



**PHILADELPHIA GAS WORKS**

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February 28, 2017

**VIA E-FILING**

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

**Re: Pa. PUC v. Philadelphia Gas Works (2<sup>nd</sup> Quarter 2016-2017 GCR Filing)  
Docket No.: R-2016-2526700**

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works ("PGW"), enclosed please find the following Tariff Supplements and supporting schedules:

- 1) PGW Gas Service Tariff, Pa. P.U.C. No. 2, Supplement No. 101; and
- 2) PGW Gas Supplier Tariff, Pa. P.U.C. No. 1, Supplement No. 69.

These supplements are being filed to implement PGW's 2<sup>nd</sup> Quarter 2016-2017 Gas Cost Rate ("GCR"). The Tariff Supplements are to become effective on one day's notice on March 1, 2017.

Respectfully,



Brandon J. Pierce, Esquire

**Enclosures**

cc: Cert. of Service w/enc  
Raquel Guzman, VP Legal & General Counsel, PGW  
Marissa Boyle ([maboyle@pa.gov](mailto:maboyle@pa.gov))

**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.

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Dated: February 28, 2017



Brandon J. Pierce, Esquire

PGW  
Gas Service Tariff  
Pa. P.U.C. No. 2

Supplement No. 101

**PHILADELPHIA GAS WORKS**  
**GAS SERVICE TARIFF**



Issued by: Craig White  
President and CEO

PHILADELPHIA GAS WORKS  
800 West Montgomery Avenue  
Philadelphia, PA 19122

**List of Changes Made by this Tariff Supplement**

TABLE OF CONTENTS (Page Nos. 6-7)

Updated to reflect revised page numbers for each of the changes listed below on this page.

GAS COST RATE (GCR) – SECTION 1307(f), II. DEFINITIONS (Page No. 67)

In the definition of “GAC,” the “GAC” value effective March 1, 2017, decreases from \$(0.00474) per Ccf to \$(0.00609) per Ccf.

GAS COST RATE (GCR) – SECTION 1307(f), II. DEFINITIONS (Page No. 67A)

In the definition of “IRC,” the “IRC” value effective March 1, 2017, decreases from \$0.00020 to \$0.00017 per Ccf. In the definition of “SSC,” the “SSC” value effective March 1, 2017, increases from \$0.42071 per Ccf to \$0.50056 per Ccf.

GAS COST RATE (GCR) – SECTION 1307(f), III. COMPUTATION OF GCR (Page No. 68)

The Gas Cost Rate (GCR) effective March 1, 2017, increases from \$0.41577 per Ccf to \$0.49430 per Ccf.

PRICE TO COMPARE (Page No. 78)

The Prices to Compare effective March 1, 2017, are: a) \$0.52160 per Ccf for Residential; b) \$0.49985 per Ccf for Commercial Customers on Rate GS; c) \$0.49995 per Ccf for Industrial Customers on Rate GS; and d) \$0.49847 per Ccf for Municipal Customers on Rate MS, The Philadelphia Housing Authority on Rate PHA, Public Housing Customers on Rate GS & Natural Gas Vehicle Service on Rate NGVS.

EFFICIENCY COST RECOVERY SURCHARGE (Page No. 80)

The Efficiency Cost Recovery Surcharges effective March 1, 2017, are: a) \$0.00222 per Ccf for Residential and Public Housing Customers on Rate GS; b) \$0.00570 per Ccf for Commercial Customers on Rate GS; c) \$0.00556 per Ccf for Industrial Customers on Rate GS; d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and e) \$0.00570 per Ccf for The Philadelphia Housing Authority on Rate PHA.

UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE (Page No. 81)

The Universal Service and Energy Conservation Surcharge effective March 1, 2017, increases from \$0.13045 per Ccf to \$0.14628 per Ccf.

GENERAL SERVICE – RATE GS (Page No. 83)

The Gas Cost Rate (GCR) effective March 1, 2017, increases from \$0.41577 per Ccf to \$0.49430 per Ccf.

MUNICIPAL SERVICE – RATE MS (Page No. 87)

The Gas Cost Rate (GCR) effective March 1, 2017, increases from \$0.41577 per Ccf to \$0.49430 per Ccf.

PHILADELPHIA HOUSING AUTHORITY SERVICE – RATE PHA (Page No. 90)

The Gas Cost Rate (GCR) effective March 1, 2017, increases from \$0.41577 per Ccf to \$0.49430 per Ccf.

DEVELOPMENTAL NATURAL GAS VEHICLE SVC - RATE NGVS FIRM SERVICE (Page No. 135)

The Gas Cost Rate (GCR) effective March 1, 2017, increases from \$0.41577 per Ccf to \$0.49430 per Ccf.

**TABLE OF CONTENTS**

	<u>Page Number</u>
List of Changes Made By This Tariff _____	One Hundredth Revised 2
Description of Territory Served _____	5
Table of Contents _____	One Hundredth Revised 6
Definitions _____	Second Revised 10
<b><u>RULES and REGULATIONS:</u></b>	
1. The Gas Service Tariff _____	First Revised 15
2. Application and Contract for Gas Service _____	Sixth Revised 17
3. Credit and Deposit _____	Third Revised 21
4. Billing and Payment _____	Second Revised 26
5. Termination and/or Discontinuance of Gas Service _____	Second Revised 30
6. Termination of Service for Safety Reasons and Curtailment of Service/ Service Continuity _____	First Revised 38
7. Inquiry, Review, Dispute, and Appeals Process _____	First Revised 41
8. Customer's Responsibility for Company's Property _____	First Revised 44
9. Conditions of Service, Point of Delivery, and Application of Rates _____	Third Revised 47
10. Extensions And Rights-Of-Way _____	First Revised 50
11. Meters: Measurements, Readings, Errors, and Tests _____	First Revised 53
12. Service Charges and Miscellaneous Fees and Provisions _____	Second Revised 57
13. Universal Service And Energy Conservation Programs _____	Second Revised 59
14. Gas Choice Enrollment and Switching _____	First Revised 63
15. Supplier of Last Resort _____	First Revised 65

	<b>Page Number</b>
<b>RATES (Cover Page)</b> _____	<b>66</b>
<b>Gas Cost Rate</b> _____	<b>Sixty Fourth Revised 67</b>
<b>Revenue Reconciliation Adjustment (RRA) Rider</b> _____	<b>70</b>
<b>Senior Citizen Discount</b> _____	<b>First Revised 72</b>
<b>Exit Fee Rider</b> _____	<b>77</b>
<b>Merchant Function &amp; Gas Procurement Charges; Price to Compare_</b>	<b>Nineteenth Revised 78</b>
<b>Restructuring and Consumer Education Surcharge</b> _____	<b>Twenty Fourth Revised 79</b>
<b>Efficiency Cost Recovery Mechanism</b> _____	<b>Thirty Second Revised 80</b>
<b>Universal Services Surcharge</b> _____	<b>Sixty Sixth Revised 81</b>
<b>Other Post Employment Benefit Surcharge</b> _____	<b>Ninth Revised 82</b>
<b>General Service - Rate GS</b> _____	<b>Seventy Fourth Revised 83</b>
<b>Municipal Service - Rate MS</b> _____	<b>Seventy Fourth Revised 87</b>
<b>Philadelphia Housing Authority Service – Rate PHA</b> _____	<b>Seventy Fourth Revised 90</b>
<b>Boiler and Power Plant Service – Rate BPS</b> _____	<b>Fourth Revised 93</b>
<b>Load Balancing Service – RATE LBS</b> _____	<b>Fourth Revised 97</b>
<b>Daily Balancing Service – Rate DB</b> _____	<b>101</b>
<b>Interruptible Transportation Service – Rate IT</b> _____	<b>111</b>
<b>Gas Transportation Service - Rate GTS - Firm Service</b> _____	<b>118</b>
<b>Gas Transportation Service - Rate GTS - Interruptible</b> _____	<b>124</b>
<b>Cogeneration Service - Rate CG</b> _____	<b>Third Revised 131</b>
<b>Developmental Natural Gas Vehicle Service - Rate NGVS Firm Service</b>	<b>Forty Seventh Revised 135</b>
<b>Developmental Natural Gas Vehicle Service - Rate NGVS Interruptible</b>	
<b>Service</b> _____	<b>139</b>
<b>Liquefied Natural Gas Service – Rate LNG</b> _____	<b>Third Revised 142</b>
<b>SPECIAL PROVISION – Air Conditioning Rider</b> _____	<b>143</b>
<b>SPECIAL PROVISION – Compressed Natural Gas Rider</b> _____	<b>145</b>
<b>SPECIAL PROVISION – Emergency/Unauthorized Use Gas Rider</b> ____	<b>147</b>
<b>WEATHER NORMALIZATION ADJUSTMENT CLAUSE</b> _____	<b>Third Revised 149</b>
<b>DISTRIBUTION SYSTEM IMPROVEMENT CHARGE</b> _____	<b>Sixteenth Revised 151</b>

**GAS COST RATE (GCR) -- SECTION 1307(f)**

I. PROVISION FOR ADJUSTMENT

The Gas Cost Rate shall be applied to each Mcf (1,000 cubic feet) for Firm Retail Sales Service Gas supplied under Rates Schedules GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates calculated in a manner set forth below, pursuant to 66 Pa.C.S. §1307(f). Such rates for Firm Sales Service Gas may be increased or decreased from time to time under the procedures set forth in Section II.B. below to reflect changes in the level of Gas costs incurred or projected to be incurred by PGW related to Sales Service.

II. DEFINITIONS

C - The current cost of Natural Gas and other raw materials determined as follows: (a) for all types of Gas, project the cost for each purchase (adjusted for net current Gas stored) for the computation year plus (b) the of (1) the projected book value of non-current Gas at the beginning of the computation year minus (2) the projected book value of non-current Gas at the end of the computation year. In addition to any cost authorized by the Commission, the cost of Natural Gas may include any item included in the definition of Natural Gas costs set forth in 66 Pa.C.S. § 1307(h) ("Definition"). The Factor "C" includes two components -- Commodity Costs and Demand Costs which are defined as follows: Commodity Costs - the actual cost of natural gas and purchased electric for firm customers that does not include the fixed costs associated with the transportation and storage of natural gas; and Demand Costs - the fixed costs associated with the transportation and storage of natural gas for firm customers.

Effective 9/1/08, 75% of off system sales margin and capacity release credits will be allocated to the Factor "C" and 25% to the Company. Effective 9/1/09, 75% of storage asset management fees will be allocated to the Factor "C" and 25% to the Company.

Computation Year - The 12-month forecast period as identified in the Company's annual 1307(f) filing and each quarterly GCR filing.

E - Experienced net over billing (or under billing) of the cost of Natural Gas and other raw materials applicable to the GCR reported in the most recent Section 1307(f) proceeding. Such over billings (or under billings) will be made with interest at the rate and method set forth by the Pennsylvania Public Utility Commission. Additionally, supplier refunds received prior to the end of the August billing period will be included in the Factor "E." The Factor "E" includes two components -- Commodity Costs and Demand Costs which are defined above in the Factor "C" definition. Credit or recovery of the factor "E" is completed over the Company's Fiscal Year.

Firm Sales Service - The service provided to Customers who receive firm supply service from PGW. The term does not include the service provided to Customers who receive interruptible supply service from PGW.

