



PHILADELPHIA GAS WORKS

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June 20, 2016

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JUN 20 2016

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

VIA FEDERAL EXPRESS

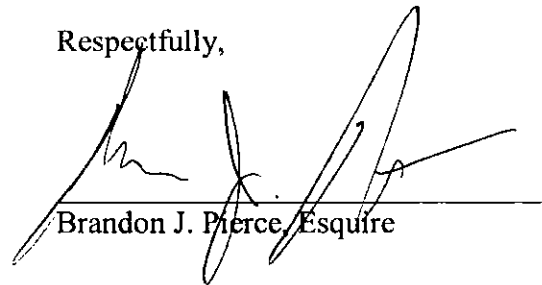
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

Re: Philadelphia Gas Works ("PGW") July 1, 2016 Quarterly Distribution System Improvement Charge ("DSIC") Filing; Docket No. M-2016-XXXXXX

Dear Secretary Chiavetta:

Enclosed please find supporting schedules for Philadelphia Gas Works' ("PGW") July 1, 2016 Quarterly DSIC filing. Since the currently effective DSIC percentage of 7.5% is not changing, no tariff supplement is required or enclosed. Please do not hesitate to contact me with any questions.

Respectfully,



Brandon J. Pierce, Esquire

Enclosures

cc: Cert. of Service w/enc
Bohdan Pankiw (via email bpankiw@pa.gov)
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CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Tariff Supplements upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

VIA FIRST CLASS MAIL and EMAIL

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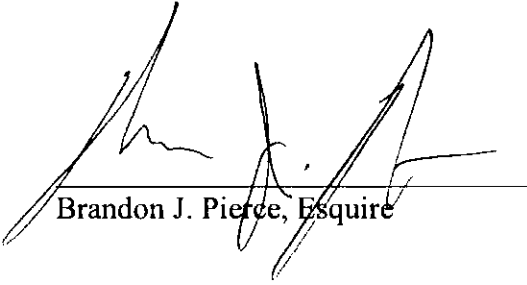
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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dated: June 20, 2016


Brandon J. Pierce, Esquire

PHILADELPHIA GAS WORKS
JULY 1, 2016 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Projected Recoverable Annual Costs (DSI) \$ 33,000,000

Annual Reconciliation (e) \$ 11,438,110 (Page 2)

Total Recoverable Costs (DSI + e) \$ 44,438,110

Projected Annual Revenues (PAR) \$ 427,503,162 (Page 3)

Distribution System Improvement Charge (DSIC) 7.50% *
*(DSIC calculation exceeds 7.50% but PGW is limited to 7.50%)

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

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

Where:

DSI = Projected recoverable annual costs

e = The amount calculated under the annual reconciliation feature or Commission audit.

PAR = Projected annual revenues for distribution service (including all applicable clauses and riders) including any revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

PHILADELPHIA GAS WORKS
2015 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION

Month	Total DSIC Revenue Billed		DSIC Revenue Billed Allocated to		DSIC Recoverable Costs	DSIC Revenue Billed Allocated to Recoverable Costs		Over/(Under) Collection	Interest Weighting	Interest Rate*	Interest**
	(1)	(2)	Over / (Under) Collection	Over / (Under) Balance		(5 = 1 - 2)	(6 = 5 - 4)				
January 15	\$ 2,419,579	\$ -	\$ -	\$ -	\$ 786,761 (a)	\$ 2,419,579	\$ 1,632,818	21	5.25%	\$ 150,015	
February	\$ 1,772,081	\$ -	\$ -	\$ -	\$ 786,761 (a)	\$ 1,772,081	\$ 985,320	20	5.00%	\$ 82,110	
March	\$ 1,655,303	\$ -	\$ -	\$ -	\$ 786,761 (a)	\$ 1,655,303	\$ 868,542	19	4.75%	\$ 65,322	
2014 Under Collection				\$ (1,339,069)							
April	\$ 983,528	\$ 145,274	\$ (1,193,795)	\$ 644,033 (b)	\$ 838,254	\$ 194,222	18	4.75%	\$ 13,838		
May	\$ 458,174	\$ 67,675	\$ (1,126,120)	\$ 644,033 (b)	\$ 390,499	\$ (253,534)	17	4.75%	\$ (17,061)		
June	\$ 325,740	\$ 48,114	\$ (1,078,006)	\$ 644,033 (b)	\$ 277,626	\$ (366,407)	16	4.75%	\$ (23,206)		
July	\$ 268,558	\$ 48,757	\$ (1,029,249)	\$ 503,955 (c)	\$ 219,801	\$ (284,154)	15	5.00%	\$ (17,760)		
August	\$ 226,885	\$ 41,191	\$ (988,057)	\$ 503,955 (c)	\$ 185,694	\$ (318,261)	14	5.14%	\$ (19,085)		
September	\$ 222,845	\$ 40,458	\$ (947,600)	\$ 503,955 (c)	\$ 182,387	\$ (321,568)	13	5.14%	\$ (17,906)		
October	\$ 584,249	\$ 35,528	\$ (912,071)	\$ 1,763,581 (d)	\$ 548,720	\$ (1,214,861)	12	5.00%	\$ (60,743)		
November	\$ 1,268,886	\$ 77,161	\$ (834,910)	\$ 11,440,057 (d&e)	\$ 1,191,725	\$ (10,248,332)	11	5.00%	\$ (469,715)		
December	\$ 1,830,267	\$ 111,299	\$ (723,611)	\$ 3,107,253 (d&f)	\$ 1,718,968	\$ (1,388,285)	10	5.00%	\$ (57,845)		
Totals	\$ 12,016,096	\$ 615,458		\$ 22,115,137	\$ 11,400,638	\$ (10,714,499)				\$ (372,036)	
2015 Under Collection				\$ (11,438,110)							

