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DOCUMENT  
FOLDER

March 1, 2004

**VIA HAND DELIVERY**

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

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2004 MAR - 1 PM 3: 57  
SECRETARY'S BUREAU

Re: Philadelphia Gas Works Cash Receipts Reconciliation  
Clause, Docket No. R-00049157; Petition of Philadelphia  
Gas Works to Establish a Cash Receipts Reconciliation  
Clause; Docket No. P-

Secretary McNulty:

On behalf of Philadelphia Gas Works, enclosed for filing is an original and eight copies of the following:

1. PGW's March 1, 2004 Section 1307(f) filing containing the testimony of PGW witnesses Dybalski (GCR-1) and Moser (GCR-2), supporting data; and
2. PGW's Petition to Establish a Cash Receipts Reconciliation Clause together with the supporting testimony of PGW witnesses Bogdonavage (CRRC-1), Moser (CRRC-2), Gyory (CRRC-3) and Peach (CRRC-4);
3. Proposed Supplement No. 3 to Tariff No. 1 (Supplier Tariff);
4. Proposed Supplement No. 3 to Tariff No. 2, containing tariff revisions associated with PGW's Section 1307(f) filing as well as the proposed CRRC; and
5. Motion to consolidate the CRRC Petition at the Section 1307(f) filing.

DSH:39925.1/PHI211-217982

James McNulty  
March 1, 2004  
Page 2

All parties of record in the previous GCR filing (Docket No. R-00038173) have been served according to the attached Certificate of Service

Because the Petition to Establish a Cash Receipts Reconciliation Clause and the Section 1307(f) filing contain related issues, I request that the two matters be assigned for hearing before the same administrative law judge and, as the motion to consolidate indicates, that the two matters be assigned together for hearing and recommended decision.

Sincerely,



Daniel Clearfield

For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DC/lww

Enclosures

cc: Robert Rosenthal, Director FUS, w/enc.  
Robert Bennett, FUS, w/enc.  
Chairman Terrance Fitzpatrick (CRRC filing only)  
Vice Chairman Robert Bloom (CRRC filing only)  
Commissioner Glenn Thomas (CRRC filing only)  
Commissioner Kim Pizzingrilli (CRRC filing only)  
Commissioner Wendell Holland (CRRC filing only)  
Karen Moury, Deputy Executive Director (CRRC filing only)  
Attached Certificate of Service w/enc.

ORIGINAL

St. GCR -1

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIRECT TESTIMONY OF

**KENNETH DYBALSKI**

DOCUMENT  
FOLDER

ON BEHALF OF  
PHILADELPHIA GAS WORKS

RECEIVED  
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1 A.F.H.C.  
SECRETARY'S BUREAU

Docket No. R-00049157

Philadelphia Gas Works  
Proposed 2004 Annual GCR Adjustment

March 1, 2004

**DOCKETED**

MAR 03 2004

1 **Q. PLEASE STATE YOUR NAME AND POSITION WITH THE COMPANY.**

2

3 A. My name is Kenneth Dybalski. My position is Manager – Gas Planning at the  
4 Philadelphia Gas Works.

5

6 **Q. HOW LONG HAVE YOU HELD THIS POSITION?**

7

8 A. I assumed the position of Manager – Gas Planning on November 1, 2001.

9

10 **Q. WHAT ARE YOUR VARIOUS JOB RESPONSIBILITIES?**

11

12 A. In my present position, I am responsible for developing and coordinating short  
13 and long term planning of gas demand, gas supply, raw material expense and  
14 revenue; overseeing the preparation of sales, sendout, revenue and fuel expense  
15 projections; developing peak day/hour load projections; overseeing the  
16 development of the various filings before the Pennsylvania Public Utility  
17 Commission (PUC) and Philadelphia Gas Commission (PGC), including the  
18 quarterly and annual Gas Cost Rate (GCR) filings; preparing the Integrated  
19 Resource Planning Report; and providing supporting documentation for gas costs  
20 related to PGW's Operating Budget before the PGC.

21

22 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND.**

23

24 A. I received both a BS and MBA from Temple University in Philadelphia,  
25 Pennsylvania.

26

1 **Q. HAVE YOU EVER PROVIDED TESTIMONY BEFORE THIS**  
2 **COMMISSION?**

3  
4 A. Yes. I submitted testimony for the 2003 PGW 1307f Annual GCR Filing in  
5 Docket R-00038173.

6  
7 **Q. HOW IS YOUR TESTIMONY STRUCTURED**

8  
9 A. First, I will describe PGW's rate design and Gas Cost Rate (GCR) calculation  
10 methodology. Second, I will describe the level of heating degree-days utilized in  
11 this filing. Third, I will identify the methodology for determining the number of  
12 customers and calculating billed sales. Fourth, I will discuss the calculation for  
13 the Unaccounted for Adjustment Factor (UAF). Fifth, I will discuss Off System  
14 Sales and Capacity Release credits. Finally, I will discuss the reasonableness of  
15 PGW's gas costs.

16  
17 **Q. PLEASE DESCRIBE THE IMPACT OF THE PROPOSED CHANGE IN**  
18 **PGW's GCR IN THIS PROCEEDING.**

19  
20 A. PGW's restructured GCR on September 1, 2003 was \$7.8670 and this rate was  
21 revised to \$7.6313 in the Company's first quarterly GCR filing, effective  
22 December 1, 2003. PGW's second quarter GCR filing, also submitted to the PUC  
23 concurrently with this filing increases the GCR to \$7.9254. The proposed rate to  
24 be effective September 1, 2004 is \$7.4216.

25  
26 **Q. PLEASE SUMMARIZE THE EVIDENCE THAT PGW IS SUBMITTING**  
27 **IN SUPPORT OF ITS PROPOSED GCR ADJUSTMENT.**

28 A. Tab 1 of this filing contains the sheets supporting Section 53.64 (a) filing  
29 requirements for the proposed GCR for the period September 1, 2004 through  
30 August 31, 2005.

1 Schedule 1 identifies the Levelized Gas Cost Rate. Specifically, this sheet  
2 identifies the GCR Firm Sales Volumes in Mcfs ("S"), Total Applicable GCR  
3 Expense ("C"), adjustments for Prior Year Reconciliation and Natural Gas  
4 Refunds ("E"). Also included in "E" is the interest credit for the under recovery  
5 of gas costs and natural gas refunds. An adjustment is also included for the  
6 Interruptible Revenue Credit (IRC). Finally, this sheet calculates the company's  
7 total projected recovery of GCR applicable costs by multiplying the Firm Sales  
8 Volume times the proposed GCR to determine if these rates adequately cover the  
9 Net Applicable GCR Expense. A Net Over/(Under) Recovery amount is  
10 displayed to prove the calculation.

11  
12 Schedule 2 Sales identifies the calculation of Total Firm Sales Volumes in Mcfs  
13 ("S"). Essentially, the company utilizes Total Billed Sales and subtracts the  
14 volumes associated with the Interruptible Rate Services identified in PGW's  
15 Tariff to arrive at Total Firm Sales Volume ("S"). Also included in Schedule 2 is  
16 the Total Applicable Sales Volumes which is Total Firm Sales less 20% of the  
17 sales attributable to Senior Citizens.

18  
19 Schedule 3 identifies the Projected Applicable Fuel Expense. Specifically, this  
20 sheet identifies PGW's Net Natural Gas Expense and Total Applicable Expenses.  
21 To arrive at the Net Natural Gas Expense, the total cost of commodity and  
22 pipeline charges are calculated per month. The Interruptible Credit reflects the  
23 portion of gas costs recovered from PGW's Interruptible Rate customers and Gas  
24 Used by Utility is the credit for gas used by PGW. These credits are used to offset  
25 the total purchases made by the company. Next, the Company calculates the net  
26 effect of gas supplies being transferred into and out of storage and LNG. The  
27 result is the Net Natural Gas Expense.

1 To arrive at the Total Applicable Expenses in Schedule 3, the fuel expenses for  
2 Purchased Electric are added to the Net Natural Gas Expenses to arrive at Total  
3 Applicable Expenses.

4  
5 Schedule 4a Interest Calculation provides the calculation of the interest expense  
6 or credit for the actual/estimated period for the under recovery of fuel costs and  
7 the interest for the natural gas refunds. Schedule 4b Interest on Natural Gas  
8 Refunds provides information on historic refunds that have been received by the  
9 Company resulting from various cases before the Federal Energy Regulatory  
10 Commission and the interest on these refunds.

11  
12 Schedule 5 presents the Statement of Reconciliation for the forecast period  
13 (September, 2004 - August, 2005).

14  
15 Schedule 6 presents the Statement of Reconciliation for the actual/estimated  
16 period (September, 2003 – August, 2004).

17  
18 Schedule 7 presents the finalized Statement of Reconciliation for the historic  
19 period (September, 2002 – August 2003).

20  
21 Schedule 8 calculates total projected recovery with the proposed GCR.

22  
23 Schedule 9 shows the changes in rates identifying the proposed changes to the  
24 GCR and distribution rate and their impact on the proposed total commodity rate.

25  
26 Schedule 10 shows the calculation of the Universal Service & Energy  
27 Conservation Surcharge.

28  
29 Schedule 11 is the Statement of Reconciliation for the Universal Services  
30 Surcharge.

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Schedule 12 identifies the natural gas prices that were used in the preparation of this filing.

Schedule 13 is the Interruptible Revenue Credit Reconciliation.

Schedule 14 shows the calculation of the Restructuring and Consumer Education Surcharge.

**Q. WHAT IS THE TIME PERIOD FOR FORECASTING PGW'S FUTURE GAS COSTS?**

A. PGW's forecasted period is a twenty (20) month period that commences on January 1, 2004, two (2) months before this filing and eight (8) months before the effective date of the tariff on September 1, 2004. The 2004-2005 GCR year is September 1, 2004 to August 31, 2005, however, since the required forecast covers twenty (20) months, it must begin eight (8) months earlier, consistent with Commission regulations.

**Q. PLEASE PROVIDE A GENERAL DESCRIPTION OF PGW'S RATE DESIGN AND GCR CALCULATION METHODOLOGY.**

A. The rates charged to PGW's customers include two elements. The first of these is the distribution rate that is reflected in PGW's Tariff. The distribution rate consists of the Delivery Charge; the Universal Service and Energy Conservation Surcharge; the Restructuring and Consumer Education Surcharge; and the Cash Receipts Reconciliation Clause (CRRC). The Universal Service and Energy Conservation Surcharge provides for the recovery of discounts to customers on the Customer Responsibility Program (CRP), of discounts to customers receiving the Senior Citizen Discount, of the costs of the Conservation Works Program, and

1 of past due arrearages forgiven to CRP customers entering CRP after September  
2 1, 2003. The Restructuring and Consumer Education Surcharge is the recovery of  
3 Commission approved costs which the Company has or will incur to meet the  
4 requirements of the Natural Choice and Competition Act and applicable  
5 Commission regulations, orders and other regulatory requirements.

6  
7 The second element of the rate is the Gas Cost Rate or GCR factor. This charge is  
8 a mechanism used to flow through the costs of natural gas costs and other raw  
9 materials in a timely and equitable manner. The specific elements of PGW's GCR  
10 are set forth in PGW's Tariff.

11  
12 The cost of gas purchased to serve the requirements of PGW's customers  
13 constitutes the largest single item in the delivered price of gas. In the past, all  
14 natural gas costs were recovered through base (distribution) rates. However, in  
15 the early 1970's the price of gas lost its stability and underwent rapid escalation  
16 during and after a worldwide oil crisis. To combat this instability and prevent the  
17 economic harm to all parties caused by regulatory lag in reflecting these price  
18 fluctuations in base (distribution) rates, the concept of a fuel adjustment surcharge  
19 mechanism was introduced by PGW. This mechanism provides the flexibility to  
20 rapidly reflect current conditions without the time delay inherent in full-scale base  
21 rate alteration. The intent is to achieve an annual balance of the costs incurred for  
22 fuel and its pass-through to customers. The costs for pipeline transportation,  
23 storage capacity and related fuel prices charged by the interstate pipeline suppliers  
24 are approved by FERC and largely outside of distributor control. State and/or  
25 local commissions oversee the pass-through of these charges and the balancing  
26 activity.

27  
28 PGW's Tariff, Gas Cost Rate Section identifies the appropriate formula for such a  
29 balance and the limited charges that may be recovered through this mechanism.  
30 Charges for natural gas and other raw materials used to manufacture supplemental

1 gas supplies are included in the GCR. In addition, the interest expense for the over  
2 or under recovery of gas costs and natural gas refunds are also included in the  
3 GCR. No labor, storage, local transportation, or profit component is added by  
4 PGW. The ultimate balance represents the direct pass-through of actual costs  
5 incurred.

6  
7 Only costs incurred to purchase gas that is immediately used to meet customer  
8 sendout requirements, including associated plant fuel, may appropriately be  
9 considered a fuel expense for GCR purposes. Purchases diverted into storage  
10 and/or LNG become an expense only when withdrawn for customer delivery.  
11 Similarly, costs associated with purchases made to supply interruptible customers  
12 are excluded from the Total Applicable Expenses used to calculate the GCR.

13  
14 Various adjustments are then made to the total applicable expenses eligible for  
15 GCR treatment. Natural gas refunds and interest on the refunds are credited in the  
16 calculation of the GCR in the fiscal year received. An additional adjustment is  
17 made to correct for any over or under recovery during the previous fiscal year  
18 resulting from differences between values used to project the prior year's GCR and  
19 those actually experienced. Also the interest expense or credit on the over or  
20 under recovery is applied to calculate the total adjustment. An adjustment is also  
21 made for the Interruptible Revenue Credit.

22  
23 To determine the unit level of this charge, the remaining total expenses must be  
24 divided by the sum of the volumes over which they can be effectively distributed,  
25 which is Firm Sales Volume.

26  
27 The influence of the bill cycling process is also recognized in the development of  
28 the GCR. Assuming a change in commodity rates that takes effect as of the first  
29 of the month, Billed Sales will, in reality, reflect the usage of cycle billed  
30 customers occurring half in the month of the rate change and half in the prior

1 month. In this situation, the customers' bills will be prorated so that the volume  
2 consumed in the period before the date of the authorized rate change is charged at  
3 the previous rate level. The GCR component of these billings at the previous rate  
4 level is subtracted from the expenses that are to be surcharged through the GCR.  
5 The result is then divided by the remaining 11 and 1/2 months of Firm Sales to  
6 establish the level of the GCR factor.

7  
8 The GCR for the fiscal year September 1 - August 31 is set through the PUC's  
9 1307(f) filing process. PGW's filing date for its fiscal year is March 1 with a pre-  
10 filing date February 1. PGW then files quarterly updates to its GCR in which it  
11 provides actual cost and sales data. The Company is required to revise the factor  
12 based upon the actual data if the projected over or under recovery exceeds 2% and  
13 may propose revisions if the difference is less than 2%.

14  
15 **Q. HAS PGW SEPARATED ITS GCR GAS COST INTO COMMODITY AND**  
16 **DEMAND CHARGES AS DIRECTED BY THE COMMISSION?<sup>1</sup>**

17  
18 A. PGW's 2004-2005 GCR filing includes a breakdown of its Applicable Gas  
19 Expense<sup>2</sup> into both commodity and demand components.<sup>3</sup> Additionally, this filing  
20 includes separate E factors<sup>4</sup> for the commodity and demand<sup>5</sup> components.

21  
22 PGW currently bills its customers a monthly Commodity Charge that represents  
23 the aforementioned Applicable Gas Expense. PGW also bills its customers a  
24 monthly Gas Cost Adjustment that includes the aforementioned E factors and the  
25 Interruptible Revenue Credit ("IRC"). Although the Commodity Charge contains

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<sup>1</sup> Pursuant to the Commission's Restructuring Order in *PaPUC v. PGW*, M-00021612 (March 31, 2004) at 25-28.

<sup>2</sup> Defined as Sales Service Charge ("SSC") in PGW's Gas Service Tariff and Schedule 1 of PGW's GCR filings.

<sup>3</sup> See Schedule 1 in Tab 1 of PGW's March 1, 2004 Annual GCR filing.

<sup>4</sup> Defined as GAC in PGW's Gas Service Tariff and Schedule 1 of PGW's GCR filings.

1 both a commodity and demand component, it appears as a single charge on the  
2 customer bill. Likewise, the Gas Cost Adjustment contains a commodity E factor,  
3 a demand E factor and the IRC but only a single charge appears on the customer  
4 bill.

5  
6 The Commodity Charge and the Gas Cost Adjustment charge will continue to  
7 appear as single charges on the customer bill. PGW will provide the commodity  
8 and demand components of both the Commodity Charge and the Gas Cost  
9 Adjustment E factors in its Gas Service Tariff. To do otherwise will increase the  
10 complexity of the customer bill, thereby, creating difficulty in understanding  
11 PGW's monthly bill format.

12  
13 **Q. WHAT IS THE BASIS FOR THE PRICES USED IN DETERMINING THE**  
14 **GAS COSTS USED IN THIS FILING?**

15  
16 A. The projected natural gas prices were derived from forecasted pricing data  
17 produced specifically for PGW by Global Insight for January, 2004. Global  
18 Insight and its predecessors are the same data service used by PGW for the past  
19 several years. Additionally, PGW used the NYMEX Futures close data as of  
20 January 8, 2004.

21  
22 The pricing methodology utilized by the Company is similar to the methodology  
23 in the last annual filing and in quarterly filings with the inclusion of the additional  
24 months in the 20-month forecast. Specifically, the company has used actual  
25 information for the first month of the forecast (i.e. January 2004). The next three  
26 months (i.e. February through April 2004) utilize the NYMEX Futures price.  
27 Finally, the remaining sixteen months (i.e. May through August 2005) utilize the  
28 average of the NYMEX Futures closing data and Global Insight.