GAC (Gas Adjustment Charge) - The "E" factor component of the GCR, representing the net overcollection or undercollection of Natural Gas and other raw materials costs. The currently effective GAC is \$(0.02876) per Ccf for Commodity Costs and \$0.02267 per Ccf for Demand Costs, for service on or after March 1, 2017. The total GAC is \$(0.00609) per Ccf.

(D)

GCR - Gas Cost Rate determined to the nearest one-hundredth cent (\$0.0001) to be applied to each Mcf of Gas supplied under Rates GS, MS, PHA, and NGVS-Firm, except for Gas usage under the Special Provisions – Air Conditioning of those rates and is equal to the SSC plus the GAC minus the IRC.

**(D) – Decrease**

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.00017 per Ccf for service on or after March 1, 2017.

**(D)**

Natural Gas or Gas - The volumes of gas purchased or manufactured by the Company that is delivered to the Company's Customers, plus such portion of the Company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas, liquefied propane and naphtha.

S - Projected applicable Mcf of Gas to be billed to Customers during the computation year.

SSC - Sales Service Charge - The purchased Gas costs determined to the nearest  $\frac{1}{100}$  of a cent (\$0.0001). The currently effective SSC is \$0.38092 per Ccf for Commodity Costs and \$0.11964 per Ccf for Demand Costs, for service on or after March 1, 2017. The total SSC is \$0.50056 per Ccf.

**(I)**

**(I) – Increase; (D) – Decrease**

### III. COMPUTATION OF GAS COST RATE

A. The GCR shall be computed to the nearest one-thousandth cent (\$0.00001) in accordance with the formula set forth below as the terms are defined in Section II:

$$\begin{aligned} \text{SSC} &= \text{C/S} \\ \text{GAC} &= \text{E/S} \\ \text{GCR} &= \text{SSC} + \text{GAC} - \text{IRC} \end{aligned}$$

B. Each Gas Cost Rate so computed shall be applied to Customers' bills for twelve monthly billing periods commencing with September.

The currently effective Gas Cost Rate is \$0.49430 per Ccf, for service on or after March 1, 2017.

**(I)**

### IV. REPORTING REQUIREMENTS

A. The Company's rates are subject to quarterly adjustments for recovery of the Gas Cost Rate under procedures set forth in Section 1307(f) of the Public Utility Code.

B. The filing of the Company's annual Section 1307(f) filing, annual Gas Cost Rate, effective during the billing period of September through August, shall be submitted to the Commission by March 1 of each year, with a February 1 pre-filing date.

C. The application of the Gas Cost Rate shall be subject to review and audit by the Commission at such intervals as the Commission shall determine.

D. If it shall be determined, from audit by the Commission, or by final order entered after notice and hearing, that the application of this clause has resulted in the overcollection or undercollection of revenues, then the Company shall apply such over/undercollection as a credit or debit against future Gas Cost Rates.

### V. PROVISION FOR INCLUSION OF SPECIFIC NON-GAS EXPENSES

The computation of the Gas Cost Rate may include such Non-Gas expenses as may be authorized by this tariff and annually authorized by the Commission.

### VI. INTERRUPTIBLE REVENUE CREDIT (IRC)

A. The GCR rate shall be credited with an Interruptible Revenue Credit (IRC) equal to the margin realized from interruptible sales under PGW's Interruptible Sales Tariff Rates: BPS, LBS; and CG (Total Margin Revenue).

B. The IRC shall be set each year in the Company's 1307(f) proceeding to reflect the Total Margin Revenue. The rate per Mcf shall be calculated by dividing the Total Margin Revenue by total applicable firm sales. For the period September 1, 2003 through August 31, 2004 the IRC shall be initially set to reflect the Total Margin Revenue authorized by the Commission in its final order at M-00021612 (entered March 31, 2003).

**(I) – Increase**

### MERCHANT FUNCTION CHARGE (“MFC”)

The MFC is a volumetric charge, applied to firm sales service customers, which will be included in the Price to Compare. The MFC is based on Gas Cost Rate multiplied by a fixed uncollectible percentage established in the Company’s last general base rate proceeding. The MFC will not be reconciled to reflect actual results. The MFC is intended to make the Company’s Price to Compare more comparable to the gas supply services price offers of other Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses. The following percentages will be applied to the quarterly Gas Cost Rate in order to calculate the quarterly MFC: 4.68% - GS Residential (“GS RES”); 0.28% - GS Commercial (“GS COM”); and 0.30% - GS Industrial (“GS IND”). The current MFC is set forth below in the Price to Compare table.

### GAS PROCUREMENT CHARGE (“GPC”)

The GPC is a volumetric charge, applied to firm sales service customers, which will be included in the Price to Compare. The GPC will remain in effect until reviewed and updated in the Company’s next general base rate proceeding.

Current Gas Procurement Charge = \$0.00400/Ccf

### PRICE TO COMPARE (“PTC”)

The PTC is composed of the Sales Service Charge (“SSC”), Gas Adjustment Charge (“GAC”), the Merchant Function Charge and the Gas Procurement Charge. The PTC will change whenever any of the components of the PTC change. The current PTC is (per Ccf):

	<b>GS RES</b>	<b>GS PH</b>	<b>GS COM</b>	<b>GS IND</b>	<b>MS</b>	<b>PHA</b>	<b>NGVS</b>
<b>SSC</b>	\$0.50056	\$0.50056	\$0.50056	\$0.50056	\$0.50056	\$0.50056	\$0.50056
<b>GAC</b>	(\$0.00609)	(\$0.00609)	(\$0.00609)	(\$0.00609)	(\$0.00609)	(\$0.00609)	(\$0.00609)
<b>MFC</b>	\$0.02313	\$0.00000	\$0.00138	\$0.00148	\$0.00000	\$0.00000	\$0.00000
<b>GPC</b>	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400
<b>PTC</b>	<u>\$0.52160</u>	<u>\$0.49847</u>	<u>\$0.49985</u>	<u>\$0.49995</u>	<u>\$0.49847</u>	<u>\$0.49847</u>	<u>\$0.49847</u>

(C)

(C) - Change

### EFFICIENCY COST RECOVERY SURCHARGE

The cost of the energy efficiency programs (i.e. the demand side management programs) for the firm customer rate classes listed below will be recovered by an Efficiency Cost Recovery Surcharge applicable to all volumes of Gas delivered.

- 1) The Surcharge will recover the program costs and the administrative costs of the energy efficiency program.
- 2) Computation of the Efficiency Cost Recovery Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307(f) of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
- 3) Once the surcharge is in place, it will be automatically adjusted effective March 1, June 1, September 1, and December 1 of each year in accordance with Section 1307(f) quarterly adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the total energy efficiency program costs approved for annual recovery plus (or minus) any over (or under) recovery from the prior period by the estimated applicable throughput in Mcfs. The costs related to customers other than low income residential customers are tracked and will be recovered separately from each of the following firm customer rate classes if the customer class is served by the energy efficiency program:
  - a) Residential and Public Housing Customers on Rate GS;
  - b) Commercial Customers on Rate GS;
  - c) Industrial Customers on Rate GS;
  - d) Municipal Customers on Rate MS; and
  - e) The Philadelphia Housing Authority on Rate PHA.

The surcharge shall be a cents per Ccf charge calculated to the nearest one-thousandth of a cent (0.00001) which shall be added to the distribution rates for billing purposes for all customers in each of the above rate classes. The rate shall be calculated separately for each rate class as follows:

- |   |      |
|---|------|
| a) \$0.00222 per Ccf for Residential and Public Housing Customers on Rate GS; | (D)  |
| b) \$0.00570 per Ccf for Commercial Customers on Rate GS;                     | (D)  |
| c) \$0.00556 per Ccf for Industrial Customers on Rate GS;                     | (I)  |
| d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and                  | (NC) |
| e) \$0.00570 per Ccf for The Philadelphia Housing Authority on Rate PHA.      | (D)  |

The Enhanced Low Income Retrofit Program costs shall be recovered through the Universal Services Surcharge beginning on September 1, 2010.

**(I) – Increase; (D) – Decrease; (NC) – No Change**

## UNIVERSAL SERVICE AND ENERGY CONSERVATION SURCHARGE

Universal service and energy conservation program and related costs will be recovered by a Universal Service and Energy Conservation Surcharge applicable to all volumes of Gas delivered.

1. The Surcharge will recover: 1) the discounts provided to Customers pursuant to the Customer Responsibility Program (CRP); 2) the discounts provided to Customers pursuant to the Senior Citizen Discount; 3) the costs of the Conservation Works Program (CWP) and the Enhanced Low Income Retrofit Program (ELIRP); and, 4) for Customers entering the CRP program on or after September 1, 2003, past due arrearages forgiven pursuant to paragraph A (6) of the CRP/CAP Program Design Stipulation approved by the Commission by its order at M-00021612 (entered March 31, 2003).
2. Computation of the Universal Service and Energy Conservation Surcharge factors will be in accordance with the automatic adjustment procedures utilized under Section 1307(f) of the Public Utility Code and will be filed and approved in conjunction with the Company's annual Section 1307(f)-GCR filing.
3. Once the surcharge is in place it will be automatically adjusted effective March 1, June 1, September 1, and December 1 of each year in accordance with Section 1307(f) quarterly adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined by dividing the total universal service and energy conservation program costs approved for annual recovery by the estimated applicable throughput in Mcfs.
4. The Universal Service and Energy Conservation Surcharge shall take effect upon the effective date of this Tariff.

Current Universal Service and Energy Conservation Surcharge = \$ 0.14628/Ccf.

**(I)**

**(I) - Increase**

**GENERAL SERVICE - RATE GS**

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after March 1, 2017.

AVAILABILITY

Available for any purpose where the Company's distribution mains adjacent to the proposed Gas Service location are, or can economically be made, suitable to supply the quantities of Gas or Transportation Services required.

RATES

CUSTOMER CHARGE (per Meter (except parallel meters)):

\$ 12.00	per month for Residential and Public Housing Authority Customers.
\$ 18.00	per month for Commercial Customers
\$ 50.00	per month for Industrial Customers

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to GS Customers who transport gas through a qualified NGS):

\$0.49430	per Ccf for Residential and Public Housing	(I)
\$0.49430	per Ccf for Commercial Customers	(I)
\$0.49430	per Ccf for Industrial Customers	(I)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge (Updated in Supplement No. 65 – Issued: July 10, 2013; Effective: October 1, 2013):

\$0.60067	per Ccf for Residential
\$0.49441	per Ccf for Public Housing
\$0.45984	per Ccf for Commercial and Municipal Customers
\$0.45332	per Ccf for Industrial Customers

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; Restructuring and Consumer Education Surcharge; Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

**(I) – Increase**

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

## MUNICIPAL SERVICE - RATE MS

Rate: Applicable to all Retail Sales Service or Transportation Service rendered pursuant to this Rate Schedule on or after March 1, 2017.

### AVAILABILITY

Available to properties owned or occupied by the City of Philadelphia or the Board of Education, or any of their respective agencies or instrumentalities, for any type of Gas Service, unless purchased for resale to others, and where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required; provided, however, that the rate shall not be available to Commercial Tenants of any such property.

