



**PHILADELPHIA GAS WORKS**

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February 28, 2018

**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 (2017-2018 2<sup>nd</sup> Quarter 2017-2018 GCR Filing)  
Docket No. R-2017-2587526**

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. 109; and
- 2) PGW Gas Supplier Tariff, Pa. P.U.C. No. 1, Supplement No. 75.

These supplements are being filed to implement PGW's 2<sup>nd</sup> Quarter 2017-2018 Gas Cost Rate ("GCR"). The tariff supplements are to become effective on one day's notice on March 1, 2018. Please contact me with any questions.

Respectfully,

A handwritten signature in blue ink, appearing to read "Brandon J. Pierce", is written over a horizontal line. The signature is stylized and overlaps the line.

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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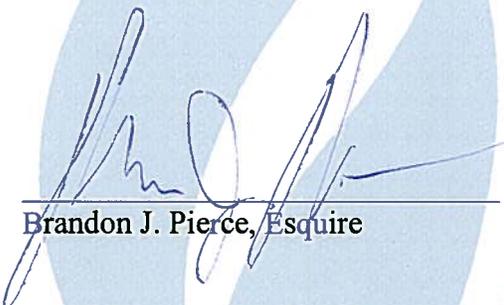
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Brandon J. Pierce, Esquire

Dated: February 28, 2018

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

Supplement No. 109

## **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, 2018, increases from \$(0.00335) per Ccf to \$(0.00137) 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, 2018, decreases from \$0.00031 per Ccf to \$0.00016 per Ccf. In the definition of “SSC,” the “SSC” value effective March 1, 2018, decreases from \$0.47279 per Ccf to \$0.39010 per Ccf.

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

The Gas Cost Rate (GCR) effective March 1, 2018, decreases from \$0.46913 per Ccf to \$0.38857 per Ccf.

**PRICE TO COMPARE (Page No. 78)**

The Prices to Compare effective March 1, 2018, are: a) \$0.40734 per Ccf for Residential; b) \$0.39514 per Ccf for Commercial Customers on Rate GS; c) \$0.39425 per Ccf for Industrial Customers on Rate GS; and d) \$0.39273 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, 2018, are: a) \$0.00173 per Ccf for Residential and Public Housing Customers on Rate GS; b) \$0.00410 per Ccf for Commercial Customers on Rate GS; c) \$0.00213 per Ccf for Industrial Customers on Rate GS; d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and e) \$0.00410 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, 2018, increases from \$0.14845 per Ccf to \$0.17145 per Ccf.

**GENERAL SERVICE – RATE GS (Page No. 83)**

The Gas Cost Rate (GCR) effective March 1, 2018, decreases from \$0.46913 per Ccf to \$0.38857 per Ccf.

**MUNICIPAL SERVICE – RATE MS (Page No. 87)**

The Gas Cost Rate (GCR) effective March 1, 2018, decreases from \$0.46913 per Ccf to \$0.38857 per Ccf.

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

The Gas Cost Rate (GCR) effective March 1, 2018, decreases from \$0.46913 per Ccf to \$0.38857 per Ccf.

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

The Gas Cost Rate (GCR) effective March 1, 2018, decreases from \$0.46913 per Ccf to \$0.38857 per Ccf.

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**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 \$(0.00716) per Ccf for Commodity Costs and \$0.00579 per Ccf for Demand Costs, for service on or after March 1, 2018. The total GAC is \$(0.00137) per Ccf. (I)

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.

**(I) – Increase**

IRC - Interruptible Revenue Credit - The credit defined in Subsection VI below. The currently effective IRC is \$0.00016 per Ccf for service on or after March 1, 2018.

**(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 \$0.29463 per Ccf for Commodity Costs and \$0.09547 per Ccf for Demand Costs, for service on or after March 1, 2018. The total SSC is \$0.39010 per Ccf.

**(D)**

**(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 \$0.38857 per Ccf, for service on or after March 1, 2018.

**(D)**

### 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).

**(D) – Decrease**

### 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: 3.76% - GS Residential (“GS RES”); 0.62% - GS Commercial (“GS COM”); and 0.39% - 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>	\$0.39010	\$0.39010	\$0.39010	\$0.39010	\$0.39010	\$0.39010	\$0.39010
<b>GAC</b>	(\$0.00137)	(\$0.00137)	(\$0.00137)	(\$0.00137)	(\$0.00137)	(\$0.00137)	(\$0.00137)
<b>MFC</b>	\$0.01461	\$0.00000	\$0.00241	\$0.00152	\$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>\$0.40734</u>	<u>\$0.39273</u>	<u>\$0.39514</u>	<u>\$0.39425</u>	<u>\$0.39273</u>	<u>\$0.39273</u>	<u>\$0.39273</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) \$0.00173 per Ccf for Residential and Public Housing Customers on Rate GS; | (D)  |
| b) \$0.00410 per Ccf for Commercial Customers on Rate GS;                     | (D)  |
| c) \$0.00213 per Ccf for Industrial Customers on Rate GS;                     | (D)  |
| d) \$0.00000 per Ccf for Municipal Customers on Rate MS; and                  | (NC) |
| e) \$0.00410 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.

**(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 = \$ 0.17145/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, 2018.

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)):

\$ 13.75 per month for Residential and Public Housing Authority Customers.  
\$ 23.40 per month for Commercial Customers  
\$ 70.00 per month for Industrial Customers

Surcharge: Distribution System Improvement Charge.

Plus,

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

\$0.38857 per Ccf for Residential and Public Housing (D)  
\$0.38857 per Ccf for Commercial Customers (D)  
\$0.38857 per Ccf for Industrial Customers (D)

Plus,

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

(A) Delivery Charge:

\$0.66967 per Ccf for Residential  
\$0.57105 per Ccf for Public Housing  
\$0.48651 per Ccf for Commercial and Municipal Customers  
\$0.47698 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.

**(D) - Decrease**

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, 2018.

### 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):

\$ 23.40 per month

Surcharge: Distribution System Improvement Charge.

Plus,

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

\$0.38857 per Ccf

**(D)**

Plus,

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

(A) Delivery Charge:

\$0.42723 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.

### **(D) - Decrease**

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, 2018.

### 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);

\$23.40 per month

Surcharge: Distribution System Improvement Charge.

Plus,

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

\$0.38857 per Ccf

**(D)**

Plus

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

(A) Delivery Charge:

\$0.50163 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.

**(D) - Decrease**

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, 2018.

**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):

\$0.38857 per Ccf

**(D)**

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.

**(D) – Decrease**

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. 75

# 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, 2018, is \$37.9023 per design day Mcf.

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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 \$37.9023 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, 2018**

**2ND QUARTER GCR FILING**

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## Philadelphia Gas Works

## Levelized Gas Cost Rate

March 1, 2018

Formula:  
GCR = SSC + GAC - IRC

where:

	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>	
S = Firm Sales (Mcf)			<b>43,205,150</b>	Schedule 2
<hr/>				
Net Natural Gas Expense	\$ 55,052,219	\$ 132,157,170	\$ 187,209,389	
Purchased Electric & Misc Expenses	\$ -	\$ 746,891	\$ 746,891	
Total Natural Gas Expense	\$ 55,052,219	\$ 132,904,061	\$ 187,956,280	Schedule 3
C-Factor Reconciliation	\$ (12,935,362)	\$ (2,931,114)	\$ (15,866,476)	Schedule 4(b)
C = Total Applicable GCR Expense	\$ 42,116,857	\$ 129,972,946	\$ 172,089,803	
SSC = C / S	\$ 0.9748	\$ 3.0083	\$ 3.9831	
<hr/>				
Adjustment For:				
E-Factor Volumes (Mcf)			<b>15,151,152</b>	Schedule 4(c)
E-Factor Reconciliation	\$ 2,754,289	\$ (3,406,053)	\$ (651,764)	Schedule 4(c)
	\$ 2,754,289	\$ (3,406,053)	\$ (651,764)	
E = E-Factor	\$ 0.1818	\$ (0.2248)	\$ (0.0430)	
<hr/>				
Interruptible Revenue Credit			\$ 73,650	Schedule 5(a)
IRC = Interruptible Revenue Credit / S			\$ 0.0017	
<hr/>				
Net Applicable GCR Expenses = C + E - Interruptible Revenue Credit			\$ 171,364,389	
<u>GCR = SSC + GAC - IRC</u>			\$ 3.9384	
<hr/>				
SSC in effect 3/01/18	\$ 0.9547	\$ 2.9463	\$ 3.9010	
GAC in effect 3/01/18	\$ 0.0579	\$ (0.0716)	\$ (0.0137)	
IRC in effect 3/01/18			\$ (0.0016)	
GCR in effect 3/01/18			\$ 3.8857	
<hr/>				
Recovery Test on:				
Firm Sales (Mcf)			43,205,150	
= GCR Projected Recovery		\$	<b>170,359,512</b>	Schedule 6
= Load Balancing Revenue		\$	<b>973,606</b>	
= LNG Sales Demand Revenue		\$	<b>31,904</b>	
= Total Projected Recovery		\$	<b>171,365,022</b>	Schedule 6
Compared To				
Net Applicable GCR Expenses		\$	<b>171,364,389</b>	
= Net Over/(Under) Recovery		\$	<b>632</b>	
<hr/>				
Degree Days			3,957	

## Philadelphia Gas Works

## Price To Compare (\$ / MCF)

March 1, 2018

	<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>	\$3.8857	(\$0.0153)	\$3.9010	3.76%	\$0.1461	\$0.0400	(\$0.0137)	\$4.0734
<b>Commercial GS</b>	\$3.8857	(\$0.0153)	\$3.9010	0.62%	\$0.0241	\$0.0400	(\$0.0137)	\$3.9514
<b>Industrial GS</b>	\$3.8857	(\$0.0153)	\$3.9010	0.39%	\$0.0152	\$0.0400	(\$0.0137)	\$3.9425
<b>Phila. Housing Authority (PHA)</b>	\$3.8857	(\$0.0153)	\$3.9010	0%	\$0.0000	\$0.0400	(\$0.0137)	\$3.9273
<b>Municipal (MS)</b>	\$3.8857	(\$0.0153)	\$3.9010	0%	\$0.0000	\$0.0400	(\$0.0137)	\$3.9273
<b>NGV Firm</b>	\$3.8857	(\$0.0153)	\$3.9010	0%	\$0.0000	\$0.0400	(\$0.0137)	\$3.9273
<b>Phila. Housing Authority (GS)</b>	\$3.8857	(\$0.0153)	\$3.9010	0%	\$0.0000	\$0.0400	(\$0.0137)	\$3.9273

## SALES & VOLUMES

MARCH 2018 THROUGH FEBRUARY 2019

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 2018	6,818,764	668,051	6,150,712	608	-	-	6,150,105	33,630	6,784,526
APRIL	4,582,948	426,970	4,155,978	588	-	-	4,155,389	22,143	4,560,216
MAY	2,110,255	236,871	1,873,384	608	-	-	1,872,776	8,788	2,100,859
JUNE	1,288,667	188,614	1,100,054	588	-	1,328	1,098,138	4,033	1,282,718
JULY	1,182,428	178,342	1,004,086	4,854	-	2,131	997,101	3,512	1,171,931
AUGUST	1,042,542	157,867	884,675	4,854	-	2,177	877,644	3,050	1,032,461
SEPTEMBER	1,032,198	162,136	870,062	4,697	5,425	2,027	857,913	2,933	1,017,116
OCTOBER	1,530,024	249,822	1,280,202	4,854	5,605	-	1,269,743	4,699	1,514,866
NOVEMBER	3,445,312	436,957	3,008,354	4,697	5,425	-	2,998,232	13,237	3,421,952
DECEMBER	6,122,521	710,732	5,411,789	4,854	5,605	-	5,401,330	24,660	6,087,402
JANUARY 2019	10,460,770	1,021,928	9,438,842	4,854	5,605	-	9,428,383	44,152	10,406,158
FEBRUARY	<u>8,983,212</u>	<u>875,368</u>	<u>8,107,845</u>	<u>4,384</u>	<u>5,063</u>	<u>-</u>	<u>8,098,397</u>	<u>37,197</u>	<u>8,936,568</u>
<b>TOTAL</b>	<b>48,599,642</b>	<b>5,313,660</b>	<b>43,285,983</b>	<b>40,441</b>	<b>32,729</b>	<b>7,663</b>	<b>43,205,150</b>	<b>202,035</b>	<b>48,316,774</b>