---

<sup>5</sup> Beginning on September 1, 2004, the then existing E factor will be the beginning E factor for the commodity component. The demand component will not have an initial E factor. Rather, the development of the demand component E factor will begin prospectively on September 1, 2004.

1

2 **Q. HOW DOES THE PROJECTED LEVEL OF GAS COSTS FOR THE**  
3 **FORECAST PERIOD COMPARE WITH THE LEVEL OF GAS COSTS**  
4 **FORECASTED IN THE COMPANY'S LAST ANNUAL GCR FILING?**

5

6 A. The level of gas costs forecasted for 2004-2005 is higher than the level PGW had  
7 forecasted for the 2003-2004 GCR. The level of costs in the 2004-2005 period are  
8 being greatly influenced by the upward increase in natural gas prices.

9

10 **Q. DESCRIBE THE LEVEL OF HEATING DEGREE-DAYS THAT WERE**  
11 **USED IN YOUR ANALYSIS.**

12

13 A. The Company subtracts the mean temperature from 65 degrees to calculate the  
14 number of degree-days for the day. The degree-days for all of the days in the year  
15 are aggregated to arrive at the total number of degree-days for the year. Next, the  
16 Company calculates the average heating degree-days for the past 30 years to arrive  
17 at the anticipated heating degree-days.

18

19 PGW has opted to continue to use the same 4,555 degree days as was included in  
20 last year's annual GCR filing instead of this year's 30 year average. This current  
21 actual 30 year average data indicates that the degree-days should be revised  
22 downward to 4,526 degree days. Such a reduction in degree-days would ultimately  
23 result in higher per unit charges to PGW's customers since there would be fewer  
24 resulting units over which to spread the costs.

25

26 **Q. HOW HAS THE COMPANY DETERMINED THE NUMBER OF**  
27 **CUSTOMERS IN EACH RATE CLASS?**

28

29 A. PGW started with the actual number of customers on December 31, 2003 from the  
30 PGW Gas Sales and Revenue Report. The Marketing Department load forecast

1 was then used to determine the addition and loss of customers. In addition, the  
2 number of customers was adjusted due to loss of customers as a result of  
3 termination of service for non-payment.  
4

5 **Q. WHAT IS THE METHODOLOGY FOR CALCULATING THE WEATHER**  
6 **NORMALIZED BILLED SALES?**  
7

8 A. PGW used a two step process to arrive at the appropriate level of usage  
9 per customer. First, a trial domestic factor is developed by customer  
10 class from sales reported for the summer months (July-September). This  
11 average factor was then utilized in the sendout formula with the  
12 customer counts for the months of July, August, and September, 2002.  
13 A comparison between what the formula calculates and the actual  
14 experienced for those three months is ascertained and the trial domestic  
15 factors are finalized to replicate the total sendout experienced. The  
16 finalized domestic factors (DOMS) are then utilized in conjunction with  
17 the actual sales and customer counts for the months of December, 2002  
18 through February, 2003 to determine the average Mcf per degree day for  
19 each of the individual months for the remaining temperature sensitive  
20 load. The results are weighted by degree-days to give an average value  
21 that is utilized as a trial value for the heating factor.  
22

23 The finalized domestic factor and the trial heating factor developed, as  
24 such, are then applied in the sendout calculations, together with  
25 customer counts for the months of December, 2002 through February,  
26 2003, the peak winter heating period, to project an estimated sendout  
27 for each of these months. The projected sendout is then compared with  
28 the actual sendout experienced. Any variation between the projected  
29 and actual is adjusted to force the replication of the actual sendout  
30 experience, thus resulting in the determination of a finalized heating

1 factor. The finalized heating factor is used to forecast the heating load  
2 and monthly adjustments are made based on monthly historic usage.

3  
4 Utilizing the finalized domestic and heating factors including  
5 adjustments, billed sales are then forecasted using 4555 degree days and  
6 the number of customers.

7  
8  
9 **Q. WHAT IS THE UNACCOUNTED FOR GAS PERCENTAGE USED IN**  
10 **THIS FILING?**

11  
12 A. The level of unaccounted for gas used in this filing is 3.9%.

13  
14 **Q. WHAT IS THE TOTAL AMOUNT OF OFF SYSTEM SALES THAT ARE**  
15 **CREDITED TO THE GCR?**

16  
17 A. There were no Off System Sales credited back to the GCR in this filing because  
18 PGW is not currently projecting that it will experience any. If Off System Sales  
19 can be achieved in the forecast period, PGW will flow 100% of the credit back to  
20 its customers through the quarterly GCR mechanism.

21  
22 **Q. WHAT IS THE TOTAL AMOUNT OF CAPACITY RELEASE THAT IS**  
23 **CREDITED TO THE GCR?**

24  
25 A. PGW has projected that the amount of Capacity Release credits within the GCR  
26 period will amount to \$3,155,165. PGW credits 100% of its capacity release  
27 credit back to its customers through the GCR mechanism.

1 **Q. ARE PGW'S OFF SYSTEM SALES AND CAPACITY RELEASE**  
2 **CALCULATIONS IN COMPLIANCE WITH THE JOINT PETITION FOR**  
3 **SETTLEMENT IN THE 2003-2004 GAS COST RATE PROCEEDING?**

4  
5 A. Yes. For the 2004-2005 period, an average of: 1) the actual amount for 2002-  
6 2003; and 2) the actual/estimated amount for 2003-2004 was utilized to derive the  
7 estimated credit for Capacity Release Revenues and Gross Off-System Sales.

8  
9 **Q. BASED UPON THE ABOVE SUPPORTING DATA, DO YOU BELIEVE**  
10 **THAT PGW'S GAS COSTS ARE REASONABLE?**

11  
12 A. Yes, PGW's gas cost projections have been prepared in a manner that is consistent  
13 with PGW's Tariff, GCR Section and consists only of the pass-through of gas  
14 costs, including any offsets for Off System Sales and Capacity Release Credits  
15 and certain non-gas costs that were previously approved by the PUC. As stated by  
16 Mr. Moser in his testimony submitted with this filing, PGW follows a least cost  
17 gas procurement strategy. Additionally, PGW has made a conscious effort to  
18 mitigate the impact of the anticipated costs in this filing by adjusting the "normal"  
19 weather degree-day level to reflect the number of degree-days used in the last  
20 GCR period.

21  
22  
23 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

24  
25 A. Yes.

			Current	31 -60	61-90	91+
1070	G0-GS	Ind	\$ 317,750.94	\$ 33,014.84	\$ 12,830.45	\$ 181,283.65
1070	G3-GS	Comm	\$ 2,022,303.35	\$ 427,841.55	\$ 189,604.48	\$ 2,487,509.79
1070	G4-GS	Ind	\$ 175,335.12	\$ 23,860.19	\$ 23,708.52	\$ 165,088.30
1070	G6-GS	Comm	\$ 1,327,657.07	\$ 634,890.68	\$ 259,967.68	\$ 1,862,528.32
1070	G7-GS	Ind	\$ 224,120.47	\$ 111,556.02	\$ 27,958.34	\$ 391,853.93
1070	G9-GS	Comm	\$ 5,554,048.69	\$ 1,083,507.59	\$ 462,513.42	\$ 5,312,075.98
Totals			\$ 9,621,215.64	\$ 2,314,670.87	\$ 976,582.89	\$ 10,400,339.97

G0-GS	General Service - Industrial Heat and Non Heat
G3-GS	General Service - Commercial Heat Only
G4-GS	General Service - Industrial Heat Only
G6-GS	General Service - Commercial Non Heat
G7-GS	General Service - Industrial Non Heat
G9-GS	General Service - Commercial Heat & Non Heat

Total	Total # of SA's	# of Delinquent	% Delinquent
\$ 544,879.88	375	88	23.5
\$ 5,127,259.17	7,586	1,844	24.3
\$ 387,992.13	370	84	22.7
\$ 4,085,043.75	6,554	1,875	28.6
\$ 755,488.76	340	73	21.5
\$ 12,412,145.68	14,237	3,831	26.9
\$ 23,312,809.37	29,462	7,795	26.5

ORIGINAL

St. GCR-2

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DIRECT TESTIMONY OF

**DOCKETED**  
DOUGLAS MOSER  
MAR 03 2004

DOCUMENT  
FOLDER

ON BEHALF OF  
PHILADELPHIA GAS WORKS

DOCKET NO. R-00049157

Philadelphia Gas Works  
Proposed 2004 Annual GCR Adjustment

March 1, 2004

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1 Q. Please state your name and current position with PGW.

2

3 A. My name is Douglas Moser. My position with PGW is the Vice President of Gas  
4 Management.

5  
6 Q. Please summarize your background and experience.

7

8 A. I received a Bachelor of Science degree in Chemical Engineering from  
9 Pennsylvania State University in 1979. I have also received a Masters in  
10 Business Administration from Widener University in 1990.

11  
12 I have held the following positions at PGW: Engineering Assistant, Production  
13 Engineer, Supervisor – Gas Conditioning, and Operations Engineer in the Gas  
14 Processing Department, Manager – Gas Control and Manager – Gas Acquisition  
15 in the Gas Supply Department and Senior Project Manager in the Strategic  
16 Planning Department.

17

18 Q. What is the focus of your testimony in this proceeding?

19

20 A. My testimony will explain PGW's current gas procurement and purchasing  
21 policies and strategies applicable to the current filing period, September 2004-  
22 August 2005, and which were used during the prior GCR period, September 2003  
23 -- August 2004.

24

1 Q. Please provide a general description of PGW's gas distribution system.

2  
3 A. PGW's gas distribution system is located in Southeastern Pennsylvania in the  
4 County and City of Philadelphia. Since this is not a gas-producing area, PGW  
5 and its natural gas customers are dependent upon the interstate natural gas  
6 pipeline system to deliver natural gas into the PGW gas distribution system.  
7 PGW relies on the interstate pipeline for all natural gas supply, storage, and  
8 transportation services, except for PGW's own on-system peak shaving facilities.  
9 PGW owns and operates a LNG facility that is used both to meet intraday, daily  
10 and seasonal supply needs as well as to meet peak day requirement.

11  
12 Q. Please identify PGW's current interstate suppliers.

13  
14 A. Duke Energy Gas Transmission (DEGT) and Williams Gas Pipeline comprise the  
15 two interstate natural gas pipelines that deliver gas to PGW's city gates. In  
16 addition, Dominion Transmission Inc. (DTI), Equitrans, Inc. (Equitrans), and  
17 ANR Pipe Line Company (ANR) provide natural gas storage services that PGW  
18 uses to meet winter peak requirement. These storage services require  
19 intermediate transportation services from DEGT to deliver storage withdrawals to  
20 the PGW gas distribution system.

21  
22 I. **PGW GCR Filing FY 2005**

23  
24 Q. Does PGW pursue a least-cost procurement policy?

1

2 A. Yes.

3

4 Q. Please describe PGW's least-cost procurement policy?

5

6 A. PGW's current strategy for meeting the system's supply requirement, which it  
7 utilized in the 2003-2004 GCR period and which it intends to use in FY 2005, is  
8 to use a portfolio approach in both contract structure and pricing. The portfolio  
9 approach of purchasing gas supply allows PGW to remove some of the volatility  
10 in purchasing natural gas supplies for the City of Philadelphia. Without the use  
11 of the portfolio approach, the firm ratepayer would be totally at the mercy of  
12 market volatility which can be severely affected by natural conditions like  
13 hurricanes and supply area freeze offs. All natural gas procurement strategies are  
14 presented to the Company's Supply Committee for review and approval. The  
15 Supply Committee is made up of members of the Senior Team as well as the Vice  
16 Presidents of Gas Management and Regulatory. The Supply Committee meets  
17 monthly with the Supply Service Group. The Company's gas supply portfolio is  
18 divided into three distinct categories; (1) "first of the month index pricing", (2)  
19 storage, and (3) winter only supply contracts.

20

21 The advantage of a first of the month index arrangement is that the operational  
22 flexibility of these contracts allows the company to increase or decrease the  
23 volume in response to changes in sendout requirements at a known price.

1

2

Second, the Company utilizes three (3) pipeline storage fields, which act as additional sources of supply. These contracts do not include bundled transportation and, therefore, move to PGW City gates within PGW's firm interstate pipeline capacity. The gas procured under these contracts represent four percent (4%) of supply and also acts as a physical fixed price counter to market conditions.

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Last but most significantly, the Company enters into winter-only supply contracts. These winter-only supply arrangements provide gas supply, which fills approximately sixty-four percent (64%) of PGW's daily firm transportation entitlements on Texas Eastern and Transco. This arrangement provides additional benefits by relieving the firm ratepayer from having to pay a demand charges for supply for a period any longer than is necessary. As mentioned earlier, the Supply Services Group meets monthly with the Supply Committee and if after analysis it is found that a supply contract for longer period would be in the best interest of the firm ratepayers, the Supply Services Group will present this to the Supply Committee for review and approval.

Duke Energy Gas Transmission (DEGT) and Williams Gas Pipeline represent the only interstate pipeline facilities with physical connections to the PGW service territory. All of our supply contracts therefore utilize these two pipelines and they also recognize pipeline receipt and delivery rights. These contracts contain

1 the ability to “lock up” the price for upcoming months, or to have the pricing  
2 default to an agreed upon market index if there is no market advantage in fixing a  
3 price before the month begins. Therefore, by sourcing supply in this manner,  
4 PGW not only ensures security of supply from the pipelines, but also can take  
5 *advantage of varying basis differentiated pricing in the market.* This  
6 differentiated pricing results from the fact that all shippers of natural gas receive  
7 their gas at varying locations along the pipeline. Generally speaking, gas located  
8 nearest to the market area is more expensive than gas obtained in the production  
9 area because shippers incur lower transportation costs for short haul transactions  
10 compared to long haul. PGW uses a city-gate delivered price in comparing the  
11 various alternatives available. The city gate delivered price is computed  
12 considering the “into the pipe price of gas” plus all incremental charges levied by  
13 the transporting pipeline to deliver that gas to the city gate. These prices include  
14 but are not limited to fuel shrinkage, transportation charges, GRI charges, and  
15 ACA charges.

16  
17 Q. Are there any other gas procurement and purchasing strategies the Company uses  
18 to meet operational requirements and to reduce costs other than winter-only  
19 supply contracts, “first of the month index” priced contracts, and pipeline storage  
20 contract?

21  
22 A. Yes. PGW utilizes LNG and bundled storage to meet operational requirements.  
23 Once operational requirements are met, these assets are then used in the overall

1 cost saving strategies. For example, once design winter sendout requirements are  
2 ensured, the Company may utilize bundled storage and LNG as a substitute for  
3 higher price gases based on market conditions, including anticipated storage refill  
4 pricing. PGW's summer policy uses a similar approach to address system supply  
5 and storage refill. The Gas Supply area uses forecasted prices as a benchmark to  
6 purchase gas volumes for both system supply and storage refill below the  
7 projected cost, where possible, on a proportional basis, while leaving a portion of  
8 its needs to default to "first of the month" pricing.

9  
10 Q. Does PGW utilize any additional cost saving strategies in addition to the effective  
11 management of the LNG?

12  
13 A. Yes. PGW uses capacity release and off system sales when available to the  
14 benefit of its customer. Capacity release allows PGW to rent unused firm  
15 capacity to which it is contractually entitled on the interstate pipelines. By doing  
16 this, PGW is able to lessen the demand charges PGW must pay these pipelines.  
17 Price and term are negotiated using a FERC approved methodology. The  
18 Company also enters into the incremental off-system sales market to generate  
19 additional revenue when it is economically advantageous. By engaging in off-  
20 system sales, PGW is able to sell excess PGW supply rebundled with PGW  
21 capacity for delivery outside of the PGW territory. The prices for these  
22 transactions are negotiated and, in both instances, all dollars are returned to  
23 customer through the GCR. Further, the Company participates in LNG

1 arrangements that generate margins, thereby reducing GCR applicable expenses.  
2 At all times the Company is studying the market for any economic advantage that  
3 it can derive in support of the firm ratepayer. This can take the form of caps and  
4 collars on pricing, puts to the system, and short term lending from the system to  
5 supplier/marketers.

6

7 Q. Does PGW retain a portion of net proceeds from off-system sales?

8

9 A. No. PGW does not retain any proceeds from off system sales. All revenues  
10 generated from off-system sales are used to offset gas costs to PGW's firm  
11 customers and are credited through PGW's GCR mechanism.

12

13 Q. Does PGW propose to modify the sharing mechanism in this proceeding?

14

15 A. No.

16

17 Q. Does PGW retain any portion from its capacity release credits?

18

19 A. No. PGW does not retain any of the credits for capacity release. All credits  
20 generated from capacity release are used to offset gas costs to PGW's firm  
21 customers.

22

23 Q. Does PGW purchase gas from any affiliated interest?

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22

A. No.

Q. While PGW is ensuring the least cost procurement, how does it provide for system reliability?

A. PGW physically sources the gas in accordance with its firm pipeline paths. The pipelines give PGW firm entitlements on their systems for the sourcing of gas for which PGW pays a demand charge. By sourcing supply this way, PGW ensures its sole entitlement to this space on the pipeline and can not be accused of infringement. This practice also has the effect of mitigating the impact of potential supply region disruptions, such as natural and man-made disasters because not all the supply enters the pipe in the same place. Therefore, if something happens at one location, not all of PGW's supply will be affected.

