters; c: Year-to-year change in the consumer price index; d: Averages are for the analysts polled at that time of survey.

MEMORANDUM

February 29, 2000

To: Mr. William J. Gallagher

From: Mr. Joseph R. Bogdonavage 

Subject: 2000-01 Capital Budget & Forecast AFUDC & Administrative & General Application Rates

The following AFUDC and Administrative & General capital application rates are based on data developed from the 1999-2000 Operating Budget and five year forecast. The AFUDC calculations assume new bond sales of \$75.0 million @ 6.5% March, 2002 & 2005 during the period to partial fund PGW's capital expenditures.

The Administrative and General application rates to be utilized in the Capital Budget are based on operating and capital expenditures as detailed in PGW's Operating Budget filing of December 10, 1999. The Philadelphia Gas Commission and Philadelphia City Council are expected to approve PGW's 1999-2000 Capital Budget in April, 2000.

<u>Fiscal Year</u>	<u>AFUDC Rate</u>	<u>Administrative & General Rate</u>
2000-01	5.59%	13.5%
2001-02	5.64%	14.6%
2002-03	5.65%	14.7%
2003-04	5.62%	14.5%
2004-05	5.64%	14.2%
2005-06	5.67%	14.7%

B&FF
Attachments

cc: Messrs: Ben Hayllar
Thomas M. Smyth
Dennis E. Stinson

COST OF EXISTING DEBT

	1999-2000			2000-01		
	BEGIN BALANCE	PAYMENTS 1999-2000	OUTSTAND DAILY AVG	BEGIN BAL	PAYMENTS 2000-01	OUTSTAND DAILY AVG
EXISTING DEBT						
SERIES 11C (1/1)	19,940,000	3,420,457	17,659,695	16,519,543	3,196,967	14,388,232
SERIES 12A (5/15)	10,031,000	1,635,000	9,554,125	8,396,000	824,687	8,155,466
SERIES 12B (5/15)	0		0	0		0
SERIES 13 (6/15)	2,635,000	1,270,000	2,370,417	1,365,000	1,365,000	1,080,625
SERIES 14 (7/1)	233,180,000	8,925,000	231,692,500	224,255,000	7,125,000	223,067,500
SERIES 15 (8/1)	120,980,000	15,690,000	119,672,500	105,290,000	10,725,000	104,396,250
SERIES 1st A	161,240,000	580,000	161,143,333	160,660,000	8,525,000	159,239,167
SERIES 1st B	103,550,000	0	103,550,000	103,550,000	0	103,550,000
SERIES 1st C	21,030,000	1,020,000	20,860,000	20,010,000	1,065,000	19,832,500
SERIES 16 (7/1)	62,315,000	355,000	62,255,833	61,960,000	640,000	61,853,333
SERIES 2nd	113,965,000	1,720,000	113,678,333	112,245,000	1,790,000	111,946,667
CAPITAL LEASE 1/31/96	9,100,000	3,500,000	6,791,667	5,600,000	3,700,000	3,908,333
CAPITAL LEASE 8/22/97	18,858,852	3,038,259	16,843,272	15,820,593	3,201,313	13,696,843
TXCP	93,500,000	0	93,500,000	95,000,000	0	95,000,000
SERIES 17 (3/1)						
SERIES 18 (3/1)						
SERIES 19 (3/1)						
	<u>\$970,324,852</u>	<u>\$41,153,716</u>	<u>\$959,571,676</u>	<u>\$930,671,136</u>	<u>\$42,157,967</u>	<u>\$920,114,916</u>
INTEREST EXPENSE		1999-2000		2000-01		
SERIES 11C			2,671,010		2,349,068	
SERIES 12A			1,187,911		1,187,911	
SERIES 12B			0		0	
SERIES 13			176,776		81,045	
SERIES 14			14,521,673		14,028,860	
SERIES 15			5,916,880		5,266,299	
SERIES 1st A			8,353,469		8,264,229	
SERIES 1st B			5,190,325		5,190,325	
SERIES 1st C			959,810		917,930	
SERIES 16 (7/1)			3,276,808		3,260,708	
SERIES 2nd			5,672,454		5,598,858	
CAPITAL LEASE 1/31/96			404,369		131,396	
CAPITAL LEASE 8/22/97			892,111		725,457	
TXCP			4,402,996		4,460,000	
SERIES 17			0		0	
SERIES 18			0		0	
SERIES 19			0		0	
TOTAL INTEREST EXPENSE			<u>\$53,626,592</u>		<u>\$51,462,086</u>	
AVERAGE INTEREST RATE		1999-2000	<u>5.582%</u>	2000-01	<u>5.5930%</u>	

COST OF EXISTIN

	2001-02			2002-03			2003-04		
	BEGIN BAL	PAYMENTS 2001-02	OUTSTAND DAILY AVG	BEGIN BAL	PAYMENTS 2002-03	OUTSTAND DAILY AVG	BEGIN BAL	PAYMENTS 2003-04	OUTSTAND DAILY AVG
EXISTING DEBT									
SERIES 11C (1/1)	13,322,576	2,965,866	11,345,332	10,356,710	2,748,811	8,524,169	7,607,899	2,543,464	5,912,256
SERIES 12A (5/15)	7,571,313	766,474	7,347,758	6,804,839	1,900,488	6,250,530	4,904,351	1,761,033	4,390,716
SERIES 12B (5/15)	0	0	0	0	0	0	0	0	0
SERIES 13 (6/15)	0	0	0	0	0	0	0	0	0
SERIES 14 (7/1)	217,130,000	16,625,000	214,359,167	200,505,000	10,490,000	198,756,667	190,015,000	14,055,000	187,672,500
SERIES 15 (8/1)	94,565,000	7,490,000	93,940,833	87,075,000	3,995,000	86,742,083	83,080,000	4,185,000	82,731,250
SERIES 1st A	152,135,000	3,595,000	151,535,833	148,540,000	9,700,000	146,923,333	138,840,000	4,910,000	138,021,667
SERIES 1st B	103,550,000	0	103,550,000	103,550,000	0	103,550,000	103,550,000	0	103,550,000
SERIES 1st C	18,945,000	1,105,000	18,760,833	17,840,000	1,155,000	17,647,500	16,685,000	1,205,000	16,484,167
SERIES 16 (7/1)	61,320,000	670,000	61,208,333	60,650,000	695,000	60,534,167	59,955,000	725,000	59,834,167
SERIES 2nd	110,455,000	1,865,000	110,144,167	108,590,000	1,945,000	108,265,833	106,645,000	2,030,000	106,306,667
CAPITAL LEASE 1/31/96	1,900,000	1,900,000	158,333	0	0	0	0	0	0
CAPITAL LEASE 8/22/97	12,619,280	3,373,117	10,381,556	9,246,163	3,554,140	6,888,348	5,692,023	3,744,879	3,207,672
TXCP	95,000,000	0	95,000,000	95,000,000	0	95,000,000	95,000,000	0	95,000,000
SERIES 17 (3/1)	75,000,000	0	37,500,000	75,000,000	0	75,000,000	75,000,000	940,000	74,530,000
SERIES 18 (3/1)									
SERIES 19 (3/1)									
	<u>\$963,513,169</u>	<u>\$40,355,457</u>	<u>\$915,232,146</u>	<u>\$923,157,712</u>	<u>\$36,183,439</u>	<u>\$914,082,631</u>	<u>\$886,974,273</u>	<u>\$36,099,376</u>	<u>\$877,641,061</u>
INTEREST EXPENSE		2001-02			2002-03			2003-04	
SERIES 11C			2,001,854			1,626,172			1,220,064
SERIES 12A			1,150,658			1,050,962			796,028
SERIES 12B			0			0			0
SERIES 13			0			0			0
SERIES 14			13,490,527			12,424,577			11,814,948
SERIES 15			4,804,120			4,462,350			4,267,821
SERIES 1st A			7,898,321			7,675,185			7,230,102
SERIES 1st B			5,190,325			5,190,325			5,190,325
SERIES 1st C			872,736			824,863			774,839
SERIES 16 (7/1)			3,234,908			3,207,652			3,177,842
SERIES 2nd			5,522,252			5,442,423			5,358,735
CAPITAL LEASE 1/31/96			9,421			0			0
CAPITAL LEASE 8/22/97			549,863			364,839			169,896
TXCP			4,460,000			4,460,000			4,460,000
SERIES 17			2,437,000			4,875,000			4,844,000
SERIES 18			0			0			0
SERIES 19			0			0			0
TOTAL INTEREST EXPENSE			<u>\$51,621,985</u>			<u>\$51,604,348</u>			<u>\$49,304,600</u>
AVERAGE INTEREST RATE		2001-02	<u>5.6403%</u>		2002-03	<u>5.6455%</u>		2003-04	<u>5.6179%</u>

COST OF EXISTIN

	2004-05			2005-06		
	BEGIN BAL	PAYMENTS 2004-05	OUTSTAND DAILY AVG	BEGIN BAL	PAYMENTS 2005-06	OUTSTAND DAILY AVG
EXISTING DEBT						
SERIES 11C (1/1)	5,064,435	0	5,064,435	5,064,435	0	5,064,435
SERIES 12A (5/15)	3,143,318	1,631,950	2,667,333	1,511,368	1,510,920	1,070,552
SERIES 12B (5/15)	0	0	0	0	0	0
SERIES 13 (6/15)	0	0	0	0	0	0
SERIES 14 (7/1)	175,960,000	8,660,000	174,516,667	167,300,000	10,475,000	165,554,167
SERIES 15 (8/1)	78,895,000	4,395,000	78,528,750	74,500,000	1,780,000	74,351,667
SERIES 1st A	133,930,000	9,280,000	132,383,333	124,650,000	6,800,000	123,516,667
SERIES 1stB	103,550,000	0	103,550,000	103,550,000	0	103,550,000
SERIES 1st C	15,480,000	1,255,000	15,270,833	14,225,000	1,310,000	14,006,667
SERIES 16 (7/1)	59,230,000	7,735,000	57,940,833	51,495,000	8,120,000	50,141,667
SERIES 2nd	104,615,000	2,120,000	104,261,667	102,495,000	2,215,000	102,125,833
CAPITAL LEASE 1/31/96	0					
CAPITAL LEASE 8/22/97	1,947,144	1,947,144	162,262	0	0	0
TXCP	95,000,000	0	95,000,000	95,000,000	0	95,000,000
SERIES 17 (3/1)	74,060,000	1,000,000	73,560,000	73,060,000	1,065,000	72,527,500
SERIES 18 (3/1)	75,000,000	0	37,500,000	75,000,000		75,000,000
SERIES 19 (3/1)					0	
	<u>\$925,874,897</u>	<u>\$38,024,094</u>	<u>\$880,406,113</u>	<u>\$887,850,803</u>	<u>\$33,275,920</u>	<u>\$881,909,154</u>
INTEREST EXPENSE		2004-05			2005-06	
SERIES 11C			1,131,334			1,214,850
SERIES 12A			520,918			223,829
SERIES 12B			0			0
SERIES 13			0			0
SERIES 14			11,080,552			10,520,395
SERIES 15			4,060,739			3,851,975
SERIES 1st A			6,944,319			6,478,819
SERIES 1stB			5,190,325			5,190,325
SERIES 1st C			722,457			666,615
SERIES 16 (7/1)			3,084,181			2,674,725
SERIES 2nd			5,269,825			5,172,713
CAPITAL LEASE 1/31/96			0			0
CAPITAL LEASE 8/22/97			8,596			0
TXCP			4,460,000			4,460,000
SERIES 17			4,781,000			4,714,000
SERIES 18			2,437,000			4,875,000
SERIES 19			0			0
TOTAL INTEREST EXPENSE			<u>\$49,621,246</u>			<u>\$50,043,246</u>
AVERAGE INTEREST RATE		2004-05	<u>5.6441%</u>		2005-06	<u>5.6744%</u>

PROJECTED ADMINISTRATIVE & GENERAL EXPENSES
ALLOCATED TO CAPITAL
(DOLLARS IN THOUSANDS)

	F		I		S		C		A		L		Y		E		A		R		S		
	<u>Budget</u>		<u>Forecast</u>		<u>Forecast</u>		<u>Forecast</u>		<u>Forecast</u>		<u>Forecast</u>												
	<u>1999-2000</u>		<u>2000-01</u>		<u>2001-02</u>		<u>2002-03</u>		<u>2003-04</u>		<u>2004-05</u>		<u>2005-06</u>		<u>2006-07</u>		<u>2007-08</u>		<u>2008-09</u>		<u>2009-10</u>		
Administrative & General Expenses	\$52,459		\$52,665		\$54,282		\$56,026		\$57,633		\$57,798												
Adjusted Adm. & Gen'l.	\$52,459		\$52,665		\$54,282		\$56,026		\$57,633		\$57,798												
Add: Gas Used by Utility	313		313		322		330		340		339												
Construction Additives	10,692		12,898		12,381		11,996		12,062		13,481												
Less: Employee Insurance and Legal Costs	25,359		26,053		26,763		27,492		28,240		29,007												
Adjusted Admin. & Gen'l Expenses	\$38,105		\$39,823		\$40,222		\$40,860		\$41,795		\$42,611												
Operating & Maintenance Expenses	\$498,673		\$467,331		\$478,545		\$489,444		\$503,690		507,209												
Less: Natural Gas & Raw Material	274,367		245,265		253,103		259,839		268,323		267,596												
Net Operating & Maintenance Exp.	\$224,306	0.7964	\$222,066	0.8117	\$225,442	0.8250	\$229,605	0.8137	\$235,367	0.7982	\$239,613	0.8266											
Capital Expenditures	57,331	0.2036	51,527	0.1883	47,835	0.1750	52,572	0.1863	59,520	0.2018	50,257	0.1734											
Adjusted Oper. & Maint. & Capital Exp.	\$281,637		\$273,593		\$273,277		\$282,177		\$294,887		\$289,870												
Adjusted Admin. & General Expenses	38,105		39,823		40,222		40,860		41,795		42,611												
Adjusted Oper. & Maint. & Capital Exp.	\$281,637		\$273,593		\$273,277		\$282,177		\$294,887		\$289,870												
Adjusted Admin. & General Expenses	\$38,105		\$39,823		\$40,222		\$40,860		\$41,795		\$42,611												
Capital Expenditures % of Adj. O&M&C	0.2036		0.1883		0.1750		0.1863		0.2018		0.1734												
Allocated Admin. & Gen'l Overheads	7,757		7,500		7,040		7,613		8,436		7,388												
Capital Expenditures	57,331		51,527		47,835		52,572		59,520		50,257												
Capital Admin. & Gen'l Application Rate	0.135		0.146		0.147		0.145		0.142		0.147												
Application Year	<u>2000-01</u>		<u>2001-02</u>		<u>2002-03</u>		<u>2003-04</u>		<u>2004-05</u>		<u>2005-06</u>												
Capital Admin. & Gen'l Application Rate	13.5%		14.6%		14.7%		14.5%		14.2%		14.7%												

B&FF

1 PREPARED DIRECT TESTIMONY
2 OF
3 DENNIS E. STINSON
4 ON BEHALF OF
5 PHILADELPHIA GAS WORKS
6 FY 2001 CAPITAL BUDGET
7
8

9 Q. What are your primary responsibilities at PGW?

10 A. As Senior Vice President of Operations at PGW, I am responsible for
11 overseeing the Gas Processing, Distribution, Field Services, and
12 Operations Support functions at PGW.
13

14 Q. What was your role in preparing this FY 2001 Capital Budget?

15 A. The majority of the capital requirements requested in this budget
16 are generated from functions reporting directly to me. As such, I
17 directed the development and reviewed the individual budgets of
18 these departments to insure that the objectives of the capital
19 budget were being satisfied.
20

21 Q. What were the major objectives established in formulating the FY
22 2001 Capital Budget?

23 A. The FY 2001 Capital Budget was prepared under the direction that
24 individual projects must contribute to the continued safe and

1 reliable operation of PGW's facilities or support the achievement of
2 PGW's *strategic direction, with a focus on the following priorities:*
3 system safety and reliability, improve customer service, improve
4 efficiency and reduce cost, and support investment in opportunities
5 that allows PGW to grow its gas revenues through load additions
6 within the City of Philadelphia.

7
8 Q. What is the level of program approval PGW is requesting in its FY
9 2001 Capital Budget request?

10 A. The FY 2001 Capital Budget request is for a total of \$49,688,000,
11 which is a 16.7% or \$9,930,000 decrease from PGW's FY 2000 Capital
12 Budget of \$59,618,000. This capital budget level reflects the need to
13 operate PGW within prudent financial parameters, recognizing that
14 PGW competes in a marketplace where rates and services
15 provided must be competitive and affordable to our customers:

16
17 Q. Does this Capital Budget provide the necessary funding to insure
18 the continued safe and reliable operation of PGW's facilities?

19 A. The level of funding requested in this Capital Budget filing, along
20 with the related funds provided in the Operating Budget, insures
21 that the *operational integrity of PGW's facilities are continued to be*
22 maintained to meet a high standard of safety and reliability. The

1 safety of the public and our employees continues to be our highest
2 priority and the funding provided in this budget supports this
3 objective.

4
5 Q. Could you identify significant changes in the FY 2001 Capital
6 Budget in comparison to PGW's FY 2000 Capital Budget?

7 A. Yes. PGW's FY 2001 Capital Budget request is approximately \$9.93
8 million less than last year's budget. While the budget request in
9 total has been reduced, there have been changes in how the
10 requested funds are allocated. For example, even with the lower
11 budget request for FY 2001, funding for the Distribution area
12 increased by \$3.559 million from the FY 2000 budget level. This
13 increase is the result of PGW's decision to implement a main
14 replacement program to replace approximately 18 miles of cast
15 iron main per year. In addition, funding for Information Technology
16 increased approximately \$2.79 million from the FY 2000 budget
17 level, due to increased requirements for PGW's information
18 technology infrastructure that are necessary to support the efficient
19 operation of major, critical business initiatives. These budget
20 increases were offset by major reductions in other areas; including
21 \$9.7 million in Gas Processing, \$2.9 million in Transportation, and

1 approximately \$3.6 million in other departments, including Field
2 Services and Building Services.

3 Q. Could you discuss any major deviations in the FY 2001 Capital
4 Budget request in Gas Processing from PGW's 2000 budget for the
5 department?

6 A. The FY 2001 Capital Budget request for Gas Processing is \$4.832
7 million, which is a \$9.707 million decrease from the FY 2000 Capital
8 Budget. The major factor contributing to this deviation is the
9 reduction from the \$14.185 million requested in FY 2000 for the
10 construction of the initial phase of PGW's LNG Liquefaction
11 Replacement Program. The FY 2001 Capital budget request for Gas
12 Processing does include an additional \$4.015 million for the
13 completion of the initial phase of PGW's LNG Liquefaction
14 Replacement Program, a major reduction from the \$14.185 million
15 request included in the FY 2000 Capital Budget.

16
17 Q. What is the justification for the \$4.015 million request for
18 replacement of the Richmond Plant liquefaction facilities?

19 A. While this additional request for LNG replacement was not
20 forecasted last year, further studies and consultation with various
21 LNG experts indicate that this additional investment in increasing
22 the capacity of the Phase I program from 12.5 to 20 MMCFD will

1 result in a significant reduction in the cost for the completion of
2 Phase II of this program. In last year's forecast, the cost of Phase II
3 was estimated at \$22 million, with the approval of this additional
4 \$4.015 million request in FY 2001 for Phase I, the cost of Phase II in
5 the FY 2002 forecast will be reduced to \$9 million. The total cost for
6 the Liquefaction Plant Replacement Program, both Phase I and II, is
7 reduced from a original estimate of \$38 million to an estimate of \$29
8 million.