**Projected Applicable Fuel Expense  
SUMMARY  
FY 2017-2018 2nd Quarter Filing**

	MARCH 2018	APRIL 2018	MAY 2018	JUNE 2018	JULY 2018	AUGUST 2018	SEPTEMBER 2018	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018	JANUARY 2019	FEBRUARY 2019	TOTAL
<b>NATURAL GAS BILLED</b>													
DEMAND CHARGE	\$ 4,290,698	\$ 4,891,139	\$ 4,885,794	\$ 4,888,994	\$ 4,883,648	\$ 4,882,577	\$ 3,943,728	\$ 3,907,119	\$ 4,576,669	\$ 4,620,295	\$ 4,619,455	\$ 4,662,104	\$55,052,219
COMMODITY CHARGE	\$ 11,758,057	\$ 9,447,952	\$ 10,574,934	\$ 7,313,563	\$ 7,462,178	\$ 7,456,385	\$ 7,914,991	\$ 11,920,512	\$ 13,857,455	\$ 17,697,258	\$ 13,751,731	\$ 15,155,719	\$134,310,734
<b>TOTAL NATURAL GAS BILLED</b>	<b>\$16,048,755</b>	<b>\$14,339,090</b>	<b>\$15,460,728</b>	<b>\$12,202,557</b>	<b>\$12,345,826</b>	<b>\$12,338,962</b>	<b>\$11,858,718</b>	<b>\$15,827,631</b>	<b>\$18,434,124</b>	<b>\$22,317,553</b>	<b>\$18,371,185</b>	<b>\$19,817,823</b>	<b>\$189,362,953</b>
INTERRUPTIBLE & A/C CREDIT	\$ 1,749	\$ 1,628	\$ 1,705	\$ 5,346	\$ 19,757	\$ 19,881	\$ 19,599	\$ 14,587	\$ 14,375	\$ 15,384	\$ 15,402	\$ 13,968	\$143,379
SENDOUT VOLUME IN MCF	629	608	629	1,982	7,223	7,271	6,954	5,020	4,858	5,020	5,020	4,534	49,745
DKT CONVERSION FACTOR	1.039	1.039	1.039	1.039	1.039	1.039	1.039	1.039	1.039	1.039	1.039	1.039	
PRICE \$/DKT	\$ 2.6773	\$ 2.5747	\$ 2.6101	\$ 2.5962	\$ 2.6326	\$ 2.6317	\$ 2.7127	\$ 2.7969	\$ 2.8482	\$ 2.9498	\$ 2.9532	\$ 2.9653	
GAS USED FOR UTILITY	\$ 108,758	\$ 63,898	\$ 30,676	\$ 26,515	\$ 20,130	\$ 25,355	\$ 24,197	\$ 30,088	\$ 57,562	\$ 105,951	\$ 143,063	\$ 126,589	\$762,783
<b>NATURAL GAS TO STORAGE</b>	\$ (428,630)	\$ (3,055,431)	\$ (6,310,368)	\$ (4,996,644)	\$ (5,068,892)	\$ (5,066,917)	\$ (5,211,517)	\$ (5,007,991)	\$ -	\$ 0	\$ 0	\$ 0	(\$35,146,390)
FROM STORAGE PGW	\$ 5,954,393	\$ 2,211,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,179	\$ 5,367,208	\$ 13,250,314	\$ 7,900,887	\$35,047,463
FT FROM STORAGE	\$ 98,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,062	\$ 440,066	\$ 687,624	\$ 518,780	\$1,804,417
<b>NET NATURAL GAS STORAGE</b>	<b>\$5,525,763</b>	<b>(\$843,949)</b>	<b>(\$6,310,368)</b>	<b>(\$4,996,644)</b>	<b>(\$5,068,892)</b>	<b>(\$5,066,917)</b>	<b>(\$5,211,517)</b>	<b>(\$5,007,991)</b>	<b>\$363,179</b>	<b>\$5,367,208</b>	<b>\$13,250,314</b>	<b>\$7,900,887</b>	<b>(\$98,928)</b>
<b>LNG TO STORAGE</b>	\$ (960,855)	\$ (863,104)	\$ (364,737)	\$ (34,403)	\$ -	\$ -	\$ (16,502)	\$ (581,765)	\$ (1,080,659)	\$ (1,116,779)	\$ (526,207)	\$ (460,138)	(\$6,005,149)
FROM LNG PGW	\$ 290,740	\$ 232,130	\$ 240,866	\$ 233,366	\$ 241,175	\$ 241,175	\$ 249,217	\$ 258,146	\$ 250,653	\$ 704,041	\$ 1,123,098	\$ 888,892	\$4,953,499
FT FROM LNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0
<b>NET LNG STORAGE</b>	<b>\$ (670,115)</b>	<b>\$ (630,973)</b>	<b>\$ (123,871)</b>	<b>\$ 198,963</b>	<b>\$ 241,175</b>	<b>\$ 241,175</b>	<b>\$ 232,715</b>	<b>\$ (323,619)</b>	<b>\$ (830,007)</b>	<b>\$ (412,738)</b>	<b>\$ 596,891</b>	<b>\$ 428,754</b>	<b>(\$1,051,650)</b>
<b>LNG SALES FROM LNG TANK</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,817	\$ 16,346	\$ 15,906	\$ 16,612	\$ 16,838	\$ 15,304	\$96,824
SENDOUT VOLUMES (MCF)	-	-	-	-	-	-	5,425	5,605	5,425	5,605	5,605	5,063	32,729
@ AVG LNG COMMODITY RATE	\$ 2.8384	\$ 2.8881	\$ 2.9085	\$ 2.9150	\$ 2.9157	\$ 2.9157	\$ 2.9157	\$ 2.9161	\$ 2.9321	\$ 2.9636	\$ 3.0039	\$ 3.0228	
<b>NET NATURAL GAS EXPENSE</b>	<b>\$20,793,897</b>	<b>\$12,798,642</b>	<b>\$8,994,107</b>	<b>\$7,373,015</b>	<b>\$7,478,221</b>	<b>\$7,467,985</b>	<b>\$6,820,303</b>	<b>\$10,435,001</b>	<b>\$17,879,454</b>	<b>\$27,134,075</b>	<b>\$32,043,088</b>	<b>\$27,991,602</b>	<b>\$187,209,389</b>
<b>APPLICABLE GCR EXPENSE</b>													
NET NATURAL GAS EXPENSE	\$20,793,897	\$12,798,642	\$8,994,107	\$7,373,015	\$7,478,221	\$7,467,985	\$6,820,303	\$10,435,001	\$17,879,454	\$27,134,075	\$32,043,088	\$27,991,602	\$187,209,389
PURCHASED ELECTRIC & MISC	\$ 79,989	\$ 52,736	\$ 42,103	\$ 21,429	\$ 46,224	\$ 36,721	\$ 25,135	\$ 41,264	\$ 47,819	\$ 58,249	\$ 81,949	\$ 88,272	\$621,891
PLANALYTICS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$125,000
<b>TOTAL APPLICABLE EXPENSES</b>	<b>\$20,873,886</b>	<b>\$12,851,378</b>	<b>\$9,036,209</b>	<b>\$7,394,444</b>	<b>\$7,524,446</b>	<b>\$7,504,706</b>	<b>\$6,845,438</b>	<b>\$10,476,265</b>	<b>\$17,927,273</b>	<b>\$27,192,325</b>	<b>\$32,250,037</b>	<b>\$28,079,874</b>	<b>\$187,956,280</b>
<b>TOTAL GCR FIRM SALES</b>	<b>6,150,105</b>	<b>4,155,389</b>	<b>1,872,776</b>	<b>1,098,138</b>	<b>997,101</b>	<b>877,644</b>	<b>857,913</b>	<b>1,269,743</b>	<b>2,998,232</b>	<b>5,401,330</b>	<b>9,428,383</b>	<b>8,098,397</b>	<b>43,205,150</b>

**FISCAL YEAR 2018  
PHILADELPHIA GAS WORKS**

Rate	<u>7/1/2017</u>	<u>Split Month 9/1/2017</u>	<u>10/1/2017</u>	<u>Split Month 12/1/2017</u>	<u>1/1/2018</u>	<u>Split Month 3/1/2018</u>	<u>4/1/2018</u>
	SSC in Effect	\$ 4.6924	\$ 4.4557	\$ 4.2189	\$ 4.4734	\$ 4.7279	\$ 4.3145
GAC in Effect	\$ (0.0909)	\$ (0.0775)	\$ (0.0640)	\$ (0.0488)	\$ (0.0335)	\$ (0.0236)	\$ (0.0137)
IRC in Effect	\$ (0.0029)	\$ (0.0028)	\$ (0.0026)	\$ (0.0029)	\$ (0.0031)	\$ (0.0024)	\$ (0.0016)
Total Effective	\$ 4.5986	\$ 4.3755	\$ 4.1523	\$ 4.4218	\$ 4.6913	\$ 4.2885	\$ 3.8857
<b>Percentage of Total</b>							
C-Factor	102.0%	101.8%	101.6%	101.2%	100.8%	100.6%	100.4%
E-Factor	-2.0%	-1.8%	-1.5%	-1.1%	-0.7%	-0.6%	-0.4%
IRC-Factor	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	0.0%
Total	100%	100%	100%	100%	100%	100%	100%

<b>C-Factor</b>							
Demand Charge in Effect	\$ 1.1565	\$ 1.2182	\$ 1.2798	\$ 1.3879	\$ 1.4959	\$ 1.2253	\$ 0.9547
Commodity in Effect	\$ 3.5359	\$ 3.2375	\$ 2.9391	\$ 3.0856	\$ 3.2320	\$ 3.0892	\$ 2.9463
Total	\$ 4.6924	\$ 4.4557	\$ 4.2189	\$ 4.4734	\$ 4.7279	\$ 4.3145	\$ 3.9010
<b>Percentage of Total</b>							
Demand Charge in Effect	24.6%	27.3%	30.3%	31.0%	31.6%		
Commodity in Effect	75.4%	72.7%	69.7%	69.0%	68.4%		
Total	100%	100%	100%	100%	100%		

	<u>C-Factor Over/(Under)</u>	<u>E-Factor Over/(Under)</u>	<u>Interest Over/(Under)</u>	<u>FY 2017 Final E-Factor</u>
Fiscal Year 2017 E-Factor	\$ 1,654,251	\$ (45,457)	\$ 224,857	\$ 1,833,651