### RATES

CUSTOMER CHARGE (per Meter (except parallel meters):

\$ 18.00 per month

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to MS Customers who transport Gas through a qualified NGS):

\$0.49430 per Ccf

(I)

Plus,

DISTRIBUTION CHARGE (consisting of items (A) and (B), below):

(A) Delivery Charge (Updated in Supplement No. 65 – Issued: July 10, 2013; Effective: October 1, 2013):

\$0.33661 per Ccf

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

### (I) – Increase

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

## PHILADELPHIA HOUSING AUTHORITY SERVICE - RATE PHA

Rate: Applicable to all Retail Sales Service or Transportation Services rendered pursuant to this Rate Schedule on or after March 1, 2017.

### AVAILABILITY

Available for all Gas usage in multiple dwelling Residential buildings containing 10 or more dwelling units, owned and operated by the Philadelphia Housing Authority, where cooking shall be performed exclusively with Gas and where Gas Service shall be supplied through one or more single point metering arrangements at locations where the Company's distribution mains adjacent to the proposed Gas Service locations are, or can economically be made, suitable to supply the quantities of Gas required.

This rate is also available for all Gas usage in single and multiple dwelling Residential buildings, containing less than 10 dwelling units, provided, and only so long as, Gas is used exclusively for cooking, water heating and space heating for all such Residential buildings owned and operated by the Philadelphia Housing Authority, except (a) buildings operated by the Philadelphia Housing Authority, prior to the original effective date of this rate (January 1, 1969), and (b) buildings for which, in the judgment of the Company, such Gas Service cannot be provided economically.

### RATES

CUSTOMER CHARGE (per Meter (except parallel meters);

\$18.00 per month

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to PHA customers who transport gas through a qualified NGS):

\$0.49430 per Ccf

(I)

Plus

DISTRIBUTION CHARGE (consisting of item (A) and (B), below):

(A) Delivery Charge (Updated in Supplement No. 65 – Issued: July 10, 2013; Effective: October 1, 2013):

\$0.41101 per Ccf

(B) Surcharges:

Universal Service and Energy Conservation Surcharge; and The Restructuring and Consumer Education Surcharge; the Efficiency Cost Recovery Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

**(I) – Increase**

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

**DEVELOPMENTAL NATURAL GAS VEHICLE SERVICE - RATE NGVS  
FIRM SERVICE**

Rate: Applicable to all Retail Sales Service rendered pursuant to this Rate Schedule on or after  
March 1, 2017.

**AVAILABILITY**

This service is available to provide uncompressed Natural Gas to any Customer for the exclusive purpose of compressing such Gas for use as fuel for motor vehicles. The compression of the Natural Gas to the pressure required for use as a motor vehicle fuel will be conducted by the Customer, at the Customer's designated premises. Service shall only be available where the Company's distribution system is, or can economically be made available to supply the service. Each Customer will be required to execute a service agreement which will specify terms and conditions of service.

**CHARACTER OF SERVICE**

Service under this rate schedule is firm and shall only be interrupted in the case of operating emergencies experienced by the Company.

**MONTHLY RATE**

**CUSTOMER CHARGE:**

\$35.00 per month

Surcharge: Distribution System Improvement Charge.

Plus,

GCR (not applicable to NGVS customers who transport gas through a qualified NGS):

\$0.49430 per Ccf

**(I)**

Plus

**DISTRIBUTION CHARGE (consisting of item (A) and (B), below):**

(A) Delivery Charge (Updated in Supplement No. 65 – Issued: July 10, 2013; Effective: October 1, 2013):

\$0.12833 per Ccf

(B) Surcharges:

Universal Service and Energy Conversation Surcharge; The Restructuring and Consumer Education Surcharge; Other Post Employment Benefit Surcharge; and Distribution System Improvement Charge.

**(I) – Increase**

Note: The Commodity Charge includes the Sales Service Charge, the Merchant Function Charge and the Gas Procurement Charge.

PGW  
Gas Supplier Tariff  
Pa. P.U.C. No. 1

Supplement No. 69

# PHILADELPHIA GAS WORKS

## GAS SUPPLIER TARIFF



Issued by: Craig White  
President and CEO  
PHILADELPHIA GAS WORKS  
800 West Montgomery Avenue  
Philadelphia, PA 19122

List of Changes Made by this Tariff

9.14. LOAD BALANCING CHARGE, 9.14.A. (Page No. 39)

The load balancing charge effective March 1, 2017, is \$38.0003 per design day Mcf.

**TABLE OF CONTENTS**

	<u>Page Number</u>
List of Changes Made By This Tariff _____	Sixty Eighth Revised 2
Checksheet _____	First Revised 4
Description of Territory Served _____	5
Table of Contents _____	Sixty Eighth Revised 6
Table of Contents (continued) _____	7
Definitions _____	Second Revised 10
<b><u>RULES and REGULATIONS:</u></b>	
1. The Supplier Tariff _____	14
2. Availability _____	16
3. Character of Service _____	18
4. Supplier Qualification _____	20
5. Customer List _____	First Revised 23
6. Supplier Selection Procedures _____	First Revised 26
7. Supplier Obligations _____	First Revised 29
8. Operational Requirements _____	33
9. Special Provisions _____	37
10. Nomination Procedure _____	42
11. Financial Security _____	44
12. Supplier Billing and Payment _____	First Revised 46
13. Supplier Exit Procedures _____	First Revised 52
14. Breach of Obligations _____	57
15. Standards of Conduct _____	60

PHILADELPHIA GAS WORKS

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9.14. LOAD BALANCING CHARGE.

9.14.A. Suppliers for all gas delivered under Firm Transportation Rates, of this Suppliers Tariff shall be charged at \$38.0003 per design day Mcf that is fulfilled by PGW storage and peaking assets, for recovery of those costs for Balancing Service, calculated in the manner set forth in the Commission's Order at M-00021612 (entered March 31, 2003) and as set forth below. Such rate for Balancing Service shall be increased or decreased, from time to time, in accordance with applicable law and procedures.

(D)

9.14.B. Computation of Balancing Service Costs per Dth.

9.14.B.1. Formula. Balancing Service Costs, per design day Mcf, that is fulfilled by PGW storage and peaking assets, shall be computed to the nearest one-hundredth cent (\$0.0001) in accordance with the formula set forth below:

$$\text{BSC} = (C / S_1) - (E / S_2)$$

Projected Balancing Service Costs, so computed, shall be charged to Suppliers of Firm Transportation Rates per Customer per design day Mcf that is fulfilled by PGW storage and peaking assets, for an enrollment month. The amount of those costs, per Mcf, will vary, if appropriate, based upon annual filings by the Company pursuant to Section 1307(f) of the Public Utility Code and such supplemental filings as may be required or be appropriate under Section 1307(f) or the PUC's regulations adopted pursuant thereto.

9.14.B.2. Definitions. In computing the Balancing Service Costs, per Dth, pursuant to the formula above, the following definitions shall apply:

"BSC" - Balancing Service Costs determined to the nearest one-hundredth cent (\$0.0001) to be charged to each design day Mcf that is fulfilled by PGW storage and peaking assets, under Rate Schedule Firm.

"C" - Cost in dollars: for all types of storage and related services, the fixed and variable costs for the projected period when rates will be in effect.

"E" - the net overcollection or undercollection of Balancing Service Costs.

The net overcollection or undercollection shall be determined for the most recent period permitted under law, which shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. The annual filing date shall be the date specified by the PUC for the Company's Section 1307(f) Tariff filing.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous Balancing Service Costs Rate. Interest shall be computed monthly at the rate as provided for in Section 1307(f) of the Public Utility Code from the month that the overcollection or undercollection occurs to the effective month such overcollection is refunded or undercollection is recouped. Such over billings (or under billings) will be made with interest at the statutory rate.

"S<sub>1</sub>" – projected Mcf of storage gas/LNG to be delivered to Customers to meet design day needs during the projected period when rates will be in effect.

"S<sub>2</sub>" – forecasted Mcf of load balancing volumes during the projected period when rates will be in effect.

**(D) – Decrease**

# Supporting Schedules

**MARCH 1, 2017**

**2ND QUARTER GCR FILING**

**TABLE OF CONTENTS**

Levelized Gas Cost Rate.....	Schedule 1
Price To Compare (\$MCF).....	Schedule 1(a)
Sales & Volumes .....	Schedule 2
Projected Applicable Fuel Expense.....	Schedule 3
Fiscal Year 2017 Act/Est. Data – September 2016 Through February 2017.....	Schedule 4(a)
C-Factor Reconciliation – September 2016 Through February 2017.....	Schedule 4(b)
E-Factor Reconciliation – Fiscal Year 2017.....	Schedule 4(c)
IRC-Factor Revenue Billed – September 2016 Through February 2017.....	Schedule 4(d)
Reconciliation of Demand Charges – September 2016 Through February 2017.	Schedule 4(e)
Interruptible Revenue Credit – March 1, 2017.....	Schedule 5(a)
Interruptible Revenue Margin – March 2017 Through February 2018.....	Schedule 5(b)
Calculation of Recovered Charges.....	Schedule 6
Changes in Rates.....	Schedule 7
Universal Service & Energy Conservation Surcharge (USC) .....	Schedule 8
Statement of Reconciliation – USC Surcharge – Sept. 2016 To February 2017...	Schedule 9
Efficiency Cost Recovery (ECR) Surcharge.....	Schedule 10(a)
Efficiency Cost Recovery (ECR) Surcharge- Statement of Reconciliation.....	Schedule 10(b)
Load Balancing Surcharge – March 1, 2017.....	Schedule 11
Natural Gas Prices.....	Schedule 12
Actual Natural Gas Billed.....	Schedule 13
Summary of Fuels Purchased .....	Schedule 14
Unaccounted For Factor (UAF) and Retainage Rate .....	Schedule 15

**Philadelphia Gas Works**  
**Levelized Gas Cost Rate**  
**2nd Qtr Filing - March 1, 2017**

Formula:  
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			<b>42,262,991</b>	Schedule 2
Net Natural Gas Expense	\$ 55,881,470	\$ 151,324,681	\$ 207,206,151	
Purchased Electric & Misc Expenses	\$ -	\$ 776,786	\$ 776,786	
Total Natural Gas Expense	\$ 55,881,470	\$ 152,101,467	\$ 207,982,937	Schedule 3
C-Factor Reconciliation	\$ (5,475,869)	\$ 8,391,106	\$ 2,915,237	Schedule 7(b)
C = Total Applicable GCR Expense	\$ 50,405,600	\$ 160,492,573	\$ 210,898,173	
SSC = C / S	\$ 1.1927	\$ 3.7974	\$ 4.9901	
Adjustment For:				
E-Factor Volumes (Mcf)			<b>15,035,362</b>	
E-Factor Reconciliation	\$ 3,252,658	\$ (4,126,348)	\$ (873,689)	Schedule 4(c)
E = E-Factor	\$ 0.2163	\$ (0.2744)	\$ (0.0581)	
Interruptible Revenue Credit			\$ 72,964	Schedule 5(a)
IRC = Interruptible Revenue Credit / S			\$ 0.0017	
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 209,951,519	
<u>GCR = SSC + GAC - IRC</u>			\$ 4.9303	
SSC in effect 3/01/17	\$ 1.1964	\$ 3.8092	\$ 5.0056	
GAC in effect 3/01/17	\$ 0.2267	\$ (0.2876)	\$ (0.0609)	
IRC in effect 3/01/17			\$ (0.0017)	
GCR in effect 3/01/17			\$ 4.9430	Schedule 6
Recovery Test on:				
Firm Sales (Mcf)			42,262,991	
= GCR Projected Recovery		\$	208,114,189	
= Load Balancing Revenue		\$	749,622	
= LNG Sales Demand Revenue		\$	1,088,161	
= Total Projected Recovery		\$	209,951,973	Schedule 6
Compared To				
Net Applicable GCR Expenses		\$	209,951,519	
= Net Over/(Under) Recovery		\$	453	
Degree Days			<b>3,855</b>	