9
10 Q. Could you discuss any major deviations in the FY 2001 Capital
11 Budget request in Distribution from PGW's FY 2000 budget for the
12 department?

13 A. PGW's 2001 Capital Budget for the Distribution Department is
14 \$31,928,000, which is \$3,559,000 or 12.5% more than PGW's FY 2000
15 budget. The resources requested in this budget submittal will be
16 sufficient to permit PGW to replace approximately 18 miles of cast
17 iron main. This amount of main replacement is consistent with the
18 level of replacement recommended in a recently completed cast
19 iron main review conducted by an independent consultant.

20
21 Q. What is the benefit of implementing an 18 mile per year
22 replacement program?

1 A. This level of replacement, in conjunction with the utilization of PGW's
2 Prioritization Model will allow PGW to aggressively target the main
3 segments most prone to failure, resulting in a reduction of overall
4 safety risk. This investment in PGW's infrastructure supports PGW's
5 number one priority; to provide a safe and reliable energy service to
6 our customers.

7
8 Q. What is the long term forecast for the prudent main replacement
9 program?

10 A. The current Distribution Department forecast reflects the continued
11 implementation of an 18 mile per year replacement program in the
12 forecast years. This forecast is subject to review annually during
13 PGW's capital budget process, but the overall goal will remain the
14 same, to continue to maintain PGW's record of dependable and
15 safe delivery of natural gas in the City of Philadelphia. An 18-mile
16 replacement program, or about 1 percent of the current inventory
17 per year, aggressively attacks the worst pipe segments - those with
18 3, 4, or more breaks already. In fact, in five years this replacement
19 program will eliminate most of PGW's trouble-prone pipe, even with
20 consideration of the dynamics of new breaks that occur in this time
21 period.

22

1 Q. What other programs are planned to reduce safety risk in the
2 future?

3 A. In the FY 2001 Capital Budget, PGW is requesting \$800,000 for further
4 implementation of a Geographic Information System (GIS). The
5 requested funding for this program will be utilized to capture
6 specific attributes from individual main segments from PGW's
7 existing map records and translate this information into a GIS data
8 base. This enhanced data base will allow PGW to conduct analysis
9 that will help determine additional factors that should be
10 considered in prioritizing PGW's main replacement program. With
11 improved prioritization of its main replacement program, PGW will
12 be able to further minimize its safety risk, and optimize the amount
13 of future resources allocated to this replacement program.

14
15 Q. Could you comment on the inclusion of funding in the FY 2001
16 Capital Budget for installation of joint clamps and encapsulation
17 of joints and fittings?

18 A. Yes, the FY 2001 Capital Budget for Distribution includes funding of
19 \$2.45 million for the installation of joint clamps and encapsulation of
20 joints and fittings. These procedures, which rehabilitate and extend
21 the functional life of underground facilities, are an economic
22 alternative to the complete and costly replacement of these

1 facilities. Implementation of these technologies, allows PGW to
2 utilize its limited resources to increase the effectiveness of its main
3 replacement program.

4 Q. What would be PGW's response in the event that winter conditions
5 created an increase in replacement or other distribution activities
6 beyond those budgeted?

7
8 A. If PGW's distribution facilities were exposed to winter conditions
9 which resulted in increased main replacement needs, PGW would
10 respond appropriately to insure the continued safety and reliability
11 of the distribution system. If, in the judgment of Distribution
12 operating personnel, replacement requirements needed to
13 increase due to severe winter weather, PGW would not hesitate to
14 increase resources in this area to meet the changing condition,
15 either by proposing the use of unutilized funds from related areas
16 under spending guidelines or requesting supplemental authority.

17
18 Q. Could you discuss any major deviations in the FY 2001 Capital
19 Budget request in Field Services from PGW's 2000 budget for the
20 department?

21 A. In total, the FY 2001 Field Service's Capital Budget of \$6.394 million
22 reflects no major deviation in departmental objectives from PGW's

1 2000 request. Included in this budget request is \$2.372 million for the
2 installation of 20,000 AMR units in FY 2001. With the addition of these
3 20,000 units, overall installations at the end of FY 2001 will be
4 approximately 516,000 units.

5
6 Q. Could you discuss any major deviation in the FY 2001 Capital
7 Budget request in Transportation from PGW's FY 2000 budget
8 request for the department?

9 A. Transportation's Capital Budget for FY 2001 is \$1.151 million, a 71.8%
10 or \$2.93 million decrease from FY 2000 budget level. Most of this
11 change is due to decreased vehicle replacement requirements.
12 Given PGW's current financial condition and the need to fund
13 higher priority initiatives, the decision was made to minimize the
14 purchase of new replacement vehicles for the FY 2001 Capital
15 Budget.

16
17 Q. Could you discuss any major deviation in the FY 2001 Capital
18 Budget request in Building Services from PGW's FY 2000 budget for
19 the department?

20 A. Building Service's Capital Budget for FY 2001 is \$1.222 million, a
21 \$884,000 million decrease from FY 2000 budget level. The lower

1 budget request in this area for FY 2001 is the result of reduced
2 requirements and the need to fund higher priority initiatives.

3 Q. Could you discuss any major deviation in the FY 2001 Capital
4 Budget request in Information Technology from PGW's FY 2000
5 budget for the department?

6
7 A. Information Technology's Capital Budget for FY 2001 is \$3,243,000, a
8 \$2.79 million increase from FY 2000 budget level request. Included in
9 this request is approximately \$925,000 for PC additions and
10 replacement and other peripheral. These requirements were
11 compiled based upon the requested needs of individual
12 departments. This investment is necessary to provide the tools to
13 utilize and secure the enhanced capabilities of the new business
14 initiatives, and for prudent replacement of older units that have
15 reached the end of the technological life cycle. Funding of
16 approximately \$750,000 is requested for various data and software
17 testing tools and configuration management systems to improve the
18 efficiency of PGW's information technology infrastructure. In
19 addition \$1.2 million is budgeted for server additions and
20 replacements, as well as Direct Access Storage Devices, that will
21 enhance the existing technology infrastructure and improve the
22 operation of the new business systems.

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Q. Does the FY 2001 Capital Budget contain any request for the previously approved business initiatives?

A. Additional budget authorization is being requested at this time for \$500,000 for enhancements to BCCS in FY 2001.

Q. Could you provide a current status on the implementation of PGW's BCCS business initiatives?

A. Yes. As you are aware, BCCS was a significant component of PGW's overall IT Revitalization effort which commenced over three years ago. This comprehensive effort was directed at completely replacing PGW's obsolete business systems and installing a new information technology infrastructure, both of which would be Y2K compliant. While the infrastructure requirements are for the most part completed and a number of the business initiatives are operational, it would be an understatement to say PGW has experienced difficulty in completing implementation of BCCS. Spending for this project is significantly over its approved authorization level and, at this time, has not met our performance expectations for the system. Due to these difficulties, customer service problems have reached levels that are inexcusable and cannot be tolerated. Our efforts are focused on solving the

1 problems at hand and bringing this system up to an acceptable
2 standard of operation as soon as possible. Actions taken to correct
3 this situation include, the replacement of personnel responsible for
4 the failed system implementation and securing outside consulting
5 expertise to assist management with this massive recovery effort.

6 PGW is committed to taking all actions necessary to insure that the
7 high level of service expected, and deserved by our customers, will
8 be achieved. Other than safety, this is our most important priority at
9 this time. It is critical that PGW begin to regain the confidence of
10 our customers that has been severely damaged during this recent
11 ordeal.

12
13 Q. Could you discuss the FY 2001 Capital Budget for the Customer
14 Affairs area?

15 A. Yes, The FY 2001 Capital Budget for Customer Affairs includes
16 \$500,000 for enhancements to BCCS that was previously identified,
17 as well as \$50,000 for a Customer Contact Tracking System. The
18 additional capital request for BCCS is for program enhancements
19 that would provide added functionality to the existing system.
20 These initiatives will provide PGW the ability to address customer
21 inquiries in an improved manner. Also requested in the FY 2001
22 Capital Budget is \$100,000 for implementation of an E-Mail ACD

1 system that will improve PGW's customers ability to access PGW by
2 enhancing the current E-Mail system to allow customers to directly
3 contact PGW. In addition, \$100,000 has been requested to install a
4 Customer Satisfaction Survey utilizing the existing IVR in the Call
5 Center, that will provide PGW critical feedback on customer
6 satisfaction performance.

7 At this time PGW is in the process of evaluating the results of a
8 recently conducted consulting report. Implementation of the
9 study's results could result in a change in capital spending priorities
10 that may require changes to this capital filing. If changes are
11 necessary PGW will notify the Gas Commission as soon as possible
12 and amend this filing accordingly.

13
14 Q. Does this conclude your testimony on this issue?

15 A. Yes.

16

17

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
<u>Gas Processing</u>	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
GP-1 A-1 53-01-1-01	MISCELLANEOUS CAPITAL ADDITIONS	26,000	0%	0%	0%	22,000 85%	3,000 12%	1,000 4%
GP-1 R-1 53-01-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS	50,000	0%	0%	0%	42,000 84%	6,000 12%	2,000 4%
GP-1 R-2 53-01-2-02	REPLACE ODORANT INJECTION SYSTEM	199,000	14,000 7%	58,000 29%	55,000 28%	48,000 24%	23,000 12%	1,000 1%
GP-2 A-1 53-02-1-01	MISCELLANEOUS CAPITAL ADDITIONS	75,000	0%	0%	0%	62,000 83%	9,000 12%	4,000 5%
GP-2 R-1 53-02-2-01	LIQUEFACTION PLANT REPLACEMENT/ENHANCEMENT - (PHASE I) - RICHMOND PLANT	4,015,000	0%	0%	0%	3,350,000 83%	452,000 11%	213,000 5%
GP-2 R-2 53-02-2-02	MISCELLANEOUS CAPITAL REPLACEMENTS	140,000	0%	0%	0%	117,000 84%	16,000 11%	7,000 5%
GP-2 R-3 53-02-2-03	REPLACE FIRE GATES #4 AND #10 - RICHMOND PLANT	158,000	3,000 2%	91,000 58%	12,000 8%	32,000 20%	18,000 11%	2,000 1%
GP-3 A-1 53-03-1-01	MISCELLANEOUS CAPITAL ADDITIONS	25,000	0%	0%	0%	21,000 84%	3,000 12%	1,000 4%
GP-3 R-1 53-03-2-01	IMPROVEMENT OF BUILDINGS AND STRUCTURES	67,000	0%	0%	0%	56,000 84%	8,000 12%	3,000 4%
GP-3 R-2 53-03-2-02	MISCELLANEOUS CAPITAL REPLACEMENTS	50,000	0%	0%	0%	42,000 84%	6,000 12%	2,000 4%

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
<u>Gas Processing</u>	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
GP-3 99-1 53-03-2-99	MISCELLANEOUS DEMOLITIONS	27,000	0%	0%	0%	23,000 85%	3,000 11%	1,000 4%
	TOTAL GAS PROCESSING	4,832,000	17,000	149,000	67,000	3,815,000	547,000	237,000

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFJDC
<u>Distribution</u>	<u>ACQUIRE ASSETS -</u> <u>INTERNALLY GENERATED FUNDS</u>							
52-20-1-01	HIGH PRESSURE GAS MAIN ADDITIONS	168,000	75,000 45%	15,000 9%	35,000 21%	22,000 13%	20,000 12%	1,000 1%
52-20-2-01	ENFORCED RELOCATION OF HIGH PRESSURE GAS MAINS	1,528,000	524,000 34%	278,000 18%	358,000 23%	177,000 12%	180,000 12%	11,000 1%
52-21-1-01	INSTALLATION OF <= 8" LP & IP GAS MAINS	1,254,000	538,000 43%	178,000 14%	229,000 18%	155,000 12%	148,000 12%	6,000 0%
52-21-2-01	ENFORCED RELOCATION OF <= 8" LP & IP GAS MAINS	5,048,000	1,789,000 35%	402,000 8%	1,546,000 31%	680,000 13%	596,000 12%	35,000 1%
52-21-2-02	REPLACEMENT OF <= 8" LP & IP GAS MAINS	4,106,000	1,858,000 45%	273,000 7%	1,067,000 26%	395,000 10%	485,000 12%	28,000 1%
52-21-2-03	INSTALLATION OF JOINT CLAMPS	500,000	227,000 45%	33,000 7%	131,000 26%	49,000 10%	59,000 12%	1,000 0%
52-21-2-04	ENCAPSULATION OF JOINTS AND FITTINGS	800,000	363,000 45%	53,000 7%	209,000 26%	78,000 10%	95,000 12%	2,000 0%
52-22-1-01	INSTALLATION OF >= 12" LP & IP GAS MAINS	75,000	17,000 23%	22,000 29%	18,000 24%	9,000 12%	8,000 11%	1,000 1%
52-22-2-01	ENFORCED RELOCATION OF >= 12" LP & IP GAS MAINS	2,086,000	642,000 31%	341,000 16%	557,000 27%	286,000 14%	246,000 12%	14,000 1%
52-22-2-02	INSTALLATION OF JOINT CLAMPS	250,000	131,000 52%	22,000 9%	44,000 18%	22,000 9%	30,000 12%	1,000 0%
52-22-2-03	ENCAPSULATION OF JOINTS AND FITTINGS	900,000	474,000 53%	79,000 9%	158,000 18%	80,000 9%	107,000 12%	2,000 0%

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
<u>Distribution</u>	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
52-23-1-01	CATHODIC PROTECTION OF UNPROTECTED STEEL MAIN	200,000	98,000 49%	41,000 21%	13,000 7%	22,000 11%	25,000 13%	1,000 1%
52-23-2-01	REPLACEMENT OF HIGH PRESSURE MAIN VALVES	75,000	26,000 35%	21,000 28%	9,000 12%	10,000 13%	8,000 11%	1,000 1%
52-23-2-02	REPLACEMENT OF PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	75,000	25,000 33%	23,000 31%	10,000 13%	8,000 11%	8,000 11%	1,000 1%
52-24-1-01	INSTALLATION OF <= 1-1/4" SERVICES	2,199,000	1,038,000 47%	228,000 10%	501,000 23%	166,000 8%	261,000 12%	5,000 0%
52-24-1-02	INSTALLATION OF >= 2" SERVICES	2,117,000	893,000 42%	322,000 15%	408,000 19%	238,000 11%	251,000 12%	5,000 0%
52-24-2-01	RENEWAL OF <= 1-1/4" SERVICES	12,097,000	5,710,000 47%	1,255,000 10%	2,754,000 23%	915,000 8%	1,435,000 12%	28,000 0%
52-24-2-02	RENEWAL OF >= 2" SERVICES	827,000	293,000 35%	244,000 30%	137,000 17%	54,000 7%	98,000 12%	1,000 0%
52-29-1-01	PURCHASE OF NEW TOOLS AND WORK EQUIPMENT	200,000	0%	176,000 88%	0%	0%	24,000 12%	0%
52-29-1-02	GEOGRAPHICAL INFORMATION SYSTEM	800,000	616,000 77%	0%	0%	90,000 11%	94,000 12%	0%
52-29-2-01	REPLACE WORN AND OBSOLETE TOOLS AND WORK EQUIPMENT	200,000	0%	176,000 88%	0%	0%	24,000 12%	0%
	LESS: REIMBURSEMENT	(3,577,000)	0%	0%	0%	(3,577,000) 100%	0%	0%
	TOTAL DISTRIBUTION	31,928,000	15,337,000	4,182,000	8,184,000	(121,000)	4,202,000	144,000

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
<u>Field Services</u>	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
50-30-1-01	PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR NEW CUSTOMERS	1,842,000	1,020,000 55%	605,000 33%	0%	0%	215,000 12%	2,000 0%
50-30-2-01	REPLACEMENT OF METERS TO SUPPORT AUTOMATIC METER READING	1,196,000	0%	1,054,000 88%	0%	0%	142,000 12%	0%
50-32-1-01	PURCHASE AND INSTALLATION OF SERVICE REGULATORS	80,000	58,000 73%	13,000 16%	0%	0%	8,000 10%	1,000 1%
50-32-2-01	REPLACEMENT OF SERVICE REGULATORS WORN OUT BEYOND REPAIR	28,000	0%	24,000 86%	0%	0%	4,000 14%	0%
50-33-1-01	PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	600,000	158,000 26%	368,000 61%	0%	0%	74,000 12%	0%
50-33-2-01	REPLACE BPS METSCAN AND LBS METRETEK UNITS, EQUIPMENT & INSTRUMENTATION	44,000	11,000 25%	28,000 64%	0%	0%	5,000 11%	0%
50-35-1-01	TRAINING EQUIPMENT FOR TRAINING SECTION/SERVICE FORCE	25,000	0%	22,000 88%	0%	0%	3,000 12%	0%
50-35-2-01	TRAINING EQUIPMENT FOR TRAINING SECTION/SERVICE FORCE	25,000	0%	22,000 88%	0%	0%	3,000 12%	0%
50-36-1-01	PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	2,372,000	944,000 40%	1,146,000 48%	0%	0%	282,000 12%	0%

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
<u>Field Services</u>	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
50-36-2-01	REPLACE AMR DEVICES WHERE BATTERIES FAILED	325,000	0%	287,000 88%	0%	0%	38,000 12%	0%
50-98-2-98	LESS: ESTIMATED SALVAGE	(22,000)	0%	0%	0%	(22,000) 100%	0%	0%
50-99-2-99	LESS: CONTRIBUTIONS	(121,000)	0%	0%	0%	(121,000) 100%	0%	0%
	TOTAL FIELD SERVICES	6,394,000	2,191,000	3,569,000	0	(143,000)	774,000	3,000

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
<u>Transportation</u>	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
73-01-1-01	SHOP EQUIPMENT ADDITIONS	39,000	0%	34,000 87%	0%	0%	5,000 13%	0%
73-01-1-02	MOBILE EQUIPMENT ADDITIONS	34,000	0%	30,000 88%	0%	0%	4,000 12%	0%
73-01-2-01	VEHICLE REPLACEMENT*	627,000	0%	552,000 88%	0%	0%	75,000 12%	0%
73-01-2-02	MOBILE EQUIPMENT REPLACEMENT	465,000	0%	410,000 88%	0%	0%	55,000 12%	0%
73-01-2-03	SHOP EQUIPMENT REPLACEMENT	56,000	0%	49,000 88%	0%	0%	7,000 13%	0%
	SALVAGE	(70,000)	0%	0%	0%	(70,000) 100%	0%	0%
	TOTAL TRANSPORTATION	1,151,000	0	1,075,000	0	(70,000)	146,000	0

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
<u>Other Depts.</u>								
	<u>BUILDING SERVICES</u>							
72-01-1-01	MISCELLANEOUS CAPITAL ADDITIONS	65,000	0%	0%	0%	54,000 83%	8,000 12%	3,000 5%
72-01-1-02	ADDITIONAL OFFICE EQUIPMENT FOR ALL DEPARTMENTS	22,000	0%	19,000 86%	0%	0%	3,000 14%	0%
72-01-1-03	ADDITIONAL OFFICE FURNITURE FOR ALL DEPARTMENTS	11,000	0%	10,000 91%	0%	0%	1,000 9%	0%
72-01-1-04	CNG STATION ENHANCEMENTS - RICHMOND	150,000	0%	0%	130,000 87%	1,000 1%	18,000 12%	1,000 1%
72-01-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS	102,000	0%	0%	0%	85,000 83%	12,000 12%	5,000 5%
72-01-2-02	REPLACEMENT OF OFFICE EQUIPMENT FOR ALL DEPARTMENTS	21,000	0%	19,000 90%	0%	0%	2,000 10%	0%
72-01-2-03	REPLACEMENT OF OFFICE FURNITURE FOR ALL DEPARTMENTS	11,000	0%	10,000 91%	0%	0%	1,000 9%	0%
72-01-2-04	REPLACE CARPET - VARIOUS LOCATIONS	50,000	0%	0%	40,000 80%	4,000 8%	6,000 12%	0%
72-01-2-05	REPLACE HVAC SYSTEM - 800 WEST	55,000	0%	0%	0%	48,000 87%	7,000 13%	0%
72-01-2-06	REPLACE WINDOWS - 1800 N 9TH	130,000	0%	0%	94,000 72%	18,000 14%	15,000 12%	3,000 2%
72-01-2-07	REPLACE AIR COMPRESSOR AND PIPING - 1849	50,000	4,000 8%	0%	26,000 52%	14,000 28%	6,000 12%	0%

