

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 PA Code 53.61, et seq.

Item 53.64(i) Utilities shall comply with the following:

- (1) Thirty days prior to the filing of a tariff reflecting increases or decreases in purchased gas expenses, gas utilities under 66 Pa.C.S. § 1307 (f) recovering expenses under that section shall file a statement for the 12-month period ending 2 months prior to the filing date under 66 Pa.C.S. § 1307(f) as published in accordance with subsection (b) which shall specify:
 - (i) The total revenues received under 66 Pa.C.S. § 1307(a), (b) or (f), including fuel revenues received, whether shown on the bill as 66 Pa.C.S. § 1307(f) as published in accordance with subsection (b) which shall specify:
 - (ii) The total gas expenses incurred.
 - (iii) The difference between the amounts in sub paragraphs (i) and (ii).
 - (iv) Evidence explaining how actual costs incurred differ from the costs allowed under subparagraph (ii).
 - (v) How these costs are consistent with a least cost fuel procurement policy, as required by 66 Pa.C.S. § 1318 (relating to determination of just and reasonable natural gas rates).

Response: Please see attached schedule. Additionally, please refer to Item 53.64(c)(6) for a detailed discussion regarding the company's least cost fuel procurement policy.

**FUEL ADJUSTMENT
STATEMENT OF RECONCILIATION
January through December 2003**

		NET COST OF FUEL	APPLICABLE SALES	BASE FUEL FACTOR	BASE FUEL CREDIT	FUEL COST REMAINING TO BE RECOVERED	GCR FACTOR APPLIED	GCR REVENUE BILLED	OVER/ (UNDER) RECOVERY	NATURAL GAS REFUNDS	NET OVER/(UNDER) RECOVERY
		1	2	3	4=2*3	5=1-4	6	7	8=7-5	9	10=8+9
		\$	(Mcf)	\$	\$	\$	\$	\$	\$	\$	\$
PRIOR YEAR'S CARRYOVER:											(21,502,997)
2003											
JANUARY	Actual	78,743,284	10,283,100	3.18	32,636,658	44,106,626	3.6917	38,849,670	(7,257,066)	0	(28,760,053)
FEBRUARY	Actual	69,047,848	11,358,014	3.18	36,118,485	32,929,163	3.6917	40,929,370	8,000,187	0	(20,759,887)
MARCH	Actual	63,870,983	9,441,571	3.18	30,024,196	33,846,787	3.9133	37,090,863	3,444,076	0	(17,315,811)
APRIL	Actual	41,404,008	6,409,463	3.18	17,202,061	24,201,947	4.3726	23,804,093	(397,854)	0	(17,713,665)
MAY	Actual	70,271,894	3,120,021	3.18	9,921,667	10,350,217	5.0600	16,537,792	5,187,576	0	(12,526,090)
JUNE	Actual	17,121,247	2,028,352	3.18	6,450,159	10,671,088	5.4144	10,824,133	253,045	0	(12,273,045)
JULY	Actual	13,046,969	1,465,587	3.18	4,680,567	8,386,402	5.7687	8,384,218	(2,184)	0	(12,275,229)
AUGUST	Actual	11,638,864	1,305,937	3.18	4,152,880	7,482,674	5.7687	7,454,549	(28,125)	0	(12,303,355)
TOTAL JANUARY THROUGH AUGUST		312,941,577	44,392,038		141,168,671	171,774,906		180,974,648	9,199,642	0	(12,303,355)
2002-2003 FINALIZED UNDERCOLLECTION											12,303,355
2002-2003 INTEREST CREDIT ON COMMODITY UNDERCOLLECTION											2,269,119
TOTAL "E" FACTOR											(14,672,474)
		NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERRUPTIBLE REVENUE CREDIT	APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	OVER/ (UNDER) RECOVERY	NATURAL GAS REFUNDS	NET OVER/(UNDER) RECOVERY
		1	2	3	4= (2*3)	5 = (1 - 4)	6	7	8 = (5 - 7)	9	10
		\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$
SEPTEMBER	Actual	13,607,896	1,470,978	0.0879	63,107	13,544,488	8.3210	12,130,671	(1,413,817)	43,337	(15,942,954)
OCTOBER	Actual	22,348,181	2,027,591	0.0879	178,225	22,166,956	7.8670	14,491,864	(7,675,092)	18,382	(23,599,664)
NOVEMBER	Actual	36,774,841	3,671,637	0.0879	313,938	36,460,813	7.8670	29,483,243	(6,977,370)	0	(30,677,034)
DECEMBER	Actual	64,001,996	7,477,428	0.0880	657,640	63,344,356	7.7492	57,867,296	(5,477,059)	0	(36,054,093)
TOTAL SEPTEMBER THROUGH DECEMBER		136,729,322	14,647,634		1,212,910	135,516,412		113,973,074	(21,543,338)	61,719	(36,054,093)
TOTAL 2003		449,670,899									(36,054,093)

Docket No. R-04XXX

Item 53.65 (1)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 53.65 (1)

The costs of the affiliated gas, transportation or storage as compared to the average market price of other gas, transportation or storage and the price of other sources of gas, transportation and storage.