## Philadelphia Gas Works

## Price To Compare (\$ / MCF)

March 1, 2017

	<b>GCR</b>	<b>GCA</b>	<b>SSC</b>	<b>MFC</b>	<b>MFC Charge</b>	<b>GPC Charge</b>	<b>GAC</b>	<b>Price to Compare</b>
	<b>1</b>	<b>2</b>	<b>3 = (1 - 2)</b>	<b>4</b>	<b>5 = (1 * 4)</b>	<b>6</b>	<b>7</b>	<b>8 = (3 + 5 + 6 + 7)</b>
<b>Residential GS</b>	\$4.9430	(\$0.0626)	\$5.0056	4.68%	\$0.2313	\$0.0400	(\$0.0609)	\$5.2160
<b>Commercial GS</b>	\$4.9430	(\$0.0626)	\$5.0056	0.28%	\$0.0138	\$0.0400	(\$0.0609)	\$4.9985
<b>Industrial GS</b>	\$4.9430	(\$0.0626)	\$5.0056	0.30%	\$0.0148	\$0.0400	(\$0.0609)	\$4.9995
<b>Phila. Housing Authority (PHA)</b>	\$4.9430	(\$0.0626)	\$5.0056	0%	\$0.0000	\$0.0400	(\$0.0609)	\$4.9847
<b>Municipal (MS)</b>	\$4.9430	(\$0.0626)	\$5.0056	0%	\$0.0000	\$0.0400	(\$0.0609)	\$4.9847
<b>NGV Firm</b>	\$4.9430	(\$0.0626)	\$5.0056	0%	\$0.0000	\$0.0400	(\$0.0609)	\$4.9847
<b>Phila. Housing Authority (GS)</b>	\$4.9430	(\$0.0626)	\$5.0056	0%	\$0.0000	\$0.0400	(\$0.0609)	\$4.9847

## SALES & VOLUMES

MARCH 2017 THROUGH FEBRUARY 2018

MONTH	TOTAL VOLUMES	FIRM TRANSPORT VOLUMES	BILLED SALES	INTERRUPTIBLE SALES	LNG SALES	AIR CONDITIONING SALES	GCR FIRM SALES	SENIOR CITIZEN DISCOUNT SALES	APPLICABLE VOLUMES
	1	2	3 = (1 - 2)	4	4A	4B	5 = (3 - 4 - 4A - 4B)	6	7 = (5 - 6 + 2)
MARCH 2017	6,898,445	588,572	6,309,873	209	70,165	-	6,239,499	38,774	6,789,297
APRIL	4,457,069	370,418	4,086,651	203	67,901	-	4,018,547	24,218	4,364,747
MAY	2,050,952	215,392	1,835,559	209	70,165	5	1,765,180	9,286	1,971,287
JUNE	1,344,117	188,221	1,155,896	203	67,901	1,049	1,086,743	4,506	1,270,459
JULY	1,275,591	181,687	1,093,904	463	70,165	1,652	1,021,625	4,123	1,199,189
AUGUST	1,138,318	161,777	976,541	463	70,165	2,147	903,767	3,606	1,061,938
SEPTEMBER	1,113,041	159,657	953,384	448	82,192	1,697	869,047	3,448	1,025,256
OCTOBER	1,508,074	228,827	1,279,247	463	84,932	119	1,193,734	5,009	1,417,552
NOVEMBER	3,350,800	405,285	2,945,515	448	82,192	-	2,862,875	14,615	3,253,546
DECEMBER	5,841,152	608,102	5,233,050	463	84,932	-	5,147,656	27,457	5,728,301
JANUARY 2018	9,847,693	871,598	8,976,095	463	84,932	-	8,890,701	48,508	9,713,792
FEBRUARY	<u>9,121,468</u>	<u>780,722</u>	<u>8,340,746</u>	<u>418</u>	<u>76,712</u>	<u>-</u>	<u>8,263,616</u>	<u>44,518</u>	<u>8,999,820</u>
TOTAL	47,946,719	4,760,258	43,186,461	4,450	912,351	6,668	42,262,991	228,066	46,795,183

**Projected Applicable Fuel Expense  
SUMMARY  
FY 2016-2017 2nd Quarter Filing**

	MARCH 2017	APRIL 2017	MAY 2017	JUNE 2017	JULY 2017	AUGUST 2017	SEPTEMBER 2017	OCTOBER 2017	NOVEMBER 2017	DECEMBER 2017	JANUARY 2018	FEBRUARY 2018	TOTAL
<b>NATURAL GAS BILLED</b>													
DEMAND CHARGE	\$ 4,890,818	\$ 4,446,263	\$ 4,422,664	\$ 4,444,285	\$ 4,420,657	\$ 4,419,552	\$ 4,560,258	\$ 4,540,920	\$ 4,890,869	\$ 4,941,589	\$ 4,940,833	\$ 4,962,762	\$55,881,470
COMMODITY CHARGE	\$ 19,034,221	\$ 13,300,644	\$ 11,873,674	\$ 6,584,497	\$ 3,641,549	\$ 2,681,367	\$ 10,047,213	\$ 10,605,724	\$ 16,381,071	\$ 22,264,624	\$ 23,769,978	\$ 22,778,535	\$162,963,096
<b>TOTAL NATURAL GAS BILLED</b>	<b>\$23,925,039</b>	<b>\$17,746,908</b>	<b>\$16,296,338</b>	<b>\$11,028,782</b>	<b>\$8,062,206</b>	<b>\$7,100,918</b>	<b>\$14,607,471</b>	<b>\$15,146,643</b>	<b>\$21,271,941</b>	<b>\$27,206,213</b>	<b>\$28,710,810</b>	<b>\$27,741,297</b>	<b>\$218,844,566</b>
<b>INTERRUPTIBLE &amp; A/C CREDIT</b>	<b>\$ 704</b>	<b>\$ 688</b>	<b>\$ 698</b>	<b>\$ 4,060</b>	<b>\$ 6,946</b>	<b>\$ 8,576</b>	<b>\$ 7,362</b>	<b>\$ 2,055</b>	<b>\$ 1,625</b>	<b>\$ 1,724</b>	<b>\$ 1,715</b>	<b>\$ 1,555</b>	<b>\$37,707</b>
SENDOUT VOLUME IN MCF	216	209	221	1,293	2,185	2,696	2,216	600	463	478	478	432	11,487
DKT CONVERSION FACTOR	1.037	1.037	1.037	1.037	1.037	1.037	1.037	1.037	1.037	1.037	1.037	1.037	
PRICE \$/DKT	\$ 3.1376	\$ 3.1662	\$ 3.0403	\$ 3.0285	\$ 3.0659	\$ 3.0678	\$ 3.2041	\$ 3.3011	\$ 3.3865	\$ 3.4778	\$ 3.4588	\$ 3.4727	
<b>GAS USED FOR UTILITY</b>	<b>\$ 159,247</b>	<b>\$ 87,064</b>	<b>\$ 44,331</b>	<b>\$ 30,256</b>	<b>\$ 24,276</b>	<b>\$ 29,225</b>	<b>\$ 37,515</b>	<b>\$ 45,550</b>	<b>\$ 73,984</b>	<b>\$ 141,271</b>	<b>\$ 172,012</b>	<b>\$ 184,613</b>	<b>\$1,029,344</b>
<b>NATURAL GAS TO STORAGE</b>	<b>\$ -</b>	<b>\$ (2,996,126)</b>	<b>\$ (7,344,583)</b>	<b>\$ (3,821,528)</b>	<b>\$ (780,183)</b>	<b>\$ 177,198</b>	<b>\$ (6,939,020)</b>	<b>\$ (2,915,061)</b>	<b>\$ -</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>(\$24,619,303)</b>
FROM STORAGE PGW	\$ 788,721	\$ 49,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,418	\$ 2,963,380	\$ 7,958,809	\$ 5,105,251	\$17,248,277
FT FROM STORAGE	\$ 125,803	\$ 8,467	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,250	\$ 241,318	\$ 463,122	\$ 406,562	\$1,280,521
<b>NET NATURAL GAS STORAGE</b>	<b>\$788,721</b>	<b>(\$2,946,428)</b>	<b>(\$7,344,583)</b>	<b>(\$3,821,528)</b>	<b>(\$780,183)</b>	<b>\$177,198</b>	<b>(\$6,939,020)</b>	<b>(\$2,915,061)</b>	<b>\$382,418</b>	<b>\$2,963,380</b>	<b>\$7,958,809</b>	<b>\$5,105,251</b>	<b>(\$7,371,026)</b>
<b>LNG TO STORAGE</b>	<b>\$ (1,215,063)</b>	<b>\$ (1,074,994)</b>	<b>\$ (342,412)</b>	<b>\$ (16,326)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (32,787)</b>	<b>\$ (715,833)</b>	<b>\$ (1,332,601)</b>	<b>\$ (1,128,218)</b>	<b>\$ (483,440)</b>	<b>\$ (344,727)</b>	<b>(\$6,686,401)</b>
FROM LNG PGW	\$ 404,025	\$ 406,039	\$ 428,594	\$ 417,197	\$ 431,195	\$ 431,195	\$ 459,335	\$ 477,057	\$ 469,679	\$ 508,011	\$ 935,323	\$ 839,818	\$6,207,469
FT FROM LNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
<b>NET LNG STORAGE</b>	<b>(\$811,038)</b>	<b>(\$668,955)</b>	<b>\$86,182</b>	<b>\$400,871</b>	<b>\$431,195</b>	<b>\$431,195</b>	<b>\$426,548</b>	<b>(\$238,776)</b>	<b>(\$862,922)</b>	<b>(\$620,207)</b>	<b>\$451,883</b>	<b>\$495,091</b>	<b>(\$478,932)</b>
<b>LNG SALES FROM LNG TANK</b>	<b>\$ 190,525</b>	<b>\$ 192,649</b>	<b>\$ 204,600</b>	<b>\$ 199,575</b>	<b>\$ 206,305</b>	<b>\$ 206,305</b>	<b>\$ 241,668</b>	<b>\$ 249,962</b>	<b>\$ 246,830</b>	<b>\$ 263,967</b>	<b>\$ 271,161</b>	<b>\$ 247,858</b>	<b>\$2,721,406</b>
SENDOUT VOLUMES (MCF)	70,165	67,901	70,165	67,901	70,165	70,165	82,192	84,932	82,192	84,932	84,932	76,712	912,351
@ AVG LNG COMMODITY RATE	\$ 2.7154	\$ 2.8372	\$ 2.9160	\$ 2.9392	\$ 2.9403	\$ 2.9403	\$ 2.9403	\$ 2.9431	\$ 3.0031	\$ 3.1080	\$ 3.1927	\$ 3.2310	
<b>NET NATURAL GAS EXPENSE</b>	<b>\$23,552,245</b>	<b>\$13,851,124</b>	<b>\$8,788,310</b>	<b>\$7,374,233</b>	<b>\$7,475,691</b>	<b>\$7,465,205</b>	<b>\$7,808,454</b>	<b>\$11,695,239</b>	<b>\$20,468,998</b>	<b>\$29,142,424</b>	<b>\$36,676,615</b>	<b>\$32,907,614</b>	<b>\$207,206,151</b>
<b>APPLICABLE GCR EXPENSE</b>													
NET NATURAL GAS EXPENSE	\$23,552,245	\$13,851,124	\$8,788,310	\$7,374,233	\$7,475,691	\$7,465,205	\$7,808,454	\$11,695,239	\$20,468,998	\$29,142,424	\$36,676,615	\$32,907,614	\$207,206,151
PURCHASED ELECTRIC & MISC	\$ 84,055	\$ 55,487	\$ 42,755	\$ 26,931	\$ 45,806	\$ 31,867	\$ 23,643	\$ 50,948	\$ 51,671	\$ 67,861	\$ 82,929	\$ 87,831	\$651,786
PLANALYTICS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$125,000
<b>TOTAL APPLICABLE EXPENSES</b>	<b>\$23,636,300</b>	<b>\$13,906,611</b>	<b>\$8,831,064</b>	<b>\$7,401,165</b>	<b>\$7,521,498</b>	<b>\$7,497,072</b>	<b>\$7,832,097</b>	<b>\$11,746,187</b>	<b>\$20,520,669</b>	<b>\$29,210,285</b>	<b>\$36,884,544</b>	<b>\$32,995,445</b>	<b>\$207,982,937</b>
<b>TOTAL GCR FIRM SALES</b>	<b>6,239,499</b>	<b>4,018,547</b>	<b>1,765,180</b>	<b>1,086,743</b>	<b>1,021,625</b>	<b>903,767</b>	<b>869,047</b>	<b>1,193,734</b>	<b>2,862,875</b>	<b>5,147,656</b>	<b>8,890,701</b>	<b>8,263,616</b>	<b>42,262,991</b>