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
<u>Other Depts.</u>	<u>BUILDING SERVICES (CON'T)</u>							
72-01-2-08	IMPROVE FACILITIES (PHASE II) - TIOGA	75,000	0%	0%	44,000 59%	22,000 29%	9,000 12%	0%
72-01-2-09	REPLACE CONCRETE RAMP (PHASE II) - 1849	153,000	0%	0%	0%	134,000 88%	18,000 12%	1,000 1%
72-01-2-10	UPGRADE OFFICE ERGONOMICS - 1800 N 9TH	100,000	0%	0%	72,000 72%	16,000 16%	12,000 12%	0%
72-01-2-11	SECURITY SYSTEMS FOR CUSTOMER SERVICE CENTERS	175,000	0%	0%	0%	146,000 83%	20,000 11%	9,000 5%
72-01-2-12	REPLACE CALL MASTER PHONES	52,000	0%	0%	0%	46,000 88%	6,000 12%	0%
	TOTAL BUILDING SERVICES	1,222,000	4,000	58,000	406,000	588,000	144,000	22,000
	<u>GAS CONTROL & ACQUISITION</u>							
09-01-2-01	REPLACE REMOTE TERMINAL UNITS AT M&R STATIONS	27,000	6,000 22%	18,000 67%	0%	0%	3,000 11%	0%
09-01-2-02	REPLACE SERVERS FOR SCADA SYSTEM	86,000	5,000 6%	60,000 70%	10,000 12%	0%	11,000 13%	0%
09-01-2-03	REPLACE OPERATOR STATIONS FOR SCADA SYSTEM	55,000	3,000 5%	35,000 64%	10,000 18%	0%	7,000 13%	0%
	TOTAL GAS CONTROL & ACQUISITION	168,000	14,000	113,000	20,000	0	21,000	0

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
<u>Other Depts.</u>	<u>INFORMATION TECHNOLOGY</u>							
47-01-1-01	DATABASE PERFORMANCE TOOLS	170,000	0%	117,000 69%	33,000 19%	0%	20,000 12%	0%
47-01-1-02	CONFIGURATION MANAGEMENT	250,000	0%	200,000 80%	20,000 8%	0%	30,000 12%	0%
47-01-1-03	SOFTWARE TESTING TOOLS	342,000	0%	240,000 70%	61,000 18%	0%	41,000 12%	0%
47-01-1-04	UPGRADE GPOS7 TO NT	92,000	0%	60,000 65%	21,000 23%	0%	11,000 12%	0%
47-01-1-05	DIRECT ACCESS STORAGE DEVICES	568,000	0%	500,000 88%	0%	0%	68,000 12%	0%
47-01-1-06	DESKTOP PC'S, PERIPHERALS AND SOFTWARE*	500,000	0%	440,000 88%	0%	0%	60,000 12%	0%
47-01-1-07	SERVER HARDWARE UPGRADE	242,000	0%	213,000 88%	0%	0%	29,000 12%	0%
47-01-1-08	TAPE LIBRARY, AND (2) SERVER CPU'S	66,000	0%	58,000 88%	0%	0%	8,000 12%	0%
47-01-1-09	(2) DATA SERVERS	310,000	0%	273,000 88%	0%	0%	37,000 12%	0%
47-01-2-01	DESKTOP SOFTWARE UPGRADES	40,000	0%	35,000 88%	0%	0%	5,000 13%	0%

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
<u>Other Depts.</u>	<u>INFORMATION TECHNOLOGY (CON'T)</u>							
47-01-2-02	REPLACE 950 DELL DESKTOPS*	250,000	0%	220,000 88%	0%	0%	30,000 12%	0%
47-01-2-03	DESKTOP PC'S & PERIPHERALS*	135,000	0%	119,000 88%	0%	0%	16,000 12%	0%
47-01-2-04	REPLACE SERVER & NETWORK HARDWARE	142,000	0%	125,000 88%	0%	0%	17,000 12%	0%
47-01-2-05	FIBER DIGITAL DATA INTERCHANGE UPGRADE	136,000	0%	120,000 88%	0%	0%	16,000 12%	0%
	TOTAL INFORMATION TECHNOLOGY	3,243,000	0	2,720,000	135,000	0	388,000	0
	<u>VP CUSTOMER AFFAIRS</u>							
10-01-1-01	CUSTOMER SATISFACTION SURVEY	100,000	0%	0%	0%	88,000 88%	12,000 12%	0%
10-01-1-02	E-MAIL ACD	100,000	0%	0%	0%	88,000 88%	12,000 12%	0%
10-01-1-03	CUSTOMER COMPLAINT TRACKING	50,000	0%	0%	0%	44,000 88%	6,000 12%	0%

2001 CAPITAL BUDGET PROPOSALS - ESTIMATE OF COST

BUDGET CATEGORY	DESCRIPTION	2001 BUDGET	PGW LABOR	MATERIAL	PURCHASED SERVICES	OTHER	A&G	AFUDC
<u>Other Depts.</u> 10-01-1-04	<u>ACQUIRE ASSETS - INTERNALLY GENERATED FUNDS</u>							
	<u>VP CUSTOMER AFFAIRS (CON'D)</u> BCCS ENHANCEMENTS	500,000	40,000 8%	0%	400,000 80%	0%	60,000 12%	0%
	TOTAL VP CUSTOMER AFFAIRS	750,000	40,000	0	400,000	220,000	90,000	0
	TOTAL OTHER DEPARTMENTS	5,383,000	58,000	2,891,000	961,000	808,000	643,000	22,000
TOTAL ALL DEPARTMENTS		49,688,000	17,603,000	11,866,000	9,212,000	4,289,000	6,312,000	406,000
ACQUIRE ASSETS - CAPITAL		48,176,000	17,603,000	10,535,000	9,212,000	4,289,000	6,131,000	406,000
OPERATING LEASE*		1,512,000	0	1,331,000	0	0	181,000	0

CLASSIFICATION EXPLANATIONS:

OTHER

C & D CONTRACTS WITH DISTRIBUTION AND OUTSIDE AGENCIES.

A&G

VARIABILITY OF A&G IS DUE TO ROUNDING TO NEAREST THOUSAND DOLLAR. A&G IS 13.5%.

AFUDC

AFUDC IS A CONSTRUCTION ACTIVITY FUND ESTIMATE BASED ON PROJECT SCOPE AND ALLOTMENT.

**PHILADELPHIA GAS WORKS
SUMMARY OF PRIORITY LISTING
FORECAST YEARS 2002 - 2006**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
Gas Processing Department						
Priority 1	367,000	642,000	1,882,000	31,000	31,000	2,953,000
Priority 2	10,373,000	3,846,000	478,000	891,000	648,000	16,236,000
Total Gas Processing Department	10,740,000	4,488,000	2,360,000	922,000	679,000	19,189,000
Distribution Department						
Priority 1	23,849,000	23,849,000	24,275,000	24,275,000	24,275,000	120,523,000
Priority 2	550,000	550,000	550,000	550,000	550,000	2,750,000
Priority 3	5,425,000	5,425,000	5,527,000	5,533,000	5,533,000	27,443,000
Priority 4	6,174,000	6,297,000	6,423,000	6,552,000	6,683,000	32,129,000
Priority 5	300,000	275,000	250,000	225,000	225,000	1,275,000
Total Gross Distribution Department	36,298,000	36,396,000	37,025,000	37,135,000	37,266,000	184,120,000
Field Services Department						
Priority 1	1,141,000	1,164,000	1,187,000	1,210,000	1,234,000	5,936,000
Priority 2	50,000	25,000	52,000	25,000	54,000	206,000
Priority 4	2,058,000	2,111,000	2,163,000	2,217,000	2,273,000	10,822,000
Priority 5	1,508,000	1,009,000	1,060,000	5,730,000	5,929,000	15,236,000
Total Gross Field Services Department	4,757,000	4,309,000	4,462,000	9,182,000	9,490,000	32,200,000
Transportation Department						
Priority 2	2,489,000	3,002,000	3,515,000	4,037,000	4,557,000	17,600,000
Total Gross Transportation Department	2,489,000	3,002,000	3,515,000	4,037,000	4,557,000	17,600,000
Other Departments						
Priority 1	0	200,000	0	0	0	200,000
Priority 2	645,000	1,207,000	642,000	1,535,000	824,000	4,853,000
Priority 5	5,954,000	4,081,000	3,454,000	1,731,000	3,264,000	18,484,000
Total Other Departments	6,599,000	5,488,000	4,096,000	3,266,000	4,088,000	23,537,000
Total Gross Capital Budgets	\$60,883,000	\$53,683,000	\$51,458,000	\$54,542,000	\$56,080,000	\$276,646,000

**GAS PROCESSING DEPARTMENT
LISTING BY PRIORITY
FORECAST YEARS 2002 - 2006**

<u>Category</u>	<u>Description</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
Priority 1							
53-01-2-02	Replace Odorization Monitoring System	64,000					64,000
53-01-2-07	Replace Allegheny Main 150 PSIG Over-Pressure	77,000					77,000
53-02-1-02	Foam Generator and Sump Pump		481,000				481,000
53-02-2-05	Replace Vaporization Outlet Piping	198,000					198,000
53-02-2-08	Replace LNG Tank Temp Data Sys - Richmond		132,000				132,000
53-02-2-10	Replace Instrument Air Compressors - Richmond			160,000			160,000
53-03-2-99	Demolish No. 6 Natural Gas Holder			1,692,000			1,692,000
53-03-2-99	Miscellaneous Demolitions	28,000	29,000	30,000	31,000	31,000	149,000
	Total Priority 1	367,000	642,000	1,882,000	31,000	31,000	2,953,000
Priority 2							
53-01-1-01	Miscellaneous Additions	27,000	28,000	29,000	30,000	30,000	144,000
53-01-2-01	Natural Gas Heaters	556,000	584,000				1,140,000
53-01-2-03	Replace Fuel Gas Valves/Burner System	206,000					206,000
53-01-2-04	Miscellaneous Replacements	52,000	54,000	56,000	58,000	60,000	280,000
53-01-2-05	Replace Shutoff Valves - M&R Stations	163,000	158,000				321,000
53-02-1-01	Miscellaneous Additions	78,000	81,000	84,000	86,000	86,000	415,000
53-02-2-02	Liquefaction Plant Replace.(Phase II) - Richmond	9,000,000					9,000,000
53-02-2-03	Replace Plant Instrumentation				224,000		224,000
53-02-2-06	Replace NG Facilities Instrumentation		2,500,000			149,000	2,649,000
53-02-2-09	Miscellaneous Replacements	144,000	148,000	152,000	156,000	156,000	756,000
53-03-1-01	Miscellaneous Additions	26,000	27,000	28,000	29,000	30,000	140,000
53-03-2-01	Improve Building & Structures	69,000	71,000	73,000	75,000	77,000	365,000
53-03-2-02	Miscellaneous Replacements	52,000	54,000	56,000	58,000	60,000	280,000
53-03-2-03	Modify Main Office - Gas Control				175,000		175,000
53-03-2-04	Renovate LNG Control Room		141,000				141,000
	Total Priority 2	10,373,000	3,846,000	478,000	891,000	648,000	16,236,000
TOTAL GAS PROCESSING DEPARTMENT		\$10,740,000	\$4,488,000	\$2,360,000	\$922,000	\$679,000	\$19,189,000

**DISTRIBUTION DEPARTMENT
LISTING BY PRIORITY
FORECAST YEARS 2002 - 2006**

<u>Category</u>	<u>Description</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
Priority 1							
52-21-2-02	Prudent	8,475,000	8,475,000	8,644,000	8,644,000	8,644,000	42,882,000
52-21-2-03	Joint Clamping 8" and Smaller	500,000	500,000	500,000	500,000	500,000	2,500,000
52-21-2-04	Encapsulation 8" and Smaller	800,000	800,000	800,000	800,000	800,000	4,000,000
52-22-2-02	Encapsulation 12" and Larger	900,000	900,000	900,000	900,000	900,000	4,500,000
52-22-2-03	Joint Clamping 12" and Larger	250,000	250,000	250,000	250,000	250,000	1,250,000
52-24-2-01	1 1/4" and Smaller Services	12,097,000	12,097,000	12,338,000	12,338,000	12,338,000	61,208,000
52-24-2-02	2" and Larger Services	827,000	827,000	843,000	843,000	843,000	4,183,000
Total Priority 1		23,849,000	23,849,000	24,275,000	24,275,000	24,275,000	120,523,000
Priority 2							
52-23-1-01	Additions - Pressure and Corrosion Control	200,000	200,000	200,000	200,000	200,000	1,000,000
52-23-2-01	Replacements- Pressure and Corrosion Control	150,000	150,000	150,000	150,000	150,000	750,000
52-29-2-01	Replacements- Other Facilities	200,000	200,000	200,000	200,000	200,000	1,000,000
Total Priority 2		550,000	550,000	550,000	550,000	550,000	2,750,000
Priority 3							
52-20-2-01	City and State Work	254,000	254,000	254,000	260,000	260,000	1,282,000
52-21-2-01	City and State Work	4,690,000	4,690,000	4,783,000	4,783,000	4,783,000	23,729,000
52-22-2-01	City and State Work	481,000	481,000	490,000	490,000	490,000	2,432,000
Total Priority 3		5,425,000	5,425,000	5,527,000	5,533,000	5,533,000	27,443,000
Priority 4							
52-20-1-01	Unspecified - High Pressure Mains	168,000	171,000	174,000	177,000	180,000	870,000
52-21-1-01	Additions - 8" & Sm I P/LP Main	1,615,000	1,647,000	1,680,000	1,714,000	1,748,000	8,404,000
52-22-1-01	Additions - 12" & Lgr IP/LP Main	75,000	77,000	79,000	81,000	83,000	395,000
52-24-1-01	1 1/4" and Smaller Services	2,199,000	2,243,000	2,288,000	2,334,000	2,381,000	11,445,000
52-24-1-02	2" and Larger Services	2,117,000	2,159,000	2,202,000	2,246,000	2,291,000	11,015,000
Total Priority 4		6,174,000	6,297,000	6,423,000	6,552,000	6,683,000	32,129,000
Priority 5							
52-29-1-01	Additions - Other Facilities	200,000	200,000	200,000	200,000	200,000	1,000,000
52-29-1-02	Geographical Information System	100,000	75,000	50,000	25,000	25,000	275,000
Total Priority 5		300,000	275,000	250,000	225,000	225,000	1,275,000
TOTAL GROSS DISTRIBUTION DEPARTMENT		\$36,298,000	\$36,396,000	\$37,025,000	\$37,135,000	\$37,266,000	\$184,120,000

FIELD SERVICES DEPARTMENT
LISTING BY PRIORITY
FORECAST YEARS 2002 - 2006

<u>Category</u>	<u>Description</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
Priority 1							
50-30-2-01	Meter Replacements	1,069,000	1,089,000	1,110,000	1,131,000	1,153,000	5,552,000
50-32-2-01	Service Regulator Replacements	28,000	28,000	29,000	30,000	31,000	146,000
50-33-2-01	Telemetry Replacements	44,000	47,000	48,000	49,000	50,000	238,000
Total Priority 1		1,141,000	1,164,000	1,187,000	1,210,000	1,234,000	5,936,000
Priority 2							
50-35-2-01	Service Section Equipment - Replacements	50,000	25,000	52,000	25,000	54,000	206,000
Total Priority 2		50,000	25,000	52,000	25,000	54,000	206,000
Priority 4							
50-30-1-01	Meter Additions & Installations	1,976,000	2,026,000	2,076,000	2,128,000	2,182,000	10,388,000
50-32-1-01	Regulator Additions & Installations	82,000	85,000	87,000	89,000	91,000	434,000
Total Priority 4		2,058,000	2,111,000	2,163,000	2,217,000	2,273,000	10,822,000
Priority 5							
50-33-1-01	Telemetry Additions & Installations	579,000	83,000	85,000	86,000	89,000	922,000
50-35-1-01	Service Section Equipment - Additions	51,000	25,000	53,000	25,000	55,000	209,000
50-36-1-01	AMR - Additions	208,000	213,000	218,000	223,000	230,000	1,092,000
50-36-2-01	AMR - Replacements	670,000	688,000	704,000	5,396,000	5,555,000	13,013,000
Total Priority 5		1,508,000	1,009,000	1,060,000	5,730,000	5,929,000	15,236,000
TOTAL GROSS FIELD SERVICES DEPARTMENT		\$4,757,000	\$4,309,000	\$4,462,000	\$9,182,000	\$9,490,000	\$32,200,000

TRANSPORTATION DEPARTMENT
LISTING BY PRIORITY
FORECAST YEARS 2002 - 2006

<u>Category</u>	<u>Description</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
<u>Priority 2</u>							
73-01-1-01	Shop Equipment Additions	41,000	41,000	42,000	42,000	44,000	210,000
73-01-2-01	Vehicle Replacement	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000	15,000,000
73-01-2-02	Mobile Equipment Replacement	391,000	403,000	414,000	436,000	453,000	2,097,000
73-01-2-03	Shop Equipment Replacement	57,000	58,000	59,000	59,000	60,000	293,000
	Total Priority 2	2,489,000	3,002,000	3,515,000	4,037,000	4,557,000	17,600,000
TOTAL GROSS TRANSPORTATION DEPARTMENT		\$2,489,000	\$3,002,000	\$3,515,000	\$4,037,000	\$4,557,000	\$17,600,000