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

** Interest is not recoverable in net under-collections

- (a) \$ 2,360,282 recoverable costs in 1-1-15 DSIC quarterly filing divided by 3 months
- (b) \$ 1,932,098 recoverable costs in 4-1-15 DSIC quarterly filing divided by 3 months
- (c) \$ 1,511,865 recoverable costs in 7-1-15 DSIC quarterly filing divided by 3 months
- (d) \$ 5,290,744 recoverable costs in 10-1-15 DSIC quarterly filing divided by 3 months
- (e) \$ 9,676,476 recoverable costs placed in service in November 2015 and 1/3 of these costs were included in the January, 2016 rate
- (f) \$ 1,343,672 recoverable costs for December 2015 and not included in the 2016 rate

**Philadelphia Gas Works
July 1, 2016 DSIC Filing
Annual Tariff Revenue**

	1st Quarter Filing 12/1/2015			December 1, 2015 PUC Approved Tariff Rates						Amounts in \$000s						
	No. of Customers	No. of Annual Bills	Annual Deliveries (mcf)	Monthly Cust. Charge	OPEB	Univ. Service Charge	Efficiency Cost Recovery Charge	Restructuring & Consumer Education Charge	Delivery Charge	Cust. Charge Revenue	OPEB Revenue	Univ. Service Charge Revenue	Efficiency Cost Recovery Revenue	Restructuring & Consumer Education Revenue	Delivery Charge Revenue	Total Distribution Revenue
1 Non-Heating:																
2 Residential	21,586	259,026	449,820	\$12.00	\$0.3003	\$1.0669	\$0.0027	\$0.0061	\$6.0067	3,108	135	480	1	3	2,702	6,429
3 Commercial	4,085	49,022	1,088,185	\$18.00	\$0.3003	\$1.0669	\$0.0446	\$0.0061	\$4,598.4	882	327	1,161	49	7	5,004	7,429
4 Industrial	140	1,680	166,857	\$50.00	\$0.3003	\$1.0669	\$0.2262	\$0.0061	\$4,533.2	84	32	114	24	1	484	739
5 Municipal/MS	103	1,236	127,898	\$18.00	\$0.3003	\$1.0669	-	\$0.0061	\$3,366.1	22	38	136	0	1	431	628
6 NGV	3	36	2,251	\$35.00	\$0.3003	\$1.0669	-	\$0.0061	\$1,283.3	1	1	2	0	0	3	7
7 <i>Total Non-Heat Firm</i>	25,917	311,000	1,775,011							4,098	533	1,894	74	11	8,624	15,233
8																
9 Heating:																
10 Residential	448,896	5,386,750	36,222,545	\$12.00	\$0.3003	\$1.0669	\$0.0027	\$0.0061	\$6.0067	64,641	10,878	38,646	98	221	217,578	332,061
11 Commercial	17,296	207,553	6,436,826	\$18.00	\$0.3003	\$1.0669	\$0.0446	\$0.0061	\$4,598.4	3,736	1,933	6,867	287	39	29,599	42,462
12 Industrial	390	4,680	363,371	\$50.00	\$0.3003	\$1.0669	\$0.2262	\$0.0061	\$4,533.2	234	109	388	82	2	1,647	2,462
13 Municipal/MS	377	4,522	497,027	\$18.00	\$0.3003	\$1.0669	-	\$0.0061	\$3,366.1	81	149	530	0	3	1,673	2,437
14 PHA Rate 8	1,834	22,008	179,241	\$18.00	\$0.3003	\$1.0669	\$0.0446	\$0.0061	\$4,110.1	396	54	191	8	1	737	1,387
15 PHA/GS	882	10,588	580,969	\$12.00	\$0.3003	\$1.0669	\$0.0027	\$0.0061	\$4,944.1	127	174	620	2	4	2,872	3,799
16 <i>Total Heat Firm</i>	469,675	5,636,101	44,279,977							69,216	13,297	47,242	477	270	254,106	384,608
17 Total Heat & Non-Heat Firm	495,592	5,947,101	46,054,988							73,314	13,830	49,136	551	281	262,730	399,842
18																
19 Firm Transport																
20 Non-Heating:																