Response:

PGW has no affiliates, see response to 53.64(c)(1) for price of gas, transportation and storage.

Docket No. R-04XXX

Item 53.65 (2)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 53.65 (2)

Estimates of the quantity of gas, transportation or storage available to the utility from all sources.

Response:

PGW has no affiliates and provided is a summary of all transport, storage and LNG capacity.

Philadelphia Gas Works

Gas Supply Group – Supply and Transportation

Abstract of Natural Gas Contracts

This document contains confidential information for the use of the Gas Operations personnel only. It is important to note that this is a brief summary of the terms and conditions of our contracts. The pipeline tariffs and contract files should be referenced for complete information.

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TRANSPORTATION CONTRACTS

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Transco Gas Supply Contract #1
Delivery Pipeline & Contract #:	Transco
Associated Transportation Contract:	Transco FT Contract # 1003409
Contract Term:	3 Years
Initial Contract Date:	4/01/00
Contract Expiration Date:	3/31/04
Quality of Service:	Firm
Daily Maximum:	55,212 DT per Day
Availability:	Year Round
Fuel (%):	None
Minimum Take Level:	None
Nomination & Scheduling:	No notice, within day swing. Initially nominated volume can be take to zero through nomination process. Nominations subject to Transco rules.
Other Terms & Conditions:	None
Most Recent Negotiation:	Contract extended for one year with new demand charge for last year.

PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Transco Gas Supply Contract #2
Delivery Pipeline & Contract #:	Transco
Associated Transportation Contract:	Transco FT Contract # 1003691*
Contract Term:	November 1, 2003 to March 31,2004
Initial Contract Date:	11/01/03
Contract Expiration Date:	3/31/04
Quality of Service:	Firm
Daily Maximum:	20,000 DT Day Nov.-Mar.
Availability:	Take or Release prior to each month
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	None
Nomination & Scheduling:	Take or Release option must exercised by 10AM of Nymex settlement date.
Other Terms & Conditions:	Pricing for each month can be negotiated.
Most Recent Negotiation:	Contract expires March 31, 2004. * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Transco Gas Supply Contract #14
Delivery Pipeline & Contract #:	Transco
Associated Transportation Contract:	Transco FT Contract # 1003691
Contract Term:	November 2003 through March 2004
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	8,000 DT per Day Nov.-Mar
Availability:	Winter Supply Contract
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	8,000 DT per Day Nov.-Mar.
Nomination & Scheduling:	Firm must take contract. Nominations subject to Transco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract expires March 31, 2004. * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Transco Gas Supply Contract #10
Delivery Pipeline & Contract #:	Transco
Associated Transportation Contract:	Transco FT Contract 1003691
Contract Term:	November 2003 through March 2004
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	10,000 DT per Day Nov.-Mar.
Availability:	Winter Supply Contract
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	10,000 DT per Day Nov.-Mar.
Nomination & Scheduling:	Firm must take contract. Nominations subject to Transco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active. * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Transco Gas Supply Contract #12
Delivery Pipeline & Contract #:	Transco
Associated Transportation Contract:	Transco FT Contract 1003691
Contract Term:	November 2003 through March 2004
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	10,000 DT per Day Nov.-Mar.
Availability:	Winter Supply Contract
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	10,000 DT per Day
Nomination & Scheduling:	Firm must take contract. Nominations subject to Transco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active. * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Transco Gas Supply Contract #7
Delivery Pipeline & Contract #:	Transco
Associated Transportation Contract:	Transco FT Contract 1003691
Contract Term:	November 2003 through March 2004
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	5,000 DT per Day Nov.-Mar.
Availability:	Winter Supply Contract
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	5,000 DT per Day
Nomination & Scheduling:	Firm must take contract. Nominations subject to Transco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active. * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Transco Gas Supply Contract #17
Delivery Pipeline & Contract #:	Transco
Associated Transportation Contract:	Transco FT Contract 1003691
Contract Term:	November 2003 through March 2004
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	5,000 DT per Day Nov.-Mar.
Availability:	Winter Supply Contract
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	5,000 DT per Day
Nomination & Scheduling:	Firm must take contract. Nominations subject to Transco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active. * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Transco Gas Supply Contract #8
Delivery Pipeline & Contract #:	Transco
Associated Transportation Contract:	Transco FT Contract 1003691*
Contract Term:	November 2003 through March 2004
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	15,000 DT per Day Nov.-Mar.
Availability:	Winter Supply Contract
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	Take or Release volume with five five days notice prior to first of month.
Nomination & Scheduling:	Take or Release volume with five five days notice prior to first of month.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active. * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Tetco Gas Supply Contract #1
Delivery Pipeline & Contract #:	Tetco
Associated Transportation Contract:	Tetco FT and CDS
Contract Term:	10 Years
Initial Contract Date:	10/31/1993
Contract Expiration Date:	09/30/2003
Quality of Service:	Firm
Daily Maximum:	40,000 DT plus fuel per Day Nov.- Mar. 15,000 DT plus fuel per Day Apr.- Oct.
Availability:	Year Round
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	None
Nomination & Scheduling:	Next day nomination change. Nominations subject to Transco rules. No limit to amount of changes within the month.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Under original terms of contract supplier opened negotiations and contract was extended.