**OTHER DEPARTMENTS
LISTING BY PRIORITY
FORECAST YEARS 2002 - 2006**

<u>Category</u>	<u>Description</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
Priority 1							
72-01-2-08	Replace Concrete Ramp - 1849 N. 9th		200,000				200,000
Total Priority 1		0	200,000	0	0	0	200,000
Priority 2							
72-01-1-03	Construct CNG Station		650,000		650,000		1,300,000
72-01-2-02	Miscellaneous Replacements	105,000	108,000	111,000	114,000	117,000	555,000
72-01-2-05	Replace Roof - 1800 N. 9th	70,000	71,000	72,000			213,000
72-01-2-06	Replace HVAC System - 800 West	57,000	59,000	61,000	63,000	65,000	305,000
72-01-2-10	Replace Roof - Various Buildings			200,000	204,000		404,000
72-01-2-16	Replace Carpet - various	52,000	54,000	56,000	58,000	60,000	280,000
72-01-2-17	Replace Heating Boiler - 1800 N. 9th	122,000	127,000			132,000	381,000
72-01-2-18	Upgrade Chillers Refrigerant - 1800 N. 9th	105,000			300,000	300,000	705,000
72-01-2-21	Replace Windows - 1800 N. 9th	134,000	138,000	142,000	146,000	150,000	710,000
Total Priority 2		645,000	1,207,000	642,000	1,535,000	824,000	4,853,000
Priority 5							
72-01-1-01	Additional Furniture & Equipment	22,000	22,000	22,000	22,000	22,000	110,000
72-01-1-02	Miscellaneous Additions	52,000	54,000	56,000	58,000	60,000	280,000
72-01-1-05	Add Security Systems	100,000	102,000	104,000	106,000	108,000	520,000
72-01-1-07	Disaster Recovery Center Software	602,000					602,000
72-01-1-08	Document Management System	70,000	10,000	10,000	5,000	5,000	100,000
72-01-1-09	Install Message Manager	91,000					91,000
72-01-2-01	Replace Furniture & Equipment	22,000	22,000	22,000	22,000	22,000	110,000
72-01-2-03	Structural Repairs	50,000	52,000	54,000	56,000	58,000	270,000
72-01-2-07	Upgrade Office Ergonomics - 1800 N. 9th	89,000					89,000
72-01-2-09	Security Systems for Customer Service Centers	60,000					60,000
72-01-2-12	Replace Electric A/C with Gas Units	200,000	200,000	200,000	200,000		800,000
72-01-2-13	Upgrade Sub-Station - various	100,000	103,000	106,000	109,000	112,000	530,000
72-01-2-14	Upgrade Switchgear - 1800 N. 9th	100,000	103,000	106,000			309,000
72-01-2-15	Replace Electrical System - various	100,000	150,000		150,000	150,000	550,000
72-01-2-20	Renovate South Phila. Cust. Serv. Ctr. - 2nd floor					799,000	799,000
72-01-2-22	Replace #1 & #4 Elevators - 1800 N. 9th	221,000	225,000				446,000

**OTHER DEPARTMENTS
LISTING BY PRIORITY
FORECAST YEARS 2002 - 2006**

<u>Category</u>	<u>Description</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>Total</u>
Priority 5 (Con't)							
72-01-2-23	Replace Lobby Security Console - 800 West			679,000			679,000
72-01-2-24	Upgrade Automatic Gates - various	10,000	10,000	10,000	10,000	10,000	50,000
72-01-2-25	Repave Parking Lot - 9th & Berks	56,000					56,000
72-01-2-26	Repave Parking Lot - Tioga		58,000				58,000
72-01-2-27	Heating System - Call Center 1800 N. 9th	20,000					20,000
72-01-2-28	Purchase Back-Up Generator - 1800 N. 9th		422,000	422,000			844,000
72-01-2-29	Disaster Recovery Center - Diamond	438,000					438,000
72-01-2-30	Replace Call Master Phones	53,000					53,000
72-01-2-31	Improve Facilities (Phase III) - Tioga	100,000					100,000
72-01-2-32	Replace Heavy Duty Cleaning Equipment	8,000	8,000	8,000	8,000	8,000	40,000
47-01-1-02	Data Warehouse	100,000	50,000	30,000	25,000		205,000
47-01-1-03	Server Hardware Upgrades	125,000	125,000	125,000	125,000	125,000	625,000
47-01-1-10	E-Commerce And Internet	700,000	700,000	665,000			2,065,000
47-01-2-01	Desktop PC's, Peripherals & Software	100,000	100,000	100,000	100,000	100,000	500,000
47-01-2-02	Desktop Software Upgrades	250,000				250,000	500,000
47-01-2-04	Replace Laptops	60,000	60,000	60,000	60,000	60,000	300,000
47-01-2-05	Upgrade IBM Servers	250,000	250,000	250,000	250,000	250,000	1,250,000
47-01-2-06	Replace Dell Optiplex PC's	800,000	800,000			700,000	2,300,000
47-01-2-07	Upgrade Network To Gigabit, 100MBPS	500,000	300,000	300,000	300,000	300,000	1,700,000
47-01-2-08	Replace Server & Network Hardware	125,000	125,000	125,000	125,000	125,000	625,000
10-01-1-08	IVR Enhancement - Service Appointment	350,000					350,000
09-01-2-04	Improvements To Sendout Program	30,000	30,000				60,000
	Total Priority 5	5,954,000	4,081,000	3,454,000	1,731,000	3,264,000	18,484,000
TOTAL OTHER DEPARTMENTS		\$6,599,000	\$5,488,000	\$4,096,000	\$3,266,000	\$4,088,000	\$23,537,000

DISTRIBUTION DEPARTMENT CAPITAL BUDGET SUMMARY
Part 1 - Spending (000's)

<u>Code</u>	<u>Program</u>	<u>Type</u>	<u>KB</u>	<u>Budget 2001</u>	<u>Forecast 2002</u>	<u>Forecast 2003</u>	<u>Forecast 2004</u>	<u>Forecast 2005</u>	<u>Forecast 2006</u>	<u>Total</u>
D-20	High Pressure Main	Replacement	2001	1,222,400	305,600					1,528,000
D-21	8" and Smaller - Enforced	Replacement	2001	4,813,000	235,000					5,048,000
D-21	8" and Smaller - Prudent	Replacement	2001 2000	4,106,000 2,430,000						4,106,000 2,430,000
D-22	12" & Larger Main	Replacement	2001	2,860,000						2,860,000
D-24	1-1/4" & Smaller Service	Replacement	2001	12,097,000						12,097,000
D-24	2" & Larger Service	Replacement	2001	827,000						827,000
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D-20	High Pressure Main	Addition	2001	168,000						168,000
D-21	8" & Smaller Main	Addition	2001	1,254,000						1,254,000
D-22	12" & Larger Main	Addition	2001	75,000						75,000
D-24	1-1/4" & Smaller Services	Addition	2001	2,199,000						2,199,000
D-24	2" & Larger Services	Addition	2001	2,117,000						2,117,000

DISTRIBUTION DEPARTMENT CAPITAL BUDGET SUMMARY
Part 2 - Main Footage or Service Units

<u>Code</u>	<u>Program</u>	<u>Type</u>	<u>KB</u>	<u>Budget 2001</u>	<u>Forecast 2002</u>	<u>Forecast 2003</u>	<u>Forecast 2004</u>	<u>Forecast 2005</u>	<u>Forecast 2006</u>	<u>Total</u>
D-20	High Pressure Main	Replacement	2001	6,685	0					6,685
D-21	8" and Smaller - Enforced	Replacement	2001	35,178	0					35,178
D-21	8" and Smaller - Prudent	Replacement	2001 2000	28,368 17,357						28,368 17,357
D-22	12" & Larger Main	Replacement	2001	8,362						8,362
D-24	1-1/4" & Smaller Service	Replacement	2001	8,585						8,585
D-24	2" & Larger Service	Replacement	2001	95						95
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D-20	High Pressure	Addition	2001	1,800						1,800
D-21	8" & Smaller Main	Addition	2001	12,383						12,383
D-22	12" & Larger Main	Addition	2001	300						300
D-24	1-1/4" & Smaller Services	Addition	2001	1,201						1,201
D-24	2" & Larger Services	Addition	2001	124						124

2000 CAPITAL BUDGET MONTHLY EXPENDITURE

BUDGET CATEGORY	DESCRIPTION	2000 BUDGET	FISCAL YEAR 2000 SPENDING												2000 TOTAL	2001	2002	TOTAL
			SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST				
Gas Processing																		
GP-1 A-1 53-01-1-01	MISCELLANEOUS CAPITAL ADDITIONS	15,000	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	15,000 100%	0%	0%	15,000 100%
GP-1 R-1 53-01-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS	26,000	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,130 8%	26,000 100%	0%	0%	26,000 100%	
GP-2 A-1 53-02-1-01	MISCELLANEOUS CAPITAL ADDITIONS	36,000	3,000 8%	3,000 8%	3,000 8%	3,000 8%	3,000 8%	3,000 8%	3,000 8%	3,000 8%	3,000 8%	3,000 8%	3,000 8%	36,000 100%	0%	0%	36,000 100%	
GP-2 R-1 53-02-2-01	LNG PLANT REPLACEM/ENHANCEM. (PHASE I)	14,185,000	0%	0%	0%	100,000 1%	100,000 1%	100,000 1%	762,000 5%	533,000 4%	533,000 4%	762,000 5%	862,000 6%	4,614,000 33%	9,571,000 67%	0%	14,185,000 100%	
GP-2 R-2 53-02-2-02	MISCELLANEOUS CAPITAL REPLACEMENTS	139,000	11,580 8%	11,580 8%	11,580 8%	11,580 8%	11,580 8%	11,580 8%	11,580 8%	11,580 8%	11,580 8%	11,580 8%	11,620 8%	139,000 100%	0%	0%	139,000 100%	
GP-3 A-1 53-03-1-01	MISCELLANEOUS CAPITAL ADDITIONS	15,000	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	1,250 8%	15,000 100%	0%	0%	15,000 100%	
GP-3 R-1 53-03-2-01	IMPROVEMENT OF BUILDINGS AND STRUCTURES	65,000	5,420 8%	5,420 8%	5,420 8%	5,420 8%	5,420 8%	5,420 8%	5,420 8%	5,420 8%	5,420 8%	5,420 8%	5,380 8%	65,000 100%	0%	0%	65,000 100%	
GP-3 R-2 53-03-2-02	MISCELLANEOUS CAPITAL REPLACEMENTS	32,000	2,670 8%	2,670 8%	2,670 8%	2,670 8%	2,670 8%	2,670 8%	2,670 8%	2,670 8%	2,670 8%	2,670 8%	2,630 8%	32,000 100%	0%	0%	32,000 100%	
GP-3 R-99 53-03-2-99	MISCELLANEOUS DEMOLITIONS	26,000	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,170 8%	2,130 8%	26,000 100%	0%	0%	26,000 100%	
TOTAL GAS PROCESSING		14,539,000	29,510	29,510	29,510	129,510	129,510	129,510	791,510	562,510	562,510	791,510	891,510	4,068,000	9,571,000	0	14,539,000	

2000 CAPITAL BUDGET MONTHLY EXPENDITURE

BUDGET CATEGORY	DESCRIPTION	2000 BUDGET	FISCAL YEAR 2000 SPENDING												2000 TOTAL	2001	2002	TOTAL
			SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST				
<u>Distribution</u>																		
52-20-1-01	HIGH PRESSURE GAS MAIN ADDITIONS	200,000	16,000 8%	16,000 8%	16,000 8%	16,000 8%	17,000 9%	200,000 100%	0%	0%	200,000 100%							
52-20-2-01	ENFORCED RELOCATION OF HIGH PRESSURE GAS MAINS	254,000	21,000 8%	21,000 8%	21,000 8%	21,000 8%	21,000 8%	21,000 8%	21,000 8%	21,000 8%	21,000 8%	21,000 8%	22,000 9%	22,000 9%	254,000 100%	0%	0%	254,000 100%
52-21-1-01	INSTALLATION OF <= 8" LP & IP GAS MAINS	1,252,000	104,000 8%	104,000 8%	104,000 8%	104,000 8%	104,000 8%	104,000 8%	104,000 8%	104,000 8%	105,000 8%	105,000 8%	105,000 8%	105,000 8%	1,252,000 100%	0%	0%	1,252,000 100%
52-21-2-01	ENFORCED RELOCATION OF <= 8" LP & IP GAS MAINS	3,729,000	248,000 7%	248,000 7%	248,000 7%	248,000 7%	248,000 7%	249,000 7%	2,983,000 80%	746,000 20%	0%	3,729,000 100%						
52-21-2-02	REPLACEMENT OF <= 8" LP & IP GAS MAINS	3,235,000	269,000 8%	269,000 8%	269,000 8%	269,000 8%	269,000 8%	270,000 8%	3,235,000 100%	0%	0%	3,235,000 100%						
52-21-2-03	JOINT CLAMPING 8" AND SMALLER	500,000	41,000 8%	41,000 8%	41,000 8%	41,000 8%	42,000 8%	500,000 100%	0%	0%	500,000 100%							
52-21-2-04	ENCAPSULATION 8" AND SMALLER	800,000	68,000 8%	68,000 8%	68,000 8%	68,000 8%	67,000 8%	800,000 100%	0%	0%	800,000 100%							
52-22-1-01	INSTALLATION OF >= 12" LP & IP GAS MAINS	75,000	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	7,000 9%	7,000 9%	7,000 9%	75,000 100%	0%	0%	75,000 100%
52-22-2-01	ENFORCED RELOCATION OF >= 12" LP & IP GAS MAINS	481,000	32,000 7%	32,000 7%	32,000 7%	32,000 7%	32,000 7%	32,000 7%	32,000 7%	32,000 7%	32,000 7%	32,000 7%	33,000 7%	33,000 7%	385,000 80%	86,000 20%	0%	481,000 100%
52-22-2-02	JOINT CLAMPING 12" AND LARGER	250,000	20,000 8%	20,000 8%	21,000 8%	250,000 100%	0%	0%	250,000 100%									
52-22-2-03	ENCAPSULATION 12" AND LARGER	900,000	75,000 8%	75,000 8%	75,000 8%	75,000 8%	75,000 8%	75,000 8%	75,000 8%	75,000 8%	75,000 8%	75,000 8%	75,000 8%	75,000 8%	900,000 100%	0%	0%	900,000 100%
52-23-1-01	CATHODIC PROTECTION OF UNPROTECTED STEEL MAIN	200,000	16,000 8%	16,000 8%	16,000 8%	16,000 8%	17,000 9%	200,000 100%	0%	0%	200,000 100%							
52-23-2-01	REPLACEMENT OF HIGH PRESSURE MAIN VALVES	75,000	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	7,000 9%	7,000 9%	7,000 9%	75,000 100%	0%	0%	75,000 100%
52-23-2-02	REPLACEMENT OF PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	75,000	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	6,000 8%	7,000 9%	7,000 9%	7,000 9%	75,000 100%	0%	0%	75,000 100%
52-24-1-01	INSTALLATION OF <= 1-1/4" SERVICES	2,185,000	182,000 8%	182,000 8%	182,000 8%	182,000 8%	182,000 8%	182,000 8%	182,000 8%	182,000 8%	182,000 8%	182,000 8%	182,000 8%	183,000 8%	2,185,000 100%	0%	0%	2,185,000 100%
52-24-1-02	INSTALLATION OF >= 2" SERVICES	1,400,000	116,000 8%	116,000 8%	116,000 8%	116,000 8%	117,000 8%	1,400,000 100%	0%	0%	1,400,000 100%							
52-24-2-01	RENEWAL OF <= 1-1/4" SERVICES	9,623,000	801,000 8%	802,000 8%	9,623,000 100%	0%	0%	9,623,000 100%										
52-24-2-02	RENEWAL OF >= 2" SERVICES	603,000	50,000 8%	50,000 8%	50,000 8%	50,000 8%	50,000 8%	50,000 8%	50,000 8%	50,000 8%	50,000 8%	51,000 8%	51,000 8%	51,000 8%	603,000 100%	0%	0%	603,000 100%

2000 CAPITAL BUDGET MONTHLY EXPENDITURE

BUDGET CATEGORY	DESCRIPTION	2000 BUDGET	FISCAL YEAR 2000 SPENDING												2000 TOTAL	2001	2002	TOTAL
			SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST				
Distribution	(cont'd)																	
52-29-1-01	PURCHASE OF NEW TOOLS AND WORK EQUIP	200,000	18,000 8%	18,000 8%	16,000 8%	16,000 8%	17,000 9%	200,000 100%	0%	0%	200,000 100%							
52-29-2-01	REPLACE WORN AND OBSOLETE TOOLS AND WORK EQUIPMENT	200,000	18,000 8%	18,000 8%	16,000 8%	16,000 8%	17,000 9%	200,000 100%	0%	0%	200,000 100%							
52-99-2-99	REMOVALS AND ABANDONMENTS	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%	0%	0
	LESS: REIMBURSEMENT	(802,000)	(68,000) 8%	(66,000) 8%	(67,000) 8%	(802,000) 100%	0%	0%	(802,000) 100%									
	LESS: SALVAGE	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0	0%	0%	0
	TOTAL DISTRIBUTION	25,435,000	2,041,000	2,042,000	2,042,000	2,042,000	2,048,000	2,051,000	2,051,000	2,051,000	2,052,000	2,056,000	2,057,000	2,059,000	24,593,000	842,000	0	25,435,000

2000 CAPITAL BUDGET MONTHLY EXPENDITURE

BUDGET CATEGORY	DESCRIPTION	2000 BUDGET	FISCAL YEAR 2000 SPENDING												2000 TOTAL	2001	2002	TOTAL
			SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST				
Field Services																		
50-30-1-01	PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR NEW CUSTOMERS	1,842,000	179,000 10%	138,000 7%	128,000 7%	160,000 9%	142,000 8%	134,000 7%	140,000 8%	165,000 9%	178,000 10%	163,000 9%	161,000 9%	154,000 8%	1,842,000 100%	0%	0%	1,842,000 100%
50-30-2-01	REPLACEMENT OF METERS WORN OUT BEYOND REPAIR	1,255,000	105,000 8%	110,000 9%	117,000 9%	109,000 9%	97,000 8%	92,000 7%	95,000 8%	112,000 9%	110,000 9%	103,000 8%	99,000 8%	106,000 8%	1,255,000 100%	0%	0%	1,255,000 100%
50-32-1-01	PURCHASE AND INSTALLATION OF SERVICE REGULATORS	79,000	8,000 10%	6,000 8%	3,000 4%	3,000 4%	3,000 4%	6,000 8%	8,000 8%	6,000 8%	9,000 11%	9,000 11%	10,000 13%	10,000 13%	79,000 100%	0%	0%	79,000 100%
50-32-2-01	REPLACEMENT OF SERVICE REGULATORS WORN OUT BEYOND REPAIR	28,000	0%	0%	10,000 38%	0%	7,000 27%	7,000 27%	0%	0%	0%	0%	0%	2,000 8%	28,000 100%	0%	0%	28,000 100%
50-33-1-01	PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	834,000	58,000 9%	38,000 6%	12,000 2%	10,000 2%	10,000 2%	34,000 5%	75,000 12%	75,000 12%	75,000 12%	77,000 12%	85,000 13%	85,000 13%	834,000 100%	0%	0%	834,000 100%
50-33-2-01	REPLACE BPS METSCAN AND LBS METRETEK UNITS, EQUIPMENT AND INSTRUMENTATION	42,000	0%	0%	0%	0%	0%	0%	10,000 24%	10,000 24%	7,000 17%	7,000 17%	4,000 10%	4,000 10%	42,000 100%	0%	0%	42,000 100%
50-35-1-01	TRAINING EQUIPMENT FOR TRAINING SECTION/SERVICE FORCE	51,000	8,000 16%	6,000 12%	0%	0%	0%	0%	0%	9,000 18%	4,000 8%	8,000 16%	7,000 14%	9,000 18%	51,000 100%	0%	0%	51,000 100%
50-35-1-02	MAPS SYSTEM - VAN INVENTORY	600,000	0%	100,000 17%	0%	100,000 17%	0%	100,000 17%	0%	100,000 17%	0%	100,000 17%	0%	100,000 17%	600,000 100%	0%	0%	600,000 100%
50-35-2-01	TRAINING EQUIPMENT FOR TRAINING SECTION/SERVICE FORCE	50,000	0%	0%	0%	8,000 16%	5,000 10%	3,000 6%	5,000 10%	8,000 16%	4,000 8%	4,000 8%	4,000 8%	9,000 18%	50,000 100%	0%	0%	50,000 100%
50-36-1-01	PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	1,838,000	285,000 16%	146,000 8%	59,000 3%	44,000 2%	15,000 1%	15,000 1%	55,000 3%	185,000 10%	250,000 14%	250,000 14%	255,000 14%	267,000 15%	1,838,000 100%	0%	0%	1,838,000 100%
50-36-2-01	REPLACE AMR DEVICES WHERE BATTERIES FAILED	827,000	120,000 15%	120,000 15%	0%	120,000 15%	120,000 15%	0%	120,000 15%	120,000 15%	0%	0%	107,000 13%	0%	827,000 100%	0%	0%	827,000 100%
50-98-2-98	LESS: ESTIMATED SALVAGE	(22,000)	(4,000) 18%	0%	0%	0%	0%	0%	(3,000) 14%	(3,000) 14%	(3,000) 14%	(3,000) 14%	(3,000) 14%	(3,000) 14%	(22,000) 100%	0%	0%	(22,000) 100%
50-94-1-94	LESS: CONTRIBUTIONS	(121,000)	(13,000) 11%	(3,000) 2%	(4,000) 3%	(4,000) 3%	(9,000) 7%	(13,000) 11%	(13,000) 11%	(15,000) 12%	(11,000) 9%	(10,000) 8%	(13,000) 11%	(13,000) 11%	(121,000) 100%	0%	0%	(121,000) 100%
	TOTAL FIELD SERVICES	7,099,000	756,000	661,000	325,000	550,000	390,000	378,000	490,000	772,000	623,000	708,000	716,000	730,000	7,099,000	0	0	7,099,000