**ACTUAL / ESTIMATED DATA - FISCAL YEAR 2017  
PHILADELPHIA GAS WORKS**

Rate	7/1/2016	Split Month 9/1/2016	10/1/2016	Split Month 12/1/2016	1/1/2017	Split Month 3/1/2017	4/1/2017
	SSC in Effect	\$ 3.7551	\$ 4.0107	\$ 4.2662	\$ 4.2367	\$ 4.2071	\$ 4.6064
GAC in Effect	\$ (0.5353)	\$ (0.2986)	\$ (0.0619)	\$ (0.0547)	\$ (0.0474)	\$ (0.0542)	\$ (0.0609)
IRC in Effect	\$ (0.0019)	\$ (0.0018)	\$ (0.0017)	\$ (0.0019)	\$ (0.0020)	\$ (0.0019)	\$ (0.0017)
Total Effective	\$ 3.2179	\$ 3.7103	\$ 4.2026	\$ 4.1802	\$ 4.1577	\$ 4.5504	\$ 4.9430
<b>Percentage of Total</b>							
C-Factor	116.7%	108.1%	101.5%	101.4%	101.2%	101.2%	101.3%
E-Factor	-16.6%	-8.0%	-1.5%	-1.3%	-1.1%	-1.2%	-1.2%
IRC-Factor	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100%	100%	100%	100%	100%	100%	100%

<b>C-Factor</b>							
Demand Charge in Effect	\$ 1.1324	\$ 1.1749	\$ 1.2173	\$ 1.2885	\$ 1.3596	\$ 1.2780	\$ 1.1964
Commodity in Effect	\$ 2.6227	\$ 2.8358	\$ 3.0489	\$ 2.9482	\$ 2.8475	\$ 3.3284	\$ 3.8092
	\$ 3.7551	\$ 4.0107	\$ 4.2662	\$ 4.2367	\$ 4.2071	\$ 4.6064	\$ 5.0056
<b>Percentage of Total</b>							
Demand Charge in Effect	30.2%	29.3%	28.5%	30.4%	32.3%	27.7%	23.9%
Commodity in Effect	69.8%	70.7%	71.5%	69.6%	67.7%	72.3%	76.1%
	100%	100%	100%	100%	100%	100%	100%

	C-Factor Over/(Under)	E-Factor Over/(Under)	Interest Over/(Under)	FY 2016 Final E-Factor
Fiscal Year 2016 E-Factor	\$ 2,267,684	\$ (109,192)	\$ 286,497	\$ 2,444,989

Actual	*		*		*	
	Sep-2016	Oct-2016	Nov-2016	Dec-2016	Jan-2017	Feb-2017
Fiscal Year 2016-2017	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
GCR Firm Sales	925,157	1,202,685	2,580,829	5,472,734	8,057,104	7,897,206
Migration Rider Sales	1,476	-	-	-	-	-
GCR Revenue Billed	\$ 3,457,095	\$ 5,070,159	\$ 10,825,976	\$ 23,143,420	\$ 33,499,020	\$ 32,834,215
Migration Rider Revenue Billed	\$ (614)	\$ 38	\$ 342	\$ 98	\$ -	\$ -
Load Balancing Billed	\$ 91,362	\$ 91,800	\$ 83,326	\$ 75,857	\$ 81,487	\$ 81,988
LNG Sales Demand Charge Credit	\$ -	\$ -	\$ -	\$ 7,493	\$ 95,396	\$ 86,164
Total Revenue Billed	\$ 3,547,844	\$ 5,161,997	\$ 10,909,644	\$ 23,226,868	\$ 33,675,903	\$ 33,002,367
Natural Gas Refunds	\$ -	\$ -	\$ 1,431			
Demand Charges	\$ 4,732,272	\$ 4,727,256	\$ 5,124,677	\$ 5,149,234	\$ 4,947,249	\$ 4,973,732
Supply Charges	\$ 1,571,764	\$ 3,028,219	\$ 8,903,748	\$ 21,907,741	\$ 24,188,660	\$ 24,808,297
Net Cost of Fuel	\$ 6,304,036	\$ 7,755,475	\$ 14,028,425	\$ 27,056,975	\$ 29,135,909	\$ 29,782,029

\* Load Balancing Billed Revised

**FISCAL YEAR 2017  
PHILADELPHIA GAS WORKS  
C-FACTOR RECONCILIATION**

MONTH	NET COST	TOTAL	C FACTOR	C FACTOR	LOAD BALANCING	LNG SALES GCR	TOTAL	NATURAL GAS	OVER/	CUMULATIVE
	OF FUEL	GCR		REVENUE			REVENUE		C FACTOR	
	1	2	% of GCR	4 = ( 2 * 3 )	5	6	7 = ( 4 + 5 + 6 )	8	9 = ( 7 + 8 - 1 )	10
	(\$)	(\$)		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
SEPTEMBER 2016	6,304,036	3,457,095	108.1%	3,736,999	91,362	0	3,828,361	0	(2,475,675)	(2,475,675)
OCTOBER	7,755,475	5,070,159	101.5%	5,146,888	91,800	0	5,238,688	0	(2,516,787)	(4,992,463)
NOVEMBER	14,028,425	10,825,976	101.5%	10,989,811	83,326	0	11,073,137	1,431	(2,953,857)	(7,946,319)
DECEMBER	27,056,975	23,143,420	101.4%	23,456,233	75,857	7,493	23,539,582	0	(3,517,393)	(11,463,712)
JANUARY 2017	29,135,909	33,499,020	101.2%	33,897,041	81,487	95,396	34,073,924	0	4,938,015	(6,525,697)
FEBRUARY	29,782,029	32,834,215	101.2%	33,224,337	81,988	86,164	33,392,489	0	3,610,460	(2,915,237)

**FISCAL YEAR 2017  
PHILADELPHIA GAS WORKS  
E-FACTOR RECONCILIATION**

		GCR SALES 1	MIGRATION RIDER SALES 2	TOTAL E-FACTOR VOLUMES 3=(1 + 2)	TOTAL GCR REVENUE BILLED 4	E-FACTOR % of GCR 5	E-FACTOR GCR REVENUE BILLED 6=(4 * 5)	MIGRATION RIDER REVENUES 7	TOTAL E-FACTOR REVENUE 8=(6 + 7)	OVER/(UNDER) PROJECTED RECOVERY (9)
		(MCF)	(MCF)	(MCF)	(\$)		(\$)	(\$)	(\$)	(\$)
<b>PRIOR YEAR E-FACTOR</b>										
										\$ 2,444,989
<b>MONTH</b>										
<b>SEPTEMBER 2016</b>	<b>Actual</b>	925,157	1,476	926,633	\$ 3,457,095	-8.0%	\$ (278,226)	\$ (614)	\$ (278,840)	\$ 2,166,149
<b>OCTOBER</b>	<b>Actual</b>	1,202,685	-	1,202,685	\$ 5,070,159	-1.5%	\$ (74,678)	\$ 38	\$ (74,640)	\$ 2,091,509
<b>NOVEMBER</b>	<b>Actual</b>	2,580,829	-	2,580,829	\$ 10,825,976	-1.5%	\$ (159,456)	\$ 342	\$ (159,113)	\$ 1,932,396
<b>DECEMBER</b>	<b>Actual</b>	5,472,734	-	5,472,734	\$ 23,143,420	-1.3%	\$ (302,570)	\$ 98	\$ (302,472)	\$ 1,629,924
<b>JANUARY 2017</b>	<b>Estimated</b>	8,057,104	-	8,057,104	\$ 33,499,020	-1.1%	\$ (381,907)	-	\$ (381,907)	\$ 1,248,017
<b>FEBRUARY</b>	<b>Estimated</b>	7,897,206	-	7,897,206	\$ 32,834,215	-1.1%	\$ (374,328)	-	\$ (374,328)	\$ 873,689
<hr/>										
<b>MARCH</b>	<b>Estimated</b>	6,239,499	-	6,239,499	\$ 28,391,905		\$ (362,571)	-	\$ (362,571)	
<b>APRIL</b>	<b>Estimated</b>	4,018,547	-	4,018,547	\$ 19,863,676		\$ (233,514)	-	\$ (233,514)	
<b>MAY</b>	<b>Estimated</b>	1,765,180	-	1,765,180	\$ 8,725,287		\$ (102,573)	-	\$ (102,573)	
<b>JUNE</b>	<b>Estimated</b>	1,086,743	-	1,086,743	\$ 5,371,773		\$ (63,150)	-	\$ (63,150)	
<b>JULY</b>	<b>Estimated</b>	1,021,625	-	1,021,625	\$ 5,049,893		\$ (59,366)	-	\$ (59,366)	
<b>AUGUST</b>	<b>Estimated</b>	903,767	-	903,767	\$ 4,467,319		\$ (52,517)	-	\$ (52,517)	
<b>TOTAL</b>		15,035,362	-	15,035,362	71,869,853		(873,689)	-	(873,689)	
<hr/>										
<b>MARCH 1, 2016 E-FACTOR</b>		<b>-0.0581</b>								