Also, during the winter operating season, PGW's Gas Planning Department runs a weekly supply status model, which recognizes normal and design winter conditions and the latest actual balance of gas in all storage facilities. Supply Service utilizes the output of this model to make recommendations or change in its supply operating strategy to ensure that peak day needs and design winter conditions can be met from that point forward.

1 Q. Does PGW periodically review its existing contracts to determine if they are  
2 appropriate?

3  
4 A. Yes, PGW reviews each of its existing contracts on a regular basis to ensure that  
5 none of the contracts are adverse to its customers' interests. Whenever  
6 appropriate, PGW initiates renegotiations (where the contract permits) to change  
7 the terms.

8

9 Q. Are there any areas of concern regarding gas procurement?

10  
11 A. Yes. There are three (3) areas that can greatly effect PGW's ability in gas  
12 procurement. First, the number of natural gas suppliers is a shrinking pool due to  
13 a number of market factors.

14  
15 Second, the financial side of each supplier is scrutinizing the amount of risk that  
16 their company is willing to extend to every company very closely. This  
17 combined with a natural gas market of higher prices limits the amount of natural  
18 gas supply that any one supplier is willing to commit to any company into the  
19 future.

20  
21 And third, beginning September 2003, PGW unbundled its rates and initiated  
22 customer choice pursuant to the Gas Choice Act. This allows customers to  
23 choose to purchase their natural gas supply from either PGW or from a qualified

1 third party. The uncertainty of the number of customers choosing alternate  
2 suppliers versus the customers which elect to stay with PGW adds a level of  
3 complexity to the gas procurement plan.  
4  
5

6 **II. DESIGN DAY REQUIREMENT**  
7

8 Q. Please provide an overview of the design day requirement.  
9

10 A. Details of PGW's design day methodology and an account of the 2003/2004  
11 winter design day requirement can be found in the response to item 53.64 (c)(13)  
12 and item 53.64(c)(14) in the information provided in PGW's February 2004 GCR  
13 Filing.  
14

15 Q. In your opinion are the gas costs PGW has incurred in the 2003-04 GCR period  
16 reasonable?  
17

18 A. Yes. They were the products of the least cost gas procurement strategy outlined  
19 in my testimony.  
20

21 Q. Does this complete your testimony?  
22

23 A. Yes.

ORIGINAL

Docket R-00049157

**Philadelphia Gas Works**

**Before The**

**DOCUMENT  
FOLDER**

**Pennsylvania Public Utility Commission**

**Computation of Annual Purchased Gas Costs  
For Twelve Months Ending August 31, 2005**

**66 Pa.C.S. § 1307(f)**

**DOCKETED**

MAR 03 2004

**Information Submitted Pursuant To:**

**66 Pa.C.S. §§ 1307(f), 1317, 1318 and  
52 Pa. Code § 53.61, et seq.**

SECRETARY'S BUREAU

2004 MAR - 1 PM 4: 06

RECEIVED

**March 1, 2004**

**Philadelphia Gas Works  
66 Pa.C.S. § 1307(f) – 2004  
Table of Contents**

**Regulation Responses to  
52 Pa. Code §§ 53.64(c) and 53.65**

	<u>Tab</u>
53.64 (a) Work Papers	#1
53.64 (c) (1) Actual Information Finalized	#2
53.64 (c) (1) Forecast Information	#3

**Philadelphia Gas Works**

Pennsylvania Public Utilities Commission  
52 Pa. Code § 53.61. et seq.

*Item 53.64(a)* A Section 1307(f) gas utility may only voluntarily file a tariff reflecting an increase or decrease in natural gas costs once a year in accordance with the schedule established by the Commission, as published in the Pennsylvania Bulletin prior to the first day of September of each preceding year. If no new tariff is filed at that time, gas utilities under 66 Pa.C.S. § 1307(f) shall nevertheless file for the reconciliation of amounts collected and expended during prior periods as set forth in subsection (i). The tariff may reflect either an annual levelized rate, or a seasonal levelized rate pursuant to which a levelized 6-month “summer” rate period and a levelized 6-month “winter” rate period would apply. Upon good cause shown, the tariff may reflect other summer/winter rate periods as may be justified by operational considerations.

**Response:** Please see the attached worksheets.

MARCH 2004 GCR FILING  
PA Code 53.64(a)

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Philadelphia Gas Works

Levelized Gas Cost Rate

1307F Filing September 1, 2004

Formula:  
GCR = SSC + GAC - IRC

where:

S = Firm Sales Volume (Mcf) Total  
59,773,185 (Schedule 2)

	Demand	Commodity		
Net Natural Gas Expense	\$ 77,344,170	\$ 366,598,350	\$	443,942,520
Purchased Electric Expense	\$	\$ 1,063,000	\$	1,063,000
C = Total Applicable GCR Expense	\$ 77,344,170	\$ 367,661,350	\$	445,005,520 (Schedule 3)

SSC = C / S \$ 1.2940 \$ 6.1509 \$ 7.4449

Adjustment For:				
Interest	\$ 0	\$ 1,283,401	\$	1,283,401 (Schedule 4a)
Prior Year Undercollection	\$ 0	\$ 974,444	\$	974,444 (Schedule 6)
E = Adjustments to GCR Expenses	\$ 0	\$ 2,257,845	\$	2,257,845

GAC = E / S \$ 0 \$ 0.0378 \$ 0.0378

Interruptible Revenue Credit \$ 3,336,551 (Schedule 13)

IRC = Interruptible Revenue Credit / S \$ 0.0558

Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit \$ 443,926,814

GCR = SSC + GAC - IRC \$ 7.4269

SSC in effect 9/01/04	\$ 1.2930	\$ 6.1466	\$	7.4396
GAC in effect 9/01/04	\$ 0	\$ 0.0378	\$	0.0378
IRC in effect 9/01/04			\$	(0.0558)
GCR in effect 9/01/04			\$	7.4216 (Schedule 8)

Recovery Test on:

Firm Sales Volume (Mcf)	59,773,185	
= Total Projected Recovery	\$ 443,929,343	(Schedule 8)
Compared To		
Net Applicable GCR Expenses	\$ 443,926,814	
= Net Over/(Under) Recovery	\$ 2,529	(Schedule 5)

Degree Days 4,555

Sales

September 2004 through August 2005

<u>MONTH</u>	<u>TOTAL BILLED SALES</u>	<u>INTERRUPTIBLES</u>	<u>TOTAL FIRM SALES</u>	<u>SENIOR CITIZEN DISCOUNT SALES</u>	<u>TOTAL APPLICABLE SALES</u>
SEPTEMBER 2004	1,540,355	283,223	1,257,132	20,215	1,236,917
OCTOBER	2,380,467	402,654	1,977,813	33,758	1,944,055
NOVEMBER	5,076,265	559,447	4,516,818	91,460	4,425,358
DECEMBER	8,442,883	752,525	7,690,358	164,261	7,526,097
JANUARY 2005	12,913,448	834,251	12,079,197	273,095	11,806,102
FEBRUARY	11,117,357	718,006	10,399,351	233,946	10,165,405
MARCH	9,412,558	642,899	8,769,659	197,215	8,572,444
APRIL	6,170,663	451,415	5,719,248	128,053	5,591,195
MAY	3,086,789	312,578	2,774,211	57,177	2,717,034
JUNE	2,044,745	249,409	1,795,336	30,407	1,764,929
JULY	1,682,812	264,310	1,418,502	23,048	1,395,453
AUGUST	<u>1,643,322</u>	<u>267,762</u>	<u>1,375,560</u>	<u>22,441</u>	<u>1,353,119</u>
TOTAL	<u>65,511,665</u>	<u>5,738,479</u>	<u>59,773,185</u>	<u>1,275,076</u>	<u>58,498,108</u>

PROJECTED APPLICABLE FUEL EXPENSE  
SUMMARY  
SEPTEMBER 2004 - AUGUST 2005

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	TOTAL
DEMAND CHARGES	6,138,136	6,152,992	6,488,219	6,733,539	6,919,502	6,879,498	6,919,502	6,324,547	6,269,309	6,176,468	6,178,233	6,164,225	77,344,170
COMMODITY CHARGES	25,488,550	27,292,668	38,459,606	39,828,940	43,102,915	36,713,214	44,476,114	34,153,334	29,718,763	26,558,340	27,024,350	25,889,060	398,505,854
<b>TOTAL NATURAL GAS BILLED</b>	<b>31,626,686</b>	<b>33,445,659</b>	<b>44,947,825</b>	<b>46,362,480</b>	<b>50,022,416</b>	<b>43,592,713</b>	<b>51,395,615</b>	<b>40,477,881</b>	<b>35,988,072</b>	<b>32,734,807</b>	<b>33,202,584</b>	<b>32,053,285</b>	<b>475,850,024</b>
INTERRUPTIBLE CREDIT	(1,594,658)	(2,313,057)	(3,364,747)	(4,739,338)	(5,272,513)	(4,486,301)	(3,879,279)	(2,432,501)	(1,608,775)	(1,231,268)	(1,334,386)	(1,359,089)	(33,615,911)
SENDOUT VOLUME IN MCF	294,075	418,161	581,114	781,754	866,793	746,006	667,941	468,943	324,718	259,079	274,570	278,162	5,961,316
DKT CONVERSION FACTOR	1.0380	1.0380	1.0380	1.0380	1.0380	1.0380	1.0380	1.0380	1.0380	1.0380	1.0380	1.0380	
PRICE \$/DKT	5.224	5.329	5.578	5.841	5.860	5.794	5.595	4.997	4.773	4.579	4.682	4.707	
GAS USED FOR UTILITY	(22,006)	(29,931)	(86,160)	(114,813)	(131,655)	(114,517)	(78,567)	(42,102)	(20,106)	(25,716)	(26,297)	(26,438)	(718,308)
NATURAL GAS TO STORAGE	12,182,835	3,301,744	921,464	-	-	-	-	8,055,541	14,786,486	14,192,130	14,599,125	13,064,431	81,103,756
FROM STORAGE	-	-	5,460,442	23,222,212	26,944,355	21,666,205	3,894,650	169,242	79,340	-	-	-	81,436,446
<b>NET NATURAL GAS STORAGE</b>	<b>(12,182,835)</b>	<b>(3,301,744)</b>	<b>4,538,978</b>	<b>23,222,212</b>	<b>26,944,355</b>	<b>21,666,205</b>	<b>3,894,650</b>	<b>(7,886,299)</b>	<b>(14,707,146)</b>	<b>(14,192,130)</b>	<b>(14,599,125)</b>	<b>(13,064,431)</b>	<b>332,689</b>
LNG TO STORAGE	3,304,808	3,062,685	2,491,778	-	-	-	-	2,498,386	2,181,325	4,463,438	4,100,355	4,478,165	26,580,939
FROM STORAGE	419,645	432,211	862,747	3,611,806	9,287,072	8,028,643	3,009,564	1,537,837	357,685	353,293	382,924	391,538	28,674,965
<b>NET LNG STORAGE</b>	<b>(2,885,163)</b>	<b>(2,630,474)</b>	<b>(1,629,031)</b>	<b>3,611,806</b>	<b>9,287,072</b>	<b>8,028,643</b>	<b>3,009,564</b>	<b>(960,549)</b>	<b>(1,823,640)</b>	<b>(4,110,144)</b>	<b>(3,717,430)</b>	<b>(4,086,627)</b>	<b>2,094,026</b>
<b>NET NATURAL GAS EXPENSE</b>	<b>14,942,024</b>	<b>25,170,453</b>	<b>44,406,865</b>	<b>68,342,347</b>	<b>80,849,675</b>	<b>68,686,743</b>	<b>54,341,983</b>	<b>29,156,430</b>	<b>17,828,405</b>	<b>13,175,549</b>	<b>13,525,347</b>	<b>13,516,701</b>	<b>443,942,520</b>
<b>APPLICABLE GCR EXPENSE</b>													
NET NATURAL GAS EXPENSE	14,942,024	25,170,453	44,406,865	68,342,347	80,849,675	68,686,743	54,341,983	29,156,430	17,828,405	13,175,549	13,525,347	13,516,701	443,942,520
PURCHASED ELECTRIC	88,583	88,583	88,583	88,583	88,583	88,583	88,583	88,583	88,584	88,584	88,584	88,584	1,063,000
<b>TOTAL APPLICABLE EXPENSES</b>	<b>15,030,608</b>	<b>25,259,036</b>	<b>44,495,448</b>	<b>68,430,930</b>	<b>80,938,258</b>	<b>68,775,326</b>	<b>54,430,566</b>	<b>29,245,013</b>	<b>17,916,989</b>	<b>13,264,133</b>	<b>13,613,930</b>	<b>13,605,285</b>	<b>445,005,520</b>
TOTAL FIRM SALES	1,257,132	1,977,813	4,516,818	7,690,358	12,079,197	10,399,351	8,769,659	5,719,247	2,774,211	1,795,336	1,418,501	1,375,560	59,773,185

FISCAL YEAR 2004  
PHILADELPHIA GAS WORKS  
INTEREST CALCULATION

	6/1/03	Split Month	9/1/03	Split Month	12/1/03	Split Month	3/1/04
SSC in Effect	\$ 8.6950	\$ 8.1696	\$ 7.6442	\$ 7.4070	\$ 7.1697	\$ 7.4014	\$ 7.6331
GAC in Effect	\$ (0.2537)	\$ 0.2822	\$ 0.3107	\$ 0.4302	\$ 0.5496	\$ 0.4655	\$ 0.3814
IRC in Effect	\$ -	\$ (0.0440)	\$ (0.0879)	\$ (0.0880)	\$ (0.0880)	\$ (0.0886)	\$ (0.0891)
Total Effective	\$ 8.9487	\$ 8.4079	\$ 7.8670	\$ 7.7492	\$ 7.6313	\$ 7.7784	\$ 7.9254

MONTH	NET COST OF FUEL (1) (\$)	FIRM SALES (2)	C FACTOR RECOVERY RATE (3) (\$)	C FACTOR REVENUES BILLED (4)=(2)*(3) (\$)	ADJUSTMENT FOR ACTUAL REVENUE (5)	ADJUSTED C FACTOR REVENUES BILLED (6)=(4)*(5) (\$)	OVER/ (UNDER) RECOVERY (7)=(6)-(1) (\$)	INTEREST RATE (8)	TIME FACTOR (9)	INTEREST EXPENSE (10)=(7)*(8)*(9) (\$)	(11)		TOTAL INTEREST 12=(10+11) (\$)	
											INTEREST ON REFUNDS 11 (\$)			
Sep-03	13,607,595	1,470,978	8.1696	12,017,302	0.9911	11,909,955	(1,697,640)	6%	18/12	(152,788)	\$	3,900	\$	(148,887)
Oct-03	22,345,181	2,027,591	7.6442	15,499,311	0.9085	14,081,443	(8,263,738)	6%	17/12	(702,418)	\$	1,562	\$	(700,855)
Nov-03	36,774,551	3,571,537	7.6442	27,301,543	1.0493	28,648,253	(8,126,298)	6%	16/12	(650,104)	\$	-	\$	(650,104)
Dec-03	64,001,995	7,477,425	7.4070	55,384,913	0.9987	55,311,538	(8,690,457)	6%	15/12	(651,784)	\$	-	\$	(651,784)
Jan-04	88,959,276	11,756,205	7.1697	84,288,464	1.0000	84,288,464	(4,670,812)	6%	14/12	(326,957)	\$	-	\$	(326,957)
Feb-04	72,664,144	10,913,502	7.1697	78,246,539	1.0000	78,246,540	5,582,396	6%	13/12	362,856	\$	-	\$	362,856
Mar-04	58,843,935	8,906,361	7.4014	65,919,540	1.0000	65,919,539	7,075,604	6%	12/12	424,536	\$	-	\$	424,536
Apr-04	32,453,961	5,515,180	7.6331	42,097,920	1.0000	42,097,922	9,643,961	6%	11/12	530,418	\$	-	\$	530,418
May-04	18,558,820	2,722,210	7.6331	20,778,901	1.0000	20,778,900	2,220,080	6%	10/12	111,004	\$	-	\$	111,004
Jun-04	13,506,732	1,772,488	7.6331	13,529,578	1.0000	13,529,577	22,845	6%	9/12	1,028	\$	-	\$	1,028
Jul-04	13,787,479	1,422,390	7.6331	10,857,245	1.0000	10,857,242	(2,930,237)	6%	8/12	(117,209)	\$	-	\$	(117,209)
Aug-04	<u>13,884,195</u>	<u>1,379,335</u>	7.6331	<u>10,528,602</u>	1.0000	<u>10,528,605</u>	<u>(3,355,590)</u>	6%	7/12	<u>(117,446)</u>	\$	-	\$	<u>(117,446)</u>
	449,387,864	58,935,203		436,449,859		436,197,977	(13,189,887)			(1,288,864)		5,463		(1,283,401)

(1) See Schedule 4 (b)

**FISCAL YEAR 2004**  
**PHILADELPHIA GAS WORKS**  
**INTEREST ON NATURAL GAS REFUNDS**

MONTH	NATURAL GAS REFUNDS (9)	INTEREST RATE (10)	TIME FACTOR (11)	INTEREST ON REFUNDS (13)=(9)*(10)*(11) (\$)
Sep-03	43,337	6%	18/12	3,900
Oct-03	18,382	6%	17/12	1,562
Nov-03	0	6%	16/12	0.00
Dec-03	0	6%	15/12	0.00
Jan-04	0	6%	14/12	0.00
Feb-04	0	6%	13/12	0.00
Mar-04	0	6%	12/12	0.00
Apr-04	0	6%	11/12	0.00
May-04	0	6%	10/12	0.00
Jun-04	0	6%	9/12	0.00
Jul-04	0	6%	8/12	0.00
Aug-04	<u>0</u>	6%	7/12	<u>0.00</u>
	<u>61,719</u>			<u>5,463</u>