2000 CAPITAL BUDGET MONTHLY EXPENDITURE

BUDGET CATEGORY	DESCRIPTION	2000 BUDGET	FISCAL YEAR 2000 SPENDING												2000 TOTAL	2001	2002	TOTAL		
			SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST						
<u>Transportation</u>																				
73-01-1-01	SHOP EQUIPMENT ADDITIONS	23,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	17,000 74%	4,000 17%	2,000 9%	23,000 100%	0%	0%	23,000 100%		
73-01-2-01	MOBILE RADIO EQUIPMENT REPLACEMENT	420,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	140,000 33%	140,000 33%	140,000 33%	0%	0%	0%	420,000 100%		
73-01-2-02	VEHICLE REPLACEMENT	3,547,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	531,000 15%	508,000 14%	1,241,000 35%	1,267,000 36%	0%	0%	0%	3,547,000 100%	
73-01-2-03	MOBILE EQUIPMENT REPLACEMENT	201,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	111,000 55%	90,000 45%	0%	0%	0%	0%	0%	201,000 100%	
73-01-2-04	SHOP EQUIPMENT REPLACEMENT	37,000	0%	0%	11,000 30%	7,000 19%	11,000 30%	0%	0%	0%	8,000 22%	0%	0%	0%	0%	0%	0%	0%	0%	37,000 100%
73-01-2-05	VEHICLE MAINTENANCE TRACKING SYSTEM	144,000	0%	144,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	144,000 100%
	ESTIMATED SALVAGE	(291,000)	0%	0%	0%	0%	0%	0%	0%	0%	0%	(44,000) 15%	(44,000) 15%	(101,000) 35%	(102,000) 35%	0%	0%	0%	0%	(291,000) 100%
	TOTAL TRANSPORTATION	4,081,000	0	144,000	11,000	7,000	11,000	0	0	119,000	627,000	711,000	1,284,000	1,167,000	4,081,000	0	0	4,081,000		

2000 CAPITAL BUDGET MONTHLY EXPENDITURE

BUDGET CATEGORY	DESCRIPTION	2000 BUDGET	FISCAL YEAR 2000 SPENDING												2000 TOTAL	2001	2002	TOTAL
			SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST				
Other Depts.																		
Building Services																		
72-01-1-01	MISCELLANEOUS CAPITAL ADDITIONS	49,000	5,000 10%	5,000 10%	5,000 10%	5,000 10%	0%	0%	5,000 10%	5,000 10%	5,000 10%	5,000 10%	5,000 10%	4,000 8%	49,000 100%	0%	0%	49,000 100%
72-01-1-02	ADDITIONAL OFFICE EQUIPMENT FOR ALL DEPARTMENTS	15,000	3,000 20%	0%	4,000 27%	0%	0%	0%	3,000 20%	0%	2,000 13%	0%	0%	3,000 20%	15,000 100%	0%	0%	15,000 100%
72-01-1-03	ADDITIONAL OFFICE FURNITURE FOR ALL DEPARTMENTS	17,000	0%	2,000 12%	0%	3,000 18%	4,000 24%	0%	0%	0%	5,000 29%	3,000 18%	0%	0%	17,000 100%	0%	0%	17,000 100%
72-01-1-04	CONSTRUCT NEW CNG STATION	550,000	0%	0%	0%	0%	0%	0%	0%	40,000 7%	300,000 55%	200,000 36%	10,000 2%	0%	550,000 100%	0%	0%	550,000 100%
72-01-1-05	GEOGRAPHICAL INFORMATION SYSTEM (GIS)	200,000	15,000 8%	15,000 8%	15,000 8%	15,000 8%	15,000 8%	15,000 8%	15,000 8%	15,000 8%	20,000 10%	20,000 10%	20,000 10%	20,000 10%	200,000 100%	0%	0%	200,000 100%
72-01-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS	100,000	10,000 10%	10,000 10%	10,000 10%	10,000 10%	10,000 10%	10,000 10%	10,000 10%	10,000 10%	5,000 5%	0%	0%	0%	85,000 85%	15,000 15%	0%	100,000 100%
72-01-2-02	REPLACEMENT OF OFFICE EQUIPMENT FOR ALL DEPARTMENTS	23,000	2,000 9%	3,000 13%	2,000 9%	0%	2,000 9%	0%	3,000 13%	2,000 9%	2,000 9%	2,000 9%	2,000 9%	3,000 13%	23,000 100%	0%	0%	23,000 100%
72-01-2-03	REPLACEMENT OF OFFICE FURNITURE FOR ALL DEPARTMENTS	53,000	2,000 4%	9,000 17%	20,000 38%	8,000 15%	2,000 4%	0%	3,000 6%	0%	2,000 4%	2,000 4%	2,000 4%	3,000 6%	53,000 100%	0%	0%	53,000 100%
72-01-2-04	REPLACE CONCRETE RAMP - 1849 N 9TH	248,000	0%	10,000 4%	15,000 6%	0%	0%	0%	0%	30,000 12%	95,000 38%	98,000 40%	0%	0%	248,000 100%	0%	0%	248,000 100%
72-01-2-05	REPLACE UNDERGROUND STEEL TANK - 9TH & DIAMOND	154,000	10,000 6%	100,000 65%	44,000 29%	0%	0%	0%	0%	0%	0%	0%	0%	0%	154,000 100%	0%	0%	154,000 100%
72-01-2-06	UPGRADE EXISTING CHILLERS REFRIGERANT - 1800 N 9TH	97,000	0%	0%	0%	0%	0%	0%	25,000 26%	25,000 26%	25,000 26%	22,000 23%	0%	0%	97,000 100%	0%	0%	97,000 100%
72-01-2-07	IMPROVE FACILITIES (PHASE I) - TIOGA	75,000	0%	5,000 7%	30,000 40%	40,000 53%	0%	0%	0%	0%	0%	0%	0%	0%	75,000 100%	0%	0%	75,000 100%
72-01-2-08	DISASTER RECOVERY CENTER	438,000	5,000 1%	5,000 1%	60,000 14%	175,000 40%	130,000 30%	63,000 14%	0%	0%	0%	0%	0%	0%	438,000 100%	0%	0%	438,000 100%
72-01-2-09	UPGRADE CUSTOMER SERVICE CENTERS	525,000	10,000 2%	10,000 2%	100,000 19%	100,000 19%	100,000 19%	100,000 19%	100,000 19%	100,000 19%	5,000 1%	0%	0%	0%	525,000 100%	0%	0%	525,000 100%
72-01-2-10	RENOVATIONS TO 1800-2 NORTH END	336,000	20,000 6%	140,000 42%	176,000 52%	0%	0%	0%	0%	0%	0%	0%	0%	0%	336,000 100%	0%	0%	336,000 100%
	TOTAL BUILDING SERVICES	2,880,000	82,000	314,000	481,000	356,000	263,000	213,000	164,000	132,000	458,000	330,000	39,000	33,000	2,865,000	15,000	0	2,880,000

2000 CAPITAL BUDGET MONTHLY EXPENDITURE

BUDGET CATEGORY	DESCRIPTION	2000 BUDGET	FISCAL YEAR 2000 SPENDING												2000 TOTAL	2001	2002	TOTAL
			SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST				
Other Depts.																		
Chemical Services																		
31-01-2-01	PCB GAS CHROMATOGRAPH	26,000	0%	0%	0%	0%	0%	0%	26,000 100%	0%	0%	0%	0%	0%	26,000 100%	0%	0%	26,000 100%
	TOTAL CHEMICAL SERVICES	26,000	0	0	0	0	0	0	26,000	0	0	0	0	0	26,000	0	0	26,000
Materials Management																		
71-01-2-01	MATERIAL & PURCHASING SYSTEM (MAPS)	1,269,000	0%	1,269,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1,269,000 100%	0%	0%	1,269,000 100%
	TOTAL MATERIALS MANAGEMENT	1,269,000	0	1,269,000	0	0	0	0	0	0	0	0	0	0	1,269,000	0	0	1,269,000
Human Resources																		
18-01-1-01	HUMAN RESOURCE & PAYROLL INFORMATION SYSTEM	575,000	50,000 9%	50,000 9%	100,000 17%	100,000 17%	100,000 17%	175,000 30%	0%	0%	0%	0%	0%	0%	575,000 100%	0%	0%	575,000 100%
	TOTAL HUMAN RESOURCES	575,000	50,000	50,000	100,000	100,000	100,000	175,000	0	0	0	0	0	0	575,000	0	0	575,000
Information Technology																		
47-01-1-01	DESKTOP PC'S, PERIPHERALS AND SOFTWARE	50,000	50,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	50,000 100%	0%	0%	50,000 100%
47-01-1-02	DATA WAREHOUSE	225,000	225,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	225,000 100%	0%	0%	225,000 100%
47-01-1-03	SERVER HARDWARE UPGRADES	25,000	0%	0%	0%	0%	0%	25,000 100%	0%	0%	0%	0%	0%	0%	25,000 100%	0%	0%	25,000 100%
47-01-1-04	ENTERPRISE & ENDEAVOR FAILOVER SERVERS	120,000	0%	0%	120,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	120,000 100%	0%	0%	120,000 100%
47-01-2-01	DESKTOP SOFTWARE UPGRADES	40,000	0%	40,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	40,000 100%	0%	0%	40,000 100%
47-01-2-02	UPGRADE OF NETWORK SOFTWARE	108,000	0%	0%	0%	0%	108,000 100%	0%	0%	0%	0%	0%	0%	0%	108,000 100%	0%	0%	108,000 100%
47-01-2-03	DESKTOP PC'S, PERIPHERALS AND SOFTWARE	68,000	68,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	68,000 100%	0%	0%	68,000 100%
47-01-2-04	REPLACE DIALIN MODEM POOL	20,000	0%	0%	0%	0%	0%	0%	20,000 100%	0%	0%	0%	0%	0%	20,000 100%	0%	0%	20,000 100%
47-01-2-05	REPLACE 1016 DELL OPTIFLEX DESKTOPS	22,000	0%	0%	0%	0%	0%	0%	22,000 100%	0%	0%	0%	0%	0%	22,000 100%	0%	0%	22,000 100%
	TOTAL INFORMATION TECHNOLOGY	678,000	343,000	40,000	120,000	0	108,000	25,000	42,000	0	0	0	0	0	678,000	0	0	678,000
SR VP & General Counsel																		
08-01-2-01	CONTRACT MANAGEMENT SYSTEM TRACKING SOFTWARE	40,000	10,000 25%	10,000 25%	10,000 25%	10,000 25%	0%	0%	0%	0%	0%	0%	0%	0%	40,000 100%	0%	0%	40,000 100%
08-01-2-02	FILING CABINETS AND OTHER OFFICE FURNITURE	35,000	35,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	35,000 100%	0%	0%	35,000 100%
	TOTAL SR VP & GENERAL COUNSEL	75,000	45,000	10,000	10,000	10,000	0	0	0	0	0	0	0	75,000	0	0	75,000	

2000 CAPITAL BUDGET MONTHLY EXPENDITURE

BUDGET CATEGORY	DESCRIPTION	2000 BUDGET	FISCAL YEAR 2000 SPENDING												2000 TOTAL	2001	2002	TOTAL
			SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST				
Other Depts.																		
<i>VP Customer Affairs</i>																		
10-01-1-01	ENHANCEMENTS TO BCCS	402,000	0%	0%	0%	100,000 25%	50,000 12%	100,000 25%	50,000 12%	50,000 12%	52,000 13%	0%	0%	0%	402,000 100%	0%	0%	402,000 100%
10-01-1-02	CUSTOMER CONTACT TRACKING SYSTEM	600,000	0%	0%	200,000 33%	200,000 33%	200,000 33%	0%	0%	0%	0%	0%	0%	0%	600,000 100%	0%	0%	600,000 100%
10-01-1-03	KIOSK UPGRADE	288,000	0%	0%	72,000 25%	0%	72,000 25%	0%	72,000 25%	72,000 25%	0%	0%	0%	0%	288,000 100%	0%	0%	288,000 100%
10-01-1-04	DIEBOLD PAY STATIONS	386,000	0%	97,000 25%	0%	96,000 25%	0%	97,000 25%	96,000 25%	0%	0%	0%	0%	0%	386,000 100%	0%	0%	386,000 100%
10-01-1-05	E-COMMERCE	300,000	0%	0%	0%	0%	200,000 67%	100,000 33%	0%	0%	0%	0%	0%	0%	300,000 100%	0%	0%	300,000 100%
10-01-1-06	NICE LOG ENHANCEMENTS	86,000	0%	0%	43,000 50%	0%	0%	43,000 50%	0%	0%	0%	0%	0%	0%	86,000 100%	0%	0%	86,000 100%
10-01-1-07	CUSTOMER SERVICE INTERNET ACCESS	50,000	0%	0%	0%	0%	0%	0%	0%	25,000 50%	25,000 50%	0%	0%	0%	50,000 100%	0%	0%	50,000 100%
10-01-1-08	AUTOMATED CALL BACK PROCESS	115,000	0%	0%	0%	0%	30,000 26%	30,000 26%	30,000 26%	25,000 22%	0%	0%	0%	0%	115,000 100%	0%	0%	115,000 100%
10-01-1-09	WAIT TIME ENHANCEMENTS	172,000	0%	0%	75,000 44%	0%	0%	75,000 44%	0%	22,000 13%	0%	0%	0%	0%	172,000 100%	0%	0%	172,000 100%
10-01-1-10	MODERNIZE, EQUIP AND FURNISH TRAINING AREA	150,000	25,000 17%	50,000 33%	25,000 17%	50,000 33%	0%	0%	0%	0%	0%	0%	0%	0%	150,000 100%	0%	0%	150,000 100%
	TOTAL VP CUSTOMER AFFAIRS	2,549,000	25,000	147,000	415,000	446,000	552,000	445,000	248,000	194,000	77,000	0	0	0	2,549,000	0	0	2,549,000
<i>Meter Reading</i>																		
42-01-1-01	AUTOMATIC SHUT-OFF FIELD TEST PILOT	100,000	0%	0%	20,000 20%	20,000 20%	20,000 20%	20,000 20%	20,000 20%	0%	0%	0%	0%	0%	100,000 100%	0%	0%	100,000 100%
42-01-1-02	ADVANCED TECHNOLOGY PILOT TEST	100,000	0%	0%	20,000 20%	20,000 20%	20,000 20%	20,000 20%	20,000 20%	0%	0%	0%	0%	0%	100,000 100%	0%	0%	100,000 100%
42-01-2-01	DATA COMMAND UNIT	214,000	214,000 100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	214,000 100%	0%	0%	214,000 100%
	TOTAL METER READING	414,000	214,000	0	40,000	40,000	40,000	40,000	40,000	0	0	0	0	0	414,000	0	0	414,000
	TOTAL OTHER DEPARTMENTS	8,466,000	759,000	1,830,000	1,166,000	952,000	1,063,000	898,000	520,000	326,000	535,000	330,000	39,000	33,000	8,451,000	15,000	0	8,466,000
	TOTAL ALL DEPARTMENTS	59,620,000	3,585,510	4,706,510	3,573,510	3,680,510	3,642,510	3,456,510	3,852,510	3,830,510	4,399,510	4,596,510	4,987,510	4,880,390	49,192,000	10,428,000	0	59,620,000
	ACQUIRE ASSETS	59,620,000	3,585,510	4,706,510	3,573,510	3,680,510	3,642,510	3,456,510	3,852,510	3,830,510	4,399,510	4,596,510	4,987,510	4,880,390	49,192,000	10,428,000	0	59,620,000
	LEASE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**PROPOSED
FISCAL 2001 CAPITAL BUDGET**

Volume II

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00 OCT - 6 PM 12: 58
PA. P.U.C.
SECRETARY'S BUREAU

June 19, 2000

CAPITAL PROGRAM PROPOSAL YEAR 2001 <input checked="" type="checkbox"/> ADDITION <input type="checkbox"/> REPLACEMENT	DEPARTMENT GAS PROCESSING DEPT. STRATEGIC PRIORITY Safety Efficiency and Cost Reductions BUDGET CATEGORY GP-1A-1 53-01-1-01
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PRIORITY:

1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY

2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: MISCELLANEOUS CAPITAL ADDITIONS

LOCATION: ALL LOCATIONS

NEED FOR PROJECT: TO PROVIDE FOR MISCELLANEOUS ADDITIONS AS THE NEED OCCURS

ESTIMATE OF COST (In Thousands)	MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PGW LABOR \$ _____		BUDGET YEAR \$ <u>26.0</u>
MATERIAL _____		FORECAST YEARS
PURCHASED SERVICES _____	SEP \$ <u>2.17</u>	YEAR 1 _____
OTHER _____	OCT <u>2.17</u>	YEAR 2 _____
PROJECT COST \$ <u>21.7</u>	NOV <u>2.17</u>	YEAR 3 _____
ADMIN & GENERAL _____	DEC <u>2.17</u>	TOTAL \$ <u>26.0</u>
<u>13.5</u> % OF PROJECT <u>2.9</u>	JAN <u>2.17</u>	 SUBMITTED BY <u>MANAGER</u> GAS PROCESSING DEPARTMENT
SUB TOTAL \$ <u>24.6</u>	FEB <u>2.17</u>	
AFUDC <u>###</u> % OF SUBTOTAL <u>1.4</u>	MAR <u>2.17</u>	 <u>5/12/00</u>
TOTAL CAPITAL COST \$ <u>26.0</u>	APR <u>2.17</u>	
	MAY <u>2.17</u>	
	JUN <u>2.17</u>	
	JUL <u>2.17</u>	
	AUG <u>2.13</u>	
	TOTAL \$ <u>26.00</u>	
ESTIMATED BY: <u>GAS PROCESSING DEPT.</u> DATE: <u>4-4-2000</u>		

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-1, A-1

Need Assessment:

This proposal is made to provide funds for miscellaneous additions during the fiscal year. The need for equipment addition may arise from unforeseen circumstances. Cancellation would result in the unavailability of funds for responding to unexpected situations during the fiscal year. The project will be implemented only if the need arises.

CAPITAL PROGRAM PROPOSAL YEAR 2001

DEPARTMENT GAS PROCESSING DEPT.