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Tetco Gas Supply Contract #2
Delivery Pipeline & Contract #:	Tetco
Associated Transportation Contract:	Tetco FT and CDS
Contract Term:	November 2003 through March 2004
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	10,000 DT plus fuel per Day Nov.- Mar.
Availability:	Winter Supply Contract
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	Giving five business days notice prior to first of Month gas flow all volumes can be released back to supplier.
Nomination & Scheduling:	Nominations subject to Tetco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active.

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Tetco Gas Supply Contract #3
Delivery Pipeline & Contract #:	Tetco
Associated Transportation Contract:	Tetco FT and CDS
Contract Term:	Winter Supply
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	13,000 DT plus fuel per Day
Availability:	Winter Supply
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	Take or release notification must be given by 10AM on Nymex settlement date.
Nomination & Scheduling:	Nominations subject to Tetco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active.

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Tetco Gas Supply Contract #2
Delivery Pipeline & Contract #:	Tetco
Associated Transportation Contract:	Tetco FT and CDS
Contract Term:	Winter Supply
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	34,819 DT plus fuel per Day
Availability:	Winter Supply
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	34,819 DT plus fuel per Day
Nomination & Scheduling:	Nominations subject to Tetco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active.

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Tetco Gas Supply Contract #8
Delivery Pipeline & Contract #:	Tetco
Associated Transportation Contract:	Tetco FT and CDS
Contract Term:	Winter Supply
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	7,750 DT plus fuel per Day
Availability:	Winter Supply
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	7,750 DT plus fuel per Day
Nomination & Scheduling:	Nominations subject to Tetco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active.

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Tetco Gas Supply Contract #7
Delivery Pipeline & Contract #:	Tetco
Associated Transportation Contract:	Tetco FT and CDS
Contract Term:	Winter Supply
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	19,337 DT plus fuel per Day
Availability:	Winter Supply
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	19,337 DT plus fuel per Day
Nomination & Scheduling:	Nominations subject to Tetco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active.

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Tetco Gas Supply Contract #9
Delivery Pipeline & Contract #:	Tetco
Associated Transportation Contract:	Tetco FT and CDS
Contract Term:	Winter Supply
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	5,000 DT plus fuel per Day
Availability:	Winter Supply
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	5,000 DT plus fuel per Day
Nomination & Scheduling:	Nominations subject to Tetco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active.

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PGW NATURAL GAS CONTRACT INFORMATION
GAS SUPPLY CONTRACT

Name & Type of Service:	Tetco Gas Supply Contract #14
Delivery Pipeline & Contract #:	Tetco
Associated Transportation Contract:	Tetco FT and CDS
Contract Term:	Winter Supply
Initial Contract Date:	11/01/2003
Contract Expiration Date:	03/31/2004
Quality of Service:	Firm
Daily Maximum:	5,000 DT plus fuel per Day.
Availability:	Winter Supply
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	5,000 DT plus fuel per Day
Nomination & Scheduling:	Nominations subject to Tetco rules.
Other Terms & Conditions:	Pricing for each month can be negotiated or default to an index.
Most Recent Negotiation:	Contract is active.

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PGW NATURAL GAS CONTRACT INFORMATION
Transportation Contract

Name & Type of Service:	Transco FT
Delivery Pipeline & Contract #:	Transco FT 1003691*
Associated Transportation Contract:	FS, Transco Supply Contracts, WSS, ES, and Spot Supply contracts.
Contract Term:	13 Years
Initial Contract Date:	02/01/1992
Contract Expiration Date:	03/31/2005
Quality of Service:	Firm
Daily Maximum:	165,212 DT
Availability:	Year Round
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	N/A
Most Recent Negotiation:	N/A

* Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
Transportation Contract

Name & Type of Service:	Transco Peaking Service FT
Delivery Pipeline & Contract #:	Transco FT 1005001*
Associated Transportation Contract:	FS, Transco Supply Contracts, WSS, ES, and Spot Supply contracts.
Contract Term:	13 Years
Initial Contract Date:	02/01/1992
Contract Expiration Date:	03/31/2005
Quality of Service:	Firm
Daily Maximum:	1,967 DT
Availability:	Winter Peaking Dec-Feb
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	N/A
Most Recent Negotiation:	N/A * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
Interruptible Transportation Contract

Name & Type of Service:	Transco Interruptible Transportation
Delivery Pipeline & Contract #:	Transco IT 1002427*
Associated Transportation Contract:	Transco Supply Contracts, WSS, ES, and Spot Supply contracts.
Contract Term:	13 Years
Initial Contract Date:	02/01/1992
Contract Expiration Date:	03/31/2005
Quality of Service:	Firm
Daily Maximum:	See Transco Tariff
Availability:	See Transco Tariff
Fuel (%):	Subject to Transco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	N/A
Most Recent Negotiation:	N/A * Contract number converted by Transco