<u>Actual</u>	<u>Sep-2017 Actual</u>	<u>Oct-2017 Actual</u>	<u>Nov-2017 Actual</u>	<u>Dec-2017 Actual</u>	<u>Jan-2018 Estimated</u>	<u>Feb-2018 Estimated</u>
Fiscal Year 2017-2018						
GCR Firm Sales	997,001	1,044,644	2,639,297	5,750,261	9,796,404	7,709,065
Migration Rider Sales	-	-	-	-	-	-
GCR Revenue Billed	\$ 4,400,670	\$ 4,340,618	10,995,238	\$ 25,504,332	\$ 45,957,871	\$ 36,165,538
Migration Rider Revenue Billed	\$ -	\$ -	-	\$ -	\$ -	\$ -
Load Balancing Billed	\$ 93,712	\$ 109,718	113,717	\$ 112,668	\$ 77,569	\$ 78,100
LNG Sales Demand Charge Credit	\$ -	\$ -	\$ -	\$ -	\$ 153,958	\$ 5,655
Total Revenue Billed	\$ 4,494,382	\$ 4,450,337	\$ 11,108,955	\$ 25,617,000	\$ 46,189,397.53	\$ 36,249,292.73
Natural Gas Refunds	\$ -	\$ -				
Demand Charges	\$ 5,020,130	\$ 5,162,832	4,690,409	\$ 4,507,314	\$ 4,103,759	\$ 4,421,425
Supply Charges	\$ 1,640,639	\$ 2,696,137	\$ 13,078,798	\$ 22,587,943	\$ 23,996,526	\$ 21,601,936
Net Cost of Fuel	\$ 6,660,769	\$ 7,858,969	17,769,207	\$ 27,095,257	\$ 28,100,285	\$ 26,023,361

**FISCAL YEAR 2018  
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
	(\$)	(\$)		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>SEPTEMBER 2017</b>	6,660,769	4,400,670	101.8%	4,481,333	93,712	0	4,575,044	0	(2,085,725)	(2,085,725)
<b>OCTOBER</b>	7,858,969	4,340,618	101.6%	4,410,239	109,718	0	4,519,957	0	(3,339,012)	(5,424,737)
<b>NOVEMBER</b>	17,769,207	10,995,238	101.6%	11,171,594	113,717	0	11,285,311	0	(6,483,896)	(11,908,633)
<b>DECEMBER</b>	27,095,257	25,504,332	101.2%	25,801,954	112,668	0	25,914,622	0	(1,180,635)	(13,089,268)
<b>JANUARY 2018</b>	28,100,285	45,957,871	100.8%	46,316,419	77,569	153,958	46,547,946	0	18,447,661	5,358,393
<b>FEBRUARY</b>	26,023,361	36,165,538	100.8%	36,447,690	78,100	5,655	36,531,445	0	10,508,083	15,866,476

**FISCAL YEAR 2018  
PHILADELPHIA GAS WORKS  
E-FACTOR RECONCILIATION**

		GCR SALES 1 (MCF)	TOTAL E-FACTOR VOLUMES 3=( 1 + 2 ) (MCF)	TOTAL GCR REVENUE BILLED 4 (\$)	E-FACTOR % of GCR 5	E-FACTOR GCR REVENUE BILLED 6=( 4 * 5 ) (\$)	TOTAL E-FACTOR REVENUE 8=( 6 + 7 ) (\$)	OVER/(UNDER) PROJECTED RECOVERY (9) (\$)
<b>PRIOR YEAR E-FACTOR</b>								\$ 1,833,651
<b>MONTH</b>								
<b>SEPTEMBER 2017</b>	<b>Actual</b>	997,001	997,001	\$ 4,400,670	-1.8%	\$ (77,896)	\$ (77,896)	\$ 1,755,754
<b>OCTOBER</b>	<b>Actual</b>	1,044,644	1,044,644	\$ 4,340,618	-1.5%	\$ (66,903)	\$ (66,903)	\$ 1,688,852
<b>NOVEMBER</b>	<b>Actual</b>	2,639,297	2,639,297	\$ 10,995,238	-1.5%	\$ (169,471)	\$ (169,471)	\$ 1,519,380
<b>DECEMBER</b>	<b>Actual</b>	5,750,261	5,750,261	\$ 25,504,332	-1.1%	\$ (281,183)	\$ (281,183)	\$ 1,238,197
<b>JANUARY 2018</b>	<b>Estimated</b>	9,796,404	9,796,404	\$ 45,957,871	-0.7%	\$ (328,180)	\$ (328,180)	\$ 910,018
<b>FEBRUARY</b>	<b>Estimated</b>	7,709,065	7,709,065	\$ 36,165,538	-0.7%	\$ (258,254)	\$ (258,254)	\$ 651,764
						<b>6 = (Col 1 * -.0430)</b>		
<b>MARCH</b>	<b>Estimated</b>	6,150,105	6,150,105	\$ 26,374,724		\$ (264,562)	\$ (264,562)	
<b>APRIL</b>	<b>Estimated</b>	4,155,389	4,155,389	\$ 16,146,597		\$ (178,754)	\$ (178,754)	
<b>MAY</b>	<b>Estimated</b>	1,872,776	1,872,776	\$ 7,277,047		\$ (80,562)	\$ (80,562)	
<b>JUNE</b>	<b>Estimated</b>	1,098,138	1,098,138	\$ 4,267,033		\$ (47,239)	\$ (47,239)	
<b>JULY</b>	<b>Estimated</b>	997,101	997,101	\$ 3,874,436		\$ (42,893)	\$ (42,893)	
<b>AUGUST</b>	<b>Estimated</b>	877,644	877,644	\$ 3,410,259		\$ (37,754)	\$ (37,754)	
<b>TOTAL</b>		15,151,152	15,151,152	61,350,095		(651,764)	(651,764)	
<b>MARCH 1, 2018 E-FACTOR</b>		<b>-0.0430</b>						

**FISCAL YEAR 2018  
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 2017</b>	4,400,670	-0.06%	(2,766)
<b>OCTOBER</b>	4,340,618	-0.06%	(2,718)
<b>NOVEMBER</b>	10,995,238	-0.06%	(6,885)
<b>DECEMBER</b>	25,504,332	-0.06%	(16,438)
<b>JANUARY 2018</b>	45,957,871	-0.07%	(30,369)
<b>FEBRUARY</b>	36,165,538	-0.07%	(23,898)

**FISCAL YEAR 2018  
PHILADELPHIA GAS WORKS  
RECONCILIATION OF DEMAND CHARGES**

MONTH	DEMAND CHARGES LESS LOAD BALANCING CHARGE REVENUE	DEMAND REVENUE BILLED	MONTHLY DEMAND OVER/(UNDER)	CUMULATIVE DEMAND OVER/(UNDER)
	1	2	3 = (2 - 1)	4
	\$	\$	\$	\$
SEPTEMBER 2017	4,926,418	1,214,497	(3,711,922)	(3,711,922)
OCTOBER	5,053,114	1,336,935	(3,716,178)	(7,428,100)
NOVEMBER	4,576,692	3,377,772	(1,198,920)	(8,627,020)
DECEMBER	4,394,646	7,980,500	3,585,853	(5,041,167)
JANUARY 2018	3,872,232	14,654,441	10,782,209	5,741,042
FEBRUARY	4,337,671	11,531,991	7,194,320	12,935,362

**INTERRUPTIBLE REVENUE CREDIT**  
**March 1, 2018**

Fiscal Year 2017 Reconciliation (8/31/17) \$ 108,827

<u>MONTH</u>	<u>IRC</u> <u>CREDIT</u>	<u>MARGIN</u>	
September-17	Actual \$ (2,766)	\$ 880	
October	Actual \$ (2,718)	\$ 13,263	
November	Actual \$ (6,885)	\$ 990	
December	Actual \$ (16,438)	\$ 1,566	
January-18	Estimated \$ (30,369)	\$ 456	
February	Estimated \$ (23,898)	\$ 412	
<b>Act/Est IRC Credit September 2017 to February 2018</b>	<b>\$ (83,074)</b>		
<b>Act/Est Margin September 2017 to February 2018</b>		<b>\$ 17,566</b>	<b>\$ 17,566</b>
<b>FY 2017 Reconciliation Plus Act/Est Margin September 2017 to February 2018</b>			<b>\$ 126,393</b>

