



PHILADELPHIA GAS WORKS

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January 31, 2017

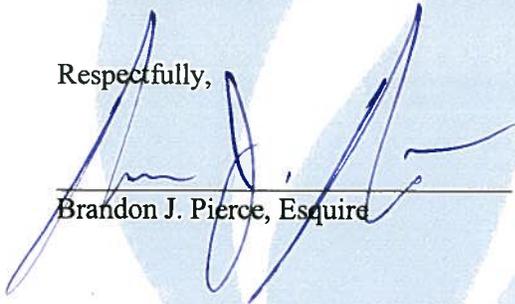
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

Re: Philadelphia Gas Works Distribution System Improvement Charge Annual Reconciliation Under 66 Pa.C.S. § 1307(e) for the Year Ended December 31, 2016
Docket No. M-2017-XXXXXXX

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW"), enclosed for filing please find the original Distribution System Improvement Charge Annual Reconciliation Under 66 Pa. C.S. Section 1307(e) for the Year Ended December 31, 2016. Consistent with the Commission's Order entered on July 6, 2016, at Docket No. P-2015-2501500, this reconciliation period includes the first of two years of temporary, additional DSIC recovery for the recoupment of the approximate \$11.4 million DSIC under collection amount for 2015. PGW implemented this change beginning on October 1, 2016. Any under or over collection from the previous year will be calculated in an annual reconciliation based on actual billed DSIC revenues and DSIC recoverable costs during each month of the applicable calendar year. The actual reconciliation rate shall not exceed the total DSIC cap authorized by the Commission in the above-referenced Order, or any subsequent Order modifying the cap applicable to this reconciliation period. It should also be noted that PGW's December 2016 expenses have not yet been filed so they have been included in this filing, as has a revision to the August 2016 expenses (which were filed on October 1, 2016). Please do not hesitate to contact me if you have any questions.

Respectfully,



Brandon J. Pierce, Esquire

Enclosure

cc: Hon. Christopher P. Pell w/enc.
Hon. Marta Guhl w/enc.
Cert. of Service w/enc.
Bhodan R. Pankiw, w/enc. via email only
Paul T. Diskin, w/enc. via email only
Lori A. Burger, w/enc. via email only

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's DSIC Annual Reconciliation Under 1307(e) upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email and/or First Class Mail

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The following are parties of record in
Docket No. P-2015-2501500

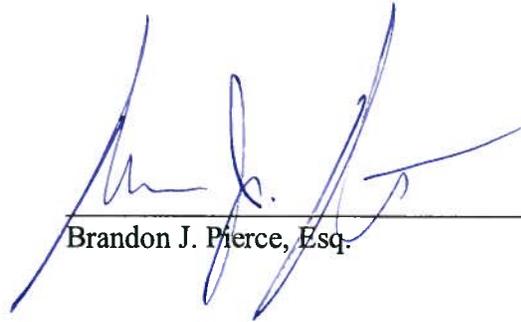
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Dated: January 31, 2017



Brandon J. Pierce, Esq.

PHILADELPHIA GAS WORKS
2016 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION

	<u>DSIC Revenue Billed</u>			<u>DSIC Recoverable Costs</u>	<u>DSIC Revenue Billed</u>		<u>Interest Weighting</u>	<u>Interest Rate*</u>	<u>Interest**</u>
	<u>Total DSIC Revenue Billed</u>	<u>Allocated to Over / (Under) Collection</u>	<u>Over / (Under) Collection Balance</u>		<u>Allocated to Recoverable Costs</u>	<u>Over/(Under) Collection</u>			
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5 = 1 - 2)</u>	<u>(6 = 5 - 4)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>
Month									
January 16	\$ 2,778,674		\$ -		\$ 2,778,674	\$ 2,778,674	21	5.25%	\$ 255,291
February	\$ 4,122,896		\$ -		\$ 4,122,896	\$ 4,122,896	20	5.00%	\$ 343,575
March	\$ 3,804,364		\$ -		\$ 3,804,364	\$ 3,804,364	19	5.00%	\$ 301,179
2015 Under Collection			\$ (11,438,110)						
April	\$ 2,712,898		\$ (11,438,110)		\$ 2,712,898	\$ 2,712,898	18	4.75%	\$ 193,294
May	\$ 1,893,201		\$ (11,438,110)	\$ 3,269,674	\$ 1,893,201	\$ (1,376,473)	17	4.75%	\$ (92,625)
June	\$ 1,305,160		\$ (11,438,110)		\$ 1,305,160	\$ 1,305,160	16	4.75%	\$ 82,660
July	\$ 1,060,862		\$ (11,438,110)		\$ 1,060,862	\$ 1,060,862	15	4.75%	\$ 62,989
August	\$ 996,516		\$ (11,438,110)	\$ 11,850,923	\$ 996,516	\$ (10,854,407)	14	4.50%	\$ (569,856)
September	\$ 1,034,016		\$ (11,438,110)		\$ 1,034,016	\$ 1,034,016	13	4.25%	\$ 47,608
October	\$ 1,305,535	\$ 197,898	\$ (11,240,212)		\$ 1,107,637	\$ 1,107,637	12	4.50%	\$ 49,844
November	\$ 2,462,916	\$ 373,338	\$ (10,866,874)	\$ 1,869,530	\$ 2,089,578	\$ 220,048	11	4.50%	\$ 9,077
December	\$ 4,515,857	\$ 684,530	\$ (10,182,344)	\$ 16,004,644	\$ 3,831,327	\$ (12,173,317)	10	4.75%	\$ (481,860)
Totals	\$ 27,992,896	\$ 1,255,766		\$ 32,994,771	\$ 26,737,129	\$ (6,257,642)			\$ 201,173
2016 Under Collection			\$ (16,439,986)						

