



PHILADELPHIA GAS WORKS

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December 17, 2018

VIA FEDERAL EXPRESS

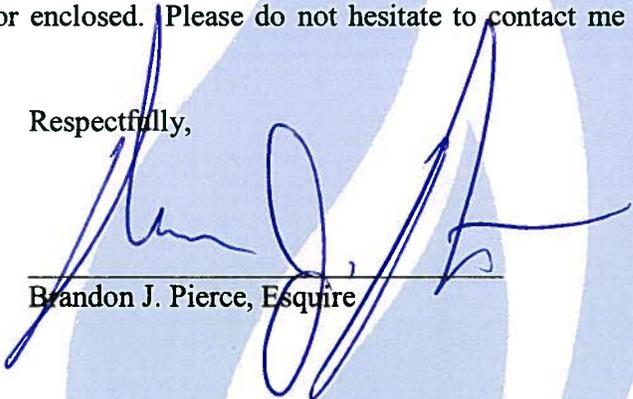
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, 1 North
400 North Street
Harrisburg, PA 17120

Re: Philadelphia Gas Works (“PGW”) January 1, 2019 Quarterly Distribution System Improvement Charge (“DSIC”) Filing; Docket No. M-2018-XXXXXXX

Dear Secretary Chiavetta:

Enclosed please find supporting schedules for Philadelphia Gas Works' (“PGW”) January 1, 2019 Quarterly DSIC filing. The DSIC rate effective January 1, 2019, will remain unchanged at 7.50% and, therefore, no tariff supplement is required or enclosed. Please do not hesitate to contact me with any questions.

Respectfully,



Brandon J. Pierce, Esquire

Enclosures

cc: Cert. of Service w/enc
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CERTIFICATE OF SERVICE

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

VIA FIRST CLASS MAIL and EMAIL

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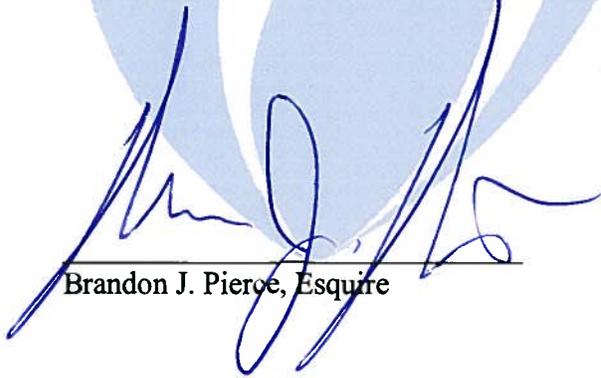
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Dated: December 17, 2018



Brandon J. Pieroe, Esquire

Supporting Schedules

PHILADELPHIA GAS WORKS
JANUARY 1, 2019 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

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

2017 Annual Reconciliation (e) \$ 13,419,965 (Page 2)

Total Recoverable Costs (DSI + e) \$ 46,419,965

Projected Annual Revenues (PAR) \$ 469,694,334 (Page 3)

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

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

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

Where:

DSI = Projected recoverable annual costs

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

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

PHILADELPHIA GAS WORKS
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
JANUARY 1, 2019 DSIC FILING
Annual Tariff Revenue