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PGW NATURAL GAS CONTRACT INFORMATION
Comprehensive Delivery Service

Name & Type of Service:	Tetco CDS FT
Delivery Pipeline & Contract #:	Tetco #800232
Associated Transportation Contract:	Tetco Supply Contracts, ANR storage, Spot Supply contracts.
Contract Term:	2.8 Years
Initial Contract Date:	12/15/1998
Contract Expiration Date:	10/31/2001
Quality of Service:	Firm
Daily Maximum:	75,000 DT per Day
Availability:	See Tetco Tariff
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See Tetco Tariff
Most Recent Negotiation:	Contract is now in the evergreen state.

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PGW NATURAL GAS CONTRACT INFORMATION

Firm Transportation

Name & Type of Service:	Tetco FT 1
Delivery Pipeline & Contract #:	Tetco #800233
Associated Transportation Contract:	Tetco Supply Contracts, ANR storage, Spot Supply contracts.
Contract Term:	2.8 Years
Initial Contract Date:	12/15/1998
Contract Expiration Date:	10/31/2001
Quality of Service:	Firm
Daily Maximum:	23,822 DT per Day
Availability:	See Tetco Tariff
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	N/A
<i>Nomination & Scheduling:</i>	<i>GISB Standards.</i>
Other Terms & Conditions:	See Tetco Tariff
Most Recent Negotiation:	Contract is now in the evergreen state.

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PGW NATURAL GAS CONTRACT INFORMATION
Firm Transportation

Name & Type of Service:	Tetco FT 1
Delivery Pipeline & Contract #:	Tetco #800514
Associated Transportation Contract:	Tetco Supply Contracts, Spot Supply contracts.
Contract Term:	7.8 Years
Initial Contract Date:	12/15/1998
Contract Expiration Date:	10/31/2006
Quality of Service:	Firm
Daily Maximum:	18,000 DT per Day
Availability:	See Tetco Tariff
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See Tetco Tariff
Most Recent Negotiation:	N/A

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PGW NATURAL GAS CONTRACT INFORMATION
Firm Transportation

Name & Type of Service:	Tetco FT 1
Delivery Pipeline & Contract #:	Tetco #800515
Associated Transportation Contract:	Tetco Supply Contracts, Spot Supply contracts.
Contract Term:	4.8 Years
Initial Contract Date:	12/15/1998
Contract Expiration Date:	10/31/2003
Quality of Service:	Firm
Daily Maximum:	18,000 DT per Day
Availability:	See Tetco Tariff
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See Tetco Tariff
Most Recent Negotiation:	Contract in Evergreen state.

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PGW NATURAL GAS CONTRACT INFORMATION
Firm Transportation

Name & Type of Service:	Tetco FTS 2
Delivery Pipeline & Contract #:	Tetco #300791
Associated Contract:	Equitrans SS3.
Contract Term:	8.75 Years
Initial Contract Date:	06/01/1993
Contract Expiration Date:	03/31/2002
Quality of Service:	Firm
Daily Maximum:	5,394 DT per Day
Availability:	See Tetco Tariff
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See Tetco Tariff
Most Recent Negotiation:	Contract in Evergreen state.

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PGW NATURAL GAS CONTRACT INFORMATION
Firm Transportation

Name & Type of Service:	Tetco FTS 7
Delivery Pipeline & Contract #:	Tetco #331725
Associated Contract:	Dominion GSS
Contract Term:	10 Years
Initial Contract Date:	08/07/1996
Contract Expiration Date:	03/31/2006
Quality of Service:	Firm
Daily Maximum:	7,788 DT per Day
Availability:	See Tetco Tariff
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See Tetco Tariff
Most Recent Negotiation:	N/A

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PGW NATURAL GAS CONTRACT INFORMATION
Firm Transportation

Name & Type of Service:	Tetco FTS 8
Delivery Pipeline & Contract #:	Tetco #331822
Associated Contract:	Dominion GSS
Contract Term:	10 Years
Initial Contract Date:	08/07/1996
Contract Expiration Date:	03/31/2006
Quality of Service:	Firm
Daily Maximum:	25,709 DT per Day
Availability:	See Tetco Tariff
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See Tetco Tariff
Most Recent Negotiation:	N/A

PGW NATURAL GAS CONTRACT INFORMATION
Interruptible Transportation

Name & Type of Service:	Tetco IT
Delivery Pipeline & Contract #:	Tetco #710468
Associated Contract:	Supply Contracts, Spot Supply
Contract Term:	1 Year
Initial Contract Date:	04/01/1993
Contract Expiration Date:	03/31/1994
Quality of Service:	Interruptible
Daily Maximum:	See Tetco Tariff
Availability:	See Tetco Tariff
Fuel (%):	Subject to Tetco fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See Tetco Tariff
Most Recent Negotiation:	Contract in Evergreen status.