GCR  
STATEMENT OF RECONCILIATION

September 2004 - August 2005

NET COST OF FUEL	FIRM SALES	IRC FACTOR APPLIED	INTERRUPTIBLE REVENUE CREDIT	GCR APPLICABLE EXPENSES	GCR FACTOR APPLIED	GCR REVENUE BILLED	OVER/(UNDER) RECOVERY	CARRYOVER DISTRIBUTED ON GCR	NET OVER/(UNDER) RECOVERY
1	2	3	4 = (2 * 3)	5 = (1 - 4)	6	7	8 = (7 - 5)	9	10 = (8 + 9)
\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$

UNDER COLLECTION AS OF August 31, 2004

Interest on Under Collection

TOTAL "E" FACTOR

974,444

1,283,401

2,257,845

2004-2005

September	15,030,608	1,257,132	0.0558	70,173	14,960,435	7.6735	9,646,606	(5,313,828)	(47,486)	(5,361,315)
October	25,259,036	1,977,813	0.0558	110,402	25,148,634	7.4216	14,678,536	(10,470,098)	(74,709)	(10,544,807)
November	44,495,448	4,516,818	0.0558	252,130	44,243,318	7.4216	33,522,018	(10,721,300)	(170,616)	(10,891,916)
December	68,430,930	7,690,368	0.0558	429,277	68,001,653	7.4216	57,074,764	(10,926,889)	(290,492)	(11,217,381)
January	80,938,258	12,079,197	0.0558	674,263	80,263,995	7.4216	89,646,969	9,382,975	(456,274)	8,926,701
February	68,775,326	10,399,351	0.0558	580,494	68,194,832	7.4216	77,179,821	8,984,989	(392,820)	8,592,169
March	54,430,566	8,769,659	0.0558	489,524	53,941,042	7.4216	65,084,904	11,143,862	(331,261)	10,812,601
April	29,245,013	5,719,247	0.0558	319,250	28,925,763	7.4216	42,445,967	13,520,204	(216,036)	13,304,167
May	17,916,989	2,774,211	0.0558	154,857	17,762,132	7.4216	20,589,088	2,826,956	(104,792)	2,722,165
June	13,264,133	1,795,336	0.0558	100,216	13,163,917	7.4216	13,324,266	160,349	(67,816)	92,532
July	13,613,929	1,418,501	0.0558	79,181	13,534,748	7.4216	10,527,548	(3,007,200)	(53,582)	(3,060,782)
August	13,605,284	1,375,560	0.0558	76,784	13,528,500	7.4216	10,208,854	(3,319,646)	(51,960)	(3,371,606)
<b>TOTAL</b>	<b>445,005,520</b>	<b>59,773,185</b>		<b>3,336,551</b>	<b>441,668,969</b>		<b>443,929,343</b>	<b>2,260,374</b>	<b>(2,257,845)</b>	<b>2,529</b>

GCR

STATEMENT OF RECONCILIATION

SEPTEMBER 2003 THROUGH AUGUST 2004

	NET COST OF FUEL 1	FIRM SALES 2	IRC FACTOR APPLIED 3	INTERRUPTIBLE EVENTUE CREDIT 4=(2*3)	APPLICABLE EXPENSES 5=(1-4)	GCR FACTOR APPLIED 6	GCR REVENUE BILLED 7	OVER/(UNDER) RECOVERY 8=(7-5)	NATURAL GAS REFUNDS 9	CARRYOVER DISTRIBUTED ON GCR 10	OVER/(UNDER) RECOVERY 11=(8+9+10)
	\$	MCF	\$	\$	\$	\$	\$	\$	\$	\$	\$
2002-2003 FINALIZED UNDERCOLLECTION										12,303,355	
2002-2003 INTEREST CREDIT ON COMMODITY UNDERCOLLECTION										2,269,119	
TOTAL "E" FACTOR										14,572,474	
<u>2003-2004</u>											
SEPTEMBER Actual	13,607,595	1,470,978	0.0879	63,107	13,544,488	8.3210	12,130,671	(1,413,817)	43,337	(363,718)	(1,734,197)
OCTOBER Actual	22,345,181	2,027,591	0.0879	178,225	22,166,956	7.8670	14,491,864	(7,675,091)	18,382	(501,348)	(8,158,057)
NOVEMBER Actual	36,774,551	3,571,537	0.0879	313,938	36,460,613	7.8670	29,483,243	(6,977,369)		(883,108)	(7,860,477)
DECEMBER Actual	64,001,995	7,477,425	0.0880	657,640	63,344,355	7.7492	57,867,296	(5,477,059)		(1,848,888)	(7,325,947)
JANUARY Estimated	88,959,276	11,756,205	0.0880	1,034,546	87,924,730	7.6313	89,715,128	1,790,398		(2,906,870)	(1,116,472)
FEBRUARY Estimated	72,664,144	10,913,502	0.0880	960,388	71,703,756	7.6313	83,284,212	11,580,457		(2,698,501)	8,881,955
MARCH Estimated	58,843,935	8,906,361	0.0889	791,496	58,052,439	7.7784	69,276,791	11,224,352		(2,202,210)	9,022,142
APRIL Estimated	32,453,961	5,515,180	0.0889	490,126	31,963,835	7.9254	43,710,009	11,746,175		(1,363,698)	10,382,477
MAY Estimated	18,558,820	2,722,210	0.0889	241,919	18,316,901	7.9254	21,574,602	3,257,700		(673,101)	2,584,600
JUNE Estimated	13,506,732	1,772,488	0.0889	157,518	13,349,214	7.9254	14,047,676	698,462		(438,270)	260,192
JULY Estimated	13,787,479	1,422,390	0.0889	126,406	13,661,073	7.9254	11,273,007	(2,388,067)		(351,704)	(2,739,771)
AUGUST Estimated	13,884,195	1,379,335	0.0889	122,580	13,761,615	7.9254	10,931,785	(2,829,831)		(341,058)	(3,170,889)
TOTAL	449,387,864	58,935,203		5,137,889	444,249,975		457,786,285	13,536,310	61,719	(14,572,474)	(974,444)

FUEL ADJUSTMENT

STATEMENT OF RECONCILIATION

2002-2003  
Finalized

	NET COST OF FUEL	APPLICABLE SALES	BASE FUEL FACTOR	BASE FUEL CREDIT	FUEL COST REMAINING TO BE RECOVERED	GCR FACTOR APPLIED	GCR REVENUE BILLED	2002-2003 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's)	\$	\$	\$	\$	\$	\$	\$	\$
PRIOR YEAR'S CARRYOVER:										(4,703,554)
2002 Commodity Charge Credit Over-Refund										(59,304)
TOTAL "E" FACTOR										(4,762,858)
<u>2002-2003</u>										
SEPTEMBER	Actual	9,094,451	1,367,476	3.1800	4,348,574	4,745,877	2.9158	3,921,750	(824,127)	(5,586,985)
OCTOBER	Actual	20,446,030	1,739,418	3.1800	5,531,349	14,914,681	3.0385	5,258,673	(9,656,008)	(15,242,993)
NOVEMBER	Actual	34,666,390	4,609,069	3.1800	14,656,839	20,009,551	3.0385	14,002,840	(6,006,711)	(15,376,103)
DECEMBER	Actual	60,364,540	8,325,242	3.1800	26,474,270	33,890,270	3.3151	27,763,378	(6,126,892)	(21,502,995)
JANUARY	Actual	76,743,284	10,263,100	3.1800	32,636,658	44,106,626	3.5917	36,849,570	(7,257,056)	(28,760,051)
FEBRUARY	Actual	69,047,648	11,358,014	3.1800	36,118,485	32,929,163	3.5917	40,929,330	8,000,166	(20,759,886)
MARCH	Actual	63,670,983	9,441,571	3.1800	30,024,196	33,646,787	3.9133	37,090,863	3,444,076	(17,315,810)
APRIL	Actual	41,404,008	5,409,453	3.1800	17,202,061	24,201,947	4.3725	23,804,093	(397,855)	(17,713,665)
MAY	Actual	20,271,884	3,120,021	3.1800	9,921,667	10,350,217	5.0600	15,537,792	5,187,575	(12,526,090)
JUNE	Actual	17,121,247	2,028,352	3.1800	6,450,159	10,671,088	5.4144	10,924,133	253,045	(12,273,045)
JULY	Actual	13,046,969	1,465,587	3.1800	4,660,567	8,386,402	5.7687	8,384,218	(2,184)	(12,275,229)
AUGUST	Actual	11,635,554	1,305,937	3.1800	4,152,880	7,482,674	5.7687	7,454,549	(28,125)	(12,303,355)
TOTAL		437,512,988	60,433,241		192,177,703	245,335,285		231,921,190	(13,414,097)	(12,303,355)

CALCULATION OF RECOVERED CHARGES

1307 FILING

SEPTEMBER 2004 - AUGUST 2005

	<u>50% of September</u>	<u>11.5 Months</u>	(MCF)	<u>Total</u>
				(\$)
Firm Sales (MCF)	628,566	59,144,619	59,773,185	
GCR (\$/Mcf)	\$ 7.9254	\$ 7.4216		
Total Projected Recovery	<u>\$ 4,981,637</u>	<u>\$ 438,947,706</u>		<u>\$ 443,929,343</u>

**CHANGES IN RATES**  
**1307f Filing**

**Distribution Charge**  
**Effective September 1, 2004**

	<u>Delivery Charge</u>			<u>Surcharges</u>				<u>Total Distribution Charge/Mcf</u>
	<u>Base Charge</u>	<u>Revenue Realignment Adjustment</u>	<u>Sub-Total Delivery Charge</u>	<u>Restructuring &amp; Consumer Education</u>	<u>Cash Receipts Reconciliation Clause</u>	<u>Universal Service &amp; Ener. Cons.</u>	<u>Sub-Total Surcharges</u>	
Residential GS/PHAGS	\$4.1223	\$0.0901	\$4.2124	\$0.0683	\$0.7947	\$1.3030	\$2.1660	\$6.3784
Commercial GS/MUNGS	\$4.2155	\$0.0901	\$4.3056	\$0.0683	\$0.7947	\$1.3030	\$2.1660	\$6.4716
Industrial GS	\$4.2128	\$0.0901	\$4.3029	\$0.0683	\$0.7947	\$1.3030	\$2.1660	\$6.4689
Phila.Housing Authority (PHA)	\$4.2051	\$0.0901	\$4.2952	\$0.0683	\$0.7947	\$1.3030	\$2.1660	\$6.4612
Municipal (MS)	\$3.0569	\$0.0901	\$3.1470	\$0.0683	\$0.7947	\$1.3030	\$2.1660	\$5.3130

**PROPOSED RATES**  
**Effective September 1, 2004 \***

<u>Rate</u>	<u>12/1/03 Distribution Charge</u> (1)	<u>12/1/03 GCR</u> (2)	<u>12/1/03 Commodity Rate</u> (3)=(1)+(2)	<u>9/1/04 Distribution Charge</u> (4)	<u>9/1/04 GCR</u> (5)	<u>9/1/04 Commodity Rate</u> (6)=(4)+(5)	<u>Increase</u> (7)=(6)-(3)
Residential GS/PHAGS	\$5.3564	\$7.6313	\$12.9877	\$6.3784	\$7.4216	\$13.8000	\$0.8123
Commercial GS/MUNGS	\$5.4496	\$7.6313	\$13.0809	\$6.4716	\$7.4216	\$13.8932	\$0.8123
Industrial GS	\$5.4469	\$7.6313	\$13.0782	\$6.4689	\$7.4216	\$13.8905	\$0.8123
Phila.Housing Authority (PHA)	\$5.4392	\$7.6313	\$13.0705	\$6.4612	\$7.4216	\$13.8828	\$0.8123
Municipal (MS)	\$4.2910	\$7.6313	\$11.9223	\$5.3130	\$7.4216	\$12.7346	\$0.8123

\* Excludes customer charges

**Philadelphia Gas Works**  
**Fiscal Year 2003-2004 1307F Filing**  
**UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE**

		<u>Expenses in the Surcharge</u>
Conservation Works Program (CWP)	\$	2,000,000
Customer Responsibility Program (CRP) Discount	\$	51,887,517
Senior Citizen Discount	\$	17,854,374
August 04 under collection	\$	<u>4,480,881</u>
Total \$ to be Recovered	\$	76,222,772
Applicable Sales Volume	Mcf	58,498,108
Universal Service & Energy Conservation Surcharge	\$	1.3030

\* This is the Senior Citizen Discount on the Delivery Charge, GCR and Restructuring Surcharge which is used to calculate the Universal Services Surcharge. The total Senior Citizen Discount is \$19,513,885.

**CASH RECEIPTS RECONCILIATION CLAUSE SURCHARGE**

		<u>50% of September</u>	<u>11.5 Months</u>	<u>Total</u>
Firm Sales	Mcf	628,566	59,144,619	59,773,185
CASH RECEIPTS RECOVERY CLAUSE SURCHARGE		-	\$ 0.7947	
Total Projected Recovery	\$	-	\$ 47,000,000	\$ 47,000,000

**STATEMENT OF RECONCILIATION**  
**UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE**  
**SEPTEMBER 2003 THROUGH AUGUST 2004**

<u>Month</u>		<u>Applicable Sales</u>	<u>USC Charge</u>	<u>USC Revenue Collected</u>	<u>USC Expenses</u>	<u>Over/(Under) Recovery</u>
September 2003 *	Actual	706,355	\$ 1,2564	\$ 887,464	\$ (335,878)	\$ 1,223,342
October	Actual	1,987,537	\$ 1,2564	\$ 2,497,141	\$ 401,979	\$ 2,095,162
November	Actual	3,486,423	\$ 1,2564	\$ 4,380,342	\$ 4,256,840	\$ 123,502
December	Actual	<u>7,301,035</u>	\$ 1,1665	<u>\$ 8,516,292</u>	<u>\$ 9,396,535</u>	<u>\$ (880,243)</u>
		13,481,350		\$16,281,240	\$ 13,719,476	\$ 2,561,764
January 2004	Est.	11,495,486	\$ 1,0765	\$12,374,891	\$ 17,913,942	\$ (5,539,051)
February	Est.	10,667,919	\$ 1,0765	\$11,484,015	\$ 15,538,665	\$ (4,054,650)
March	Est.	8,706,126	\$ 1,0951	\$ 9,533,643	\$ 14,071,296	\$ (4,537,653)
April	Est.	5,392,752	\$ 1,1136	\$ 6,005,369	\$ 7,398,595	\$ (1,393,226)
May	Est.	2,666,506	\$ 1,1136	\$ 2,969,421	\$ 1,754,270	\$ 1,215,151
June	Est.	1,742,817	\$ 1,1136	\$ 1,940,801	\$ (370,766)	\$ 2,311,567
July	Est.	1,399,340	\$ 1,1136	\$ 1,558,305	\$ (929,749)	\$ 2,488,054
August	Est.	<u>1,356,893</u>	\$ 1,1136	<u>\$ 1,511,036</u>	<u>\$ (956,128)</u>	<u>\$ 2,467,164</u>
Total	A/E	56,909,189		63,658,721	68,139,601	(4,480,881)

<u>USC Expenses</u>	<u>Sep-03</u>	<u>Oct-03</u>	<u>Nov-03</u>	<u>Dec-03</u>	<u>Jan-04</u>	<u>Feb-04</u>	<u>Mar-04</u>	<u>Apr-04</u>	<u>May-04</u>	<u>Jun-04</u>	<u>Jul-04</u>	<u>Aug-04</u>	<u>Total</u>
Conservation Works	\$ 2,860	\$ 120,644	\$ 5,362	\$ 125,670	\$ 166,666	\$ 166,666	\$ 166,666	\$ 166,666	\$ 166,666	\$ 166,666	\$ 166,666	\$ 166,666	\$ 1,587,864
CRP Discount	\$ (668,789)	\$(491,831)	\$ 2,759,826	\$ 6,600,803	\$ 14,200,910	\$ 12,022,212	\$ 11,110,653	\$ 5,441,102	\$ 685,468	\$(1,092,832)	\$(1,563,637)	\$(1,581,922)	\$47,421,963
CRP Forgiveness	\$ -	\$ 84,577	\$ 130,083	\$ 166,570									\$ 381,230
Senior Citizen Discount	\$ 330,051	\$ 688,589	\$ 1,361,569	\$ 2,503,492	\$ 3,546,366	\$ 3,349,787	\$ 2,793,977	\$ 1,790,827	\$ 902,136	\$ 555,400	\$ 467,222	\$ 459,128	\$18,748,544
	\$ (335,878)	\$ 401,979	\$ 4,256,840	\$ 9,396,535	\$ 17,913,942	\$ 15,538,665	\$ 14,071,296	\$ 7,398,595	\$ 1,754,270	\$ (370,766)	\$ (929,749)	\$ (956,128)	\$68,139,601

\*September's applicable sales includes only the portion of applicable sales billed in September that were charged the USC Surcharge.  
USC Expenses represent the USC expenses applicable to those sales.