**FISCAL YEAR 2017  
PHILADELPHIA GAS WORKS  
IRC FACTOR REVENUE BILLED**

<b>MONTH</b>	<b>TOTAL GCR REVENUE BILLED 1</b>	<b>IRC- FACTOR % of GCR 2</b>	<b>IRC-FACTOR REVENUE BILLED 3 = ( 1 * 2 )</b>
	\$		\$
<b>SEPTEMBER 2016</b>	3,457,095	-0.05%	(1,677)
<b>OCTOBER</b>	5,070,159	-0.04%	(2,051)
<b>NOVEMBER</b>	10,825,976	-0.04%	(4,379)
<b>DECEMBER</b>	23,143,420	-0.04%	(10,243)
<b>JANUARY 2017</b>	33,499,020	-0.05%	(16,114)
<b>FEBRUARY</b>	32,834,215	-0.05%	(15,794)

**FISCAL YEAR 2017  
PHILADELPHIA GAS WORKS  
RECONCILIATION OF DEMAND CHARGES**

MONTH	DEMAND CHARGES LESS LOAD BALANCING CHARGE REVENUE 1	DEMAND REVENUE BILLED 2	MONTHLY DEMAND OVER/(UNDER) 3 = (2 - 1)	CUMULATIVE DEMAND OVER/(UNDER) 4
	\$	\$	\$	\$
SEPTEMBER 2016	4,640,910	1,086,921	(3,553,989)	(3,553,989)
OCTOBER	4,635,456	1,464,028	(3,171,428)	(6,725,417)
NOVEMBER	5,041,351	3,141,643	(1,899,708)	(8,625,125)
DECEMBER	5,065,884	7,051,344	1,985,460	(6,639,665)
JANUARY 2017	4,770,366	10,954,438	6,184,072	(455,593)
FEBRUARY	4,805,580	10,737,042	5,931,462	5,475,869

**INTERRUPTIBLE REVENUE CREDIT**  
**March 1, 2017**

Fiscal Year 2016 Reconciliation (8/31/16) \$ 85,233

<u>MONTH</u>		<u>IRC</u> <u>CREDIT</u>	<u>MARGIN</u>	
September-16	Actual	\$ (1,677)	\$ 2,874	
October	Actual	\$ (2,051)	\$ 5,287	
November	Actual	\$ (4,379)	\$ 26,127	
December	Actual	\$ (10,243)	\$ 65	
January-17	Estimated	\$ (16,114)	\$ 157	
February	Estimated	\$ (15,794)	\$ 142	
Act/Est IRC Credit September 2016 to February 2017		<u>\$ (50,258)</u>		
Act/Est Margin September 2016 to February 2017			<u>\$ 34,652</u>	<u>\$ 34,652</u>
FY 2016 Reconciliation Plus Act/Est Margin September 2016 to February 2017				<u>\$ 119,885</u>

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FY 2016 Reconciliation Plus Act/Est Margin September 2016 to February 2017	\$ 119,885	
Act/Est IRC Credit September 2016 to February 2017	<u>\$ (50,258)</u>	
Reconciliation as of February 28, 2017	\$ 69,627	
Margin - March 2017 through February 2018	<u>\$ 3,338</u>	Schedule 5(b)
March 1, 2017 Interruptible Revenue Credit	\$ 72,964	

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GCR Firm Sales **42,262,991** Schedule 2

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March 1, 2017 IRC/Mcf \$ 0.0017

**INTERRUPTIBLE REVENUE MARGIN**  
**2ND QTR FILING**

<b><u>MONTH</u></b>			<b><u>MARGIN</u></b>
March-17	Estimated	\$	157
April	Estimated	\$	152
May	Estimated	\$	157
June	Estimated	\$	152
July	Estimated	\$	347
August	Estimated	\$	347
September	Estimated	\$	336
October	Estimated	\$	347
November	Estimated	\$	336
December	Estimated	\$	347
January-18	Estimated	\$	347
February	Estimated	\$	313
Total		\$	3,338

**CALCULATION OF RECOVERED CHARGES**  
**2nd Qtr Filing**  
**March 1, 2017**

	<u>50% March</u>	<u>11.5 Months</u>	<u>Total</u>
			(MCF)                  (\$)
S - Firm Sales (Mcf)	3,119,750	39,143,242	42,262,991
C-Factor	<u>\$ 4.2071</u>	<u>\$ 5.0056</u>	
Projected Recovery	13,125,098	195,935,410	\$ 209,060,509
S - Firm Sales (Mcf)	3,119,750	39,143,242	42,262,991
IRC-Factor	<u>\$ (0.0020)</u>	<u>\$ (0.0017)</u>	
Projected Recovery	(6,239)	(66,544)	\$ (72,783)
E-Factor Volumes (Mcf)	3,119,750	11,915,612	15,035,362
E-Factor	<u>\$ (0.0474)</u>	<u>\$ (0.0609)</u>	
Projected Recovery	(147,876)	(725,661)	\$ (873,537)
GCR (\$ / Mcf)	\$ 4.1577	\$ 4.9430	
<hr/>			
GCR Projected Recovery			\$ 208,114,189
Load Balancing Revenue			\$ 749,622
LNG Sales Demand Revenue			<u>\$ 1,088,161</u>
<b>TOTAL PROJECTED RECOVERY</b>			<b>\$ 209,951,973</b>

**Change In Rates  
2nd Quarter Filing  
Rates Effective March 1, 2017**

	<b>Current Rates</b>				12/01/16 Commodity Rate (5)=(1)+(2)+(3)+(4)
	12/01/16 Distribution Charge (1)	12/01/16 GCR (2)	12/01/16 MFC (3)	12/01/16 GPC (4)	
Residential GS	\$7.7183	\$4.1577	\$0.1946	\$0.0400	\$12.1106
Commercial GS	\$6.3463	\$4.1577	\$0.0116	\$0.0400	\$10.5556
Industrial GS	\$6.2585	\$4.1577	\$0.0125	\$0.0400	\$10.4687
Phila.Housing Authority (PHA)	\$5.8580	\$4.1577	\$0.0000	\$0.0400	\$10.0557
Municipal (MS)	\$5.0530	\$4.1577	\$0.0000	\$0.0400	\$9.2507
Phila.Housing Authority (GS)	\$6.6557	\$4.1577	\$0.0000	\$0.0400	\$10.8534

**March 1, 2017 - Distribution Charge**

	Delivery Charge (6)	Surcharges				Total Surcharges (11)=(7)+(8)+(9)+(10)	Distribution Charge / Mcf (12)=(11)+(6)
		Other Post Employment Benefit (7)	Efficiency Cost Recovery (8)	Universal Service & Ener. Cons. (9)	Restructuring & Consumer Education (10)		
Residential GS	\$6.0067	\$0.3724	\$0.0222	\$1.4628	\$0.0100	\$1.8674	\$7.8741
Commercial GS	\$4.5984	\$0.3724	\$0.0570	\$1.4628	\$0.0100	\$1.9022	\$6.5006
Industrial GS	\$4.5332	\$0.3724	\$0.0556	\$1.4628	\$0.0100	\$1.9008	\$6.4340
Phila.Housing Authority (PHA)	\$4.1101	\$0.3724	\$0.0570	\$1.4628	\$0.0100	\$1.9022	\$6.0123
Municipal (MS)	\$3.3661	\$0.3724	\$0.0000	\$1.4628	\$0.0100	\$1.8452	\$5.2113
Phila.Housing Authority (GS)	\$4.9441	\$0.3724	\$0.0222	\$1.4628	\$0.0100	\$1.8674	\$6.8115

**Proposed Rates**

	03/01/17 Distribution Charge (12)	03/01/17 GCR (13)	03/01/17 MFC (14)	03/01/17 GPC (15)	03/01/17 Commodity Rate (16)=(12)+(13)+(14)+(15)	Difference (17)=(16)-(5)
Commercial GS	\$6.5006	\$4.9430	\$0.0138	\$0.0400	\$11.4974	\$0.9418
Industrial GS	\$6.4340	\$4.9430	\$0.0148	\$0.0400	\$11.4318	\$0.9631
Phila.Housing Authority (PHA)	\$6.0123	\$4.9430	\$0.0000	\$0.0400	\$10.9953	\$0.9396
Municipal (MS)	\$5.2113	\$4.9430	\$0.0000	\$0.0400	\$10.1943	\$0.9436
Phila.Housing Authority (GS)	\$6.8115	\$4.9430	\$0.0000	\$0.0400	\$11.7945	\$0.9411

**PHILADELPHIA GAS WORKS**  
**March 1, 2017 - 2ND QTR FILING**  
**UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE**

	<b>Expenses in the Surcharge</b>
Enhanced Low Income Retrofit Program (ELIRP)	\$ 6,621,690
Customer Responsibility Program (CRP)	\$ 49,473,751
Senior Citizen Discount *	\$ 3,112,084
<a href="#">February 2017 Under Collection</a>	<u>\$ 9,243,580</u>
Total \$ to be Recovered	\$ 68,451,105
Total Applicable Volumes	Mcf 46,793,417
Universal Service & Energy Conservation Surcharge	<u><u>\$ 1.4628</u></u>

\* This is the Senior Citizen Discount based on the Distribution Charge without the Universal Services Surcharge plus the GCR. This is used to calculate the Universal Services Surcharge. The total senior citizen discount is \$3,465,900.

**STATEMENT OF RECONCILIATION  
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE  
SEPTEMBER 2016 THROUGH FEBRUARY 2017**

<u>Month</u>		<u>USC</u> <u>Applicable</u> <u>Volumes</u>	<u>USC</u> <u>Charge</u>	<u>USC</u> <u>Revenue</u> <u>Billed</u>	<u>USC</u> <u>Expenses</u>	<u>Monthly</u> <u>Over/(Under)</u> <u>Recovery</u>	<u>Cumulative</u> <u>Over/(Under)</u> <u>Recovery</u>
<b>FY 16 Reconciliation</b>							(\$13,309,033)
September 2016	Actual	1,071,555	\$ 1.5104	\$ 1,618,477	\$ (1,111,484)	\$ 2,729,960	(\$10,579,073)
October	Actual	1,401,686	\$ 1.5160	\$ 2,124,956	\$ (350,380)	\$ 2,475,335	(\$8,103,737)
November	Actual	2,945,088	\$ 1.5160	\$ 4,464,753	\$ 3,840,976	\$ 623,777	(\$7,479,961)
December	Actual	6,044,721	\$ 1.4103	\$ 8,524,567	\$ 9,787,491	\$ (1,262,923)	(\$8,742,884)
January 2017	Estimated	8,769,309	\$ 1.3045	\$ 11,439,563	\$ 11,649,091	\$ (209,528)	(\$8,952,412)
February	Estimated	8,586,057	\$ 1.3045	\$ 11,200,512	\$ 11,491,680	\$ (291,169)	(\$9,243,580)

<u>USC Expenses</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>
ELIRP Expense	\$ 4,070	\$ 3,253	\$ 718,095	\$ 1,262,122	\$ 561,247	\$ 561,247
ELIRP Labor	\$ 9,245	\$ 6,710	\$ 8,205	\$ 9,915	\$ 7,417	\$ 7,417
CRP Discount	\$ (1,982,820)	\$ (1,220,808)	\$ 2,207,684	\$ 7,322,973	\$ 9,713,820	\$ 9,567,534
CRP Forgiveness	\$ 764,938	\$ 734,013	\$ 625,108	\$ 676,546	\$ 753,270	\$ 760,655
Senior Citizen Discount	\$ 93,084	\$ 126,452	\$ 281,884	\$ 515,935	\$ 613,337	\$ 594,827
Bad Debt Expense Offset*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ (1,111,484)</b>	<b>\$ (350,380)</b>	<b>\$ 3,840,976</b>	<b>\$ 9,787,491</b>	<b>\$ 11,649,091</b>	<b>\$ 11,491,680</b>