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Storage Transportation Service

Name & Type of Service:	Equitrans STS 1
Delivery Pipeline & Contract #:	Equitrans SS 62
Associated Contract:	Equitrans SS 3
Contract Term:	8.6 Years
Initial Contract Date:	09/01/1993
Contract Expiration Date:	03/31/2002
Quality of Service:	Firm
Daily Maximum:	2,612 DT per Day Summer 4,998 DT per Day Winter
Availability:	See Equitrans Tariff
Fuel (%):	Subject to Equitrans fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See Equitrans Tariff
Most Recent Negotiation:	Contract is in Evergreen status

PGW NATURAL GAS CONTRACT INFORMATION
Firm Transportation Service

Name & Type of Service:	ANR FTS-1
Delivery Pipeline & Contract #:	ANR # 12850
Associated Contract:	ANR FSS
Contract Term:	19 Years
Initial Contract Date:	04/01/1994
Contract Expiration Date:	03/31/2013
Quality of Service:	Firm
Daily Maximum:	Summer injection Quantity varies due to contract terms. Winter withdrawal Quantity varies due to contract terms.
Availability:	See ANR Contract
Fuel (%):	Subject to ANR fuel rates
Minimum Take Level:	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	See ANR Contract
Most Recent Negotiation:	Contact was terminated on March 31, 2003.

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	ANR FSS
Delivery Pipeline & Contract #:	ANR FTS 1 & Tetco
Associated Contract:	Tetco CDS # 800232 Tetco FT 1 t#800233
Contract Term:	19 Years
Initial Contract Date:	04/01/1994
Contract Expiration Date:	03/31/2013
Quality of Service:	Firm (Unbundled)
Daily Maximum Withdrawal:	13,828 DT non- ratcheted
Availability (Withdrawal/Injection):	Injection period Apr1 through Oct 31. Withdrawal period Nov 1 through Mar.31
Daily Maximum Injection:	9,472 DT
Maximum Storage Quantity:	1,894,436 DT
Fuel (%):	.097% injection
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	MSQ and injection quantity change yearly due to ANR fuel requirements to guarantee PGW delivery of 13.665 DT at the Lebanon interconnect between ANR and Tetco.
Most Recent Negotiation:	Contact was terminated on March 31, 2003.

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	Equitrans SS3
Delivery Pipeline & Contract #:	Equitrans STS 1 & Tetco
Associated Contract:	Tetco FTS 2 #300791
Contract Term:	9 Years
Initial Contract Date:	09/01/1993
Contract Expiration Date:	04/01/2002
Quality of Service:	Firm (Unbundled)
Daily Maximum Withdrawal:	4,998 DT 100%>=17% 4,544 DT 17%>=0%
Availability (Withdrawal/Injection):	Injection period Apr1 through Oct 31. Withdrawal period Nov 1 through Mar.31
Daily Maximum Injection:	2,610 DT
Maximum Storage Quantity:	522,500 DT
Fuel (%):	Injection fuel only subject to Equitrans Tariff.
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	Contract is now in the evergreen state.

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	SS1
Delivery Pipeline & Contract #:	Tetco Contract #400121
Associated Contract:	None
Contract Term:	19 Years
Initial Contract Date:	06/01/1993
Contract Expiration Date:	04/30/2012
Quality of Service:	Firm (Bundled)
Daily Maximum Withdrawal:	44,118 DT <u>Inventory % W/D Rate</u>
	100%>20% 44,118
	<20%>=10% 36,764
	<10%>= 0% 29,413
Availability (Withdrawal/Injection):	Year round
Daily Maximum Injection:	13,606 DT
Maximum Storage Quantity:	2,647,080 DT
Fuel (%) Injection & Withdrawal:	Subject to Tetco Tariff Revisions
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	Storage is a No Notice Service

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	SS1
Delivery Pipeline & Contract #:	Tetco Contract #400209
Associated Contract:	None
Contract Term:	19 Years
Initial Contract Date:	06/01/1993
Contract Expiration Date:	04/30/2012
Quality of Service:	Firm (Bundled)
Daily Maximum Withdrawal:	20,847 DT Inventory % W/D Rate
	100%>20% 20,847
	<20%>=10% 17,372
	<10%>= 0% 13,899
Availability (Withdrawal/Injection):	Year round
Daily Maximum Injection:	13.606 DT
Maximum Storage Quantity:	2,647,080 DT
Fuel (%) Injection & Withdrawal:	Subject to Tetco Tariff Revisions
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	Storage is a No Notice Service

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	GSS
Delivery Pipeline & Contract #:	Transco Contract #1000791*
Associated Contract:	None
Contract Term:	20 Years
Initial Contract Date:	10/01/1993
Contract Expiration Date:	03/31/2013
Quality of Service:	Firm (Bundled)
Daily Maximum Withdrawal:	61,567 DT <u>Inventory % W/D Rate</u>
	100%>35% 61.567
	35%>=20% 60.951
	20%>= 7% 45.560
	7%>=0% 33.862
Availability (Withdrawal/Injection):	Year round
Daily Maximum Injection:	22,910 DT
Maximum Storage Quantity:	4,123,733 DT
Fuel (%) Injection :	Subject to Transco Tariff Revisions
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	Storage is a No Notice Service * Contract number converted by Transco