## Natural Gas Prices Used In PGW's 1307f Annual GCR Filing

	GLOBAL INSIGHT(GI) PRICES										Basis Differentials								NYMEX Futures 1/8/04 Close	Prices Used For Gas Cost Inputs										
	Transco			TETCO				January 2004 Henry Hub	Transco			TETCO				Average ELA/ETX	M-1	Transco			TETCO									
	Sta.30	Sta. 45	Sta. 65	ELA	WLA	ETX	STX		Sta 30	Sta 45	Sta 65	ELA	WLA	ETX	STX			Sta 30		Sta 45	Sta 65	ELA	WLA	ETX	STX	ELA/ETX	M-1			
2004:1																														
2004:2	5.36	5.43	5.47	5.37	5.36	5.30	5.27	5.34	5.52	5.46	(0.10)	(0.03)	0.01	(0.09)	(0.10)	(0.16)	(0.19)	(0.13)	0.06	7.094	NYMEX	6.99	7.06	7.10	7.00	6.99	6.93	6.90	6.97	7.15
2004:3	5.58	5.63	5.67	5.57	5.58	5.52	5.51	5.55	5.70	5.66	(0.08)	(0.03)	0.01	(0.09)	(0.08)	(0.14)	(0.15)	(0.12)	0.04	6.958	NYMEX	6.88	6.93	6.97	6.87	6.88	6.82	6.81	6.84	7.00
2004:4	5.05	5.08	5.12	5.04	5.04	4.99	5.00	5.02	5.13	5.11	(0.06)	(0.03)	0.01	(0.07)	(0.07)	(0.12)	(0.11)	(0.09)	0.02	5.808	NYMEX	5.75	5.78	5.82	5.74	5.74	5.69	5.70	5.71	5.83
2004:5	4.78	4.81	4.85	4.76	4.77	4.73	4.73	4.75	4.84	4.84	(0.06)	(0.03)	0.01	(0.08)	(0.07)	(0.11)	(0.11)	(0.09)	-	5.493	GI/NYMEX	5.11	5.14	5.18	5.09	5.10	5.06	5.06	5.07	5.17
2004:6	4.62	4.66	4.69	4.59	4.61	4.57	4.56	4.58	4.69	4.68	(0.06)	(0.02)	0.01	(0.09)	(0.07)	(0.11)	(0.12)	(0.10)	0.01	5.461	GI/NYMEX	5.01	5.05	5.08	4.98	5.00	4.96	4.95	4.97	5.08
2004:7	4.61	4.66	4.69	4.58	4.60	4.56	4.54	4.57	4.70	4.68	(0.07)	(0.02)	0.01	(0.10)	(0.08)	(0.12)	(0.14)	(0.11)	0.02	5.481	GI/NYMEX	5.01	5.06	5.09	4.98	5.00	4.96	4.94	4.97	5.10
2004:8	4.52	4.56	4.59	4.49	4.51	4.47	4.46	4.48	4.60	4.58	(0.06)	(0.02)	0.01	(0.09)	(0.07)	(0.11)	(0.12)	(0.10)	0.02	5.493	GI/NYMEX	4.98	5.02	5.05	4.95	4.97	4.93	4.92	4.94	5.06
2004:9	4.89	4.92	4.95	4.85	4.87	4.83	4.83	4.84	4.95	4.94	(0.05)	(0.02)	0.01	(0.09)	(0.07)	(0.11)	(0.11)	(0.10)	0.01	5.450	GI/NYMEX	5.15	5.18	5.21	5.11	5.13	5.09	5.09	5.10	5.21
2004:10	4.79	4.82	4.86	4.76	4.78	4.74	4.73	4.75	4.86	4.85	(0.06)	(0.03)	0.01	(0.09)	(0.07)	(0.11)	(0.12)	(0.10)	0.01	5.490	GI/NYMEX	5.11	5.14	5.18	5.08	5.10	5.06	5.05	5.07	5.18
2004:11	4.89	4.94	4.97	4.86	4.88	4.84	4.81	4.85	4.99	4.96	(0.07)	(0.02)	0.01	(0.10)	(0.08)	(0.12)	(0.15)	(0.11)	0.03	5.660	GI/NYMEX	5.24	5.29	5.32	5.21	5.23	5.19	5.16	5.20	5.34
2004:12	5.25	5.33	5.36	5.25	5.26	5.20	5.15	5.23	5.41	5.35	(0.10)	(0.02)	0.01	(0.10)	(0.09)	(0.15)	(0.20)	(0.13)	0.06	5.828	GI/NYMEX	5.48	5.57	5.60	5.49	5.50	5.44	5.39	5.46	5.65
2005:1	5.15	5.23	5.27	5.17	5.16	5.10	5.06	5.14	5.32	5.26	(0.11)	(0.03)	0.01	(0.09)	(0.10)	(0.16)	(0.20)	(0.13)	0.06	5.943	GI/NYMEX	5.49	5.57	5.61	5.51	5.50	5.44	5.40	5.48	5.68
2005:2	4.96	5.03	5.07	5.00	4.97	4.91	4.88	4.96	5.13	5.07	(0.11)	(0.04)	-	(0.07)	(0.10)	(0.16)	(0.19)	(0.12)	0.06	5.898	GI/NYMEX	5.37	5.44	5.48	5.41	5.38	5.32	5.29	5.37	5.54
2005:3	4.66	4.71	4.75	4.66	4.66	4.61	4.59	4.64	4.78	4.74	(0.08)	(0.03)	0.01	(0.08)	(0.08)	(0.13)	(0.15)	(0.11)	0.04	5.678	GI/NYMEX	5.13	5.18	5.22	5.13	5.13	5.08	5.06	5.10	5.25
2005:4	4.34	4.37	4.41	4.33	4.33	4.29	4.29	4.31	4.42	4.40	(0.06)	(0.03)	0.01	(0.07)	(0.07)	(0.11)	(0.11)	(0.09)	0.02	5.023	GI/NYMEX	4.65	4.68	4.72	4.64	4.64	4.60	4.60	4.62	4.73
2005:5	4.35	4.38	4.42	4.32	4.34	4.30	4.30	4.31	4.41	4.40	(0.05)	(0.02)	0.02	(0.08)	(0.06)	(0.10)	(0.10)	(0.09)	0.01	4.903	GI/NYMEX	4.60	4.63	4.67	4.57	4.59	4.55	4.55	4.56	4.66
2005:6	4.44	4.48	4.51	4.41	4.43	4.39	4.38	4.40	4.51	4.50	(0.06)	(0.02)	0.01	(0.09)	(0.07)	(0.11)	(0.12)	(0.10)	0.01	4.913	GI/NYMEX	4.65	4.69	4.72	4.62	4.64	4.60	4.59	4.61	4.72
2005:7	4.58	4.63	4.66	4.55	4.57	4.53	4.51	4.54	4.67	4.65	(0.07)	(0.02)	0.01	(0.10)	(0.08)	(0.12)	(0.14)	(0.11)	0.02	4.943	GI/NYMEX	4.73	4.78	4.81	4.70	4.72	4.68	4.66	4.69	4.82
2005:8	4.61	4.64	4.68	4.58	4.60	4.56	4.54	4.57	4.68	4.67	(0.06)	(0.03)	0.01	(0.09)	(0.07)	(0.11)	(0.13)	(0.10)	0.01	4.960	GI/NYMEX	4.76	4.79	4.83	4.73	4.75	4.71	4.69	4.72	4.83

**INTERRUPTIBLE REVENUE CREDIT RECONCILIATION**  
**FISCAL YEAR 2004**

Fiscal Year 2004 Actual/Estimated Credit	\$	5,137,889	(See Schedule 6)
Fiscal Year 2004 Actual/Estimated Margin	\$	4,237,220	
Fiscal Year 2004 Excess Credit	\$	900,669	
Fiscal Year 2004 Actual/Estimated Margin	\$	4,237,220	
Fiscal Year 2004 Excess Credit	\$	(900,669)	
Fiscal 2005 IRC Credit	\$	3,336,551	

<u>MONTH</u>			<u>MARGIN</u>
September-03	Actual	\$	193,737
October	Actual	\$	497,030
November	Actual	\$	689,418
December	Actual	\$	680,764
January-04	Estimated	\$	337,762
February	Estimated	\$	264,908
March	Estimated	\$	500,223
April	Estimated	\$	350,253
May	Estimated	\$	220,428
June	Estimated	\$	160,086
July	Estimated	\$	166,503
August	Estimated	\$	176,108
<b>TOTAL MARGIN</b>	<b>Act/Est</b>	<b>\$</b>	<b>4,237,220</b>

**PHILADELPHIA GAS WORKS  
RESTRUCTURING COSTS**

<u>General Start-Up Operating Costs</u>	<u>ACTUAL Through 8/31/03</u>	<u>General Start-Up Capital Costs</u>	<u>ESTIMATE Through 8/31/04</u>	<u>FOI Integrated Solution Start Up Operating Costs</u>	<u>ESTIMATE 8/31/04</u>	<u>ESTIMATE 8/31/05</u>	<u>ESTIMATE 8/31/06</u>	<u>ESTIMATE 8/31/07</u>	<u>ESTIMATE 8/31/08</u>
Legal: Wolf Block	\$ 382,170.67	# 792082 - \$1.0 M Web Site Design / EBB	\$ 1,068,096.00	Leak Survey Labor Costs To Replace Class C Meters With Rotary Meters	\$ 355,000.00	\$ 355,000.00	\$ -	\$ -	\$ -
Consulting: RJ Rudden Pinkerton Gil Peach Deloitte Consulting New Energy Accenture EPOS Corp.	113,882.28 153,887.24 136,200.00 28,171.36 194,853.20 1,864,156.00 23,600.00	# 787101 - \$1.3 M BCCS Phase 1 Gas Choice / Enhancements  # 787102 - \$2.3 M BCCS Phase 2 Gas Choice / Enhancements	1,810,940.00  2,332,502.00	Renovation of Meter Shop  Release 1 External Costs	515,500.00 21,000.00 33,000.00	515,500.00 - -	- - -	- - -	- - -
<b>Total</b>	<b>2,514,750.08</b>	# 787103 - \$.5 M BCCS PUC Compliance Consolidated Bill	500,000.00	<b>Total</b>	<b>\$ 924,500.00</b>	<b>\$ 870,500.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Advertising:	64,132.35			3 Year Amortization	\$ 308,166.67	\$ 290,166.67	\$ -	\$ -	\$ -
PGW Training Incremental Labor	169,440.20			<u>FOI Integrated Solution Start Up Capital Costs</u>	<u>ESTIMATE 8/31/04</u>	<u>ESTIMATE 8/31/05</u>	<u>ESTIMATE 8/31/06</u>	<u>ESTIMATE 8/31/07</u>	<u>ESTIMATE 8/31/08</u>
Customer Education & Postage	139,333.92			Release 1 External Costs Release 1 Infrastructure Costs Desktop Computers	\$ 450,000.00 582,000.00 -	\$ - -	\$ - -	\$ - -	\$ - -
Miscellaneous:	503.60			<b>Total</b>	<b>\$1,032,000.00</b>	<b>\$ 7,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Safety Training/Operator Qualification Costs 1st Yr	810,311.42			5 Year Amortization	\$ 206,400.00	\$ 1,400.00	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 4,080,642.44</b>	<b>Total</b>	<b>\$ 5,711,538.00</b>	<u>FOI Integrated Solution General Capital Costs</u>	<u>ESTIMATE 8/31/04</u>	<u>ESTIMATE 8/31/05</u>	<u>ESTIMATE 8/31/06</u>	<u>ESTIMATE 8/31/07</u>	<u>ESTIMATE 8/31/08</u>
3 Year Amortization	\$ 1,360,214.15	5 Year Amortization	\$ 1,142,307.60	Purch. Repl. Rotary Meters Renovation of Meter Shop	\$1,226,000.00 670,000.00	\$1,226,000.00 -	\$ - -	\$ - -	\$ - -
<b>FY 2004 Restructuring Surcharge Costs @ 59,773,185 Mcf</b>				<b>Total</b>	<b>\$1,896,000.00</b>	<b>\$1,226,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Operating Start Up	\$ 1,360,214.15	0.022756 per Mcf		10 Year Amortization	\$ 189,600.00	\$ 122,600.00	\$ -	\$ -	\$ -
Capital Start Up	1,142,307.60	0.019111 per Mcf		<u>Ongoing Costs</u>	<u>ESTIMATE 8/31/04</u>	<u>ESTIMATE 8/31/05</u>	<u>ESTIMATE 8/31/06</u>	<u>ESTIMATE 8/31/07</u>	<u>ESTIMATE 8/31/08</u>
FOI Integrated Solution Start Up Operating Costs	308,166.67	0.005156 per Mcf		Office Based Infrastructure Costs	\$ -	\$ -	\$ 71,000.00	\$ 71,000.00	\$ 71,000.00
FOI Integrated Solution Start Up Capital Costs	206,400.00	0.003453 per Mcf		Payroll Office Based Workers	-	-	366,000.00	366,000.00	366,000.00
General Capital Costs	189,600.00	0.003172 per Mcf		Shop Based Infrastructure Costs	-	-	144,000.00	144,000.00	144,000.00
Ongoing Costs/Safety Trng	462,000.00	0.007729 per Mcf		Safety Trng / Operator Qualification	462,000.00	469,000.00	477,000.00	487,000.00	497,000.00
<b>Total FY 2004 Surcharge</b>	<b>\$ 3,668,688.41</b>	<b>0.061377 per Mcf</b>		<b>Total</b>	<b>\$ 462,000.00</b>	<b>\$ 469,000.00</b>	<b>\$ 1,058,000.00</b>	<b>\$ 1,068,000.00</b>	<b>\$ 1,078,000.00</b>
<b>Restructuring Surcharge Costs @ 59,773,185 Mcf</b>				Same Year Cost Recovery	\$ 462,000.00	\$ 469,000.00	\$ 1,058,000.00	\$ 1,068,000.00	\$ 1,078,000.00
FY 2005	\$ 4,082,855.08	0.068306 per Mcf							
FY 2006	\$ 4,540,855.08	0.075968 per Mcf							
FY 2007	\$ 2,872,474.27	0.048056 per Mcf							
FY 2008	\$ 2,582,307.60	0.043202 per Mcf							

Philadelphia Gas Works

**Item 53.64(c)** Thirty days prior to the filing of a tariff reflecting an increase or decrease in natural gas costs, each Section 1307(f) gas utility seeking recovery of purchased gas costs under that section shall provide notice to the public, under § 53.68 (relating to notice requirements), and shall file the following supporting information with the Commission, with a copy to the Consumer Advocate, Small Business Advocate and to intervenors upon request:

- (1) A complete list in schedule format of each spot and each long term source of gas supply, production, transportation and storage, used in the past 12 months, which 12-month period shall end 2 months prior to the date of the tariff filing, separately setting forth on a monthly basis the quantity and price of gas delivered, produced, transported or stored, maximum daily quantity levels, maximum annual quantity levels, a detailed description of warrantee or penalty provisions, including liquidated damages, take or pay provisions or minimum bill or take provisions of the purchases, balancing provisions and copies of *Federal tariffs and contract provisions relating to the purchases—including demand and commodity components*. With regard to each contemplated future source of supply, production, transportation or storage, during each of the next 20 months for each source, provide the name of the source, the maximum daily quantity, the maximum annual quantity, the minimum take levels, a detailed description of warrantee or penalty provisions, including liquidated damages, take or pay provisions or minimum bill or take provisions of the purchases, balancing provisions and contractual or tariffed terms of the purchases, copies of applicable Federal tariffs, the expiration date of each contract, the date when each contract was most recently negotiated and the details of the negotiation—such as meeting held, offers made, and changes in contractual obligation—and whether current proceedings, negotiations or renegotiations are pending before the Federal Energy Regulatory Commission, and the like, to modify the price, quantity or another condition of purchase, and if so, the details of the proceedings, negotiations or renegotiations. Gas supply sources which individually represent less than 3% of the total system supply may be shown collectively, such as other local gas purchases.

**Response:**

The attached schedules described herein below, contain details of the requested information. Information concerning PGW's Transportation and Storage contracts are addressed in section 53.64(c)(3) in February 1, 2004 Prefiling.

Schedule 1 – Twelve (12) month actual purchased gas costs expressed in terms of volumes and dollars for the period January 1, 2003 to December 31, 2003. This schedule reflects finalized numbers through the month of December.

Schedule 2 – Actual capacity release credits by pipeline by month for the period January 1, 2003 through December 31, 2003. This schedule reflects finalized numbers through the month of December.

Schedule 3 - Twenty (20) month forecast for the period January 1, 2004 through August 31, 2005.

Schedule 4 – Twenty (20) month forecast of capacity release credits by pipeline by month for the period January 1, 2004 through August 31, 2005.