<u>CRP Participation</u>					
Rate Case Participation Rate		84,000	84,000	84,000	84,000
Actual Participation Rate*		50,045	49,664	49,558	49,321
CRP Under(Over) Participation		33,955	34,336	34,442	34,679
<u>Average Shortfall Per CRP Participant</u>					
CRP Discount	\$ (1,982,820)	\$ (1,220,808)	\$ 2,207,684	\$ 7,322,973	
Actual Participation Rate		50,045	49,664	49,558	49,321
Average Shortfall per CRP Participant	\$ (40)	\$ (25)	\$ 45	\$ 148	
Shortfall*	\$ -	\$ -	\$ -	\$ -	
Bad Debt Expense Offset* 7.1%	\$ -	\$ -	\$ -	\$ -	

\*Bad Debt Expense Offset Applicable When Actual CRP Participation Exceeds 84,000

**EFFICIENCY COST RECOVERY (ECR) SURCHARGE**  
**March 1, 2017**

<u>Program</u>	<u>Residential &amp; PHA GS</u>	<u>Commercial &amp; PHA</u>	<u>Industrial</u>	<u>Total</u>
<b>Residential Heating Equipment Rebate (RHER)</b>				
Program Expense	\$889,653	\$103,114	\$806	\$993,574
Labor Expense	\$16,513	\$2,136	\$17	\$18,667
<b>Commercial &amp; Industrial Retrofit Incentive (CIRI)</b>				
Program Expense	\$164,018	\$296,060	\$0	\$460,078
Labor Expense	\$3,084	\$5,567	\$0	\$8,651
<b>Commercial &amp; Industrial Equipment Rebate (CIER)</b>				
Program Expense	\$9,021	\$374,047	\$64,638	\$447,705
Labor Expense	\$183	\$6,973	\$728	\$7,884
<b>High-Efficiency Construction Incentive (HECI)</b>				
Program Expense	\$123,829	\$151,395	\$0	\$275,224
Labor Expense	\$2,029	\$2,476	\$0	\$4,505
<b>Comprehensive Residential Retrofit Incentive (CRRI)</b>				
Program Expense	\$83,379	\$1,737	\$0	\$85,116
Labor Expense	<u>\$1,010</u>	<u>\$26</u>	<u>\$0</u>	<u>\$1,037</u>
<b>Total Expense</b>	\$1,292,721	\$943,531	\$66,189	\$2,302,440
<b>Prior Period Reconciliation (2/28/17)</b>	<u>\$ (528,462)</u>	<u>\$ (328,022)</u>	<u>\$ (22,381)</u>	<u>\$ (878,865)</u>
<b>Total</b>	\$764,259	\$615,508	\$43,808	\$1,423,575
<b>Volumes - Mcf (GCR Firm &amp; Firm Transportation)</b>	34,420,282	10,805,052	788,454	

<b>Efficiency Cost Recovery Surcharge / Mcf</b>	<b>\$0.0222</b>	<b>\$0.0570</b>	<b>\$0.0556</b>
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**EFFICIENCY COST RECOVERY (ECR) SURCHARGE  
STATEMENT OF RECONCILIATION  
2nd Quarter Filing**

		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
		<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>
<b>RESIDENTIAL &amp; PHA GS</b>							
FY 2016 Over-Collection	\$ 470,139						
Volume Billed		690,375	883,073	2,034,747	4,485,964	6,698,618	6,577,426
ECR Surcharge		\$ 0.0157	\$ 0.0195	\$ 0.0195	\$ 0.0221	\$ 0.0247	\$ 0.0247
Revenue Billed		\$ 10,839	\$ 17,220	\$ 39,678	\$ 99,140	\$ 165,456	\$ 162,462
RHER	Expense	\$ 3,209	\$ 3,085	\$ 40,562	\$ 38,157	\$ 86,082	\$ 86,082
RHER	Labor	\$ 1,095	\$ 795	\$ 1,289	\$ 1,176	\$ 841	\$ 841
HECI	Expense	\$ 59	\$ 47	\$ 762	\$ 1,632	\$ 10,961	\$ 10,961
HECI	Labor	\$ 133	\$ 97	\$ 117	\$ 143	\$ 107	\$ 107
CRRI	Expense	\$ 93	\$ 1,870	\$ 14,029	\$ 80,151	\$ 9,802	\$ 9,802
CRRI	Labor	\$ 211	\$ 153	\$ 196	\$ 227	\$ 168	\$ 168
CIRI	Expense	\$ 76	\$ 61	\$ 285	\$ 111	\$ 14,046	\$ 14,046
CIRI	Labor	\$ 174	\$ 126	\$ 155	\$ 186	\$ 139	\$ 139
CIER	Expense	\$ 4	\$ 3	\$ (7)	\$ 412	\$ 641	\$ 641
CIER	Labor	\$ 8	\$ 6	\$ (14)	\$ 9	\$ 9	\$ 9
Total		\$ 5,062	\$ 6,243	\$ 57,374	\$ 122,203	\$ 122,795	\$ 122,795
Monthly Over/(Under)		\$ 5,777	\$ 10,977	\$ (17,696)	\$ (23,063)	\$ 42,661	\$ 39,668
Cumulative Over/(Under)		\$ 475,916	\$ 486,892	\$ 469,196	\$ 446,133	\$ 488,794	\$ 528,462
<b>COMMERCIAL &amp; PHA</b>							
FY 2016 Over-Collection	\$ 160,448						
Volume Billed		342,337	464,675	809,222	1,351,756	1,790,913	1,737,277
ECR Surcharge		\$ 0.0493	\$ 0.0510	\$ 0.0510	\$ 0.0560	\$ 0.0610	\$ 0.0610
Revenue Billed		\$ 16,877	\$ 23,698	\$ 41,270	\$ 75,698	\$ 109,246	\$ 105,974
RHER	Expense	\$ 354	\$ 340	\$ (694)	\$ 4,138	\$ 9,971	\$ 9,971
RHER	Labor	\$ 121	\$ 88	\$ (208)	\$ 128	\$ 134	\$ 134
CRRI	Expense	\$ 2	\$ 35	\$ (36)	\$ 1,480	\$ 218	\$ 218
CRRI	Labor	\$ 4	\$ 3	\$ (7)	\$ 4	\$ 4	\$ 4
CIRI	Expense	\$ 138	\$ 110	\$ 514	\$ 200	\$ 25,353	\$ 25,353
CIRI	Labor	\$ 313	\$ 227	\$ 279	\$ 336	\$ 251	\$ 251
CIER	Expense	\$ 193	\$ 154	\$ 3,753	\$ 21,874	\$ 33,488	\$ 33,488
CIER	Labor	\$ 439	\$ 319	\$ (432)	\$ 464	\$ 448	\$ 448
HECI	Expense	\$ 72	\$ 57	\$ 941	\$ 2,001	\$ 13,442	\$ 13,442
HECI	Labor	\$ 163	\$ 119	\$ 146	\$ 175	\$ 131	\$ 131
Total		\$ 1,799	\$ 1,452	\$ 4,257	\$ 30,800	\$ 83,441	\$ 83,441
Monthly Over/(Under)		\$ 15,078	\$ 22,247	\$ 37,013	\$ 44,898	\$ 25,805	\$ 22,533
Cumulative Over/(Under)		\$ 175,526	\$ 197,772	\$ 234,786	\$ 279,684	\$ 305,489	\$ 328,022
<b>INDUSTRIAL</b>							
FY 2016 Over-Collection	\$ 15,015						
Volume Billed		25,814	37,863	60,548	104,737	125,563	120,898
ECR Surcharge		\$ 0.1224	\$ 0.1212	\$ 0.1212	\$ 0.0798	\$ 0.0384	\$ 0.0384
Revenue Billed		\$ 3,160	\$ 4,589	\$ 7,338	\$ 8,358	\$ 4,822	\$ 4,642
RHER	Expense	\$ 3	\$ 3	\$ (5)	\$ 31	\$ 74	\$ 74
RHER	Labor	\$ 1	\$ 1	\$ (2)	\$ 1	\$ 1	\$ 1
CIRI	Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CIRI	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CIER	Expense	\$ 29	\$ 23	\$ 12,689	\$ 3,604	\$ 4,010	\$ 4,010
CIER	Labor	\$ 65	\$ 47	\$ 901	\$ 76	\$ (46)	\$ (46)
Total		\$ 97	\$ 73	\$ 13,584	\$ 3,712	\$ 4,038	\$ 4,038
Monthly Over/(Under)		\$ 3,063	\$ 4,516	\$ (6,245)	\$ 4,646	\$ 783	\$ 604
Cumulative Over/(Under)		\$ 18,077	\$ 22,593	\$ 16,348	\$ 20,994	\$ 21,777	\$ 22,381

**PHILADELPHIA GAS WORKS  
LOAD BALANCING CHARGE  
MARCH 1, 2017**

<b>Storage and Peaking Asset Cost</b>	<b>\$</b>	<b>13,504,060</b>
<hr/>		
<b>Design Day Requirements (Mcf)</b>		<b>652,781</b>
<b>Fulfilled from FT Capacity (Mcf)</b>		<b><u>296,427</u></b>
<b>Fulfilled from Storage and Peaking Assets (Excess Mcf)</b>		<b>356,354</b>
<hr/>		
<b>Annual Storage and Peaking Cost per Excess Mcf</b>	<b>\$</b>	<b>37.8951</b>
<b>Per Mcf Over / (Under) Adjustment</b>	<b>\$</b>	<b><u>(0.1052)</u></b>
<b>Load Balancing Charge</b>	<b>\$</b>	<b>38.0003</b>

<b>Over / (Under) Recovery</b>	<b>\$</b>	<b>(32,066)</b>
<b>Interest</b>	<b>\$</b>	<b><u>(3,045)</u></b>
<b>Total Over/(Under) Recovery</b>	<b>\$</b>	<b>(35,111)</b>
<b>Forecasted SSPC Volumes</b>		<b>333,861</b>
<b>Per Mcf Over / (Under) Adjustment</b>	<b>\$</b>	<b>(0.1052)</b>