<b>FY 2017 Reconciliation Plus Act/Est Margin September 2017 to February 2018</b>	<b>\$ 126,393</b>	
<b>Act/Est IRC Credit September 2017 to February 2018</b>	<b>\$ (83,074)</b>	
<b>Reconciliation as of February 28, 2018</b>	<b>\$ 43,319</b>	
<b>Margin - March 2018 through February 2019</b>	<b>\$ 30,331</b>	Schedule 4(b)
<b>March 1, 2018 Interruptible Revenue Credit</b>	<b>\$ 73,650</b>	

**GCR Firm Sales** **43,205,150** Schedule 2

**March 1, 2018 IRC/Mcf** **\$ 0.0017**

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

<b><u>MONTH</u></b>		<b><u>MARGIN</u></b>
March-18	Estimated	\$ 456
April	Estimated	\$ 441
May	Estimated	\$ 456
June	Estimated	\$ 441
July	Estimated	\$ 3,640
August	Estimated	\$ 3,640
September	Estimated	\$ 3,523
October	Estimated	\$ 3,641
November	Estimated	\$ 3,523
December	Estimated	\$ 3,641
January-19	Estimated	\$ 3,640
February	Estimated	\$ <u>3,288</u>
Total		\$ 30,331

**CALCULATION OF RECOVERED CHARGES**  
**2nd Qtr Filing**  
**March 1, 2018**

	<u>50% March</u>	<u>11.5 Months</u>	<u>Total</u>
			(MCF)                      (\$)
S - Firm Sales (Mcf)	3,075,052	40,130,097	43,205,150
C-Factor	<u>\$ 4.7279</u>	<u>\$ 3.9010</u>	
Projected Recovery	14,538,540	156,547,509	\$ 171,086,049
S - Firm Sales (Mcf)	3,075,052	40,130,097	43,205,150
IRC-Factor	<u>\$ (0.0031)</u>	<u>\$ (0.0016)</u>	
Projected Recovery	(9,533)	(64,208)	\$ (73,741)
E-Factor Volumes (Mcf)	3,075,052	40,130,097	43,205,150
E-Factor	<u>\$ (0.0335)</u>	<u>\$ (0.0137)</u>	
Projected Recovery	(103,014)	(549,782)	\$ (652,797)
GCR (\$ / Mcf)	\$ 4.6913	\$ 3.8857	
<hr/>			
GCR Projected Recovery			\$ 170,359,512
Load Balancing Revenue			\$ 973,606
LNG Sales Demand Revenue			<u>\$ 31,904</u>
<b>TOTAL PROJECTED RECOVERY</b>			<b>\$ 171,365,022</b>

**Change In Rates  
2nd Quarter Filing  
Rates Effective March 1, 2018**

**Current Rates**

	<u>12/01/17</u> <u>Distribution Charge</u> (1)	<u>12/01/17</u> <u>GCR</u> (2)	<u>12/01/17</u> <u>MFC</u> (3)	<u>12/01/17</u> <u>GPC</u> (4)	<u>12/01/17</u> <u>Commodity</u> <u>Rate</u> (5)=(1)+(2)+(3)+(4)
Residential GS	\$8.5899	\$4.6913	\$0.1764	\$0.0400	\$13.4976
Commercial GS	\$6.7830	\$4.6913	\$0.0291	\$0.0400	\$11.5434
Industrial GS	\$6.6661	\$4.6913	\$0.0183	\$0.0400	\$11.4157
Phila.Housing Authority (PHA)	\$6.9342	\$4.6913	\$0.0000	\$0.0400	\$11.6655
Municipal (MS)	\$6.1430	\$4.6913	\$0.0000	\$0.0400	\$10.8743
Phila.Housing Authority (GS)	\$7.6037	\$4.6913	\$0.0000	\$0.0400	\$12.3350

**March 1, 2018 - Distribution Charge**

	<u>Delivery</u>	<u>Surcharges</u>				<u>Total</u>	
	<u>Delivery</u> <u>Charge</u> (6)	<u>Other Post</u> <u>Employment</u> <u>Benefit</u> (7)	<u>Efficiency</u> <u>Cost</u> <u>Recovery</u> (8)	<u>Universal</u> <u>Service &amp;</u> <u>Ener. Cons.</u> (9)	<u>Restructuring &amp;</u> <u>Consumer</u> <u>Education</u> (10)	<u>Total</u> <u>Surcharges</u> (11)=(7)+(8)+(9)+(10)	<u>Distribution</u> <u>Charge / Mcf</u> (12)=(11)+(6)
Residential GS	\$6.6967	\$0.3785	\$0.0173	\$1.7145	\$0.0077	\$2.1180	\$8.8147
Commercial GS	\$4.8651	\$0.3785	\$0.0410	\$1.7145	\$0.0077	\$2.1417	\$7.0068
Industrial GS	\$4.7698	\$0.3785	\$0.0213	\$1.7145	\$0.0077	\$2.1220	\$6.8918
Phila.Housing Authority (PHA)	\$5.0163	\$0.3785	\$0.0410	\$1.7145	\$0.0077	\$2.1417	\$7.1580
Municipal (MS)	\$4.2723	\$0.3785	\$0.0000	\$1.7145	\$0.0077	\$2.1007	\$6.3730
Phila.Housing Authority (GS)	\$5.7105	\$0.3785	\$0.0173	\$1.7145	\$0.0077	\$2.1180	\$7.8285

**Proposed Rates**

	<u>03/01/18</u> <u>Distribution Charge</u> (12)	<u>03/01/18</u> <u>GCR</u> (13)	<u>03/01/18</u> <u>MFC</u> (14)	<u>03/01/18</u> <u>GPC</u> (15)	<u>03/01/18</u> <u>Commodity</u> <u>Rate</u> (16)=(12)+(13)+(14)+(15)	<u>Difference</u> (17)=(16)-(5)
Residential GS	\$8.8147	\$3.8857	\$0.1461	\$0.0400	\$12.8865	(\$0.6111)
Commercial GS	\$7.0068	\$3.8857	\$0.0241	\$0.0400	\$10.9566	(\$0.5868)
Industrial GS	\$6.8918	\$3.8857	\$0.0152	\$0.0400	\$10.8327	(\$0.5830)
Phila.Housing Authority (PHA)	\$7.1580	\$3.8857	\$0.0000	\$0.0400	\$11.0837	(\$0.5818)
Municipal (MS)	\$6.3730	\$3.8857	\$0.0000	\$0.0400	\$10.2987	(\$0.5756)
Phila.Housing Authority (GS)	\$7.8285	\$3.8857	\$0.0000	\$0.0400	\$11.7542	(\$0.5808)

**PHILADELPHIA GAS WORKS**  
**MARCH 1, 2018**  
**UNIVERSAL SERVICE & ENERGY CONSERVATION SURCHARGE**

	<b>Expenses in the Surcharge</b>
Enhanced Low Income Retrofit Program (ELIRP)	\$ 8,713,642
Customer Responsibility Program (CRP)	\$ 56,620,201
Senior Citizen Discount *	\$ 2,775,969
<a href="#">February 2018 Under Collection</a>	<u>\$ 14,728,699</u>
Total \$ to be Recovered	\$ 82,838,511
Total Applicable Volumes	Mcf 48,315,055
Universal Service & Energy Conservation Surcharge	<u><u>\$ 1.7145</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 \$3,142,330.