ADDITION REPLACEMENT

STRATEGIC PRIORITY Safety

BUDGET CATEGORY GP-1 R-1 53-01-2-01

PRIORITY:

- 1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY
 2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: MISCELLANEOUS CAPITAL REPLACEMENTS

LOCATION: ALL LOCATIONS

NEED FOR PROJECT: TO PROVIDE FOR MISCELLANEOUS REPLACEMENTS AS THE NEED OCCURS

ESTIMATE OF COST (In Thousands)		MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)	
			BUDGET YEAR	\$ 50.0
PGW LABOR	\$ _____			
MATERIAL	_____	SEP	\$ 4.17	FORECAST YEARS
PURCHASED SERVICES	_____	OCT	4.17	YEAR 1
OTHER	_____	NOV	4.17	YEAR 2
PROJECT COST	\$ 41.7	DEC	4.17	YEAR 3
ADMIN & GENERAL	_____	JAN	4.17	TOTAL
13.5 % OF PROJECT	5.6	FEB	4.17	\$ 50.0
SUB TOTAL	\$ 47.4	MAR	4.17	
AFUDC 5.59 % OF SUBTOTAL	2.6	APR	4.17	
TOTAL CAPITAL COST	\$ 50.0	MAY	4.17	
		JUN	4.17	
		JUL	4.17	
		AUG	4.13	
		TOTAL	\$ 50.00	

[Signature]
 SUBMITTED BY: MANAGER
 GAS PROCESSING DEPARTMENT

[Signature]
 5/12/00

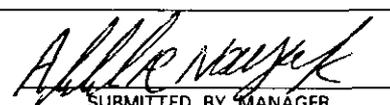
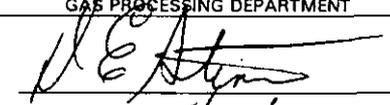
ESTIMATED BY: GAS PROCESSING DEPT.

DATE: 4-5-2000

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-1 R-1

Need Assessment:

This proposal is made to provide funds for miscellaneous capital replacements during the fiscal year. The need for equipment replacement may arise from unforeseen circumstances. Cancellation would result in the unavailability of funds for responding to unexpected situations during the fiscal year. The project will be implemented only if the need arises.

CAPITAL PROGRAM PROPOSAL YEAR 2001		DEPARTMENT <u>GAS PROCESSING DEPT.</u>																																																																
<input type="checkbox"/> ADDITION <input checked="" type="checkbox"/> REPLACEMENT		STRATEGIC PRIORITY <u>Safety</u>																																																																
		BUDGET CATEGORY <u>GP-1 R2</u> <u>53-01-2-02</u>																																																																
PRIORITY: 1 <input checked="" type="checkbox"/> SAFETY 3 <input type="checkbox"/> ENFORCED RELOCATIONS 5 <input type="checkbox"/> IMPROVED EFFICIENCY AND DISCRETIONARY 2 <input checked="" type="checkbox"/> RELIABILITY 4 <input type="checkbox"/> REVENUE PRODUCING PROJECTS																																																																		
DESCRIPTION OF PROPOSED PROJECT: <u>REPLACE ODORANT INJECTION SYSTEM</u>																																																																		
LOCATION: <u>RICHMOND PLANT</u>																																																																		
NEED FOR PROJECT: <u>EXISTING ODORANT INJECTION SYSTEMS AND VARIOUS COMPONENTS AND HAVE BEEN IN SERVICE FOR OVER TEN YEARS, AND ARE UNRELIABLE.</u>																																																																		
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ESTIMATED BY: <u>GAS PROCESSING DEPT.</u>																																																																		
DATE: <u>4-24-2000</u>																																																																		

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-1, R-2

Need Assessment:

This proposal is made to provide funds for the replacement of existing odorant system at the Richmond Plant.

Existing odorant injection systems and various components have been in service for over ten years and are unreliable.

REPLACE ODORANT INJECTION SYSTEM - RICH

2001 CAPITAL BUDGET DATE: 29 Jan 1997 -Update 03 Mar2000

ENGINEER: RMS

ESTIMATOR: RJS/RMS

SECTION	HOURS	RATE	COST	PCT OF TOTAL
DESIGN	160	40.00	6,400	32.24%
ESTIMATING	17	40.00	680	3.43%
FIELD ENG'G	100	40.00	4,000	20.15%
DRAFTING	80	40.00	3,200	16.12%
ENVIR. AFF.				
SPREAD @39%	139	40.00	5,569	28.06%
TESTING / X-RAYS				
CONSULTANTS				
ENG'G TO DATE				
TOTAL	496		\$19,849	100.00%

USE====> \$19,800

REPLACE ODORANT INJECTION SYSTEM - RICH

2001 CAPITAL BUDGET
ENGINEER: RMS

DATE: 29 Jan 1997 -Update 03 Mar2000
ESTIMATOR: RJS/RMS

DESCRIPTION	QTY	UNIT	MATERIAL		LABOR			SUB-CONTRACT		TOTAL
			MATERIAL UNIT COST	AMOUNT	MANHOUR UNIT	TOTAL HOURS	LABOR RATE	AMOUNT	UNIT COST	
NJEX 7202: DUAL PUMPS, REDUNDANT FILTERING, METERING & CONTROLLING, CONTROL CABINET, AC CHARGERS w/ BATTERY BACKUP, SCRUBBER, SIGHT GLASS ASSEMBLIES, WARRANTY AND SERVICE AGREEMENT	1	EA	22,008.00	22,008						22,008
INSTALL ABOVE SYSTEM	1	LS						10,000.00	10,000	10,000
NJEX 827202: DUAL PUMPS, REDUNDANT FILTERING, METERING & CONTROLLING, CONTROL CABINET, AC CHARGERS w/ BATTERY BACKUP, SCRUBBER, SIGHT GLASS ASSEMBLIES, WARRANTY AND SERVICE AGREEMENT	1	EA	26,219.00	26,219						26,219
INSTALL ABOVE SYSTEM	1	EA						20,000.00	20,000	20,000
ODORANT TANK	1	LS	5,000.00	5,000				10,000.00	10,000	15,000
MISC. ITEMS	1	LS		5,000						10,000
START-UP	1	LS						4,000		4,000
REMOTE SIGNALS	1	LS						15,000.00	15,000	15,000
DEMOLITION & REMOVALS	1	LS						5,000		5,000
SUB-TOTALS				\$58,227				\$9,000	\$55,000	\$127,227
SALES TAX (M)		%								
OVERHEAD & PROFIT (M+S/C)		%								
SUPERVISION (L)	20.00	%						5,000		5,000
WORKING CONDITIONS (L+.5S/C)		%								
MISC ITEMS (M,L+S/C)		%								

TOTAL CONTRACT

\$58,227

\$14,000

\$55,000

\$132,227

USE====> \$132,200

CAPITAL PROGRAM PROPOSAL YEAR 2001

DEPARTMENT GAS PROCESSING DEPT.

ADDITION REPLACEMENT

STRATEGIC PRIORITY Safety and Reliability

BUDGET CATEGORY GP-2 A-1 53-02-1-01

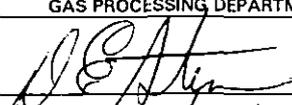
PRIORITY:

1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY
 2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: MISCELLANEOUS CAPITAL ADDITIONS

LOCATION: ALL LOCATIONS

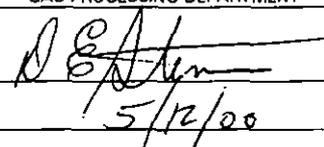
NEED FOR PROJECT: TO PROVIDE FOR MISCELLANEOUS ADDITIONS AS THE NEED OCCURS

ESTIMATE OF COST (In Thousands)	MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PGW LABOR \$ _____		BUDGET YEAR \$ <u>75.0</u>
MATERIAL _____		FORECAST YEARS
PURCHASED SERVICES _____	SEP \$ <u>6.25</u>	YEAR 1 _____
OTHER _____	OCT <u>6.25</u>	YEAR 2 _____
PROJECT COST \$ <u>62.6</u>	NOV <u>6.25</u>	YEAR 3 _____
ADMIN & GENERAL	DEC <u>6.25</u>	TOTAL \$ <u>75.0</u>
<u>13.5 % OF PROJECT</u> <u>8.4</u>	JAN <u>6.25</u>	 SUBMITTED BY <u>MANAGER</u> GAS PROCESSING DEPARTMENT
SUB TOTAL \$ <u>71.0</u>	FEB <u>6.25</u>	
AFUDC <u>5.59 % OF SUBTOTAL</u> <u>4.0</u>	MAR <u>6.25</u>	 5/12/00
TOTAL CAPITAL COST \$ <u>75.0</u>	APR <u>6.25</u>	
	MAY <u>6.25</u>	
	JUN <u>6.25</u>	
ESTIMATED BY: <u>GAS PROCESSING DEPT.</u>	JUL <u>6.25</u>	
DATE: <u>4-4-2000</u>	AUG <u>6.25</u>	
	TOTAL \$ <u>75.00</u>	

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-2, A-1

Need Assessment:

This proposal is made to provide funds for miscellaneous additions as the need occurs. Additions of equipment may become necessary due to changes in applicable regulatory codes, environmental standards, etc. Cancellation would result in the unavailability of funds for responding to unforeseen circumstances that may arise during the fiscal year. The project will be implemented only if the need arises.

CAPITAL PROGRAM PROPOSAL YEAR 2001		DEPARTMENT <u>GAS PROCESSING DEPT.</u>																																																																
<input type="checkbox"/> ADDITION <input checked="" type="checkbox"/> REPLACEMENT		STRATEGIC PRIORITY <u>Efficiency and Cost Reductions</u>																																																																
		BUDGET CATEGORY <u>GP-2 R-1</u> <u>53-02-2-01</u>																																																																
PRIORITY: 1 <input type="checkbox"/> SAFETY 3 <input type="checkbox"/> ENFORCED RELOCATIONS 5 <input type="checkbox"/> IMPROVED EFFICIENCY AND DISCRETIONARY 2 <input checked="" type="checkbox"/> RELIABILITY 4 <input type="checkbox"/> REVENUE PRODUCING PROJECTS																																																																		
DESCRIPTION OF PROPOSED PROJECT: <u>LIQUEFACTION PLANT REPLACEMENT/ENHANCEMENT- PHASE I</u>																																																																		
LOCATION: <u>RICHMOND PLANT</u>																																																																		
NEED FOR PROJECT: <u>MAJOR COMPONENTS OF THE LIQUEFACTION SYSTEM HAVE BEEN IN SERVICE FOR NEARLY 30 YEARS</u> <u>AND MUST BE REPLACED. FUNDS ARE REQUIRED FOR THE COMPLETION OF THE FIRST PHASE OF THE LIQUEFACTION SYSTEM</u> <u>REPLACEMENT/ENHANCEMENT.</u>																																																																		
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ESTIMATED BY: <u>GAS PROCESSING DEPT.</u>																																																																		
DATE: <u>5-8-2000</u>																																																																		

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-2, R-1

LIQUEFACTION PLANT REPLACEMENT/ENHANCEMENT

Need Assessment:

Major components of the liquefaction system have been in service for nearly 30 years and must be replaced. \$4.02 million is required in Fiscal Year 2001 for the completion of the first phase of the 20 MMSCFD open expander liquefaction system. An additional \$9.0 million will be required in FY 2002 to complete this project. This two-year project is the first phase of the replacement/enhancement of the liquefaction system at Richmond Plant. The recommendations for the liquefaction system replacement/enhancement are discussed in the *PGW LNG Business Strategy*.

Components of the existing system in need of replacement/enhancement include the LNG compressors, the coldbox, the pretreatment section, cryogenic piping, and obsolete instrumentation. A coldbox failure could cost PGW two (2) full operating seasons, which is unacceptable.

CAPITAL PROGRAM PROPOSAL YEAR 2001 <input type="checkbox"/> ADDITION <input checked="" type="checkbox"/> REPLACEMENT	DEPARTMENT GAS PROCESSING DEPT. STRATEGIC PRIORITY Safety and Reliability BUDGET CATEGORY GP2 R2 53-02-2-02
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PRIORITY:

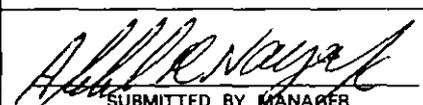
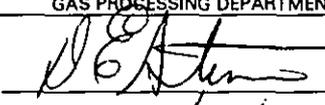
1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY

2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: MISCELLANEOUS CAPITAL REPLACEMENTS

LOCATION: ALL LOCATIONS

NEED FOR PROJECT: TO PROVIDE FOR MISCELLANEOUS REPLACEMENTS AS THE NEED OCCURS

ESTIMATE OF COST (In Thousands)	MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PGW LABOR \$ _____		BUDGET YEAR \$ 140.0
MATERIAL _____		FORECAST YEARS
PURCHASED SERVICES _____	SEP \$ 11.67	YEAR 1 _____
OTHER _____	OCT 11.67	YEAR 2 _____
PROJECT COST \$ 116.8	NOV 11.67	YEAR 3 _____
ADMIN & GENERAL _____	DEC 11.67	TOTAL \$ 140.0
<u>13.5 % OF PROJECT</u> 15.8	JAN 11.67	 SUBMITTED BY MANAGER GAS PROCESSING DEPARTMENT
SUB TOTAL \$ 132.6	FEB 11.67	
AFUDC <u>5.59 % OF SUBTOTAL</u> 7.4	MAR 11.67	 5/12/00
TOTAL CAPITAL COST \$ 140.0	APR 11.67	
	MAY 11.67	
	JUN 11.67	
	JUL 11.67	
	AUG 11.63	
	TOTAL \$ 140.00	
ESTIMATED BY: <u>GAS PROCESSING DEPT.</u>		
DATE: <u>4-5-2000</u>		

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-2, R-2

Need Assessment:

This proposal is made to provide funds for miscellaneous capital replacements during the fiscal year. The need for equipment replacement may arise from unforeseen circumstances. Cancellation would result in the unavailability of funds for responding to unexpected situations during the fiscal year. The project will be implemented only if the need arises.

CAPITAL PROGRAM PROPOSAL YEAR 2001 <input type="checkbox"/> ADDITION <input checked="" type="checkbox"/> REPLACEMENT	DEPARTMENT <u>GAS PROCESSING DEPT.</u> STRATEGIC PRIORITY <u>Safety Efficiency and Cost Reductions</u> BUDGET CATEGORY <u>GP-2 R3</u> <u>53-02-2-03</u>
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PRIORITY:

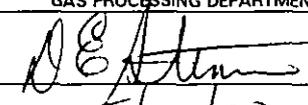
1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY

2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: REPLACE FIRE-GATES #4 AND # 10 WHICH ARE ASSOCIATED WITH
THE VAPORIZATION PROCESS

LOCATION: RICHMOND PLANT

NEED FOR PROJECT: FIRE-GATES # 4 AND # 10 HAVE BEEN IN SERVICE FOR APPROXIMATELY 30 YEARS, AND THEY
HAVE BECOME UNRELIABLE.

ESTIMATE OF COST (In Thousands)	MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PGW LABOR \$ _____		BUDGET YEAR \$ <u>158.0</u>
MATERIAL _____		FORECAST YEARS
PURCHASED SERVICES _____	SEP \$ <u>30.00</u>	YEAR 1 _____
OTHER _____	OCT <u>30.00</u>	YEAR 2 _____
PROJECT COST \$ <u>131.8</u>	NOV <u>40.00</u>	YEAR 3 _____
ADMIN & GENERAL _____	DEC <u>30.00</u>	TOTAL \$ <u>158.0</u>
<u>13.5 % OF PROJECT</u> <u>17.8</u>	JAN <u>28.00</u>	 SUBMITTED BY MANAGER GAS PROCESSING DEPARTMENT
SUB TOTAL \$ <u>149.6</u>	FEB <u>0.00</u>	
AFUDC <u>### %</u> OF SUBTOTAL <u>8.4</u>	MAR <u>0.00</u>	 <u>5/12/00</u>
TOTAL CAPITAL COST \$ <u>158.0</u>	APR <u>0.00</u>	
	MAY <u>0.00</u>	
	JUN <u>0.00</u>	
	JUL <u>0.00</u>	
	AUG <u>0.00</u>	
	TOTAL \$ <u>158.00</u>	

ESTIMATED BY: ENGINEERING DEPT.

DATE: 4-5-2000

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-2, R-3

Need Assessment:

This proposal is made to provide funds for the replacement of Fire-Gates # 4 and 10 which have been in service for approximately 30 years, and for which parts are difficult to procure. Furthermore, the operation of Fire-Gates 4 and 10 ,at times, is unreliable.

REPLACE FIREGATES #4 & #10

2001 CAPITAL BUDGET
ENGINEER: DJC

DATE: 24 MAR 99
ESTIMATOR: SDO

DESCRIPTION			MATERIAL	LABOR	SUB- CONTRACT	OTHER	TOTAL
CONTRACT			91,350	3,300	11,550		\$ 106,200
ENGINEERING						12,100	12,100
CONSTRUCTION						3,200	3,200
CONTINGENCY	10.00	PERCENT				10,620	10,620
ESCALATION	4.40	PERCENT				5,813	5,813
5.59% A.F.U.D.C.	6.00	MONTH(S)				1,678	1,678
A.+G.	13.50	PERCENT				18,621	18,621

TOTAL \$ 91,350 \$ 3,300 \$ 11,550 \$ 52,032 \$ 158,232

USE==> \$ 158,000

REPLACE FIREGATES #4 & #10

2001 CAPITAL BUDGET
ENGINEER: DJC

DATE: 24 MAR 99
ESTIMATOR: SDO

SECTION	HOURS	RATE	COST	PCT OF TOTAL
DESIGN	120	\$40.00	\$4,800	31.33%
ESTIMATING	8	\$40.00	\$320	2.09%
FIELD ENG'G	80	\$40.00	\$3,200	20.89%
DRAFTING	80	\$40.00	\$3,200	20.89%
ENVIR. AFF		\$40.00	\$0	0.00%
SPREAD @ 33%	95.04	\$40.00	\$3,802	24.81%
TESTING / X-RAYS			\$0	0.00%
CONSULTANTS			\$0	0.00%
ENG'G TO DATE			\$0	0.00%
TOTAL	383.04		\$15,322	100.00%

USE====> \$15,300

CAPITAL PROGRAM PROPOSAL YEAR 2001		DEPARTMENT <u>GAS PROCESSING DEPT.</u>	
<input checked="" type="checkbox"/> ADDITION <input type="checkbox"/> REPLACEMENT		STRATEGIC PRIORITY <u>Efficiency and Cost Reductions</u>	
		BUDGET CATEGORY <u>GP-3 A-1</u> <u>53-01-1-01</u>	
PRIORITY: 1 <input type="checkbox"/> SAFETY 3 <input type="checkbox"/> ENFORCED RELOCATIONS 5 <input type="checkbox"/> IMPROVED EFFICIENCY AND DISCRETIONARY 2 <input checked="" type="checkbox"/> RELIABILITY 4 <input type="checkbox"/> REVENUE PRODUCING PROJECTS			
DESCRIPTION OF PROPOSED PROJECT: <u>MISCELLANEOUS CAPITAL ADDITIONS</u>			
LOCATION: <u>ALL LOCATIONS</u>			
NEED FOR PROJECT: <u>TO PROVIDE FOR MISCELLANEOUS ADDITIONS AS THE NEED OCCURS</u>			
ESTIMATE OF COST (In Thousands)		MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PGW LABOR	\$ _____	SEP	\$ 2.08
MATERIAL	_____	OCT	2.08
PURCHASED SERVICES	_____	NOV	2.08
OTHER	_____	DEC	2.08
PROJECT COST	\$ 20.9	JAN	2.08
ADMIN & GENERAL	_____	FEB	2.08
<u>13.5 % OF PROJECT</u>	<u>2.8</u>	MAR	2.08
SUB TOTAL	\$ 23.7	APR	2.08
AFUDC <u>5.59 % OF SUBTOTAL</u>	<u>1.3</u>	MAY	2.08
TOTAL CAPITAL COST	\$ 25.0	JUN	2.08
		JUL	2.08
		AUG	2.12
		TOTAL	\$ 25.00
ESTIMATED BY: <u>GAS PROCESSING DEPT.</u>		<i>Abdullah N. Nazer</i> SUBMITTED BY: MANAGER GAS PROCESSING DEPARTMENT <i>D. E. Atkinson</i> <u>5/12/00</u>	
DATE: <u>4-4-2000</u>			

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-3, A-1

Need Assessment:

This proposal is made to provide funds for miscellaneous additions as the need occurs. Additions may become necessary due to changes in applicable regulatory codes, environmental standards, etc. Cancellation would result in the unavailability of funds for responding to unforeseen circumstances that may arise during the fiscal year. The project will be implemented only if the need arises.