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service: S 2

Delivery Pipeline & Contract #: Transco Contract #1000943*

Associated Contract: None

Contract Term: 5 Years

Initial Contract Date: 04/16/1996

Contract Expiration Date: 04/15/2001

Quality of Service: Firm (Bundled)

Daily Maximum Withdrawal: 5,193 DT Inventory % W/D Rate
100%>20% 5,193
20%>=10% 4,238
10%>= 0% 3,482

Availability (Withdrawal/Injection): Injection from April 16 to Nov 15
Withdrawal from Nov 16 to April 15

Daily Maximum Injection: 3,900 DT

Maximum Storage Quantity: 466.554 DT

Fuel (%) Injection & Withdrawal : Subject to Transco Tariff Revisions

Nomination & Scheduling: GISB Standards.

Other Terms & Conditions: Contract is now in the evergreen
state. Storage is a No Notice
Service.
* Contract number converted by
Transco

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	WSS																		
Delivery Pipeline & Contract #:	Transco Contract #1038582*																		
Associated Contract:	Transco 1003691* & 1005001*																		
Contract Term:	1 Years																		
Initial Contract Date:	04/01/2003																		
Contract Expiration Date:	03/31/2004																		
Quality of Service:	Firm (Unbundled)																		
Daily Maximum Withdrawal:	<table border="0"> <tr> <td>39,246 DT</td> <td><u>Inventory %</u></td> <td><u>W/D Rate</u></td> </tr> <tr> <td></td> <td>100%>80%</td> <td>39,246</td> </tr> <tr> <td></td> <td>80%>=60%</td> <td>35,115</td> </tr> <tr> <td></td> <td>60%>= 40%</td> <td>31,771</td> </tr> <tr> <td></td> <td>40%>=20%</td> <td>26,687</td> </tr> <tr> <td></td> <td>20%>=0 %</td> <td>21,522</td> </tr> </table>	39,246 DT	<u>Inventory %</u>	<u>W/D Rate</u>		100%>80%	39,246		80%>=60%	35,115		60%>= 40%	31,771		40%>=20%	26,687		20%>=0 %	21,522
39,246 DT	<u>Inventory %</u>	<u>W/D Rate</u>																	
	100%>80%	39,246																	
	80%>=60%	35,115																	
	60%>= 40%	31,771																	
	40%>=20%	26,687																	
	20%>=0 %	21,522																	
Availability (Withdrawal/Injection):	Year Round																		
Daily Maximum Injection:	18,533 DT																		
Maximum Storage Quantity:	3,335,909 DT																		
Fuel (%) Injection :	Subject to Transco Tariff Revisions																		
Nomination & Scheduling:	GISB Standards.																		
Other Terms & Conditions:	Storage converted to Part 284G this year. * Contract number converted by Transco																		

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	ES
Delivery Pipeline & Contract #:	Transco Contract #1010416*
Associated Contract:	Transco 1003691* & 1005001*
Contract Term:	Contract Pending
Initial Contract Date:	N/A
Contract Expiration Date:	N/A
Quality of Service:	Firm (Unbundled)
Daily Maximum Withdrawal:	16,893 DT non-ratcheted
Availability (Withdrawal/Injection):	Year Round
Daily Maximum Injection:	1,126 DT
Maximum Storage Quantity:	169,966 DT
Fuel (%) Injection :	Subject to Transco Tariff Revisions
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	Storage given to PGW as Transco contract <u>1003409*</u> has reduced in volume. * Contract number converted by Transco

PHILA.GAS WORKS

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	ESS
Delivery Pipeline & Contract #:	Transco Contract #1006657*
Associated Contract:	Transco 1003691* & 1005001*
Contract Term:	Contract Pending
Initial Contract Date:	N/A
Contract Expiration Date:	N/A
Quality of Service:	Firm (Unbundled)
Daily Maximum Withdrawal:	31,092 DT non-ratcheted
Availability (Withdrawal/Injection):	Year Round
Daily Maximum Injection:	N/A
Maximum Storage Quantity:	312,827 DT
Fuel (%) Injection :	N/A
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	Storage used by Transco to render service for Contract 1003409* * Contract number converted by Transco

PGW NATURAL GAS CONTRACT INFORMATION
Underground Storage Contract

Name & Type of Service:	ES
Delivery Pipeline & Contract #:	Transco Contract #1039085*
Associated Contract:	Transco 1003691* & 1005001*
Contract Term:	June 1,2001 through March 31,2005
Initial Contract Date:	06/01/2001
Contract Expiration Date:	03/31/2005
Quality of Service:	Firm (Unbundled)
Daily Maximum Withdrawal:	65,201 DT non-ratcheted
Availability (Withdrawal/Injection):	Year Round
Daily Maximum Injection:	4,346 DT
Maximum Storage Quantity:	656,013 DT
Fuel (%) Injection :	Subject to Transco Tariff Revisions
Nomination & Scheduling:	GISB Standards.
Other Terms & Conditions:	Storage purchased by PGW to aid in security of supply. * Contract number converted by Transco

Docket No. R-04XXX

Item 53.65 (3)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 53.65 (3)

Efforts made by the utility to obtain gas, transportation or storage from nonaffiliated interests.