**STATEMENT OF RECONCILIATION  
UNIVERSAL SERVICES & ENERGY CONSERVATION SURCHARGE  
SEPTEMBER 2017 THROUGH February 2018**

<u>Month</u>		<u>USC Applicable Volumes</u>	<u>USC Charge</u>	<u>USC Revenue Billed</u>	<u>USC Expenses</u>	<u>Monthly Over/(Under) Recovery</u>	<u>Cumulative Over/(Under) Recovery</u>
							(\$13,309,033)
<b>FY 17 Reconciliation</b>							
September 2017	Actual	1,160,592	\$ 1.4092	\$ 1,635,448	\$ (944,104)	\$ 2,579,552	(\$10,729,481)
October	Actual	1,228,327	\$ 1.3701	\$ 1,682,931	\$ (145,235)	\$ 1,828,165	(\$8,901,315)
November	Actual	3,034,129	\$ 1.3701	\$ 4,157,061	\$ 3,285,532	\$ 871,529	(\$8,029,787)
December	Actual	6,318,455	\$ 1.4273	\$ 9,018,330	\$ 9,481,610	\$ (463,280)	(\$8,493,067)
January 2018	Estimated	10,732,303	\$ 1.4845	\$ 15,932,103	\$ 19,677,750	\$ (3,745,647)	(\$12,238,713)
February	Estimated	8,472,584	\$ 1.4845	\$ 12,577,551	\$ 15,067,536	\$ (2,489,986)	(\$14,728,699)

<u>USC Expenses</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>
ELIRP Expense	\$ -	\$ 430,271	\$ 367,950	\$ 373,571	\$ 775,229	\$ 775,229
ELIRP Labor	\$ 14,196	\$ 13,745	\$ 5,432	\$ 17,247	\$ 11,019	\$ 11,019
CRP Discount	\$ (1,713,498)	\$ (1,406,870)	\$ 2,023,880	\$ 8,006,203	\$ 17,372,596	\$ 12,937,930
CRP Forgiveness	\$ 662,258	\$ 712,670	\$ 636,542	\$ 585,157	\$ 692,580	\$ 699,370
Senior Citizen Discount	\$ 92,940	\$ 104,949	\$ 251,729	\$ 499,432	\$ 826,326	\$ 643,988
Bad Debt Expense Offset*	\$ -					
<b>Total</b>	<b>\$ (944,104)</b>	<b>\$ (145,235)</b>	<b>\$ 3,285,532</b>	<b>\$ 9,481,610</b>	<b>\$ 19,677,750</b>	<b>\$ 15,067,536</b>

<b>CRP Participation</b>					
Rate Case Participation Rate		84,000	84,000	84,000	60,000
Actual Participation Rate*		48,523	48,693	48,904	49,310
CRP Under(Over) Participation		35,477	35,307	35,096	10,690
<b>Average Shortfall Per CRP Participant</b>					
CRP Discount		\$ (1,713,498)	\$ (1,406,870)	\$ 2,023,880	\$ 8,006,203
Actual Participation Rate		48,523	48,693	48,904	49,310
Average Shortfall per CRP Participant		\$ (35)	\$ (29)	\$ 41	\$ 162
Shortfall*		\$ -	\$ -	\$ -	\$ -
Bad Debt Expense Offset*	7.1%	\$ -	\$ -	\$ -	\$ -
Bad Debt Expense Offset**	7.5%	\$ -	\$ -	\$ -	\$ -

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

\*\* Effective December 2017--Bad Debt Expense Offset Applicable When Actual CRP Participation Exceeds 60,000

**EFFICIENCY COST RECOVERY (ECR) SURCHARGE**  
**March 1, 2018**

<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	\$794,951	\$81,773	\$604	\$877,329
Labor Expense	\$11,164	\$1,153	\$9	\$12,327
<b>Commercial &amp; Industrial Retrofit Incentive (CIRI)</b>				
Program Expense	\$168,139	\$303,500	\$0	\$471,640
Labor Expense	\$2,657	\$4,796	\$0	\$7,452
<b>Commercial &amp; Industrial Equipment Rebate (CIER)</b>				
Program Expense	\$3,556	\$286,902	\$62,347	\$352,805
Labor Expense	-\$75	\$1,203	\$995	\$2,123
<b>High-Efficiency Construction Incentive (HECI)</b>				
Program Expense	\$111,394	\$144,671	\$0	\$256,065
Labor Expense	\$1,607	\$2,231	\$0	\$3,838
<b>Comprehensive Residential Retrofit Incentive (CRRI)</b>				
Program Expense	\$0	\$0	\$0	\$0
Labor Expense	\$0	\$0	\$0	\$0
<b>Total Expense</b>	\$1,093,394	\$826,229	\$63,956	\$1,983,579
<b>Prior Period Reconciliation (2/28/18)</b>	\$ (481,850)	\$ (365,180)	\$ (45,256)	\$ (892,286)
<b>Total</b>	\$611,544	\$461,048	\$18,700	\$1,091,292
<b>Volumes - Mcf (GCR Firm &amp; Firm Transportation)</b>	35,351,885	11,250,867	877,430	

<b>Efficiency Cost Recovery Surcharge / Mcf</b>	<b>\$0.0173</b>	<b>\$0.0410</b>	<b>\$0.0213</b>
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**EFFICIENCY COST RECOVERY (ECR) SURCHARGE**  
**2nd Qtr Filing**  
**FISCAL YEAR 2018**

		Actual Sep-17	Actual Oct-17	Actual Nov-17	Actual Dec-17	Estimated Jan-18	Estimated Feb-18
<b>RESIDENTIAL &amp; PHA GS</b>							
FY 2017 Over-Collection	\$ 423,608						
Volume Billed		741,149	774,207	2,072,645	4,741,689	8,225,174	6,454,094
ECR Surcharge		\$ 0.0175	\$ 0.0196	\$ 0.0196	\$ 0.0211	\$ 0.0225	\$ 0.0225
Revenue Billed		\$ 12,970	\$ 15,174	\$ 40,624	\$ 99,813	\$ 185,066	\$ 145,217
RHER	Expense	\$ -	\$ 73,271	\$ 88,391	\$ 18,813	\$ 67,898	\$ 67,898
RHER	Labor	\$ 1,393	\$ 1,349	\$ 3,656	\$ 1,693	\$ 691	\$ 691
HECI	Expense	\$ -	\$ 11,587	\$ 13,873	\$ 55	\$ 11,116	\$ 11,116
HECI	Labor	\$ 220	\$ 213	\$ 389	\$ 268	\$ 133	\$ 133
CRR1	Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CRR1	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CIRI	Expense	\$ -	\$ 15,653	\$ 9,894	\$ 75	\$ 16,122	\$ 16,122
CIRI	Labor	\$ 298	\$ 288	\$ 144	\$ 362	\$ 227	\$ 227
CIER	Expense	\$ -	\$ 695	\$ 4,617	\$ 543	\$ 126	\$ 126
CIER	Labor	\$ 13	\$ 13	\$ 255	\$ 16	\$ (21)	\$ (21)
Total		\$ 1,924	\$ 103,070	\$ 121,220	\$ 21,823	\$ 96,292	\$ 96,292
Monthly Over/(Under)		\$ 11,046	\$ (87,895)	\$ (80,596)	\$ 77,989	\$ 88,774	\$ 48,925
Cumulative Over/(Under)		\$ 434,653	\$ 346,758	\$ 266,162	\$ 344,151	\$ 432,925	\$ 481,850
<b>COMMERCIAL &amp; PHA</b>							
FY 2017 Over-Collection	\$ 479,880						
Volume Billed		377,460	410,353	845,153	1,352,842	2,138,338	1,736,697
ECR Surcharge		\$ 0.0494	\$ 0.0407	\$ 0.0407	\$ 0.0440	\$ 0.0472	\$ 0.0472
Revenue Billed		\$ 18,628	\$ 16,701	\$ 34,398	\$ 59,457	\$ 100,930	\$ 81,972
RHER	Expense	\$ -	\$ 7,520	\$ 8,830	\$ 1,931	\$ 6,999	\$ 6,999
RHER	Labor	\$ 143	\$ 138	\$ 366	\$ 174	\$ 72	\$ 72
CRR1	Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CRR1	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CIRI	Expense	\$ -	\$ 28,255	\$ 17,860	\$ 135	\$ 29,101	\$ 29,101
CIRI	Labor	\$ 537	\$ 520	\$ 260	\$ 653	\$ 410	\$ 410
CIER	Expense	\$ -	\$ 36,890	\$ 114,227	\$ 28,825	\$ 23,050	\$ 23,050
CIER	Labor	\$ 701	\$ 679	\$ 6,608	\$ 852	\$ (248)	\$ (248)
HECI	Expense	\$ -	\$ 14,211	\$ 6,281	\$ 68	\$ 14,975	\$ 14,975
HECI	Labor	\$ 270	\$ 262	\$ 131	\$ 328	\$ 206	\$ 206
Total		\$ 1,652	\$ 88,476	\$ 154,562	\$ 32,965	\$ 74,566	\$ 74,566
Monthly Over/(Under)		\$ 16,976	\$ (71,775)	\$ (120,164)	\$ 26,493	\$ 26,364	\$ 7,406
Cumulative Over/(Under)		\$ 496,856	\$ 425,081	\$ 304,917	\$ 331,410	\$ 357,774	\$ 365,180
<b>INDUSTRIAL</b>							
FY 2017 Over-Collection	\$ 51,029						
Volume Billed		28,842	30,282	69,559	113,515	164,616	135,848
ECR Surcharge		\$ 0.0507	\$ 0.0419	\$ 0.0419	\$ 0.0338	\$ 0.0256	\$ 0.0256
Revenue Billed		\$ 1,461	\$ 1,269	\$ 2,915	\$ 3,831	\$ 4,214	\$ 3,478
RHER	Expense	\$ -	\$ 52	\$ 11	\$ 13	\$ 55	\$ 55
RHER	Labor	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
CIRI	Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CIRI	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CIER	Expense	\$ -	\$ 6,078	\$ (1,278)	\$ 4,749	\$ 6,310	\$ 6,310
CIER	Labor	\$ 116	\$ 112	\$ 26	\$ 140	\$ 92	\$ 92
Total		\$ 117	\$ 6,243	\$ (1,240)	\$ 4,904	\$ 6,458	\$ 6,458
Monthly Over/(Under)		\$ 1,344	\$ (4,975)	\$ 4,155	\$ (1,073)	\$ (2,244)	\$ (2,980)
Cumulative Over/(Under)		\$ 52,373	\$ 47,399	\$ 51,554	\$ 50,480	\$ 48,237	\$ 45,256