SUMMARY OF TOTAL FUELS PURCHASED

	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
Williams	\$2,580,288	\$2,544,029	\$2,530,741	\$2,442,756	\$2,454,434	\$2,270,974	\$2,232,481	\$2,302,943	\$2,354,717	\$2,563,834	\$2,461,385	\$2,915,896.83
Texas Eastern	\$3,064,872	\$3,002,422	\$2,980,745	\$2,829,551	\$2,816,059	\$2,789,901	\$1,899,907	\$2,698,157	\$2,578,884	\$2,824,460	\$2,926,364	\$3,060,060
Dominion	\$142,555	\$140,088	\$133,872	\$131,267	\$128,814	\$135,878	\$121,130	\$133,704	\$132,729	\$128,466	\$131,590	\$135,910
Equitrans	\$42,104	\$41,898	\$41,084	\$33,799	\$33,825	\$33,799	\$33,825	\$33,825	\$34,491	\$33,582	\$41,081	\$41,793
ANR	\$142,999	\$141,733	\$134,414	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spot Purchases -Transco	\$382,592	\$158,737	\$516,980	\$15,660	\$802,900	\$904,506	\$989,681	\$838,874	\$3,810,609	\$511	\$0	\$0
Spot Purchases -Tetco	\$0	\$1,178	\$124,734	\$1,079,847	\$988,970	\$813	\$1,326	\$529	\$0	\$0	\$867	\$675
Transco Supply1	\$7,717,568	\$6,866,408	\$4,286,585	\$7,085,888	\$9,042,356	\$5,196,651	\$2,114,095	\$5,449,252	\$4,324,237	\$4,284,039	\$3,813,288	\$4,143,738
Transco Supply2	\$2,286,250	\$3,066,000	\$5,728,800	\$2,489,225	\$3,281,200.00	\$2,888,750.00	\$2,806,275.00	\$2,292,450.00	\$2,250,000.00	\$3,036,450.00	\$18,000.00	\$4,299,700.00
Transco Supply3	\$908,758	\$580,650	\$3,491,375	\$3,867,022	\$3,537,875	\$948,168	\$0	\$185,400	\$0	\$2,362,048	\$4,573	\$0
Transco Supply4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Supply5	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Supply6	\$48,753	\$0	\$542,500	\$2,133,122	\$2,526,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Supply7	\$1,809,647	\$3,174,444	\$5,967,671	\$769,500	\$795,150	\$872,250	\$0	\$2,957,700.00	\$0	\$747,000.00	\$836,182.50	
Transco Supply8	\$1,988,517	\$1,695,050	\$1,876,863	\$1,454,851	\$866,750	\$2,678,096	\$2,890,330	\$2,185,345.00	\$2,212,500.00	\$3,689,000.00	\$5,315,850.00	\$6,692,241.68
Transco Supply9	\$215,296	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Supply10	\$876,575	\$811,100	\$676,575	\$913,125	\$912,563	\$3,952,500	\$1,981,830	\$1,913,010	\$1,865,700	\$1,942,770	\$3,878,000	\$4,154,000
Transco Supply11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Supply12	\$1,991,750	\$1,757,700	\$1,857,675	\$1,572,300	\$1,717,400	\$2,693,250	\$0	\$2,294,775	\$2,220,750	\$2,424,975	\$1,501,500	\$1,746,850
Transco Supply13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Supply14	\$0	\$0	\$0	\$1,108,350	\$2,436,650	\$1,455,600	\$1,506,600	\$1,232,560	\$1,207,200	\$1,282,320	\$1,291,200	\$1,334,240
Transco Supply15	\$0	\$0	\$0	\$811,980	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Supply16	\$1,914,250.00	\$1,899,800.00	\$1,766,225.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transco Supply17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,105,384.72	\$739,500.00	\$823,050.00
Tetco Supply1	\$5,183,013	\$5,373,001.18	\$4,543,571.21	\$2,488,817	\$1,998,798	\$4,188,898	\$49,955	\$2,489,457	\$2,242,580	\$2,714,358.97	\$2,315,159.25	\$4,872,775.89
Tetco Supply2	\$0	\$0	\$0	\$883,500	\$912,950	\$0	\$0	\$0	\$0	\$0	\$7,096,540	\$8,422,327
Tetco Supply3	\$1,892,827	\$1,875,359	\$3,137,742	\$821,250	\$847,375	\$0	\$0	\$0	\$0	\$0	\$3,207,583	\$8,535,321
Tetco Supply4	\$2,497,040	\$2,008,575	\$7,140,616	\$690,784	\$0	\$0	\$0	\$0	\$0	\$95,572	\$0	\$0
Tetco Supply5	\$0	\$0	\$362,807	\$1,018,306	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tetco Supply6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tetco Supply7	\$2,772,575	\$2,582,740.37	\$3,245,451.00	\$1,539,581	\$2,854,403	\$4,379,400	\$0	\$3,862,135	\$3,763,350	\$3,916,385	\$2,999,100	\$3,475,852
Tetco Supply8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,212,500	\$0	\$0	\$1,293,212	\$1,396,240
Tetco Supply9	\$182,864	\$199,735	\$0	\$765,900	\$0	\$0	\$916,825.00	\$778,100.00	\$757,500.00	\$790,500.00	\$792,058.40	\$1,001,873.42
Tetco Supply10	\$0	\$0	\$0	\$0	\$787,865.00	\$891,000.00	\$0	\$0	\$0	\$0	\$0	\$0
Tetco Supply11	\$3,259,384	\$3,034,871	\$3,496,888	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tetco Supply12	\$1,406,047	\$1,293,182.80	\$1,551,630.60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tetco Supply13	\$1,695,590.50	\$1,666,176.40	\$3,138,144.26	\$808,875	\$1,699,844.70	\$803,750.00	\$0	\$0	\$0	\$1,880,975.00	\$0	\$0
Tetco Supply14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$788,067.00	\$896,913.70
<b>Total Costs</b>	<b>\$44,522,145</b>	<b>\$45,114,478</b>	<b>\$59,273,288</b>	<b>\$37,755,235</b>	<b>\$41,422,678</b>	<b>\$36,963,784</b>	<b>\$17,544,260.78</b>	<b>\$30,902,816.43</b>	<b>\$32,510,924.96</b>	<b>\$36,855,432.00</b>	<b>\$41,359,873.49</b>	<b>\$55,787,619.51</b>
<b>Storages</b>												
Storage Injection	0	(\$484,345)	(\$4,859,966)	(\$6,292,932)	(\$15,667,300)	(\$15,858,547)	(\$1,004,557)	(\$17,701,289)	(\$14,994,610)	(\$9,878,083)	(\$5,800,650)	(\$971,170)
Storage Withdraw	\$21,097,829	\$18,038,491	\$8,060,857	\$6,322,841	\$37,072	\$0	\$1,494,518	\$0	\$0	\$445,754	\$3,828,788	\$18,461,596

Philadelphia Gas Works  
Cost of Fuel Purchased  
Williams Pipeline Company

	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
Volumes-DTH	38,879	38,879	38,879	1,205,249	1,166,370	1,205,249	1,205,249	1,166,370	1,205,249	1,166,370	1,205,249	1,205,249
S-2 Storage Capacity	5,191	5,191	5,191	160,921	155,730	160,921	160,921	155,730	160,921	155,730	160,921	160,921
S-2 Demand	163,885	139,115	47,035	14,140	25,586	60,000	114,030	120,900	78,200	32,900	22,550	117,397
Handling fr Stg.												
Handling to Stg.												
GSS Demand	61,567	61,567	61,567	1,847,010	1,908,577	1,847,010	1,908,577	1,908,577	1,847,010	1,908,577	1,847,010	1,908,577
Stg. Cap.Vol. Chg.	4,123,733	4,123,733	4,123,733	123,711,990	127,835,723	123,711,990	127,835,723	127,835,723	123,711,990	127,835,723	123,711,990	127,835,723
Handling fr Stg.	1,189,140	53,104	303,572	518,013	7,718				37,521		77,642	527,861
Storage Injection		792,764	102,575	305,615	576,923	571,239		597,370	578,100	284,258	158,848	47,125
WSS Demand	39,246	39,246	39,246	1,177,380	1,216,826	1,177,380	1,216,826	1,216,826	1,177,380	1,216,826	1,177,380	1,216,826
Stg. Cap Vol Chg.	3,335,909	3,335,909	3,335,909	100,077,270	103,413,179	100,077,270	103,413,179	103,413,179	100,077,270	103,413,179	100,077,270	103,413,179
Handling fr Stg.	638,139	456,594	76,567	67,027	3,325	261,217					110,346	346,227
Handling to Stg.		59,616	241,021	139,363	270,269	109,156	19,093	146,061	555,990	405,237	236,953	3,354
FT Demand/3691	165,979	165,979	165,979	4,679,370	4,525,349	3,779,370	4,525,349	4,525,349	3,779,370	4,525,349	4,979,370	5,121,577
FT Commodity/3691	3,568,108	3,363,983	3,978,302	3,401,443	3,463,450	3,146,896	1,983,007	2,151,001	3,185,160	3,437,238	2,716,440	3,648,147
PSFT Demand/5001	1,736	1,736	969	29,070	30,039	29,070	30,039	30,039	29,070	30,039	29,070	53,816
PSFT Commodity/5001	57,043											40,360
Eminence Cust.Dem.	16,893	16,893	16,893	506,790	523,683	506,790	523,683	523,683	506,790	523,683	506,790	523,683
Eminence Cust. Cap.	169,966	169,966	169,966	5,098,980	5,268,946	5,098,980	5,268,946	5,268,946	5,098,980	5,268,946	5,098,980	5,268,946
Eminence Storage Dem.	31,092	31,092	31,092	932,760	963,852	932,760	963,852	963,852	932,760	963,852	932,760	963,852
Eminence Storage Cap.	312,827	312,827	312,827	9,384,810	9,697,637	9,384,810	9,697,637	9,697,637	9,384,810	9,697,637	9,384,810	9,697,637
Handling fr Stg.	59,218		31,140									41,817
Handling to Stg.			14,638	18,016	34,906	11,260			24,772	19,142	16,890	
Capacity Ref. Dem.Credit				300,000	620,000	1,200,000						
Capacity Ref. GRI Credit												
S2 Credit												(2,637.43)
GSS Credit												
Cash In/CashOut												
Eminence #2 Demand	65,201	65,201	65,201	1,956,030	2,021,231	1,956,030	2,021,231	2,021,231	1,956,030	2,021,231	1,956,030	2,021,231
Eminence #2 Capacity	656,013	656,013	656,013	19,680,390	20,336,403	19,680,390	20,336,403	20,336,403	19,680,390	20,336,403	19,680,390	20,336,403
Handling to Stg.			56,498	68,424	131,723	43,460			95,612	73,882	100,917	
Handling fr. Stg.	347,681		114,095	4,209			25,954					119,967
Adjustment from July 01												(955.00)
Adjustment from June 01												
Adjustment from Oct 01												1,815
LGS Del. Commodity												(19,454)
LGS Del. Com. Adj.9/02												
CashOut												

(382)



Philadelphia Gas Works  
Cost of Fuel Purchased  
Williams Pipeline Company

Amount - \$	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
S-2 Capacity	\$ 5,027.05	\$ 5,027.05	\$ 5,027.05	\$ 5,182.58	\$ 5,015.40	\$ 5,182.58	\$ 5,182.58	\$ 5,015.40	\$ 5,182.58	\$ 5,015.40	\$ 5,182.58	\$ 5,182.58
Storage Demand	\$ 24,678.01	\$ 24,709.16	\$ 24,709.16	\$ 25,184.09	\$ 24,371.70	\$ 25,184.09	\$ 25,184.09	\$ 24,480.90	\$ 25,296.92	\$ 24,480.90	\$ 25,296.93	\$ 25,296.93
Handling fr Stg.	\$ 9,161.17	\$ 7,609.59	\$ 2,572.81	\$ 773.50	\$ 2,316.00						\$	\$ 6,902.62
Handling to Stg.				\$ 987.62	\$ -	\$ 4,401.60		\$ 4,666.74	\$ 2,941.32	\$ 1,269.94	\$ 870.43	
GSS Demand	\$ 167,505.34	\$ 167,505.34	\$ 167,505.34	\$ 165,677.10	\$ 171,199.67	\$ 165,677.10	\$ 171,199.67	\$ 171,199.67	\$ 165,677.10	\$ 171,199.67	\$ 165,677.10	\$ 171,199.67
Stg. Cap.Vol. Chg.	\$ 65,154.98	\$ 65,154.98	\$ 65,154.98	\$ 61,856.10	\$ 63,917.97	\$ 61,856.10	\$ 63,917.97	\$ 63,917.97	\$ 61,856.10	\$ 63,917.97	\$ 61,856.10	\$ 63,917.97
Handling fr Stg.	\$ 33,771.58	\$ 22,514.50	\$ 8,621.44	\$ 15,125.99	\$ 225.36						\$ 1,095.63	\$ 2,267.16
Storage Injection		\$ 1,635.60	\$ 3,159.31	\$ 9,657.46	\$ 18,230.80	\$ 18,051.13		\$ 18,876.83	\$ 18,267.90	\$ 8,982.48	\$ 4,959.49	\$ 1,517.43
WSS Demand	\$ 22,256.41	\$ 22,256.41	\$ 22,256.41	\$ 21,899.40	\$ 22,629.38	\$ 21,899.40	\$ 22,629.38	\$ 22,629.38	\$ 21,899.40	\$ 22,629.38	\$ 21,899.40	\$ 22,629.38
Stg. Cap Vol Chg.	\$ 22,350.59	\$ 22,350.59	\$ 22,350.59	\$ 20,015.40	\$ 20,682.58	\$ 20,015.40	\$ 20,682.58	\$ 20,682.58	\$ 20,015.40	\$ 20,682.58	\$ 20,015.40	\$ 20,682.58
Handling fr Stg.	\$ 4,084.09	\$ 2,922.20	\$ 490.03	\$ 428.97	\$ 15.29	\$ 21.28	\$ 1,671.78				\$ 706.23	\$ 2,215.79
Handling to Stg.		\$ 381.54	\$ 1,542.53	\$ 891.92	\$ 1,697.63	\$ 698.61	\$ 122.21	\$ 934.83	\$ 3,558.30	\$ 2,593.48	\$ 1,516.48	\$ 21.45
FT Demand/3691	\$ 1,985,044.45	\$ 1,985,044.45	\$ 1,986,834.17	\$ 1,961,927.40	\$ 1,902,332.98	\$ 1,961,927.40	\$ 2,027,324.98	\$ 2,027,324.98	\$ 1,961,927.40	\$ 2,027,324.98	\$ 1,961,927.40	\$ 2,025,498.77
FT Commodity/3691	\$ 133,982.49	\$ 111,015.40	\$ 116,115.99	\$ 112,392.49	\$ 113,394.19	\$ 109,002.73	\$ 81,282.56	\$ 72,646.71	\$ 90,778.18	\$ 109,733.45	\$ 87,605.57	\$ 129,213.38
PSFT Demand/5001	\$ 13,432.59	\$ 13,432.59	\$ 11,642.87	\$ 11,496.60	\$ 11,879.82	\$ 11,496.60	\$ 11,879.82	\$ 11,879.82	\$ 11,496.60	\$ 11,879.82	\$ 11,496.60	\$ 13,706.03
PSFT Commodity	\$ 2,059.25	\$ 1,660.20	\$ -								\$	\$ 1,380.28
Eminence Cust.Dem.	\$ 7,934.64	\$ 7,934.64	\$ 7,934.64	\$ 7,804.50	\$ 8,064.65	\$ 7,804.50	\$ 8,064.65	\$ 8,064.65	\$ 7,804.50	\$ 8,064.65	\$ 7,804.50	\$ 8,064.65
Eminence Cust. Cap.	\$ 7,937.41	\$ 7,937.41	\$ 7,937.41	\$ 7,648.50	\$ 7,903.45	\$ 7,648.50	\$ 7,903.45	\$ 7,903.45	\$ 7,648.50	\$ 7,903.45	\$ 7,648.50	\$ 7,903.45
Eminence Storage Dem.	\$ 14,603.91	\$ 14,603.91	\$ 14,603.91	\$ 14,364.60	\$ 14,843.42	\$ 14,364.60	\$ 14,843.42	\$ 14,843.42	\$ 14,364.60	\$ 14,843.42	\$ 14,364.60	\$ 14,843.42
Eminence Storage Cap.	\$ 14,609.02	\$ 14,609.02	\$ 14,609.02	\$ 14,077.20	\$ 14,546.44	\$ 14,077.20	\$ 14,546.44	\$ 14,546.44	\$ 14,077.20	\$ 14,546.44	\$ 14,077.20	\$ 14,546.44
Handling fr Stg.	\$ 538.88		\$ 283.37								\$	\$ 380.62
Handling to Stg.			\$ 133.21	\$ 164.00	\$ 317.75	\$ 102.50			\$ 225.50	\$ 174.25	\$ 153.75	
Capacity Rel. Dem.Credit				\$ (60,480.00)	\$	\$ (223,920.00)	\$ (290,780.00)	\$ (231,384.00)	\$ (120,960.00)			
Capacity Rel. GRI Credit												
S2 Credit	\$ (5,649.01)	\$ (2,926.87)	\$ (2,946.75)	\$ (2,971.58)	\$	\$ (2,882.22)	\$ (3,004.45)	\$ (2,856.71)	\$ (2,985.98)	\$ (2,966.56)	\$ (2,869.93)	\$ (2,837.43)
GSS Credit												
Cash In/CashOut												
Eminence #2 Demand	\$ 24,313.45	\$ 24,313.45	\$ 24,313.45	\$ 23,980.80	\$ 24,780.16	\$ 23,980.80	\$ 24,780.16	\$ 24,780.16	\$ 23,980.80	\$ 24,780.16	\$ 23,980.80	\$ 24,780.16
Eminence #2 Capacity	\$ 24,338.08	\$ 24,338.08	\$ 24,338.08	\$ 24,010.20	\$ 24,810.54	\$ 24,010.20	\$ 24,810.54	\$ 24,810.54	\$ 24,010.20	\$ 24,810.54	\$ 24,010.20	\$ 24,810.54
Handling to Stg.			\$ 514.13	\$ 622.68	\$ 1,198.66	\$ 395.50		\$ 870.10	\$ 672.35	\$ 918.36		
Handling fr Stg.	\$ 3,163.90		\$ 1,038.26	\$ 38.30			\$ 236.19				\$	\$ 1,091.70
Adjustment from April 03				\$	\$ 59.98	\$ (21.72)	\$ 2.53		\$ (2,861.15)		\$	\$ 64.05
Adjustment from June 01												\$ 31.05
Adjustment from Oct 01												\$ 16.52
Adjustment from Nov 01											\$	\$ (124.50)
Adjustment from Jan 01												
Adjustment from Feb 02												
LGS Del. Commodity												
LGS Del. Com. Adj. 9/02												
Cashout								\$ (2,021.54)	\$ (355.49)			
Total	\$ 2,580,298.28	\$ 2,544,029.25	\$ 2,530,741.41	\$ 2,442,755.82	\$ 2,454,433.82	\$ 2,270,973.88	\$ 2,232,480.55	\$ 2,302,943.22	\$ 2,354,716.97	\$ 2,563,634.38	\$ 2,461,364.84	\$ 2,598,560.19