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

** Interest is not recoverable in net under-collections

**PHILADELPHIA GAS WORKS
DECEMBER 2016 - RECOVERABLE COSTS
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

RECOVERABLE COSTS - DECEMBER 2016

FERC Account #	PGW Project #	Location	Type	Cost	
				Dec-16	Total
376	411244	6400-6600 Woodland Ave	8" Low & Intermediate Pressure Main	\$ 988,709	\$ 988,709
376	411241	Comly, Castor to Roosevelt; Roosevelt, Comly to Robbins; Robbins, Roosevelt to Hawthorne; Hawthorne, Robbins to Devereaux; Devereaux, Hawthorne to Charles	12" High Pressure Main	\$ 4,022,494	\$ 4,022,494
376	411239	2000 E Glenwood, 1500 Sedgley	8" Low & Intermediate Pressure Main	\$ 333,993	\$ 333,993
376	411234	Cottman Av Montour to Rising Sun, Dungan Rd Cottman to Lorna	12" High Pressure Main	\$ 2,364,353	\$ 2,364,353
376	411274	3rd to Amber, Amber - Norris to Lehigh, Lehigh - Amber to Frankford	30" High Pressure Main	\$ 5,187,580	\$ 5,187,580
376	411253	Dicks, Plover to 63rd; 63rd, Dicks to Elmwood	12" High Pressure Main	\$ 3,107,515	\$ 3,107,515

Recoverable Costs (DSIC) \$ 16,004,644 \$ 16,004,644

REVISED

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

RECOVERABLE COSTS - 6/1/16 to 8/31/16

FERC Account #	PGW Project #	Location	Type	Cost			
				Jun-16	Jul-16	Aug-16	Total
376	411196	18th and Montgomery to 3rd and Norris	30" High Pressure Main	\$ -	\$ -	\$ 9,031,479	\$ 9,031,479
376	411063*	Frankford Ave, Pearson to Barry, Aubrey to Glenloch	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 472,665	\$ 472,665
376	411073	9600-9700 Frankford Ave, 4500 & 4700 Grant Ave, 9600 Ditman St, 4000 & 4600 Primrose Rd, 4000 & 4600 Fidler St	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 486,020	\$ 486,020
376	411168	8900-9100 Frankford Ave, 9100 Academy Rd	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 849,386	\$ 849,386
376	411164	Richmond St Venango St- Lewis St, 2800 E. Venango St, 2935 E. Victoria St, 2960 E Venango St	8" Low & Intermediate Pressure Main	\$ -	\$ -	\$ 460,522	\$ 460,522
376	411066	4300-4700 Linden Ave, 9200 Jackson St, 9200 Ditman St, 9200 Marsden St, 9200 Glenloch St, 9200-9300 Torresdale Ave		\$ -	\$ -	\$ 550,851	\$ 550,851

Recoverable Costs (DSIC) ** **\$ - \$ - \$ 11,850,923 \$ 11,850,923**

* Recoverable costs were revised from \$494,227 that was originally filed

** Recoverable costs originally filed did not include \$550,851 from PGW Project # 411066

AFFIDAVIT

I, **Kenneth S. Dybalski**, Vice President – Energy Planning and Technical Compliance, at Philadelphia Gas Works, being duly sworn (affirmed) according to law, depose and say that – I am authorized to make this affidavit on behalf of Philadelphia Gas Works, being that I am an employee and have been authorized to make this affidavit on its behalf – and that the facts set forth in the Distribution System Improvement Charge Annual Reconciliation Under 66 Pa. C.S. Section 1307(e) for the Year Ended December 31, 2016, are true and correct to the best of my knowledge, information, and belief and I expect to be able to prove the same at any hearing hereof.



Signature of affiant

Sworn and subscribed before me this January 31, of 2017.



Signature of official administering oath