CAPITAL PROGRAM PROPOSAL YEAR 2001 <input type="checkbox"/> ADDITION <input checked="" type="checkbox"/> REPLACEMENT	DEPARTMENT GAS PROCESSING DEPT. STRATEGIC PRIORITY Efficiency and Cost Reductions BUDGET CATEGORY GP-3-R-1 53-03-2-01
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PRIORITY:

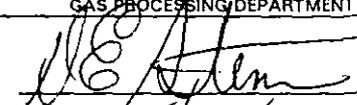
1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY

2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: IMPROVEMENTS OF BUILDINGS AND STRUCTURES

LOCATION: ALL LOCATIONS

NEED FOR PROJECT: TO PROVIDE FOR INCREMENTAL IMPROVEMENTS TO PLANT BUILDINGS

ESTIMATE OF COST (In Thousands)	MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PGW LABOR \$ _____		BUDGET YEAR \$ 67.0
MATERIAL _____		FORECAST YEARS
PURCHASED SERVICES _____	SEP \$ 5.58	YEAR 1 _____
OTHER _____	OCT 5.58	YEAR 2 _____
PROJECT COST \$ 55.9	NOV 5.58	YEAR 3 _____
ADMIN & GENERAL	DEC 5.58	TOTAL \$ 67.0
13.5 % OF PROJECT 7.5	JAN 5.58	 SUBMITTED BY MANAGER GAS PROCESSING DEPARTMENT  5/12/00
SUB TOTAL \$ 63.5	FEB 5.58	
AFUDC 5.59 % OF SUBTOTAL 3.5	MAR 5.58	
TOTAL CAPITAL COST \$ 67.0	APR 5.58	
	MAY 5.58	
	JUN 5.58	
	JUL 5.58	
	AUG 5.62	
	TOTAL \$ 67.00	
ESTIMATED BY: <u>GAS PROCESSING DEPT.</u>		
DATE: <u>4-5-2000</u>		

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-3, R-1

Need Assessment:

This proposal is made to provide funds on an incremental basis to enable plant buildings to be maintained properly. Failure to provide funds could result in delays to respond immediately to unforeseen replacements and improvements during the fiscal year.

CAPITAL PROGRAM PROPOSAL YEAR 2001 <input type="checkbox"/> ADDITION <input checked="" type="checkbox"/> REPLACEMENT	DEPARTMENT <u>GAS PROCESSING DEPT.</u> <hr/> STRATEGIC PRIORITY <u>Efficiency and Cost Reductions</u> <hr/> BUDGET CATEGORY <u>GP-3-R-2</u> <u>53-03-2-02</u>
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PRIORITY:

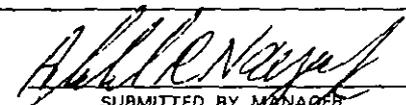
1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY

2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: MISCELLANEOUS CAPITAL REPLACEMENTS

LOCATION: ALL LOCATIONS

NEED FOR PROJECT: TO PROVIDE FOR MISCELLANEOUS REPLACEMENTS AS THE NEED OCCURS

ESTIMATE OF COST (In Thousands)	MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PGW LABOR \$ _____		BUDGET YEAR \$ <u>50.0</u>
MATERIAL _____		FORECAST YEARS
PURCHASED SERVICES _____	SEP \$ <u>4.17</u>	YEAR 1 _____
OTHER _____	OCT <u>4.17</u>	YEAR 2 _____
PROJECT COST \$ <u>41.7</u>	NOV <u>4.17</u>	YEAR 3 _____
ADMIN & GENERAL	DEC <u>4.17</u>	TOTAL \$ <u>50.0</u>
<u>13.5 %</u> OF PROJECT <u>5.6</u>	JAN <u>4.17</u>	 SUBMITTED BY MANAGER GAS PROCESSING DEPARTMENT
SUB TOTAL \$ <u>47.4</u>	FEB <u>4.17</u>	
AFUDC <u>5.59 %</u> OF SUBTOTAL <u>2.6</u>	MAR <u>4.17</u>	 <u>5/12/00</u>
TOTAL CAPITAL COST \$ <u>50.0</u>	APR <u>4.17</u>	
	MAY <u>4.17</u>	
	JUN <u>4.17</u>	
	JUL <u>4.17</u>	
	AUG <u>4.13</u>	
	TOTAL \$ <u>50.00</u>	
ESTIMATED BY: <u>GAS PROCESSING DEPT.</u>		
DATE: <u>4-5-2000</u>		

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-3, R-2

Need Assessment:

This proposal is made to provide funds for miscellaneous replacements as the need arises from unforeseen circumstances during the fiscal year. Cancellation would result in the unavailability of funds for responding to unexpected situations during the fiscal year. The project will be implemented only if the need arises.

CAPITAL PROGRAM PROPOSAL YEAR 2001

DEPARTMENT GAS PROCESSING DEPT.

ADDITION REPLACEMENT

STRATEGIC PRIORITY Efficiency and Cost Reductions

BUDGET CATEGORY GP-3-99 53-03-2-99

PRIORITY:

1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY
 2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: MICELLANEOUS DEMOLITIONS

LOCATION: ALL LOCATIONS

NEED FOR PROJECT: TO PROVIDE FUNDS FOR MISCELLANEOUS AND UNFORESEEN DEMOLITIONS

ESTIMATE OF COST (In Thousands)		MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)	
			BUDGET YEAR	\$ 27.0
PGW LABOR	\$ _____			
MATERIAL	_____	SEP	\$ 2.25	FORECAST YEARS
PURCHASED SERVICES	_____	OCT	2.25	YEAR 1
OTHER	_____	NOV	2.25	YEAR 2
PROJECT COST	\$ 22.5	DEC	2.25	YEAR 3
ADMIN & GENERAL	_____	JAN	2.25	TOTAL
13.5 % OF PROJECT	3.0	FEB	2.25	\$ 27.0
SUB TOTAL	\$ 25.6	MAR	2.25	
AFUDC 5.59 % OF SUBTOTAL	1.4	APR	2.25	
TOTAL CAPITAL COST	\$ 27.0	MAY	2.25	
		JUN	2.25	
		JUL	2.25	
		AUG	2.25	
		TOTAL	\$ 27.00	

Robert Naylor
 SUBMITTED BY MANAGER
 GAS PROCESSING DEPARTMENT
DE [Signature]
 5/12/00

ESTIMATED BY: GAS PROCESSING DEPT.
 DATE: 4-5-2000

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2001 CAPITAL BUDGET
GP-3, 99

Need Assessment:

This proposal is made to provide funds for miscellaneous and unforeseen demolitions during the fiscal year. Cancellation would result in the unavailability of funds for demolitions as dictated by the unforeseen circumstances that arise during the fiscal year. The project will be implemented only if the need arises.

CAPITAL PROGRAM PROPOSAL YEAR 2001

DEPARTMENT: Distribution

ADDITION REPLACEMENT

DIVISION:

BUDGET CATEGORY: 52-20-1-01

PRIORITY:

1 SAFETY 3 ENFORCED RELOCATION 5 IMPROVED EFFICIENCY AND DISCRETIONARY
 2 RELIABILITY 4 LOAD GROWTH

DESCRIPTION OF PROPOSED PROJECT: High pressure main additions.

LOCATION: Unspecified.

NEED FOR PROJECT: Main additions for ahead-of-paving and extension for loads to supply industrial and commercial customers.

Based on Marketing Dept. forecast of 3/15/2000

ESTIMATE OF COST (In Thousands)		MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)	
			BUDGET YEAR	\$
PGW LABOR	\$ 75			168
MATERIAL	15			
PURCHASED SERVICES	35	SEP	\$ 14	
OTHER	21	OCT	14	
PROJECT COST	\$ 147	NOV	14	
ADMIN & GENERAL		DEC	14	
13.5 % OF PROJECT	20	JAN	14	
SUB TOTAL	\$ 167	FEB	14	
AFUDC .60 % OF SUBTOTAL	1	MAR	14	
TOTAL CAPITAL COST	\$ 168	APR	14	
		MAY	14	
		JUN	14	
		JUL	14	
		AUG	14	
		TOTAL	\$ 168	

Brian C. Schenk
 SUBMITTED BY DEPARTMENT
 MANAGER/DIRECTOR

J.E. Hen 5/12/00
 APPROVED BY VICE PRESIDENT OR
 SENIOR VICE PRESIDENT

APPROVED BY EXECUTIVE VICE
 RESIDENT & CHIEF OPER. OFFICER

APPROVED BY PRESIDENT AND CEO

ESTIMATED BY: Distribution
 DATE: 05/11/00

FISCAL 2001
52-20-1-01 (D-20-A-1)

HIGH PRESSURE MAIN ADDITIONS

Analysis of approved main and service estimates from 1998-1999
Cost/Unit, Less Admin. & General Costs, Escalated to Fiscal 1999
((Cost/Unit) / (1 + A&G)) x (Esc. Factor) = Escalated Cost/Unit

<u>Fiscal Year</u>	<u>Cost/Unit</u>	<u>Admin. & Gen.</u>	<u>Escalation to Fiscal 1998</u>	
			<u>Esc. Factor (1)</u>	<u>Cost/Unit</u>
1995	53,178	.120	1.111	52,766
1996	54,166	.109	1.075	52,494
1997	58,123	.137	1.044	53,394
1998	56,100	.140	1.022	50,293
1999	58,123	.142	1.000	50,895

5 Year average, Less A&G, Escalated to 1999 = 51,968

<u>5-Year Avg. Cost/Unit</u>	<u>Average AFUDC (1)</u>	<u>Escalation to Fiscal 2001</u>	
		<u>Esc. Factor</u>	<u>Cost/Unit</u>
51,968	.020	1.044	\$ 53,238

<u>Total Services</u>	<u>95 - 99 Commercial & Industrial</u>		<u>%</u>	<u>2001 Forecast</u>	
	<u>Units Req. Main</u>			<u>Total Services</u>	<u>Units Req. Main</u>
1,053	20		1.9%	292	3

				Project Cost	=	\$147,000	
PGW Labor, % of Total			51.3%		=	75,000	
Material, % of Total			10.4%		=	15,000	
Purchased Services, % of Total			23.7%		=	35,000	
Other, % of Total			14.6%		=	21,000	
Project Cost					=	147,000	
Adm. & Gen.			13.50%	x	147,000	=	20,000
AFUDC	0.125	x	5.59%	x	167,000	=	1,000
				Total Estimate	=	<u><u>\$168,000</u></u>	

52-20-1-01 (D-20-A-1) : HIGH PRESSURE MAIN ADDITIONS

<u>Fiscal Year</u>	<u>Program Amount *</u>	<u>Work Ordered Amount **</u>
1988-1989	1,880,000	963,638
1989-1990	1,423,000	531,967
1990-1991	404,000	353,088
1991-1992	318,000	200,000
1992-1993	343,000	591,130
1993-1994	210,000	310,000
1994-1995	295,000	701,000
1995-1996	223,000	345,296
1996-1997	172,000	163,678
1997-1998	261,000	1,408,578
1998-1999	300,000	815,345
1999-2000	400,000	
2000-2001 (Forecast)	203,800	
2000-2001 (Estimate)	168,000	

* Does not include budget adjustment transferred into this category.

** Does not include budget adjustment transferred out of this category.

CAPITAL PROGRAM PROPOSAL YEAR 2001 <input type="checkbox"/> ADDITION <input checked="" type="checkbox"/> REPLACEMENT	DEPARTMENT Distribution STRATEGIC PRIORITY BUDGET CATEGORY 52-20-2-01
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PRIORITY:

1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY

2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: Replacement of high pressure main.

LOCATION: Unspecified

NEED FOR PROJECT: Enforced relocation caused by City and State work and unforeseen conditions. Basis of this estimate is the 1999 - 2004 City Capital Program and past experience.

ESTIMATE OF COST (In Thousands)	MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PCW LABOR \$ 524		BUDGET YEAR \$ 1,222
MATERIAL 278		FORECAST YEARS
PURCHASED SERVICES 358	SEP \$ 101	YEAR 1 306
OTHER 177	OCT 101	YEAR 2 _____
PROJECT COST \$ 1,337	NOV 102	YEAR 3 _____
ADMIN & GENERAL	DEC 102	TOTAL \$ 1,528
13.5 % OF PROJECT 180	JAN 102	
SUB TOTAL \$ 1,517	FEB 102	SUBMITTED BY DEPARTMENT
AFUDC .73 % OF SUBTOTAL 11	MAR 102	MANAGER/DIRECTOR
TOTAL CAPITAL COST \$ 1,528	APR 102	
	MAY 102	
	JUN 102	
	JUL 102	
	AUG 102	
	TOTAL \$ 1,222	
ESTIMATED BY: _____		
DATE: _____		

CAPITAL BUDGET

FISCAL YEAR 2001 AND FIVE YEAR FORECAST
(Thousands of Dollars)

(Dept.)	52-20-2-01 (D-20-R-1)	2000	2001	2002	2003	2004	2005	2006
Streets & Water	2001 Unknowns	#REF!	253	253	253	253	253	253
Streets	Bridge Reconstruction	100	100	100	100	100	100	100
	Dobson's Run		450					
	Wolf St. 3rd - 6th		200					
	Market St		525					
			1,528					
	2001 Budget and Forecast	338	337	353	353	353	353	353

2001 Estimate

<u>Category</u>	<u>Percentage</u>	<u>Total Cost</u>
PGW Labor, % of Total	39.2%	= 524,000
Material, % of Total	20.8%	= 278,000
Purchased Services, % of Total	26.8%	= 358,000
Other, % of Total	13.2%	= 176,000
	Project Cost	= \$1,336,000
Project Cost		= 1,337,000
Adm. & Gen.	13.50% x	= 1,337,000
AFUDC	0.125 x 5.59% x	= 1,517,000
	Total Estimate	= <u><u>\$1,528,000</u></u>

\$337,000 reduced to \$254K to achieve necessary cost reduction goals.

52-20-2-01 (D-20-R-1) REPLACEMENT OF HIGH PRESSURE MAINS

<u>Fiscal Year</u>	<u>Program Amount *</u>	<u>Work Ordered Amount **</u>
1988-1989	1,686,000	984,090
1989-1990	1,370,000	1,163,211
1990-1991	817,000	659,102
1991-1992	958,000	771,056
1992-1993	1,026,000	808,076
1993-1994	1,043,000	1,036,317
1994-1995	1,372,000	268,824
1995-1996	400,000	649,307
1996-1997	367,000	736,566
1997-1998	394,000	884,394
1998-1999	254,000	245,000
1999-2000	254,000	
2000-2001 (Forecast)	258,826	
2000-2001 (Estimate)	1,528,000	

* Does not include budget adjustment transferred into this category.

** Does not include budget adjustment transferred out of this category.

The 2001-2006 City Capital Program was reviewed for items that will affect the distribution system. Major items, such as bridge reconstruction and highway improvements, are scheduled in the City budget PGW budgets money in the same year for the effect these City improvements will have on PGW facilities. The City budgets general categories for items such as grading and paving, water main construction, water distribution system rehabilitation, new sewer construction and reconstruction of sewers

Reimbursement

**2001 Capital Program Five Year Forecast
(in Thousands of Dollars)**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	2004	<u>2005</u>	<u>2006</u>
52-20-2-01 (D-20-R-1)	1,036	1062	1089	1116	1144	1173
52-21-2-01 (D-21-R-1)	1,161	1190	1220	1250	1282	1314

Water Department and Streets: 1991 through 1995 (1)	reimbursement;	20%	
Department of Public Property: 1991 through 1995 (1)	reimbursement;	48%	
PENNDOT: 1991 through 1995 (1)	reimbursement;	75%	(2)

52-20-2-01 (D-20-R-1)

Water Department and Streets	\$ 353	x	20%	=	\$ 71
Specials (Water & Sewer)	650		88%		\$572
PENNDOT(Market St.)	525		75%		\$394
	<u>\$ 1,528</u>				<u>\$ 1,036</u>

52-21-2-01 (D-21-R-1)

Water Department and Streets	\$ 5,048	x	23%	=	\$ 1,161
Department of Public Property			48%		0
PENNDOT			75%		0
	<u>\$ 5,048</u>				<u>\$ 1,161</u>

52-22-2-01 (D-22-R-1)

Water Department and Streets	\$ 702	x	30%	=	\$ 211
Department of Public Property			48%		0
PENNDOT			75%		0
	<u>\$ 702</u>				<u>\$ 211</u>

(1) Percentages developed from Reimbursable Report File 12.1.1
(3) Majority of PENNDOT agreements provided 50% reimbursement.

CAPITAL PROGRAM PROPOSAL YEAR 2001

DEPARTMENT: Distribution

ADDITION REPLACEMENT

DIVISION:

BUDGET CATEGORY: 52-21-1-01

PRIORITY:

1 SAFETY 3 ENFORCED RELOCATION 5 IMPROVED EFFICIENCY AND DISCRETIONARY
 2 RELIABILITY 4 LOAD GROWTH

DESCRIPTION OF PROPOSED PROJECT: Installation of 8" and smaller low and intermediate pressure mains.

LOCATION: Unspecified.

NEED FOR PROJECT: Main needed to supply new and existing residential, commercial and major accounts customers based on Marketing's forecast of 3/15/00.