Philadelphia Gas Works  
Summary of Fuels Purchased

Volume	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
Spot Purchases - Transco	75,744	28,498	60,500	3,000	155,000	150,001	155,001	176,700	734,402	-	882	-
Spot Purchases - Tetco	-	284	18,587	206,762	198,600	75	355	140	-	-	227	160
Spot for Resale	-	-	-	-	-	-	-	-	-	-	-	-
<b>Firm Contracts</b>												
Transco Supply1 - Dem	55,212	55,212	55,212	55,200	55,211	55,200	55,211	55,211	55,200	55,211	55,200	55,211
Commodity	1,391,497	1,412,759	421,457	1,268,125	1,638,723	772,896	311,995	1,036,010	764,610	674,233	783,862	668,892
Transco Supply2 - Dem	820,000	560,000	620,000	-	-	-	-	-	-	-	800,000	-
Commodity	485,000	560,000	620,000	440,000	620,000	450,000	465,000	465,000	450,000	620,000	-	620,000
Transco Supply3 - Dem	-	-	465,000	-	-	-	-	-	-	-	-	-
Commodity	210,540	140,000	465,000	692,506	620,000	174,770	-	40,000	-	459,590	-	-
Transco Supply4 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	-	-
Transco Supply5 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	-	-
Transco Supply6 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	10,248	-	70,000	404,120	465,000	-	-	-	-	-	-	-
Transco Supply7 - Dem	-	588,000	651,000	-	-	-	-	-	-	-	-	-
Commodity	356,000	588,000	651,000	150,000	155,000	150,000	-	-	600,000	-	150,000	155,000
Transco Supply8 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	483,900	420,000	465,000	285,794	155,000	450,029	460,365	465,000	450,000	775,031	1,050,000	1,044,552
Transco Supply9 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	-	-
Transco Supply10 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	155,000	140,000	155,000	150,000	155,000	680,000	372,000	372,000	360,000	372,000	750,000	775,000
Transco Supply11 - Dem	-	-	-	0	0	0	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	-	-
Transco Supply12 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	465,000	420,000	465,000	300,000	310,000	450,000	-	465,000	450,000	465,000	300,000	310,000
Transco Supply13 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	-	-
Transco Supply14 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	180,000	434,000	240,000	248,000	248,000	240,000	248,000	240,000	248,000
Transco Supply15 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	156,000	-	-	-	-	-	-	-	-
Transco Supply16 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	465,000	420,000	465,000	-	-	-	-	-	-	-	-	-
Transco Supply17 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	619,982	150,000	155,000
Tetco Supply1 - Dem	1,029,433	647,780	476,082	333,036	333,036	336,036	336,036	336,036	336,036	-	1,325,755	-
Commodity	1,029,433	647,780	476,082	459,327	368,076	700,712	-	509,985	450,000	-	435,860	927,696
Tetco Supply2 - Dem	-	-	-	150,000	155,000	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	1,441,620	1,516,179
Tetco Supply3 - Dem	342,829	309,652	342,829	150,000	155,000	-	-	-	-	-	-	42,625
Commodity	342,829	309,652	342,829	150,000	155,000	-	-	-	-	-	1,050,282	1,196,746
Tetco Supply4 - Dem	604,283	487,879	1,050,001	-	-	-	-	-	-	-	-	-
Commodity	604,283	487,879	1,050,001	136,962	-	-	-	-	-	21,758	-	-
Tetco Supply5 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	49,905	195,021	-	-	-	-	-	-	-	-
Tetco Supply6 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	-	-
Tetco Supply7 - Dem	668,236	603,568	668,236	-	-	-	-	-	-	-	-	-
Commodity	668,236	603,568	668,236	272,545	527,000	750,000	-	775,000	750,000	775,000	634,660	670,344
Tetco Supply8 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	245,250	257,145
Tetco Supply9 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	33,174	35,540	-	150,000	155,000	150,000	155,000	155,000	150,000	155,000	163,880	178,219
Tetco Supply10 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	-	-
Tetco Supply11 - Dem	827,514	747,432	827,544	-	-	-	-	-	-	-	-	-
Commodity	827,514	747,432	827,544	-	-	-	-	-	-	-	-	-
Tetco Supply12 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	344,255	310,940	344,255	-	-	-	-	-	-	-	-	-
Tetco Supply13 - Dem	342,798	309,624	342,798	-	-	-	-	-	-	-	-	-
Commodity	342,798	309,624	342,798	150,000	327,019	150,000	-	-	-	310,000	-	-
Tetco Supply14 - Dem	-	-	-	-	-	-	-	-	-	-	-	-
Commodity	-	-	-	-	-	-	-	-	-	-	163,660	172,670

Philadelphia Gas Works  
 Summary of Fuels Purchased

Rate - \$	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
Spot Purchases -Transco	\$ 4,1600	\$ 5,5701	\$ 8,5451	\$ 5,2200	\$ 5,1800	\$ 6,0300	\$ 6,3850	\$ 4,7463	\$ 4,9164	\$ -	\$ -	\$ -
Spot Purchases -Tetco	\$ -	\$ -	\$ 7,5200	\$ 5,2227	\$ 4,9797	\$ 6,1744	\$ 3,7365	\$ 3,7764	\$ -	\$ -	\$ 3,8204	\$ 5,3770
Spot for Resale												
Total Miscel. Purchases												
<b>Firm Contracts</b>												
Transco Supply1 - Dem	\$ 4,2600	\$ 4,2600	\$ 4,2600	\$ 4,2609	\$ 4,2601	\$ 6,6915	\$ 6,9131	\$ 6,4671	\$ 6,6915	\$ 4,2601	\$ 4,2609	\$ 4,2600
Commodity	\$ 4,2292	\$ 5,9679	\$ 9,6128	\$ 5,4022	\$ 5,3744	\$ 6,2449	\$ 5,5527	\$ 4,9152	\$ 5,1724	\$ 4,8313	\$ 4,6842	\$ 4,2292
Transco Supply2 - Dem	\$ 0,0200	\$ -	\$ 0,0200	\$ 0,0200	\$ 0,0200	\$ 0,0200	\$ 0,0200	\$ 0,0200	\$ 4,9300	\$ 5,0000	\$ 4,8975	\$ 0,0300
Commodity	\$ -	\$ -	\$ -	\$ -	\$ 5,2600	\$ 5,9750	\$ 6,0350	\$ -	\$ -	\$ -	\$ -	\$ 5,9900
Transco Supply3 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,6350	\$ -	\$ 5,1395	\$ -	\$ -
Commodity	\$ 4,1081	\$ 4,1475	\$ 7,5083	\$ 5,5841	\$ 5,7063	\$ 5,4252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply4 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply5 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply6 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ 4,7573	\$ -	\$ 7,7500	\$ 5,2784	\$ 5,4333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply7 - Dem	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Commodity	\$ 4,1538	\$ 5,3823	\$ 9,1505	\$ 5,1300	\$ 5,1300	\$ 5,8150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,1538
Transco Supply8 - Dem	\$ 4,0358	\$ 4,0358	\$ 4,0358	\$ 5,4736	\$ 5,5919	\$ 5,9509	\$ 6,2783	\$ 4,6997	\$ 4,9167	\$ 4,7598	\$ 5,0627	\$ 4,0358
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply9 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply10 - Dem	\$ 4,3650	\$ 4,3650	\$ 4,3650	\$ 6,0875	\$ 5,8875	\$ 5,9886	\$ 5,3275	\$ 5,1425	\$ 5,1825	\$ 5,2225	\$ 5,1680	\$ 4,3650
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply11 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply12 - Dem	\$ 4,1117	\$ 4,1850	\$ 3,9950	\$ 5,2410	\$ 5,5400	\$ 5,9850	\$ #DIV/0!	\$ 4,9350	\$ 4,9350	\$ 5,2150	\$ 5,0050	\$ 4,1117
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply13 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply14 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ 5,6144	\$ 6,0650	\$ 6,0750	\$ 4,9700	\$ 5,0300	\$ 5,0900	\$ 5,3800	\$ 5,3800
Transco Supply15 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply16 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transco Supply17 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply1 - Dem	\$ 0,1974	\$ 0,3141	\$ 0,4276	\$ 0,1500	\$ 0,1500	\$ 0,1487	\$ 0,1487	\$ 0,1487	\$ 0,1487	\$ -	\$ -	\$ 5,5800
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,8782	\$ -	\$ 4,7835	\$ 4,8725	\$ -	\$ 4,3992	\$ 0,1974
Tetco Supply2 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply3 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,9226	\$ 6,1158
Commodity	\$ 4,1479	\$ 5,4082	\$ 9,1500	\$ 5,4750	\$ 5,4669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,0500	\$ 4,1479
Tetco Supply4 - Dem	\$ 4,0324	\$ 4,1114	\$ 6,4303	\$ 5,0436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ 4,7023	\$ -	\$ 7,2700	\$ 5,2215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply5 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply6 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ 4,0416	\$ 4,2755	\$ 4,8532	\$ 5,6489	\$ 5,4163	\$ 5,8392	\$ -	\$ 4,9834	\$ 5,0178	\$ 5,0534	\$ 4,7240	\$ 4,0416
Tetco Supply7 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply8 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply9 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,2730	\$ 5,4296
Commodity	\$ 4,9100	\$ 5,8200	\$ -	\$ -	\$ 5,0830	\$ 5,9400	\$ 5,9150	\$ 5,0200	\$ 5,0500	\$ 5,1000	\$ 4,8391	\$ 5,6216
Tetco Supply10 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ 0,2250	\$ 0,2250	\$ 0,2250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply11 - Dem	\$ 3,7138	\$ 3,8351	\$ 4,0006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ 4,0843	\$ 4,1588	\$ 4,5072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply12 - Dem	\$ 0,0133	\$ 0,0045	\$ 0,0045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ 4,9331	\$ 2,7308	\$ 9,1500	\$ 5,3925	\$ 5,1980	\$ 6,0250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply13 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tetco Supply14 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,8147	\$ 5,8803



Section 1  
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1307F - Schedule 1  
53.84 (C) (1)

Tetco Supply7 - Dem	\$ 2,399.02	\$ 2,166.85	\$ 2,399.02	\$ -	\$ -	\$ -													
Commodity	\$ 2,770,175.80	\$ 2,580,573.52	\$ 3,243,051.98	\$ 1,539,581.04	\$ 2,854,402.50	\$ 4,379,400.00		\$ 3,862,135.00	\$ 3,763,350.00	\$ 3,916,385.00	\$ 2,999,099.70	\$ 3,475,852.06							
Tetco Supply8 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -													
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 2,212,500.00			\$ 1,293,212.40	\$ 1,396,240.00							
Tetco Supply9 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -													
Commodity	\$ 162,884.34	\$ 199,734.80	\$ -	\$ 765,900.00	\$ 787,865.00	\$ 891,000.00	\$ 916,825.00	\$ 778,100.00	\$ 757,500.00	\$ 790,500.00	\$ 792,056.40	\$ 1,001,873.42							
Tetco Supply10 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -													
Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -													
Tetco Supply11 - Dem	\$ 186,197.63	\$ 168,178.50	\$ 186,197.63	\$ -	\$ -	\$ -													
Commodity	\$ 3,073,186.24	\$ 2,866,492.16	\$ 3,310,690.10	\$ -	\$ -	\$ -													
Tetco Supply12 - Dem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -													
Commodity	\$ 1,406,046.85	\$ 1,293,182.80	\$ 1,551,630.60	\$ -	\$ -	\$ -													
Tetco Supply13 - Dem	\$ 4,547.32	\$ 1,393.28	\$ 1,542.56	\$ -	\$ -	\$ -													
Commodity	\$ 1,691,043.18	\$ 1,664,783.12	\$ 3,136,601.70	\$ 808,875.00	\$ 1,699,844.70	\$ 903,750.00				\$ 1,680,975.00									
Tetco Supply14 - Dem																			
Commodity											\$ 788,067.00	\$ 896,913.70							

Philadelphia Gas Works  
Cost of Fuel Purchased  
Texas Eastern

Volumes - Dth	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
CDS Market Area Demand	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
CDS Access Area Demand	97,573	97,573	97,573	97,573	97,573	97,573	97,573	97,573	97,573	97,573	97,573	97,573
CDS Commodity	2,323,200	2,086,425	2,083,000	1,103,553	1,753,014	1,610,148	142,910	1,325,495	527,940	937,563	1,086,420	1,927,450
CDS ACA Charge	2,323,200	2,086,425	2,083,000	1,103,553	1,753,014	1,610,148	142,910	1,325,495	527,940	937,563	1,086,420	1,927,450
FT1 Access Area Demand	23,822	23,822	23,822	23,822	23,822	23,822	23,822	23,822	23,822	23,822	23,822	23,822
FT1 Market Area Demand	54,878	54,878	54,878	54,878	54,878	54,878	54,878	54,878	54,878	54,878	54,878	54,878
FT1 Commodity	738,482	667,016	738,482	714,660	0	0	0	0	714,660	738,482	714,660	738,482
FT1 ACA Charge	738,482	667,016	738,482	714,660	0	0	0	0	714,660	738,482	714,660	738,482
SS1 Demand 400121	44,118	44,118	44,118	44,118	44,118	44,118	44,118	44,118	44,118	44,118	44,118	44,118
Space Charge	220,590	220,590	220,590	220,590	220,590	220,590	220,590	220,590	220,590	220,590	220,590	220,590
Handling fr Storage	653,131	603,344	235,399	264,496	0	0	0	0	0	0	51,931	435,380
Storage Injection			122,893	165,096	370,621	405,380	29,135	423,174	408,180	288,038	85,971	28,545
Excess Injection			87	2,349	14,293	941					18,274	40,207
Storage Surcharge Credit												
SS1 Demand 400209	20,847	20,847	20,847	20,847	20,847	20,847	20,847	20,847	20,847	20,847	20,847	20,847
Space Charge	205,177	205,177	205,177	205,177	205,177	205,177	205,177	205,177	205,177	205,177	205,177	205,177
Handling fr Storage	610,753		269,550	208,827							89,714	393,228
Excess Withdrawal		558,947										
Storage Injection			61,862	121,244	387,693	379,680	23,573	392,336	378,533	286,825	192,847	41,960
Excess Injection			35,771		14,658							
Storage Surcharge Credit												
FTS-2 Demand	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,394
FTS-7 Demand	7,788	7,788	7,788	7,788	7,788	7,788	7,788	7,788	7,788	7,788	7,788	7,788
FTS-8 Demand	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709	25,709
FT-1 Acc.Area Dem. 800514	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
FT-1 Market Area Demand	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474
FT-1 GRI Demand	18,000	18,000	18,000	18,000	18,000	18,000	18,000		18,000	18,000	18,000	18,000
FT Commodity	558,000	504,000	459,000	0							540,000	558,000
FT-1 GRI Usage	540,000	504,000	459,000	0							540,000	558,000
FT-1 ACA Charge	540,000	504,000	459,000	0							540,000	558,000
M1-M3 Cap.Rel. GRI dem.credit							1,656,000	558,000	540,000			
M1-M3 Cap.Rel. demand credit							1,656,000	558,000	540,000			
FT-1 Acc.Area Dem. 800515	18,000	18,000	18,000	18,000	18,000	18,000	18,000				18,000	18,000
FT-1 Market Area Demand	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474	11,474
FT-1 GRI Demand	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
FT Commodity	558,000	504,000	459,000	3,000							540,000	558,000
FT-1 GRI Usage	558,000	504,000	459,000	3,000							540,000	558,000
FT-1 ACA Charge	558,000	504,000	459,000	3,000							540,000	558,000
M1-M3 Cap.Rel. GRI dem.credit							1,656,000	558,000	540,000			
M1-M3 Cap.Rel. demand credit							1,656,000	558,000	540,000			
CDS 800232 M1-M2 Cap. Rel.												
FT1-800233 M1-M3 Cap. Rel.						300,000	310,000	310,000				
FT-2,7,8 ACA	1,063,629	935,853	379,356	277,443	0	0					341,448	794,171