REVISED \*

**PHILADELPHIA GAS WORKS  
LOAD BALANCING CHARGE  
MARCH 1, 2018**

<b>Storage and Peaking Asset Cost</b>	<b>\$</b>	<b>14,213,058</b>
<hr/>		
<b>Design Day Requirements (Mcf)</b>		<b>672,749</b>
<b>Fulfilled from FT Capacity (Mcf)</b>		<b><u>295,857</u></b>
<b>Fulfilled from Storage and Peaking Assets (Excess Mcf)</b>		<b>376,892</b>
<hr/>		
<b>Annual Storage and Peaking Cost per Excess Mcf</b>	<b>\$</b>	<b>37.7112</b>
<b>Per Mcf Over / (Under) Adjustment</b>	<b>\$</b>	<b><u>(0.1911)</u></b>
<b>Load Balancing Charge</b>	<b>\$</b>	<b>37.9023</b>

<b>Over / (Under) Recovery</b>	<b>\$</b>	<b>(56,749)</b>
<b>Interest</b>	<b>\$</b>	<b><u>(5,091)</u></b>
<b>Total Over/(Under) Recovery</b>	<b>\$</b>	<b>(61,840)</b>
<b>Forecasted SSPC Volumes</b>		<b>323,623</b>
<b>Per Mcf Over / (Under) Adjustment</b>	<b>\$</b>	<b>(0.1911)</b>

## Natural Gas Prices Used for PGW's - FY 2017-2018 - 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 01/16/18 Close	Sta 30	Sta 45	Sta 65	Sta. 85	Zone 6-Non-NY	ELA	WLA	STX	M-1	M-2
2018:1													2.68	2.70	2.72	2.72	2.85	2.65	2.66	2.66	2.65	2.27
2018:2	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	3.129	3.02	2.99	3.11	3.12	3.20	3.07	3.05	3.00	3.03	2.81
2018:3	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	2.962	2.85	2.82	2.94	2.95	3.03	2.90	2.88	2.83	2.86	2.64
2018:4	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	2.781	2.67	2.64	2.76	2.77	2.85	2.72	2.70	2.65	2.68	2.46
2018:5	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	2.768	2.66	2.63	2.75	2.76	2.84	2.71	2.69	2.64	2.67	2.45
2018:6	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	2.805	2.70	2.67	2.79	2.80	2.88	2.75	2.73	2.68	2.71	2.49
2018:7	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	2.844	2.73	2.70	2.82	2.83	2.91	2.78	2.76	2.71	2.74	2.52
2018:8	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.32)	(0.42)	2.843	2.73	2.70	2.82	2.83	2.91	2.78	2.76	2.71	2.74	2.52
2018:9	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.21)	(0.42)	2.820	2.71	2.68	2.80	2.81	2.89	2.76	2.74	2.69	2.72	2.61
2018:10	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.21)	(0.42)	2.840	2.73	2.70	2.82	2.83	2.91	2.78	2.76	2.71	2.74	2.63
2018:11	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.21)	(0.42)	2.890	2.78	2.75	2.87	2.88	2.96	2.83	2.81	2.76	2.79	2.68
2018:12	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.21)	(0.42)	3.015	2.91	2.88	3.00	3.01	3.09	2.96	2.94	2.89	2.92	2.81
2019:1	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.21)	(0.42)	3.093	2.98	2.95	3.07	3.08	3.16	3.03	3.01	2.96	2.99	2.88
2019:2	(0.11)	(0.14)	(0.02)	(0.01)	0.07	(0.06)	(0.08)	(0.13)	(0.10)	(0.21)	(0.42)	3.064	2.95	2.92	3.04	3.05	3.13	3.00	2.98	2.93	2.96	2.85