ESTIMATE OF COST (In Thousands)		MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)	
			BUDGET YEAR	\$
PGW LABOR	\$ 538			\$ 1,254
MATERIAL	178			
PURCHASED SERVICES	229	SEP	\$ 104	
OTHER	155	OCT	104	
PROJECT COST	\$ 1,100	NOV	104	
ADMIN & GENERAL		DEC	104	
13.5 % OF PROJECT	149	JAN	104	
SUB TOTAL	\$ 1,249	FEB	104	
AFUDC .47 % OF SUBTOTAL	6	MAR	105	
TOTAL CAPITAL COST	\$ 1,254	APR	105	
		MAY	105	
		JUN	105	
		JUL	105	
		AUG	105	
		TOTAL	\$ 1,254	

Brian C. Schenk *Brian C. Schenk*
 SUBMITTED BY DEPARTMENT
 MANAGER/DIRECTOR

DE Schenk 5/12/00
 APPROVED BY VICE PRESIDENT OR
 SENIOR VICE PRESIDENT

APPROVED BY EXECUTIVE VICE
 PRESIDENT & CHIEF OPER. OFFICER

APPROVED BY PRESIDENT AND CEO

FISCAL 2001

52-21-1-01 (D-21-A-1)

8" AND SMALLER LOW AND INTERMEDIATE
PRESSURE MAIN ADDITIONS

Establish Cost/Foot Using Costs From Fiscal 1995-1999

Cost/Foot Less Admin & General Costs Escalated to Fiscal 1999

$((\text{Cost/Foot}) / (1 + \text{A\&G})) \times (\text{Esc. Factor}) = \text{Escalated Cost/Unit}$

<u>Fiscal Year</u>	<u>Cost/Foot</u>	<u>Admin. & Gen.</u>	<u>Escalation to Fiscal 1999</u>	
			<u>Esc. Factor (1)</u>	<u>Cost/Foot</u>
1995	139.69	.120	1.111	138.60
1996	134.55	.109	1.075	130.39
1997	95.60	.137	1.044	87.82
1998	81.25	.140	1.022	72.84
1999	108.67	.142	1.000	95.16

3 Year average, Less A&G, Escalated to 1999 = 85.27

<u>3-Year Avg. Cost/Foot</u>	<u>Average AFUDC</u>	<u>Escalation to Fiscal 2001</u>	
		<u>Esc. Factor</u>	<u>Cost/Foot</u>
85.27	0.02	1.04	\$ 88.81 **

** Used 3 years

2001 Capital Program

52-21-1-01 (D-21-A-1) 8" & Smaller Low & Intermediate Pressure Main Additions

Marketing's letter of March 15, 2000 gave the number of new services as:

New Dwelling Units	176
Existing Homes	474
Commercial	245
Industrial	<u>47</u>
	942

Based on approved main and service estimates for the five-year period of September 1, 1995 to August 31, 1999, 8" and smaller low and intermediate pressure mains required for the services of all sizes approved were as follows:

	<u>Sample Units</u>	<u>Units Requiring Mains</u>	
Residential	1,935	1,331	68.8%
Commercial	1,032	69	6.7%
Industrial	<u>21</u>	<u>0</u>	0.0%
TOTAL	2,988	1,400	

Projecting the above sampling to Marketing forecast of services:

Residential	540	371	68.8%
Commercial	245	16	6.7%
Industrial	<u>47</u>	<u>0</u>	0.0%
TOTAL	832	388	

<u>Category</u>	<u>Percentage</u>		<u>Total Cost</u>
PGW Labor, % of Total	48.9%	=	538,000
Material, % of Total	16.2%	=	178,000
Purchased Services, % of Total	20.8%	=	229,000
Other, % of Total	14.1%	=	<u>155,000</u>
		=	Project Cost
			\$1,100,000

<u>Units</u>	<u>Ft/Unit (1)</u>	<u>Ft</u>	<u>Cost/Ft</u>	<u>Project</u>	<u>A&G</u>	<u>AFUDC</u>	<u>Total</u>
388	32	12,383	\$ 88.81	\$ 1,099,734	148,464	5,815	\$ 1,254,012
				\$ 1,100,000			<u>\$ 1,254,000</u>

(1) 5 year Average

NOTE: The Ft/Unit is the actual footage of 8" and smaller main addition divided by the approved service units requiring main for Fiscal Years 1995 through 1999. The Cost/Ft was developed from actual costs for Fiscal Years 1997 through 1999 per attached sheet.

05/16/2000

52-21-1-01

FYCapital2001.xls

52-21-1-01: 8" and Smaller Main Additions - Low and Intermediate Pressure

FISCAL YEAR	1"	1 1/4"	2"	3"	4"	6"	8"	Total Feet
1988-89		56	325	15,822	7,286	11,386	1,839	36,714
1989-90			398	12,136	12,396	1,951	761	27,642
1990-91			630	4,467	2,950	3,489	200	11,736
1991-92			1,342	2,125	2,214	1,246	0	6,927
1992-93			1,436	2,740	931	1,370	0	6,477
1993-94		47	439	1,587	2,048	1,954	14	6,089
1994-95			954	2,476	1,842	2,620	102	7,994
1995-96			537	3,045	2,312	4,004	355	10,253
1996-97			581	6,389	2,221	1,416	544	11,151
1997-98	31	3	1,407	4,556	3,698	2,214	107	12,016
1998-99								9243

FISCAL YEAR	PROGRAM AMOUNT	COST	COST PER FOOT
1988-1989	1,321,000	3,438,750	93.66
1989-1990	1,388,000	2,119,231	76.67
1990-1991	1,596,000	1,552,323	132.27
1991-1992	825,000	700,387	101.11
1992-1993	1,388,000	593,460	91.63
1993-1994	1,477,000	424,389	69.70
1994-1995	593,000	1,116,666	139.69
1995-1996	600,000	1,379,510	134.55
1996-1997	1,142,000	1,066,056	95.60
1997-1998	1,259,000	976,253	81.25
1998-1999	1,152,000	1,004,453	108.67
1999-2000	1,252,000		

2000-2001 (Forecast) 1,275,788

2000-2001 1,254,000

Cost information from Budget Category Statistical Listing. Footage from 161 reports.

CAPITAL PROGRAM PROPOSAL YEAR 2001 <input type="checkbox"/> ADDITION <input checked="" type="checkbox"/> REPLACEMENT	DEPARTMENT Distribution STRATEGIC PRIORITY BUDGET CATEGORY 52-21-2-01
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PRIORITY:

1 SAFETY 3 ENFORCED RELOCATIONS 5 IMPROVED EFFICIENCY AND DISCRETIONARY

2 RELIABILITY 4 REVENUE PRODUCING PROJECTS

DESCRIPTION OF PROPOSED PROJECT: Replacement of 8" and smaller low and intermediate pressure mains.

LOCATION: Unspecified

NEED FOR PROJECT: Enforced relocation caused by City and State work and unforeseen conditions.

ESTIMATE OF COST (In Thousands)	MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)
PCW LABOR \$ <u>1,789</u>		BUDGET YEAR \$ <u>4,813</u>
MATERIAL <u>402</u>		FORECAST YEARS
PURCHASED SERVICES <u>1,546</u>	SEP \$ <u>401</u>	YEAR 1 <u>235</u>
OTHER <u>680</u>	OCT <u>401</u>	YEAR 2 _____
PROJECT COST \$ <u>4,417</u>	NOV <u>401</u>	YEAR 3 _____
ADMIN & GENERAL	DEC <u>401</u>	TOTAL \$ <u>5,048</u>
13.5 % OF PROJECT <u>596</u>	JAN <u>401</u>	
SUB TOTAL \$ <u>5,013</u>	FEB <u>401</u>	SUBMITTED BY DEPARTMENT
AFUDC .01 % OF SUBTOTAL <u>35</u>	MAR <u>401</u>	MANAGER/DIRECTOR
TOTAL CAPITAL COST \$ <u>5,048</u>	APR <u>401</u>	
	MAY <u>401</u>	
	JUN <u>401</u>	
	JUL <u>401</u>	
	AUG <u>402</u>	
	TOTAL \$ <u>4,813</u>	
ESTIMATED BY: _____		
DATE: _____		

FISCAL 2001

52-21-2-01 (D-21-R-1)

8" AND SMALLER LOW AND INTERMEDIATE

PRESSURE MAIN REPLACEMENTS

<u>Fiscal Year</u>	<u>Total Feet</u>	<u>Total Cost</u>	<u>Cost/Foot</u>
1995	32,396	4,493,114	138.69
1996	21,662	3,499,620	161.56
1997	41,200	5,603,357	136.00
1998	34,102	4,544,976	133.28
1999	34,032	5,443,098	159.94

Five Year Average for total Feet = 32,678

Establish Cost/Foot Using Costs From Fiscal 1995-1999

Cost/Foot Less Admin & General Costs Escalated to Fiscal 1999

$((\text{Cost/Foot}) / (1 + \text{A\&G})) \times \text{Esc. Factor} = \text{Escalated Cost/Unit}$

<u>Fiscal Year</u>	<u>Cost/Foot</u>	<u>Admin. & Gen.</u>	<u>Esc. Factor (1)</u>	<u>Escalation to Fiscal 1999</u>
				<u>Cost/Foot</u>
1995	138.69	.120	1.111	137.62
1996	161.56	.109	1.075	156.57
1997	136.00	.137	1.044	124.94
1998	133.28	.140	1.022	119.48
1999	159.94	.142	1.000	140.05

5 Year average, Less A&G, Escalated to 1999 = 135.73

<u>5-Year Avg. Cost/Foot</u>	<u>Average AFUDC</u>	<u>Esc. Factor</u>	<u>Escalation to Fiscal 2001</u>	
			<u>Cost/Foot</u>	<u>Cost/Foot(1)</u>
\$135.73	.020	1.044	\$139.05	\$125.56

(1) Cost per foot reduced 10% to reflect anticipated and necessary cost reductions to achieve the level of replacement for City, State and other enforced relocations.

CAPITAL BUDGET
FISCAL YEAR 2001
(Thousands of Dollars)

	<u>Footage</u>		<u>Cost/foot</u>		<u>Total Cost</u>
	35,178		\$126		\$4,417,037
Market St.	2,500				

2001 Estimate

<u>Category</u>			<u>Percentage</u>			<u>Total Cost</u>
PGW Labor, % of Total			40.5%	=		1,789,000
Material, % of Total			9.1%	=		402,000
Purchased Services, % of Total			35.0%	=		1,546,000
Other, % of Total			15.4%	=		<u>680,000</u>
				=	Project Cost	4,417,000
Project Cost				=		4,417,000
Adm. & Gen.			13.50%	x	4,417,000	= 596,000
AFUDC	0.125	x	5.59%	x	5,013,000	= <u>35,000</u>
				=	Total Estimate	<u><u>\$5,048,000</u></u>

Total Cost / foot \$143.50

52-21-2-01 REPLACEMENT OF 8" AND SMALLER LOW AND INTERMEDIATE PRESSURE MAINS

<u>FISCAL</u> <u>YEAR</u>	<u>PROGRAM</u> <u>AMOUNT</u>	<u>FEET</u>	<u>COST</u>	<u>COST PER</u> <u>FOOT</u>
1988-1989	5,236,000	43,358	5,852,134	134.97
1989-1990	5,595,000	44,411	6,819,895	153.56
1990-1991	4,523,739	20,152	3,517,532	174.55
1991-1992	5,455,000	29,058	4,587,225	157.86
1992-1993	5,440,000	48,754	6,579,140	134.95
1993-1994	6,427,000	40,485	7,330,597	181.07
1994-1995	6,351,000	32,396	4,493,114	138.69
1995-1996	5,270,000	21,662	3,499,620	161.56
1996-1997	3,549,000	41,200	5,603,357	136.00
1997-1998	3,549,000	34,102	4,544,976	133.28
1998-1999	3,729,000	34,032	5443098	159.94
2000-2001 (FORECAST)	3,811,000			
2000-2001 (ESTIMATE)	5,048,000			

Cost information from Budget Category Statistical Listing. Footage from 161 reports.

Reimbursement

**2001 Capital Program Five Year Forecast
(in Thousands of Dollars)**

	<u>2000</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
52-20-2-01 (D-20-R-1)	1,036	1062	1089	1116	1144	1173
52-21-2-01 (D-21-R-1)	1,161	1190	1220	1250	1282	1314
52-22-2-01 (D-22-R-1)	140	144	148	151	155	159

Water Department and Streets: 1991 through 1995 (1)	reimbursement;	20%	
Department of Public Property: 1991 through 1995 (1)	reimbursement;	48%	
PENNDOT: 1991 through 1995 (1)	reimbursement;	75%	(2)

52-20-2-01 (D-20-R-1)

Water Department and Streets	\$ 353	x	20%	=	\$ 71
Specials(Water&Sewer)	650		90%		585
PENNDOT(Market St.)	525		75%		\$394
	<u>\$ 1,528</u>				<u>\$ 1,036</u>

52-21-2-01 (D-21-R-1)

Water Department and Streets	\$ 5,048	x	23%	=	\$ 1,161
Department of Public Property			48%		0
PENNDOT(Market St)			75%		0
	<u>\$ 5,048</u>				<u>\$ 1,161</u>

52-22-2-01 (D-22-R-1)

Water Department and Streets	\$ 702	x	20%	=	\$ 140
Department of Public Property			48%		0
PENNDOT(Market St.)	1384		75%		\$1,038
	<u>\$ 2,086</u>				<u>\$ 1,178</u>

- (1) Percentages developed from Reimbursable Report File 12.1.1
(2) Majority of PENNDOT agreements provided 50% reimbursement.

CAPITAL PROGRAM PROPOSAL YEAR 2001

DEPARTMENT: Distribution

ADDITION REPLACEMENT

DIVISION:

BUDGET CATEGORY: 52-21-2-02

PRIORITY:

1 SAFETY 3 ENFORCED RELOCATION 5 IMPROVED EFFICIENCY AND DISCRETIONARY
 2 RELIABILITY 4 LOAD GROWTH

DESCRIPTION OF PROPOSED PROJECT: Prudent main Replacements

LOCATION: Various

NEED FOR PROJECT: Replace cast iron mains.

ESTIMATE OF COST (In Thousands)		MONTHLY EXPENDITURE FOR BUDGET YEAR (In Thousands)	ESTIMATED TIMING & EXPENDITURE SCHEDULE (In Thousands)	
			BUDGET YEAR	\$ 4,106
PGW LABOR	\$ 1,858	SEP	\$ 342	FORECAST YEARS
MATERIAL	273	OCT	342	YEAR 1
PURCHASED SERVICES	1,067	NOV	342	YEAR 2
OTHER	395	DEC	342	YEAR 3
PROJECT COST	\$ 3,593	JAN	342	TOTAL
ADMIN & GENERAL		FEB	342	\$ 4,106
13.5 % OF PROJECT	485	MAR	342	
SUB TOTAL	\$ 4,078	APR	342	
AFUDC .69 % OF SUBTOTAL	28	MAY	342	
TOTAL CAPITAL COST	\$ 4,107	JUN	342	
		JUL	343	
		AUG	343	
		TOTAL	\$ 4,106	

Brian C. Schenk
 SUBMITTED BY DEPARTMENT
 MANAGER/DIRECTOR

W.C. [Signature] 5/12/00
 APPROVED BY VICE PRESIDENT OR
 SENIOR VICE PRESIDENT

APPROVED BY EXECUTIVE VICE
 PRESIDENT & CHIEF OPER. OFFICER

APPROVED BY PRESIDENT AND CEO

FISCAL 2001

52-21-2-02 (D-21-R-2)

8" AND SMALLER L.P. & I.P. MAIN REPLACEMENTS

Specific W. O. & B.W.O. (Prudent Replacements)

<u>Fiscal Year</u>	<u>Total Feet</u>	<u>Total Cost</u>	<u>Cost/Foot</u>
1995	13,834	4,622,995	334.18
1996	27,650	3,862,343	139.69
1997	20,365	3,099,859	152.22
1998	10,716	1,587,349	148.13
1999	6112	1,286,383	210.47

Establish Cost/Foot Using Costs From Fiscal 1995-1999

Cost/Foot Less Admin & General Costs Escalated to Fiscal 1999

((Cost/Foot) / (1 + A&G)) x (Esc. Factor) = Escalated Cost/Unit

<u>Fiscal Year</u>	<u>Cost/Foot</u>	<u>Admin. & Gen.</u>	<u>Escalation to Fiscal 1999</u>	
			<u>Esc. Factor (1)</u>	<u>Cost/Foot</u>
1995	334.18	.120	1.075	320.68
1996	139.69	.109	1.111	139.98
1997	152.22	.137	1.044	139.83
1998	148.13	.140	1.022	132.80
1999	210.47	.142	1.000	184.30

4 Year Average (1995 out), Less A&G, Escalated to 1999 = 149.23

<u>4-Year Avg. Cost/Foot</u>	<u>Average AFUDC</u>	<u>Escalation to Fiscal 2001</u>	
		<u>Esc. Factor</u>	<u>Cost/Foot</u>
\$149.23	.020	1.044	\$122.30 **

Cost / foot reduced by 20% to reflect anticipated Contracting levels and competitive pricing

FISCAL 2001

52-21-2-02 (D-21-R-2)

8" AND SMALLER L.P. & I.P. MAIN REPLACEMENTS

Unspecified BWO'S - Cut-Outs

<u>Fiscal Year</u>	<u>Total Feet</u>	<u>Total Cost</u>	<u>Cost/Foot</u>
1995	4,633	879,066	189.74
1996	2,843	766,924	269.76
1997	1,820	375,908	206.54
1998	2,118	334,991	158.16
1999	2768	481681.6	174.02

Establish Cost/Foot Using Costs From Fiscal 1995-1999

Cost/Foot Less Admin & General Costs Escalated to Fiscal 1999

((Cost/Foot) / (1 + A&G)) x (Esc. Factor) = Escalated Cost/Unit

<u>Fiscal Year</u>	<u>Cost/Foot</u>	<u>Admin. & Gen.</u>	<u>Escalation to Fiscal 1999</u>	
			<u>Esc. Factor (1)</u>	<u>Cost/Foot</u>
1995	189.74	.120	1.111	188.27
1996	269.76	.109	1.075	261.43
1997	206.54	.137	1.044	189.74
1998	158.16	.140	1.022	141.79
1999	174.02	.142	1.000	152.38

5 Year average, Less A&G, Escalated to 1999 = 161.30

<u>5-Year Avg. Cost/Foot</u>	<u>Average AFUDC</u>	<u>Escalation to Fiscal 2001</u>		
		<u>Esc. Factor</u>	<u>Cost/Foot</u>	<u>Cost/Foot</u>
\$161.30	.020	1.044	\$165.24	\$165.24

Projected footage required = 2,500

Fiscal 2001
52-21-2-02 (Continued)

	<u>Footage</u>	<u>Cost/Foot</u>	<u>Total Cost</u>
Cutouts	2,500	165.24	413,000
Block Replacement	26,000	122.30	3,180,000
Total Footage =	28,500	Project Cost =	\$3,593,000

<u>Category</u>	<u>Percentage</u>		<u>Total Cost</u>
PGW Labor, % of Total	51.7%	=	1,858,000
Material, % of Total	7.6%	=	273,000
Purchased Services, % of Total	29.7%	=	1,067,000
Other, % of Total	11.0%	=	<u>395,000</u>
		Project Cost =	\$3,593,000

Project Cost		=	3,593,000
Adm. & Gen.	13.50% x	3,593,000 =	485,000
AFUDC	0.125 x	5.59% x	4,078,000 = <u>28,000</u>
		Total Estimate =	<u><u>\$4,106,000</u></u>
	Total Cost/Ft (Blocks)		140

**52-21-2-02 REPLACEMENT OF 8" AND SMALLER LOW AND INTERMEDIATE PRESSURE MAINS
FOR PRUDENT WORK**

<u>FISCAL YEAR</u>	<u>PROGRAM AMOUNT</u>	<u>FEET</u>	<u>COST</u>	<u>COST PER FOOT</u>
1988-1989	5,851,000	49,257	7,424,708	150.73
1989-1990	6,305,000	43,977	7,008,551	159.37
1990-1991	6,822,000	49,890	7,267,543	145.67
1991-1992	6,822,000	55,131	9,142,749	165.84
1992-1993	6,995,000	24,000	4,970,942	207.12
1993-1994	7,256,000	54,655	8,530,180	156.07
1994-1995	7,482,000	18,467	5,502,061	297.94
1995-1996	7,374,000	30,493	4,629,267	151.81
1996-1997	4,454,000	22,185	3,475,767	156.67
1997-1998	5,836,000	12,834	1,922,340	149.78
1998-1999	1,177,000	8,880	1,768,065	199.11
1999-2000	3,235,000			
2000-2001 (FORECAST)	6,296,465			
2000-2001 (ESTIMATE)	4,106,000			

Cost information from Budget Category Statistical Listing.. Footage from 161 reports.