	1st Quarter Filing 12/1/2018			December 1, 2018 PUC Approved Tariff Rates						Amounts in \$000s						
	No. of Customers	No. of Annual Bills	Annual Deliveries (mcf)	Monthly Cust. Charge	OPEB	Univ. Service Charge	Efficiency Cost Recovery Charge	Restructuring & Consumer Education Charge	Delivery Charge	Cust. Charge Revenue	OPEB Revenue	Univ. Service Charge Revenue	Efficiency Cost Recovery Revenue	Restructuring & Consumer Education Revenue	Delivery Charge Revenue	Total Distribution Revenue
1 Non-Heating:																
2 Residential	16,391	196,692	397,965	\$13.75	\$0.3094	\$1.1183	\$0.0301	\$ -	\$6.6967	2,705	123	445	12	0	2,665	5,950
3 Commercial	3,330	39,960	917,165	\$23.40	\$0.3094	\$1.1183	\$0.0411	\$ -	\$4.8651	935	284	1,026	38	0	4,462	6,744
4 Industrial	107	1,287	119,894	\$70.00	\$0.3094	\$1.1183	\$(0.0716)	\$ -	\$4.7698	90	37	134	(9)	0	572	825
5 Municipal/MS	82	984	115,079	\$23.40	\$0.3094	\$1.1183	-	\$ -	\$4.2723	23	36	129	0	0	492	679
6 NGV	3	36	1,616	\$35.00	\$0.3094	\$1.1183	-	\$ -	\$1.2833	1	0	2	0	0	2	6
7 <i>Total Non-Heat Firm</i>	19,913	238,959	1,551,719							3,754	480	1,735	41	0	8,193	14,203
8																
9 Heating:																
10 Residential	450,051	5,400,608	35,192,648	\$13.75	\$0.3094	\$1.1183	\$0.0301	\$ -	\$6.6967	74,258	10,889	39,356	1,059	0	235,675	361,237
11 Commercial	17,853	214,234	6,177,707	\$23.40	\$0.3094	\$1.1183	\$0.0411	\$ -	\$4.8651	5,013	1,911	6,909	254	0	30,055	44,142
12 Industrial	383	4,590	382,033	\$70.00	\$0.3094	\$1.1183	\$(0.0716)	\$ -	\$4.7698	321	118	427	(27)	0	1,822	2,662
13 Municipal/MS	395	4,740	499,310	\$23.40	\$0.3094	\$1.1183	-	\$ -	\$4.2723	111	154	558	0	0	2,133	2,957
14 PHA Rate 8	270	3,240	44,766	\$23.40	\$0.3094	\$1.1183	\$0.0411	\$ -	\$5.0163	76	14	50	2	0	225	366
15 PHA/GS	1,948	23,376	179,196	\$13.75	\$0.3094	\$1.1183	\$0.0301	\$ -	\$5.7105	321	55	200	5	0	1,023	1,606
16 <i>Total Heat Firm</i>	470,899	5,650,788	42,475,660							80,101	13,142	47,501	1,293	0	270,933	412,970
17 Total Heat & Non-Heat Firm	490,812	5,889,747	44,027,380							83,855	13,622	49,236	1,334	0	279,126	427,173
18																
19 Firm Transport																
20 Non-Heating:																
21 Residential	826	9,908	14,128	\$13.75	\$0.3094	\$1.1183	\$0.0301	\$ -	\$6.6967	136	4	16	0	0	95	251
22 Commercial	542	6,504	500,347	\$23.40	\$0.3094	\$1.1183	\$0.0411	\$ -	\$4.8651	152	155	560	21	0	2,434	3,321
23 Industrial	33	399	145,535	\$70.00	\$0.3094	\$1.1183	\$(0.0716)	\$ -	\$4.7698	28	45	163	(10)	0	694	919
24 Municipal/MS	176	2,112	53,645	\$23.40	\$0.3094	\$1.1183	-	\$ -	\$4.2723	49	17	60	0	0	229	355
25 NGV	1	12	1,321	\$35.00	\$0.3094	\$1.1183	-	\$ -	\$1.2833	0	0	1	0	0	0	0
26 <i>Total Non Heat FT</i>	1,578	18,935	714,976							366	221	800	11	0	3,452	4,847
27																
28 Heating:																
29 Residential	11,386	136,629	976,027	\$13.75	\$0.3094	\$1.1183	\$0.0301	\$ -	\$6.6967	1,879	302	1,091	29	0	6,536	9,838
30 Commercial	2,389	28,666	3,280,305	\$23.40	\$0.3094	\$1.1183	\$0.0411	\$ -	\$4.8651	671	1,015	3,668	135	0	15,959	21,448
31 Industrial	82	978	302,453	\$70.00	\$0.3094	\$1.1183	\$(0.0716)	\$ -	\$4.7698	68	94	338	(22)	0	1,443	1,921
32 Municipal/MS	199	2,388	295,466	\$23.40	\$0.3094	\$1.1183	-	\$ -	\$4.2723	56	91	330	0	0	1,262	1,740
33 PHA	821	9,852	402,213	\$13.75	\$0.3094	\$1.1183	-	\$ -	\$5.0163	135	124	450	0	0	2,018	2,727
34 <i>Total Heat FT</i>	14,876	178,513	5,256,463							2,809	1,626	5,878	143	0	27,218	37,674
35 Total FT	16,454	197,448	5,971,439							3,175	1,848	6,678	153	0	30,670	42,522
36																
37 Total PGW	507,266	6,087,195	49,998,819							87,030	15,470	55,914	1,487	0	309,796	469,694

PHILADELPHIA GAS WORKS
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)
2018 REVENUE & RECOVERABLE COSTS - YTD

<u>Month</u>		<u>Total DSIC</u> <u>Revenue Billed</u>	<u>DSIC Recoverable</u> <u>Costs</u>
January 2018	Actual	\$ 8,626,322	\$ -
February	Actual	\$ 6,118,705	\$ -
March	Actual	\$ 5,470,211	\$ -
April	Actual	\$ 4,962,824	\$ -
May	Actual	\$ 2,398,664	\$ 2,303,244
June	Actual	\$ 1,537,556	\$ -
July	Actual	\$ 1,387,764	\$ -
August	Actual	\$ 1,328,996	\$ 7,525,299
September	Actual	\$ 1,379,968	\$ -
October	Actual	\$ 1,504,122	\$ -
November	Actual	\$ 3,064,473	\$ 9,311,862

**PHILADELPHIA GAS WORKS
 JANUARY 1, 2019 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

RECOVERABLE COSTS - 9/1/18 TO 11-30-18

<u>FERC Account #</u>	<u>PGW Project #</u>	<u>Location</u>	<u>Type</u>	<u>Cost</u>			<u>Total</u>
				<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	
376	411423	2000 Gratz St, 2000 Cleveland St, 1900-2000 18th St, 1900 17th St, 1800 Fontain St, 1800 Norris St, 1700 Monument St, 1600 Berks St, 1800 Berks St	8" (LP / IP)			\$ 1,015,314	\$ 1,015,314
376	411435	1200-1500 N Howard St, 100 Master St, 1300 Hope St, 100 Jefferson St	8" (LP / IP)			\$ 1,143,029	\$ 1,143,029
376	411456	4800-4900 Summerdale, 4600-4700 Roosevelt Blvd, 800-900 Adams Ave	12" & Larger (HP)			\$ 1,535,677	\$ 1,535,677
376	411478	4700-5200 N 9TH ST 900 W FISHER AVE 5300-5500 N 11TH ST Lining Job	12" & Larger (HP)			\$ 3,757,879	\$ 3,757,879
376	411428	300-400 Cinnaminson St, 300-400 Lemonte St, 200 Overlook Rd, 4800 & 6600 Silverwood St, 200-400 Delmar St, 4800-4900 Tibben St, 200-300 Fountain St, 6700 Pechin, 4700 Manayunk	8" (LP / IP)			\$ 1,859,962	\$ 1,859,962
Recoverable Costs (DSIC)						\$ 9,311,862	\$ 9,311,862