21 Residential				\$12.00	\$0.3003	\$1.0669	\$0.0027	\$0.0061	\$6.0067	0	0	0	0	0	0	0
22 Commercial	740	8,877	543,051	\$18.00	\$0.3003	\$1.0669	\$0.0446	\$0.0061	\$4,598.4	160	163	579	24	3	2,497	3,427
23 Industrial	48	575	209,643	\$50.00	\$0.3003	\$1.0669	\$0.2262	\$0.0061	\$4,533.2	29	63	224	47	1	950	1,314
24 Municipal/MS	202	2,424	70,180	\$18.00	\$0.3003	\$1.0669	-	\$0.0061	\$3,366.1	44	21	75	0	0	236	376
25 <i>Total Non Heat FT</i>	990	11,876	822,874							232	247	878	72	5	3,684	5,118
26																
27 Heating:																
28 Residential				\$12.00	\$0.3003	\$1.0669	\$0.0027	\$0.0061	\$6.0067	0	0	0	0	0	0	0
29 Commercial	2,545	30,535	3,045,298	\$18.00	\$0.3003	\$1.0669	\$0.0446	\$0.0061	\$4,598.4	550	915	3,249	136	19	14,003	18,871
30 Industrial	75	904	283,505	\$50.00	\$0.3003	\$1.0669	\$0.2262	\$0.0061	\$4,533.2	45	85	302	64	2	1,285	1,784
31 Municipal/MS	194	2,328	389,721	\$18.00	\$0.3003	\$1.0669	-	\$0.0061	\$3,366.1	42	117	416	0	2	1,312	1,889
32 <i>Total Heat FT</i>	2,814	33,767	3,718,524							637	1,117	3,967	200	23	16,601	22,544
33 Total FT	3,804	45,643	4,541,398							869	1,364	4,845	272	28	20,284	27,661
34																
35 Total PGW	499,395	5,992,744	50,596,386							74,183	15,194	53,981	822	309	283,014	427,503

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DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)
2016 REVENUE & RECOVERABLE COSTS - YTD

<u>Month</u>		<u>Total DSIC</u> <u>Revenue Billed</u>	<u>DSIC Recoverable</u> <u>Costs</u>
January 16	Actual	\$ 2,778,674	\$ -
February	Actual	\$ 4,122,896	\$ -
March	Actual	\$ 3,804,364	\$ -
April	Actual	\$ 2,712,898	\$ -
May	Actual	\$ 1,893,201	\$ 3,269,674

**PHILADELPHIA GAS WORKS
 JULY 1, 2016 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

RECOVERABLE COSTS - 3/1/16 to 5/31/16

FERC Account #	PGW Project #	Location	Type	Cost			
				Mar-16	Apr-16	May-16	Total
376	411145	1800-1900 N 6th St, 500 Berks St, 1800 & 2000 Germantown Ave, 2000 Randolph St, 500-600 Norris St	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 659,115	\$ 659,115
376	411146	300-500 Norris St, 400 Diamond, 2000 Orianna St, 400 Hewson St	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 782,274	\$ 782,274
376	411059	100 Diamond St, 100 Norris, 2000 2nd St, 2000 Palethorp St, 2000 Hancock St	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 454,937	\$ 454,937
376	411075	100 Berks St, 1900 Palethorp St, 1900 Hancock St, 1900 Mutter St, 1900 Mascher	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 329,227	\$ 329,227
376	411066	4300-4700 Linden Ave, 9200 Jackson St, 9200 Ditman St, 9200 Marsden St, 9200 Glenloch St, 9200-9300 Torresdale Ave	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 1,044,121	\$ 1,044,121
Recoverable Costs (DSIC)				\$ -	\$ -	\$ 3,269,674	\$ 3,269,674

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Dept./Floor/Suite/Room

City PHILADELPHIA State PA ZIP 19122-2898

2 Your Internal Billing Reference

3 To

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