



PHILADELPHIA GAS WORKS

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January 31, 2018

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, 2017
Docket No. M-2018-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, 2017. Consistent with the Commission's Order entered on July 6, 2016, at Docket No. P-2015-2501500, this reconciliation period includes the temporary, two-year 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 2017 expenses had not yet been filed so they are included in this filing. Please do not hesitate to contact me if you have any questions.

Respectfully,

A handwritten signature in blue ink, appearing to read "Brandon J. Pierce", is written over a horizontal line. The signature is fluid and cursive in style.

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

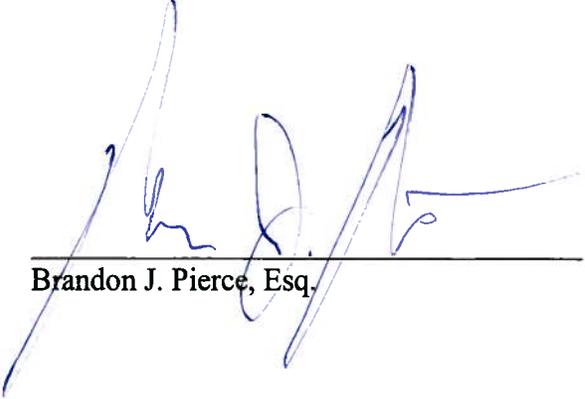
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Dated: January 31, 2018



Brandon J. Pierce, Esq.

PHILADELPHIA GAS WORKS
2017 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>			
	(1)	(2)	(3)	(4)	(5 = 1 - 2)	(6 = 5 - 4)	(7)	(8)	(9)
Month									
January 17	\$ 6,291,001	\$ 929,352	\$ 929,352		\$ 5,361,649	\$ 5,361,649	21	5.00%	\$ 469,144
February	\$ 5,197,101	\$ 767,754	\$ 1,697,106		\$ 4,429,347	\$ 4,429,347	20	5.25%	\$ 387,568
March	\$ 4,706,903	\$ 695,338	\$ 2,392,444		\$ 4,011,565	\$ 4,011,565	19	5.25%	\$ 333,461
2016 Under Collection			\$ (16,439,986)						
April	\$ 3,690,718	\$ 1,142,754	\$ (12,904,788)		\$ 2,547,964	\$ 2,547,964	18	5.25%	\$ 200,652
May	\$ 1,843,437	\$ 570,782	\$ (12,334,006)		\$ 1,272,655	\$ 1,272,655	17	5.25%	\$ 94,654
June	\$ 1,500,801	\$ 464,692	\$ (11,869,314)		\$ 1,036,109	\$ 1,036,109	16	5.25%	\$ 72,528
July	\$ 1,260,353	\$ 390,242	\$ (11,479,072)		\$ 870,111	\$ 870,111	15	5.25%	\$ 57,101
August	\$ 1,204,284	\$ 372,881	\$ (11,106,190)	\$ 2,005,290	\$ 831,402	\$ (1,173,888)	14	5.00%	\$ (68,477)
September	\$ 1,278,961	\$ 396,004	\$ (10,710,187)		\$ 882,957	\$ 882,957	13	5.00%	\$ 47,827
October	\$ 1,316,978	\$ 407,775	\$ (10,302,412)		\$ 909,203	\$ 909,203	12	5.00%	\$ 45,460
November	\$ 2,484,193	\$ 769,179	\$ (9,533,233)	\$ 19,381,214	\$ 1,715,014	\$ (17,666,200)	11	5.00%	\$ (809,701)
December	\$ 4,920,746	\$ 1,523,607	\$ (8,009,626)	\$ 11,288,951	\$ 3,397,139	\$ (7,891,812)	10	5.25%	\$ (345,267)
Totals	\$ 35,695,476	\$ 8,430,360		\$ 32,675,455	\$ 27,265,116	\$ (5,410,339)			\$ 484,951
2017 Under Collection			\$ (13,419,965)						

* 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 2017 - RECOVERABLE COSTS
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

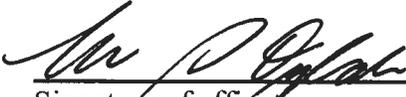
RECOVERABLE COSTS - DECEMBER 2017

FERC Account #	PGW Project #	Location	Type	Dec-17	Total
376	411370	1100-1200 E. Stafford, 1100-1200 E. Price, 100-1200 E. Chelton, 5700 Anderson, 5700 Ardleigh	8" (LP / IP)	\$ 1,053,575	\$ 1,053,575
376	411364	Collins, Ontario to Tioga; Tioga, Collins to Brabant; Ontario, Kensington to Collins	30" HP	\$ 6,033,111	\$ 6,033,111
376	411372	6000-6300 Wister, 6100-6300 N. Beechwood, 6200 N. Norwood, 2100 Medary	8" (LP / IP)/20"(LP)	\$ 2,341,394	\$ 2,341,394
376	411333	1400-1500 Conlyn, 1400-1500 Grange, 1400-1500 Clearview, 5700-5800 N. 15th, 5700-5800 N. 16th (East)	8" (LP / IP)/12"(LP)	\$ 1,004,757	\$ 1,004,757
376	411385	100 Dupont, 4500 Wilde, 4500 Ritchie, 4500 Saint Davids, 4500 Smick	8" (LP / IP)	\$ 856,114	\$ 856,114

Recoverable Costs (DSIC) \$ 11,288,951 \$ 11,288,951

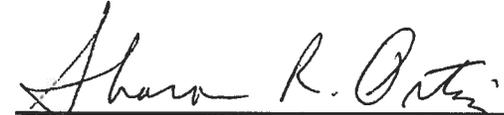
AFFIDAVIT

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, 2017, 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 30 of 2018.



Signature of official administering oath