Response:

PGW has no affiliates, therefore, all gas purchases were made from non-affiliated interests. See also response to 53.64(c)(6) outlining PGW's current least cost fuel procure practices.

Docket No. R-04XXX

Item 53.65 (4)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 53.65 (4)

The specific reasons why the utility has purchased gas, transportation or storage from an affiliated interest and demonstration that the purchases are consistent with a least cost fuel procurement policy.

Response:

PGW has no affiliates, therefore, all gas purchases were made from non-affiliated interests. See also response to 53.64(c)(6) outlining PGW's current least cost fuel procure practices.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 53.65 (5)

The sources and amounts of gas, transportation or storage which have been withheld from the market by the utility or affiliated interest and the reasons why the gas, transportation or storage has been withheld.

Response:

PGW has no affiliates.

PGW operates two LNG Peak shaving facilities with a total usable storage capacity of 3.9 Bcf, 16.76 percent of PGW's total storage capacity. When pipeline and underground storage deliveries are insufficient to meet sendout requirements, LNG storage withdrawals will be considered. These LNG storage withdrawals are based upon incremental costs, weather forecasts, inventory balances, distribution system requirements, and other variables such as plant maintenance and operating requirements all of which can influence the vaporization and liquefaction rates of PGW's LNG facilities.

PGW used a total of 3,335,380 Mcf (85% of usable LNG Inventory) to meet city sendout requirements during fiscal year 2003.

Docket No. R-04XXX

Item 1317 (a)(1)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (a)(1)

General rule.--In every rate proceeding instituted by a natural gas distribution utility, pursuant to section 1307(f) (relating to sliding scale of rates; adjustments), each such utility shall be required to supply to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, information, data and statements regarding:

(1) The utility's participation in rate proceedings before the Federal Energy Regulatory Commission which affect the utility's gas costs.

Response:

Please refer to Item 53.64(c)(4) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (a)(2)

General rule.--In every rate proceeding instituted by a natural gas distribution utility, pursuant to section 1307(f) (relating to sliding scale of rates; adjustments), each such utility shall be required to supply to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, information, data and statements regarding:

(2) The utility's efforts to negotiate favorable contracts with gas suppliers and to renegotiate existing contracts with gas suppliers or take legal actions necessary to relieve the utility from existing contract terms which are or may be adverse to the interests of the utility's ratepayers.

Response:

Please refer to Item 53.64(c)(1) contained in this filing.

Docket No. R-04XXX

Item 1317 (a)(3)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (a)(3)

General rule.--In every rate proceeding instituted by a natural gas distribution utility, pursuant to section 1307(f) (relating to sliding scale of rates; adjustments), each such utility shall be required to supply to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, information, data and statements regarding:

(3) The utility's efforts to secure lower cost gas supplies both within and outside of the Commonwealth, including the use of transportation arrangements with pipelines and other gas distribution companies.

Response:

Please refer to Item 53.64(c)(1) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (a)(4)

General rule.--In every rate proceeding instituted by a natural gas distribution utility, pursuant to section 1307(f) (relating to sliding scale of rates; adjustments), each such utility shall be required to supply to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, information, data and statements regarding:

(4) The sources and amounts of all gas supplies which have been withheld or have been caused to be withheld from the market by the utility and the reasons why such gas is not to be utilized.

Response:

Please refer to Item 53.65 (5) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (b)(1)

Integrated gas companies.--In the case of a natural gas distribution utility which purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), such utility shall, in addition to the materials required in subsection (a), be required to provide to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether any purchases of gas from an affiliated interest are consistent with a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, statements regarding:

(1) Efforts made by the utility to obtain gas supplies from nonaffiliated interests.

Response:

Please refer to Item 53.65 (3) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (b)(2)

Integrated gas companies.--In the case of a natural gas distribution utility which purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), such utility shall, in addition to the materials required in subsection (a), be required to provide to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether any purchases of gas from an affiliated interest are consistent with a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, statements regarding:

(2) The specific reasons why the utility has purchased gas supplies from an affiliated interest and demonstration that such purchases are consistent with a least cost fuel procurement policy.

Response:

Please refer to Item 53.65 (4) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (b)(3)

Integrated gas companies.--In the case of a natural gas distribution utility which purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), such utility shall, in addition to the materials required in subsection (a), be required to provide to the commission such information, to be established by commission regulation within 120 days of the passage of this section, that will permit the commission to make specific findings as to whether any purchases of gas from an affiliated interest are consistent with a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. Such information shall include, but need not be limited to, statements regarding:

(3) The sources and amounts of all gas supplies which have been withheld from the market by the utility or any affiliated interest and the reasons why such gas is not being utilized.