Philadelphia Gas Works  
Cost of Fuel Purchased  
Texas Eastern

Volumes - Dth	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
CDS Access Area Demand	\$ 805,725.00	\$ 805,575.00	\$ 805,575.00	\$ 805,575.00	\$ 805,575.00	\$ 805,575.00	\$ 805,575.00	\$ 811,950.00	\$ 811,950.00	\$ 811,950.00	\$ 811,950.00	\$ 810,675.00
CDS Market Area Demand	\$ 330,356.77	\$ 330,295.61	\$ 330,295.61	\$ 330,295.61	\$ 330,295.61	\$ 330,295.61	\$ 330,295.61	\$ 330,272.47	\$ 330,272.47	\$ 330,272.47	\$ 330,272.47	\$ 330,272.47
CDS Commodity	\$ 177,130.33	\$ 147,289.74	\$ 152,389.75	\$ 77,063.88	\$ 127,924.34	\$ 118,959.89	\$ 9,573.43	\$ 100,419.57	\$ 35,306.69	\$ 70,001.64	\$ 86,893.29	\$ 164,913.52
CDS ACA Charge	\$ 4,878.72	\$ 4,381.50	\$ 4,374.29	\$ 2,317.46	\$ 3,681.32	\$ 3,381.31	\$ 300.11	\$ 2,783.54	\$ 1,108.87	\$ 1,968.91	\$ 2,281.49	\$ 4,047.64
FT1 Access Area Demand	\$ 250,607.44	\$ 250,559.80	\$ 250,559.80	\$ 250,559.80	\$ 250,559.80	\$ 250,559.80	\$ 250,559.80	\$ 252,584.67	\$ 252,584.67	\$ 252,584.67	\$ 252,584.67	\$ 252,178.69
FT1 Market Area Demand	\$ 194,763.58	\$ 194,714.80	\$ 194,714.80	\$ 194,714.80	\$ 194,714.80	\$ 194,714.80	\$ 194,714.80	\$ 194,700.76	\$ 194,700.76	\$ 194,700.76	\$ 194,700.76	\$ 194,700.76
FT1 Commodity	\$ 61,143.55	\$ 51,467.17	\$ 58,452.72	\$ 51,883.29	\$ -	\$ -	\$ -	\$ 59,147.53	\$ 58,508.41	\$ 58,331.90	\$ 58,331.90	\$ 63,642.51
FT1 ACA Charge	\$ 1,550.81	\$ 1,400.74	\$ 1,550.81	\$ 1,500.79	\$ -	\$ -	\$ -	\$ 1,500.79	\$ 1,550.81	\$ 1,550.81	\$ 1,500.79	\$ 1,550.81
SS1 Demand 400121	\$ 240,398.98	\$ 240,663.69	\$ 240,663.69	\$ 240,663.69	\$ 240,663.69	\$ 240,663.69	\$ 240,663.69	\$ 241,678.40	\$ 241,678.40	\$ 241,678.40	\$ 241,678.40	\$ 241,634.29
Space Charge	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29	\$ 28,522.29
Handling fr Storage	\$ 39,253.18	\$ 35,536.96	\$ 13,865.00	\$ 15,578.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,152.21	\$ 28,393.82
Storage Injection			\$ 4,485.59	\$ 6,026.00	\$ 13,527.67	\$ 14,796.37	\$ 1,063.43	\$ 15,445.85	\$ 14,898.57	\$ 10,513.38	\$ 3,137.94	\$ 1,053.31
Excess Injection			\$ 14.05	\$ 379.36	\$ 1,050.45	\$ 34.35	\$ -	\$ -	\$ -	\$ -	\$ 2,951.25	\$ 6,501.47
Storage Surcharge Credit	\$ (25,111.22)	\$ (25,015.63)	\$ (25,226.44)	\$ (24,288.96)	\$ (24,467.82)	\$ (25,505.47)	\$ (25,209.24)	\$ (25,348.67)	\$ (25,183.77)	\$ (24,363.46)	\$ (24,087.60)	\$ (24,484.56)
SS1 Demand 400209	\$ 113,595.30	\$ 113,720.39	\$ 113,720.39	\$ 113,720.39	\$ 113,720.39	\$ 113,720.39	\$ 113,720.39	\$ 114,199.87	\$ 114,199.87	\$ 114,199.87	\$ 114,199.87	\$ 114,179.02
Space Charge	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39	\$ 26,529.39
Handling fr Storage	\$ 36,706.26	\$ 32,921.98	\$ 15,876.50	\$ 12,299.91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,445.64	\$ 24,773.36
Excess Withdrawal										\$ 2,292.52		
Storage Injection			\$ 2,257.96	\$ 4,425.41	\$ 14,150.79	\$ 13,858.32	\$ 860.41	\$ 14,320.26	\$ 13,816.45	\$ 10,469.12	\$ 7,038.92	\$ 1,548.32
Excess Injection			\$ 5777.02	\$ -	\$ 535.02	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Storage Surcharge Credit	\$ (11,865.73)	\$ (11,820.56)	\$ (11,920.18)	\$ (11,477.19)	\$ (11,561.71)	\$ (12,052.04)	\$ (11,912.05)	\$ (11,977.93)	\$ (11,900.02)	\$ (11,512.39)	\$ (11,382.04)	\$ (11,569.62)
FTS-2 Demand	\$ 42,930.85	\$ 42,930.85	\$ 42,930.85	\$ 42,930.85	\$ 42,930.85	\$ 42,930.85	\$ 42,930.85	\$ 42,930.85	\$ 42,930.85	\$ 42,930.85	\$ 43,014.82	\$ 43,182.75
FTS-7 Demand	\$ 51,213.89	\$ 51,213.89	\$ 51,213.89	\$ 51,213.89	\$ 51,213.89	\$ 51,213.89	\$ 51,213.89	\$ 51,213.89	\$ 51,213.89	\$ 51,213.89	\$ 51,361.08	\$ 51,496.03
FTS-8 Demand	\$ 176,466.58	\$ 176,466.58	\$ 176,466.58	\$ 176,466.58	\$ 176,466.58	\$ 176,466.58	\$ 176,466.58	\$ 176,466.58	\$ 176,466.58	\$ 176,466.58	\$ 176,952.46	\$ 177,600.30
FT-1 Acc.Area Dem. 800514	\$ 189,360.00	\$ 189,324.00	\$ 189,324.00	\$ 189,324.00	\$ 189,324.00	\$ 189,324.00	\$ 189,324.00	\$ 189,854.00	\$ 190,854.00	\$ 190,854.00	\$ 190,854.00	\$ 190,548.00
FT-1 Market Area Demand	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,686.96	\$ 25,686.96	\$ 25,686.96	\$ 25,686.96	\$ 25,686.96
FT-1 GRI Demand	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
FT Commodity	\$ 39,568.34	\$ 32,563.94	\$ 30,221.83	\$ 222.30	\$ -	\$ -	\$ -	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 39,310.50
FT-1 GRI Usage	\$ 2,232.00	\$ 2,016.00	\$ 1,457.56	\$ 12.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,781.52	\$ 2,232.00
FT-1 ACA Charge	\$ 1,171.80	\$ 1,058.40	\$ 963.90	\$ 6.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,134.00	\$ 1,171.80
M1-M3 Cap.Rel. GRI dem.credit				\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ -
M1-M3 Cap.Rel. demand credit						\$ (378,344.07)	\$ (46,127.18)	\$ (107,981.21)	\$ -	\$ -	\$ -	\$ -
FT-1 Acc.Area Dem. 800515	\$ 189,360.00	\$ 189,324.00	\$ 189,324.00	\$ 189,324.00	\$ 189,324.00	\$ 189,324.00	\$ 189,324.00	\$ 190,854.00	\$ 190,854.00	\$ 190,854.00	\$ 190,854.00	\$ 190,548.00
FT-1 Market Area Demand	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,689.16	\$ 25,686.96	\$ 25,686.96	\$ 25,686.96	\$ 25,686.96	\$ 25,686.96
FT-1 GRI Demand	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00
FT Commodity	\$ 39,568.34	\$ 32,563.94	\$ 30,221.83	\$ 222.30	\$ -	\$ -	\$ -	\$ 900.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 39,310.50
FT-1 GRI Usage	\$ 2,232.00	\$ 2,016.00	\$ 1,457.56	\$ 12.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,781.52	\$ 2,232.00
FT-1 ACA Charge	\$ 1,171.80	\$ 1,058.40	\$ 963.90	\$ 6.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,134.00	\$ 1,171.80
M1-M3 Cap.Rel. GRI dem.credit				\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ (900.00)	\$ -
M1-M3 Cap.Rel. demand credit						\$ (378,344.07)	\$ (46,127.18)	\$ (107,981.21)	\$ -	\$ -	\$ -	\$ -
CDS 800232 M1-M2 Cap. Rel.												
FT1-800233 M1-M3 Cap. Rel.						\$ (14,790.00)	\$ (9,300.00)	\$ (9,362.00)	\$ -	\$ -	\$ -	\$ -
FT-2,7,8 ACA	\$ 2,233.62	\$ 1,965.29	\$ 542.83	\$ 582.63	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Take-or-Pay Credit SS-2												
Adjustment 699 SS1B Storage												
<b>Total</b>	<b>\$ 3,064,872.19</b>	<b>\$ 3,002,422.48</b>	<b>\$ 2,980,745.09</b>	<b>\$ 2,829,550.60</b>	<b>\$ 2,816,058.67</b>	<b>\$ 2,789,901.34</b>	<b>\$ 1,899,906.58</b>	<b>\$ 2,698,157.35</b>	<b>\$ 2,676,863.58</b>	<b>\$ 2,824,460.03</b>	<b>\$ 2,926,364.00</b>	<b>\$ 3,060,059.67</b>

Philadelphia Gas Works  
Cost of Fuel Purchased  
Equitrans

Volumes	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
STS-1 Cap. Res. Chge.	3,460	3,460	3,460	2,442	2,442	2,442	2,442	2,442	2,442	2,442	3,460	3,460
STS-1 Commodity Inj.				78,120	80,724	78,120	80,724	80,724	78,120	29,905	-	-
SS-3 Demand	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998
SS-3 Space Charge	522,500	522,500	522,500	522,500	522,500	522,500	522,500	522,500	522,500	522,500	522,500	522,500
SS-3 Storage Withdrawal	154,938	131,768	40,259									
SS-3 Storage Injection									77,730	29,756	39,984	119,952
ACA STS-1				78,120	80,724	78,120	80,724	80,724	78,120	29,905		
<b>Rates - \$</b>												
STS-1 Cap. Res. Chge.	5.7625	5.7625	5.7625	5.0087	5.0087	5.0087	5.0087	5.0087	5.0087	5.0087	5.7625	5.7625
STS-1 Commodity Inj.	0.0079	0.0079	0.0079	0.0079	0.0079	0.0079	0.0079	0.0079	0.0079	0.0079	0.0079	0.0079
SS-3 Demand	1.3887	1.3887	1.3887	1.3887	1.3887	1.3887	1.3887	1.3887	1.3887	1.3887	1.3887	1.3887
SS-3 Space Charge	0.0265	0.0265	0.0265	0.0265	0.0265	0.0265	0.0265	0.0265	0.0265	0.0265	0.0265	0.0265
SS-3 Storage Withdrawal	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089
SS-3 Storage Injection	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089	0.0089
ACA STS-1	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021
<b>Total Amount - \$</b>												
STS-1 Transp. Demand	\$ 19,938.25	\$ 19,938.25	\$ 19,938.25	\$ 12,231.25	\$ 12,231.25	\$ 12,231.25	\$ 12,231.25	\$ 12,231.25	\$ 12,231.25	\$ 12,231.25	\$ 19,938.25	\$ 19,938.25
STS-1 Commodity Inj.				\$ 617.10	\$ 637.67	\$ 617.10	\$ 637.67	\$ 637.67	\$ 617.10	\$ 236.23	\$ -	\$ -
SS-3 Demand	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72	\$ 6,940.72
SS-3 Space Charge	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25	\$ 13,846.25
SS-3 Storage Withdrawal	\$ 1,378.88	\$ 1,172.68	\$ 358.29								\$ 355.84	\$ 1,067.52
SS-3 Storage Injection									\$ 691.80	\$ 264.83		
ACA STS-1				164.10	169.57	164.10	169.57	169.57	164.10	62.82		
<b>Total</b>	<b>\$ 42,104.10</b>	<b>\$ 41,897.90</b>	<b>\$ 41,083.51</b>	<b>\$ 33,799.42</b>	<b>\$ 33,825.47</b>	<b>\$ 33,799.42</b>	<b>\$ 33,825.47</b>	<b>\$ 33,825.47</b>	<b>\$ 34,491.22</b>	<b>\$ 33,582.10</b>	<b>\$ 41,081.06</b>	<b>\$ 41,792.74</b>

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Volumes	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
GSS Storage Demand	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047	34,047
GSS Storage Capacity	3,918,971	3,918,971	3,918,971	3,918,971	3,918,971	3,918,971	3,918,971	3,918,971	3,918,971	3,918,971	3,918,971	3,918,971
GSS Storage Injection			219,746	173,764	775,000	702,720		607,445	560,341	354,435	183,130	
GSS Handling from Storage	923,524	817,175	344,553	281,907							306,423	685,195
GSS-TE Surcharge	923,524	817,175	344,553	281,907							306,423	685,195

Rates - \$

GSS Storage Demand	\$	1.8887	\$	1.8887	\$	1.8887	\$	1.8887	\$	1.8887	\$	1.8887	\$	1.8841	\$	1.8841
GSS Storage Capacity	\$	0.0145	\$	0.0145	\$	0.0145	\$	0.0145	\$	0.0145	\$	0.0145	\$	0.0145	\$	0.0145
GSS Storage Injection	\$	0.0207	\$	0.0207	\$	0.0207	\$	0.0207	\$	0.0207	\$	0.0207	\$	0.0215	\$	0.0215
GSS Handling from Storage	\$	0.0171	\$	0.0171	\$	0.0171	\$	0.0171	\$	0.0171	\$	0.0171	\$	0.0177	\$	0.0177
GSS-TE Surcharge	\$	0.0061	\$	0.0061	\$	0.0061	\$	0.0061	\$	0.0061	\$	0.0061	\$	0.0041	\$	0.0041

Total Amount - \$

GSS Storage Demand	\$	64,304.57	\$	64,304.57	\$	64,304.57	\$	64,304.57	\$	64,304.57	\$	64,304.57	\$	64,147.95	\$	64,147.95
GSS Storage Capacity	\$	56,825.08	\$	56,825.08	\$	56,825.08	\$	56,825.08	\$	56,825.08	\$	56,825.08	\$	56,825.08	\$	56,825.08
GSS Storage Injection	\$	-	\$	-	\$	4,548.74	\$	3,596.91	\$	16,042.50	\$	14,546.30	\$	-	\$	-
GSS Handling from Storage	\$	15,792.26	\$	13,973.71	\$	5,891.86	\$	4,820.61	\$	-	\$	-	\$	-	\$	5,423.69
GSS-TE Surcharge	\$	5,633.50	\$	4,984.77	\$	2,101.77	\$	1,719.63	\$	-	\$	-	\$	-	\$	1,256.33
Overrun/Penalty Distribution							\$	(8,357.74)								
Total	\$	142,555.41	\$	140,088.13	\$	133,672.02	\$	131,266.80	\$	128,814.41	\$	135,675.95	\$	121,129.65	\$	133,703.76
			\$	132,728.71	\$	128,466.45	\$	131,590.35	\$	135,910.28						

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**Philadelphia Gas Works  
 Cost of Fuel Purchased  
 ANR Pipeline**

	Jan-03	Feb-03	Mar-03
<b>Volume</b>			
FSS-Capacity Reserv.	157,915	157,915	157,915
FSS-Deliver. Reserv.	13,832	13,832	13,832
<b>Storage Injection</b>			
Storage Withdraw	390,505	332,932	
FTS-1 Reservation	13,665	13,665	13,665
FTS-1 Commodity	385,780	328,904	
FTS-ACA			
GSR Reservation			
<b>Rates - \$</b>			
<b>Storage Withdraw</b>			
FSS-Capacity Reserv.	\$ 0.4000	\$ 0.4000	\$ 0.4000
FSS-Deliver. Reserv.	\$ 2.6000	\$ 2.6000	\$ 2.6000
Storage Injection	\$ 0.0126	\$ 0.0126	\$ 0.0126
<b>Storage Withdraw</b>			
FTS-1 Reservation	\$ 2.5821	\$ 2.5821	\$ 2.5821
FTS-1 Commodity	\$ 0.0095	\$ 0.0095	\$ 0.0095
FTS-ACA	\$ 0.0021	\$ 0.0021	\$ 0.0021
GSR Reservation			
Storage Withdrawal	\$ 0.0126	\$ 0.0126	\$ 0.0126
<b>Total Amount - \$</b>			
FSS-Capacity Reserv.	\$ 63,166.00	\$ 63,166.00	\$ 63,166.00
FSS-Deliver. Reserv.	\$ 35,963.20	\$ 35,963.20	\$ 35,963.20
<b>Storage Injection</b>			
Storage Withdraw	\$ 4,920.36	\$ 4,194.94	\$ -
FTS-1 Reservation	\$ 35,284.40	\$ 35,284.40	\$ 35,284.40
FTS-1 Commodity	\$ 3,664.91	\$ 3,124.59	\$ -
FTS-ACA	\$ -	\$ -	\$ -
GSR Reservation	\$ -	\$ -	\$ -
Credit 9/01			
Adj. 12/01 & 1/02			
<b>Total</b>	<b>\$ 142,998.87</b>	<b>\$ 141,733.13</b>	<b>\$ 134,413.60</b>

Philadelphia Gas Works  
 Pennsylvania Public Utilities Commission  
 52 Pa. Code §53.61, et seq.

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MONTH	TGPL		TETCO		Combined Total	
	Total	Volume	Total	Volume	Total	Volume
	Credits	DTH'S	Credits	DTH'S	Credits	DTH'S
Jan-03	-	-	-	-	-	-
Feb-03	-	-	-	-	-	-
Mar-03	-	-	-	-	-	-
Apr-03	\$60,480	300,000	-	-	\$60,480	300,000
May-03	\$124,992	620,000	\$223,920	1,116,000	\$348,397	1,736,000
Jun-03	\$223,920	1,200,000	\$231,046	1,380,000	\$454,966	2,580,000
Jul-03	\$290,780	1,550,000	\$322,427	1,116,000	\$613,207	2,666,000
Aug-03	\$231,384	1,240,000	\$232,523	1,426,000	\$463,907	2,666,000
Sep-03	\$120,960	600000	\$217,762	1,080,000	\$338,722	1,680,000
Oct-03	-	-	-	-	-	-
Nov-03	-	-	-	-	-	-
Dec-03	-	-	-	-	-	-