## Natural Gas Prices Used for PGW's - FY 2016-2017 - 2nd Quarter GCR Filing

### Basis Differentials

	TRANSCO					TETCO						NYMEX	TRANSCO									
	Sta 30	Sta 45	Sta 65	Sta. 85	Zone 6-Non-NY	ELA	WLA	STX	M-1	M-2	Dom.S.Pt	Futures	Sta 30	Sta 45	Sta 65	Sta. 85	Zone 6-Non-NY	ELA	WLA	STX	M-1	M-2
												01/13/17 Close										
2017:2	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.48)	(0.42)	3.419	3.31	3.28	3.40	3.41	3.49	3.36	3.34	3.29	3.32	2.94
2017:3	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.48)	(0.42)	3.396	3.29	3.26	3.38	3.39	3.47	3.34	3.32	3.27	3.30	2.92
2017:4	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.48)	(0.42)	3.384	3.27	3.24	3.36	3.37	3.45	3.32	3.30	3.25	3.28	2.90
2017:5	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.48)	(0.42)	3.381	3.27	3.24	3.36	3.37	3.45	3.32	3.30	3.25	3.28	2.90
2017:6	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.48)	(0.42)	3.423	3.31	3.28	3.40	3.41	3.49	3.36	3.34	3.29	3.32	2.94
2017:7	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.48)	(0.42)	3.463	3.35	3.32	3.44	3.45	3.53	3.40	3.38	3.33	3.36	2.98
2017:8	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.48)	(0.42)	3.465	3.36	3.33	3.45	3.46	3.54	3.41	3.39	3.34	3.37	2.99
2017:9	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	3.448	3.34	3.31	3.43	3.44	3.52	3.39	3.37	3.32	3.35	3.13
2017:10	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	3.462	3.35	3.32	3.44	3.45	3.53	3.40	3.38	3.33	3.36	3.14
2017:11	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	3.506	3.40	3.37	3.49	3.50	3.58	3.45	3.43	3.38	3.41	3.19
2017:12	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	3.620	3.51	3.48	3.60	3.61	3.69	3.56	3.54	3.49	3.52	3.30
2018:1	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	3.705	3.60	3.57	3.69	3.70	3.78	3.65	3.63	3.58	3.61	3.39
2018:2	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	3.662	3.55	3.52	3.64	3.65	3.73	3.60	3.58	3.53	3.56	3.34

**Actual Natural Gas Billed**

	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>
Williams	\$ 2,617,345.22	\$ 2,588,763.47	\$ 2,775,722.20
Texas Eastern	\$ 2,002,926.69	\$ 2,699,951.09	\$ 2,467,952.66
Dominion	\$ 129,631.40	\$ 126,480.26	\$ 136,078.42
Equitrans	\$ -	\$ -	\$ -
Spot Purchases -Transco	\$ -	\$ -	\$ -
Spot Purchases -Tetco	\$ -	\$ -	\$ -
Transco Supply2	\$ 281,923.50	\$ -	\$ -
Transco Supply3	\$ 160,425.00	\$ -	\$ -
Transco Supply6	\$ -	\$ 409,125.00	\$ 495,612.50
Transco Supply7	\$ -	\$ -	\$ -
Transco Supply8	\$ 273,953.96	\$ 1,175,086.48	\$ 2,646,810.00
Transco Supply10	\$ 304,175.00	\$ 879,000.00	\$ 858,700.00
Transco Supply12	\$ -	\$ -	\$ -
Transco Supply14	\$ 356,810.00	\$ 405,600.00	\$ 2,098,460.00
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply20	\$ -	\$ -	\$ -
Transco Supply21	\$ -	\$ -	\$ -
Transco Supply22	\$ 974,239.21	\$ 672,310.90	\$ 2,674,175.00
Transco Supply23	\$ 401,140.00	\$ 409,125.00	\$ 495,155.26
Transco Supply24	\$ -	\$ -	\$ -
Transco Supply25	\$ -	\$ 858,000.00	\$ 992,000.00
Transco Supply26	\$ -	\$ -	\$ -
Transco Supply27	\$ -	\$ -	\$ -
Transco Supply28	\$ -	\$ -	\$ -
Transco Supply29	\$ 358,360.00	\$ 823,200.00	\$ 995,720.00
Transco Supply30	\$ -	\$ 408,000.00	\$ 496,000.00
Transco Supply31	\$ -	\$ -	\$ -
Transco Supply32	\$ 160,425.00	\$ -	\$ -
Tetco Supply1	\$ 128,650.00	\$ -	\$ -
Tetco Supply2	\$ -	\$ -	\$ -
Tetco Supply3	\$ -	\$ 400,500.00	\$ 488,250.00
Tetco Supply4	\$ -	\$ -	\$ -
Tetco Supply5	\$ -	\$ -	\$ 833,725.00
Tetco Supply7	\$ -	\$ -	\$ -
Tetco Supply13	\$ -	\$ -	\$ -
Tetco Supply14	\$ -	\$ -	\$ -
Tetco Supply16	\$ 537,075.00	\$ 327,750.00	\$ 744,775.00
Tetco Supply17	\$ -	\$ -	\$ -
Tetco Supply18	\$ -	\$ -	\$ -
Tetco Supply19	\$ -	\$ 426,000.00	\$ 484,375.00
Tetco Supply20	\$ -	\$ -	\$ -
Tetco Supply21	\$ -	\$ -	\$ -
Tetco Supply22	\$ -	\$ -	\$ -
Tetco Supply23	\$ -	\$ -	\$ -
Tetco Supply24	\$ 438,947.00	\$ 941,660.00	\$ 2,017,560.00
Tetco Supply25	\$ -	\$ -	\$ -
Tetco Supply26	\$ 401,000.00	\$ 1,352,225.00	\$ 2,732,987.50
Tetco Supply27	\$ -	\$ -	\$ -
Tetco Supply28	\$ 128,650.00	\$ 330,000.00	\$ 747,100.00
Tetco Supply29	\$ -	\$ -	\$ -
Tetco Supply30	\$ 129,797.00	\$ 405,000.00	\$ 398,350.00
Tetco Supply31	\$ -	\$ -	\$ -
<b>Total Costs</b>	<b>\$ 9,785,474</b>	<b>\$ 15,637,777</b>	<b>\$ 25,579,509</b>
Sharing Mechanism	\$ 200,692	\$ 76,249	\$ 78,791
Asset Management Agreement	\$ (25,000)	\$ (25,000)	\$ (25,000)
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ 1,909	\$ 878	\$ 8,114
Adjustment/Reconciliation	\$ (1,140,930)	\$ (997,711)	\$ (2,485,106)
<b>Total Natural Gas Billed</b>	<b>\$ 8,822,145</b>	<b>\$ 14,692,193</b>	<b>\$ 23,156,307</b>

**Philadelphia Gas Works  
Summary of Fuels Purchased  
Three Months Ending December 2016**

	<u>Actual</u>				<u>Projected</u>			<u>Actual Over/Under vs Projected</u>				
	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Total</u>	<u>4th Qtr Filing Oct-16</u>	<u>1st Qtr Filing Nov-16</u>	<u>1st Qtr Filing Dec-16</u>	<u>Total</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Total</u>
<b>Total Natural Gas Billed</b>	\$ 8,822,145	\$ 14,692,193	\$ 23,156,307	\$ 46,670,645	\$ 15,309,955	\$ 17,289,987	\$ 23,474,796	\$ 56,074,738	\$ (6,487,810)	\$ (2,597,794)	\$ (318,489)	\$ (9,404,093)
<b>Less Imbalance Charge</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Less Interruptible Credit</b>	\$ 484	\$ 7,761	\$ 15,386	\$ 23,631	\$ 128,356	\$ 479	\$ 173,829	\$ 302,665	\$ (127,872)	\$ 7,282	\$ (158,443)	\$ (279,034)
<b>Gas Used For Utility</b>	\$ 14,812	\$ 49,660	\$ 86,662	\$ 151,134	\$ 37,194	\$ 52,815	\$ 110,417	\$ 200,426	\$ (22,382)	\$ (3,155)	\$ (23,755)	\$ (49,292)
	\$ 8,806,849	\$ 14,634,772	\$ 23,054,259	\$ 46,495,880	\$ 15,144,405	\$ 17,236,693	\$ 23,190,550	\$ 55,571,648	\$ (6,337,556)	\$ (2,601,921)	\$ (136,291)	\$ (9,075,768)
<b>Pipeline Storages</b>												
<b>(To)</b>	\$ (1,313,789)	\$ (1,894,091)	\$ (326,504)	\$ (3,534,384)	\$ (3,509,532)	\$ (1,185,746)	\$ -	\$ (4,695,277)	\$ 2,195,743	\$ (708,345)	\$ (326,504)	\$ 1,160,893
<b>From</b>	\$ 399,112	\$ 1,685,520	\$ 4,682,925	\$ 6,767,557	\$ -	\$ 376,823	\$ 2,952,090	\$ 3,328,913	\$ 399,112	\$ 1,308,697	\$ 1,730,835	\$ 3,438,644
<b>Net Pipeline Storages</b>	\$ (914,677)	\$ (208,571)	\$ 4,356,421	\$ 3,233,173	\$ (3,509,532)	\$ (808,923)	\$ 2,952,090	\$ (1,366,365)	\$ 2,594,855	\$ 600,352	\$ 1,404,331	\$ 4,599,538
<b>LNG Storage</b>												
<b>(To)</b>	\$ (405,560)	\$ (743,435)	\$ (996,728)	\$ (2,145,723)	\$ (585,704)	\$ (1,118,572)	\$ (1,010,256)	\$ (2,714,533)	\$ 180,144	\$ 375,137	\$ 13,528	\$ 568,810
<b>From</b>	\$ 235,700	\$ 310,427	\$ 591,700	\$ 1,137,827	\$ 318,927	\$ 181,317	\$ 387,866	\$ 888,110	\$ (83,227)	\$ 129,110	\$ 203,834	\$ 249,717
<b>Net LNG Storage</b>	\$ (169,860)	\$ (433,008)	\$ (405,028)	\$ (1,007,896)	\$ (266,777)	\$ (937,255)	\$ (622,391)	\$ (1,826,423)	\$ 96,917	\$ 504,247	\$ 217,363	\$ 818,527
<b>Net Natural Gas</b>	\$ 7,722,312	\$ 13,993,193	\$ 27,005,652	\$ 48,721,157	\$ 11,368,096.27	\$ 15,490,514	\$ 25,520,249	\$ 52,378,860	\$ (3,645,784)	\$ (1,497,321)	\$ 1,485,403	\$ (3,657,703)
<b>APPLICABLE GCR EXPENSES</b>												
<b>Net Natural Gas Expense</b>	\$ 7,722,312	\$ 13,994,543	\$ 27,005,652	\$ 48,722,507	\$ 11,368,096	\$ 15,490,514	\$ 25,520,249	\$ 52,378,860	\$ (3,645,784)	\$ (1,495,971)	\$ 1,485,403	\$ (3,656,353)
<b>Purchased Electric &amp; Misc</b>	\$ 33,163	\$ 33,882	\$ 51,323	\$ 118,368	\$ 49,261	\$ 50,657	\$ 76,359	\$ 176,276	\$ (16,098)	\$ (16,775)	\$ (25,036)	\$ (57,908)
<b>Total GCR Expenses</b>	\$ 7,755,475	\$ 14,028,425	\$ 27,056,975	\$ 48,840,875	\$ 11,417,357	\$ 15,541,171	\$ 25,596,608	\$ 52,555,136	\$ (3,661,882)	\$ (1,512,746)	\$ 1,460,367	\$ (3,714,261)

**Projected Unaccounted For Factor And Retainage Rate**  
**2nd Quarter Filing**  
**March 1, 2017**

<u>Fiscal Year</u>	<u>Firm Sendout (Mcf)</u>	<u>Accounted For Gas (Mcf)</u>	<u>Unaccounted For (Mcf)</u>	<u>3 Year Average</u>
2013-14	54,433,034	52,971,340	1,461,694	
2014-15	55,108,734	53,062,451	2,046,284	
2015-16 *	<u>43,436,532</u>	<u>42,040,302</u>	<u>1,396,230</u>	
<b>Total</b>	152,978,301	148,074,093	4,904,208	<b>3.2%</b>

\* Fiscal Year 2015-2016 has been revised.