Response:

Please refer to Item 53.65 (5) contained in this filing.

Docket No. R-04XXX

Item 1317 (c)(1)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (c)(1)

Reliability plans.--As part of its filing under section 1307(f) or if it is not required to make such a filing on an annual basis, a natural gas distribution company, as defined in section 2202 (relating to definitions), shall file a proposed reliability plan with the commission which shall, at a minimum, identify the following:

(1) The projected peak day and seasonal requirements of the firm customers utilizing the distribution system of the natural gas distribution company during the 12-month projected period specified in section 1307(f)(1). Where operationally required, the design peak day requirements shall be specified for discrete segments of each natural gas distribution system.

Response:

Please refer to Item 53.64(c)(13) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (c)(2)

Reliability plans.--As part of its filing under section 1307(f) or if it is not required to make such a filing on an annual basis, a natural gas distribution company, as defined in section 2202 (relating to definitions), shall file a proposed reliability plan with the commission which shall, at a minimum, identify the following:

(2) The transportation capacity, storage, peaking or on-system production that ensures deliverability of the natural gas supplies necessary to meet such projected period peak day and seasonal requirements.

Response:

PGW does not maintain a specific document entitled a Reliability Plan, however, all of the components that would be contained in such a document are prepared by PGW and are contained in this filing in Items 53.64 (c)(1), 53.64 (c)(3), 53.64 (c)(5), 53.64 (c)(6), 53.64 (c)(10), 53.64 (c)(12), 53.64 (c)(13), 53.64 (c)(14), 53.65 (2) and 53.65 (5).

Docket No. R-04XXX

Item 1317 (d)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1317 (d)

Supply plans.--As part of its filing under section 1307(f), a natural gas distribution company shall file a proposed plan with the commission for acquisition or receipt of natural gas supplies.

Response:

Please refer to Item 53.64(c)(1) and 53.65 (2) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1318 (a)(1)

General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(1) The utility has fully and vigorously represented the interests of its ratepayers in proceedings before the Federal Energy Regulatory Commission.

Response:

Please refer to Item 53.64(c)(4) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1318 (a)(2)

General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(2) The utility has taken all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to the interests of the utility's ratepayers.

Response:

Please refer to Item 53.64(c)(1) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1318 (a)(3)

General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(3) The utility has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies.

Response:

Please refer to Item 53.64(c)(1) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1318 (a)(4)

General rule.--In establishing just and reasonable rates for those natural gas distribution companies, as defined in section 2202 (relating to definitions), with gross intrastate operating revenues in excess of \$40,000,000 under section 1307(f) (relating to sliding scale of rates; adjustments) or 1308(d) (relating to voluntary changes in rates) or any other rate proceeding, the commission shall consider the materials provided by the utilities pursuant to section 1317 (relating to regulation of natural gas costs). No rates for a natural gas distribution utility shall be deemed just and reasonable unless the commission finds that the utility is pursuing a least cost fuel procurement policy, consistent with the utility's obligation to provide safe, adequate and reliable service to its customers. In making such a determination, the commission shall be required to make specific findings which shall include, but need not be limited to, findings that:

(4) The utility has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

Response:

Please refer to Item 53.65 (5) contained in this filing.

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1318 (b)(1)

Limitation on gas purchased from affiliates.--In any instance in which a natural gas distribution company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

(1) That the utility has fully and vigorously attempted to obtain less costly gas supplies on both short-term and long-term bases from nonaffiliated interests.

Response:

Please refer to Item 53.65 (3) contained in this filing.

Docket No. R-04XXX

Item 1318 (b)(2)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1318 (b)(2)

Limitation on gas purchased from affiliates.--In any instance in which a natural gas distribution company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

(2) That each contract for the purchase of gas from its affiliated interest is consistent with a least cost fuel procurement policy.

Response:

Please refer to Item 53.65 (4) contained in this filing.

Docket No. R-04XXX

Item 1318 (b)(3)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1318 (b)(3)

Limitation on gas purchased from affiliates.--In any instance in which a natural gas distribution company purchases all or part of its gas supplies from an affiliated interest, as that term is defined in section 2101 (relating to definition of affiliated interest), the commission, in addition to the determinations and findings set forth in subsection (a), shall be required to make specific findings with regard to the justness and reasonableness of all such purchases. Such findings shall include, but not be limited to findings:

(3) That neither the utility nor its affiliated interest has withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.

Response:

Please refer to Item 53.65 (5) contained in this filing.

Docket No. R-04XXX
Item 1318 (c)

Philadelphia Gas Works

Pennsylvania Public Utility Commission
52 Pa. Code §53.61, et seq.

Item 1318 (c)

Shut-in gas; special rule.--In determining whether a gas utility has purchased the least costly natural gas available, the commission shall consider as available to the utility any gas supplies that reasonably could have been brought to market during the relevant period but which were voluntarily withheld from the market by the utility or an affiliated interest of the utility.

Response:

Please refer to Item 53.65 (5) contained in this filing.