



**PHILADELPHIA GAS WORKS**

800 West Montgomery Avenue • Philadelphia, PA 19122

Craig Berry, Senior Attorney  
Legal Department  
Direct Dial: 215-684-6049  
FAX: 215-684-6798  
E-mail: [craig.berry@pgworks.com](mailto:craig.berry@pgworks.com)

March 22, 2020

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17120

**Re: Philadelphia Gas Works (“PGW”) April 1, 2021 Quarterly Distribution System Improvement Charge (“DSIC”) Filing, Docket No. M-2020-**

Dear Secretary Chiavetta:

Enclosed please find the supporting schedules for Philadelphia Gas Works’ (“PGW”) April 1, 2021 Quarterly DSIC filing and PGW Gas Service Tariff Supplement No. 141. The DSIC rate effective April 1, 2021 decreases from the currently effective rate of 7.5% to 7.0% as reflected in the enclosed Tariff Supplement. Please contact me if you have any questions.

Respectfully,

/s/ Craig W. Berry

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Craig W. Berry, Esquire

Enclosure

cc: Cert. of Service w/enc.  
Renardo Hicks ([rehicks@pa.gov](mailto:rehicks@pa.gov))  
Paul Diskin ([pdiskin@pa.gov](mailto:pdiskin@pa.gov))  
Lori Burger ([lburger@pa.gov](mailto:lburger@pa.gov))  
Brian Shuey ([bshuey@pa.gov](mailto:bshuey@pa.gov))  
Jennie Banzhof ([jbanzhof@pa.gov](mailto:jbanzhof@pa.gov))  
Porus Irani ([pirani@pa.gov](mailto:pirani@pa.gov))

**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 Email**

Daryl Lawrence, Esq.  
Eric Gannon, Esq.  
Office of Consumer Advocate  
5th Floor, Forum Place Bldg.  
555 Walnut Street  
Harrisburg, PA 17101-1921  
[dlawrence@paoca.org](mailto:dlawrence@paoca.org)  
[egannon@paoca.org](mailto:egannon@paoca.org)

Charis Mincavage, Esq.  
Adeolu Bakare, Esq.  
McNees Wallace & Nurick  
100 Pine Street  
Harrisburg, PA 17101  
[cmincavage@mcneeslaw.com](mailto:cmincavage@mcneeslaw.com)  
[abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)

Sharon Webb, Esq.  
Office of Small Business Advocate  
Forum Place Building  
555 Walnut St., 1st Fl.  
Harrisburg, PA 17101  
[swebb@pa.gov](mailto:swebb@pa.gov)

Richard Kanaskie, Esq.  
Gina Miller, Esq.  
Carrie Wright, Esq.  
Bureau of Investigation & Enforcement  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
[rkanaskie@pa.gov](mailto:rkanaskie@pa.gov)  
[ginmiller@pa.gov](mailto:ginmiller@pa.gov)  
[carwright@pa.gov](mailto:carwright@pa.gov)

Dated: March 22, 2021

/s/ Craig W. Berry  
Craig W. Berry, Esq.

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

Supplement No. 141

**PHILADELPHIA GAS WORKS**  
**APRIL 1, 2021 - QUARTERLY FILING**  
**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

Projected Recoverable Annual Costs (DSI)	<u>\$ 35,500,000</u>
2019 Annual Reconciliation (e)	<u>\$ 223,966</u> (Page 2)
Total Recoverable Costs (DSI + e)	<u>\$ 35,723,966</u>
Projected Annual Revenues (PAR)	<u>\$ 510,255,953</u> (Page 3)
Distribution System Improvement Charge (DSIC)	<u>7.00%</u>

**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**  
**2020 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION**