**Actual Natural Gas Billed**

	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>
Williams	\$ 2,592,216.47	\$ 2,257,365.32	\$ 2,447,539.07
Texas Eastern	\$ 2,730,779.37	\$ 2,074,420.94	\$ 2,013,446.72
Dominion	\$ 124,819.09	\$ 124,653.31	\$ 136,833.50
Equitrans	\$ -	\$ -	\$ -
Spot Purchases -Transco	\$ -	\$ 27,212.13	\$ 87,982.08
Spot Purchases -Tetco	\$ -	\$ -	\$ -
Transco Supply2	\$ 368,900.00	\$ -	\$ -
Transco Supply3	\$ -	\$ -	\$ -
Transco Supply6	\$ 367,350.00	\$ -	\$ -
Transco Supply7	\$ -	\$ -	\$ -
Transco Supply8	\$ 6,200.00	\$ 2,501,474.11	\$ 2,781,192.36
Transco Supply10	\$ -	\$ -	\$ -
Transco Supply12	\$ -	\$ -	\$ -
Transco Supply14	\$ 404,395.00	\$ 832,500.00	\$ 475,075.00
Transco Supply17	\$ -	\$ -	\$ -
Transco Supply20	\$ -	\$ -	\$ -
Transco Supply21	\$ -	\$ -	\$ -
Transco Supply22	\$ 318,955.14	\$ 1,668,229.47	\$ 2,054,169.66
Transco Supply23	\$ 907,525.00	\$ -	\$ -
Transco Supply24	\$ -	\$ -	\$ -
Transco Supply25	\$ -	\$ -	\$ -
Transco Supply26	\$ -	\$ -	\$ -
Transco Supply27	\$ -	\$ -	\$ -
Transco Supply28	\$ -	\$ -	\$ -
Transco Supply29	\$ -	\$ 829,050.00	\$ 908,920.00
Transco Supply30	\$ -	\$ 1,252,125.00	\$ 2,026,387.89
Transco Supply31	\$ -	\$ -	\$ -
Transco Supply32	\$ 372,000.00	\$ -	\$ -
Transco Supply33	\$ -	\$ 809,250.00	\$ 947,825.00
Transco Supply34	\$ -	\$ -	\$ 186,950.00
Tetco Supply1	\$ -	\$ -	\$ -
Tetco Supply2	\$ -	\$ -	\$ -
Tetco Supply3	\$ -	\$ -	\$ -
Tetco Supply4	\$ -	\$ -	\$ -
Tetco Supply5	\$ 333,870.00	\$ 679,500.00	\$ 1,167,150.00
Tetco Supply7	\$ -	\$ -	\$ -
Tetco Supply13	\$ -	\$ -	\$ -
Tetco Supply14	\$ -	\$ -	\$ -
Tetco Supply16	\$ 163,137.50	\$ -	\$ -
Tetco Supply17	\$ -	\$ -	\$ -
Tetco Supply18	\$ -	\$ -	\$ -
Tetco Supply19	\$ -	\$ -	\$ -
Tetco Supply20	\$ -	\$ -	\$ -
Tetco Supply21	\$ -	\$ -	\$ -
Tetco Supply22	\$ -	\$ -	\$ -
Tetco Supply23	\$ -	\$ -	\$ -
Tetco Supply24	\$ 489,412.50	\$ 1,197,650.00	\$ 1,716,500.00
Tetco Supply25	\$ -	\$ 684,000.00	\$ 1,171,800.00
Tetco Supply26	\$ 246,387.61	\$ 1,050,266.25	\$ 1,158,852.23
Tetco Supply27	\$ -	\$ -	\$ -
Tetco Supply28	\$ 163,137.50	\$ 677,250.00	\$ 1,164,902.66
Tetco Supply29	\$ -	\$ -	\$ -
Tetco Supply30	\$ -	\$ -	\$ -
Tetco Supply31	\$ -	\$ -	\$ -
<b>Total Costs</b>	<b>\$ 9,589,085</b>	<b>\$ 16,664,947</b>	<b>\$ 20,445,526</b>
Sharing Mechanism	\$ 23,954	\$ 221,015	\$ 248,145
Asset Management Agreement	\$ -	\$ -	\$ -
Off System Sales	\$ -	\$ -	\$ -
Gas Transportation Purchases	\$ -	\$ -	\$ -
Adjustment/Reconciliation	\$ (198,331)	\$ 324,262	\$ (84,908)
<b>Total Natural Gas Billed</b>	<b>\$ 9,414,708</b>	<b>\$ 17,210,223</b>	<b>\$ 20,608,763</b>

**Philadelphia Gas Works  
Summary of Fuels Purchased  
Three Months Ending December 2017**

	<u>Actual</u>				<u>Projected 4th Qtr Filing Oct-17</u>	<u>Projected 1st Qtr Filing Nov-17</u>	<u>Projected 1st Qtr Filing Dec-17</u>	<u>Total</u>	<u>Actual Over/Under vs Projected</u>			
	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>					<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Total</u>
<b>Total Natural Gas Billed</b>	\$ 9,414,708	\$ 17,210,223	\$ 20,608,763	\$ 47,233,694	\$ 13,191,468	\$ 14,375,036	\$ 19,652,024	\$ 47,218,528	\$ (3,776,760)	\$ 2,835,187	\$ 956,739	\$ 15,166
<b>Less Imbalance Charge</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Less Interruptible Credit</b>	\$ 24,188	\$ 7,626	\$ 7,842	\$ 39,656	\$ 15,791	\$ 16,810	\$ 18,032	\$ 50,634	\$ 8,397	\$ (9,184)	\$ (10,190)	\$ (10,978)
<b>Gas Used For Utility</b>	\$ 13,319	\$ 52,824	\$ 99,653	\$ 165,796	\$ 37,287	\$ 54,575	\$ 131,655	\$ 223,517	\$ (23,968)	\$ (1,751)	\$ (32,002)	\$ (57,721)
	\$ 9,377,201	\$ 17,149,773	\$ 20,501,268	\$ 47,028,242	\$ 13,138,390	\$ 14,303,650	\$ 19,502,337	\$ 46,944,377	\$ (3,761,189)	\$ 2,846,123	\$ 998,931	\$ 83,865
<b>Pipeline Storages</b>												
<b>(To)</b>	\$ (1,586,906)	\$ (1,177,531)	\$ (764,476)	\$ (3,528,913)	\$ (2,082,640)	\$ (993,123)	\$ -	\$ (3,075,762)	\$ 495,734	\$ (184,408)	\$ (764,476)	\$ (453,151)
<b>From</b>	\$ 31,964	\$ 2,470,905	\$ 6,063,844	\$ 8,566,713	\$ -	\$ 4,178,642	\$ 10,546,298	\$ 14,724,939	\$ 31,964	\$ (1,707,737)	\$ (4,482,454)	\$ (6,158,226)
<b>Net Pipeline Storages</b>	\$ (1,554,942)	\$ 1,293,374	\$ 5,299,368	\$ 5,037,800	\$ (2,082,640)	\$ 3,185,519	\$ 10,546,298	\$ 11,649,177	\$ 527,698	\$ (1,892,145)	\$ (5,246,930)	\$ (6,611,377)
<b>LNG Storage</b>												
<b>(To)</b>	\$ (218,852)	\$ (999,662)	\$ (258,666)	\$ (1,477,180)	\$ (587,613)	\$ (1,064,863)	\$ (1,076,903)	\$ (2,729,379)	\$ 368,761	\$ 65,201	\$ 818,237	\$ 1,252,199
<b>From</b>	\$ 225,358	\$ 288,054	\$ 1,498,790	\$ 2,012,202	\$ 211,851	\$ 222,694	\$ 279,501	\$ 714,047	\$ 13,507	\$ 65,360	\$ 1,219,289	\$ 1,298,155
<b>Net LNG Storage</b>	\$ 6,506	\$ (711,608)	\$ 1,240,124	\$ 535,022	\$ (375,762)	\$ (842,168)	\$ (797,402)	\$ (2,015,332)	\$ 382,268	\$ 130,560	\$ 2,037,526	\$ 2,550,354
<b>Net Natural Gas</b>	\$ 7,828,765	\$ 17,731,539	\$ 27,040,760	\$ 52,601,064	\$ 10,679,989.97	\$ 16,647,001	\$ 29,251,232	\$ 56,578,222	\$ (2,851,224)	\$ 1,084,538	\$ (2,210,472)	\$ (3,977,158)
<b>APPLICABLE GCR EXPENSES</b>												
<b>Net Natural Gas Expense</b>	\$ 7,828,765	\$ 17,731,539	\$ 27,040,760	\$ 52,601,064	\$ 10,679,989	\$ 16,647,001	\$ 29,251,232	\$ 56,578,222	\$ (2,851,224)	\$ 1,084,538	\$ (2,210,472)	\$ (3,977,158)
<b>Purchased Electric &amp; Misc</b>	\$ 30,204	\$ 37,668	\$ 54,497	\$ 122,369	\$ 50,948	\$ 51,671	\$ 67,861	\$ 170,480	\$ (20,744)	\$ (14,003)	\$ (13,364)	\$ (48,111)
<b>Total GCR Expenses</b>	\$ 7,858,969	\$ 17,769,207	\$ 27,095,257	\$ 52,723,433	\$ 10,730,937	\$ 16,698,672	\$ 29,319,093	\$ 56,748,702	\$ (2,871,968)	\$ 1,070,535	\$ (2,223,836)	\$ (4,025,269)