	<u>Total DSIC Revenue Billed</u>	<u>DSIC Revenue Billed Allocated to Over / (Under) Collection</u>	<u>Over / (Under) Collection Balance</u>	<u>DSIC Recoverable Costs</u>	<u>DSIC Revenue Billed Allocated to Recoverable Costs</u>	<u>Over/(Under) Collection</u>	<u>Interest Weighting</u>	<u>Interest Rate*</u>	<u>Interest**</u>
	(1)	(2)	(3)	(4)	(5 = 1 - 2)	(6 = 5- 4)	(7)	(8)	(9)
<b>Month</b>									
January 20	\$ 5,110,198	\$ 581,046	\$ 581,046		\$ 4,529,152	\$ 4,529,152	21	4.50%	\$ 356,671
February	\$ 4,811,856	\$ 547,124	\$ 1,128,170		\$ 4,264,732	\$ 4,264,732	20	4.50%	\$ 319,855
March	\$ 3,757,613	\$ 427,253	\$ 1,555,423		\$ 3,330,360	\$ 3,330,360	19	4.50%	\$ 237,288
<b>2019 Under Collection</b>			<b>\$ (2,785,600)</b>						
April	\$ 2,903,773	\$ 239,532	\$ (990,645)		\$ 2,664,242	\$ 2,664,242	18	4.25%	\$ 169,845
May	\$ 2,228,007	\$ 183,788	\$ (806,857)	\$ 9,058,380	\$ 2,044,220	\$ (7,014,160)	17	3.75%	\$ (372,627)
June	\$ 1,353,199	\$ 111,625	\$ (695,232)	\$ -	\$ 1,241,573	\$ 1,241,573	16	3.50%	\$ 57,940
July	\$ 1,090,245	\$ 97,051	\$ (598,181)	\$ -	\$ 993,194	\$ 993,194	15	3.50%	\$ 43,452
August	\$ 1,005,233	\$ 89,484	\$ (508,697)	\$ 2,936,931	\$ 915,750	\$ (2,021,181)	14	3.75%	\$ (88,427)
September	\$ 1,116,700	\$ 99,406	\$ (409,291)	\$ -	\$ 1,017,294	\$ 1,017,294	13	3.50%	\$ 38,572
October	\$ 1,293,553	\$ 115,149	\$ (294,142)	\$ -	\$ 1,178,404	\$ 1,178,404	12	3.50%	\$ 41,244
November	\$ 2,305,190	\$ 205,203	\$ (88,939)	\$ 6,596,894	\$ 2,099,987	\$ (4,496,906)	11	3.50%	\$ (144,276)
December	\$ 4,164,693	\$ 370,732	\$ 281,792	\$ 9,986,422	\$ 3,793,961	\$ (6,192,461)	10	3.75%	\$ (193,514)
<b>Totals</b>	<b>\$ 31,140,261</b>	<b>\$ 3,067,392</b>		<b>\$ 28,578,627</b>	<b>\$ 28,072,869</b>	<b>\$ (505,758)</b>			<b>\$ 466,024</b>
<b>2020 Under Collection</b>			<b>\$ (223,966)</b>						

\* 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 , 2020 DSIC FILING**  
**Annual Tariff Revenue**

	January 1, 2021			January 1, 2020 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
<b>1 Non-Heating:</b>																
2 Residential	14,466	173,590	335,718	\$14.10	\$0.3473	\$1.9603	\$0.0215	\$(0.0009)	\$6.8642	2,448	117	658	7	(0)	2,304	5,534
3 Commercial	3,228	38,736	980,601	\$24.00	\$0.3473	\$1.9603	\$0.0277	\$(0.0009)	\$4.9570	930	341	1,922	27	(1)	4,861	8,080
4 Industrial	96	1,152	94,395	\$71.80	\$0.3473	\$1.9603	\$(0.0294)	\$(0.0009)	\$4.8825	83	33	185	(3)	(0)	461	759
5 Municipal/MS	83	996	103,258	\$24.00	\$0.3473	\$1.9603	-	\$(0.0009)	\$4.4159	24	36	202	0	(0)	456	718
6 NGV	3	36	1,616	\$35.00	\$0.3473	\$1.9603	-	\$(0.0009)	\$1.2833	1	1	3	0	(0)	2	7
7 <i>Total Non-Heat Firm</i>	17,876	214,510	1,515,587							3,485	526	2,971	32	(1)	8,084	15,097
<b>8 Heating:</b>																
10 Residential	445,897	5,350,764	32,789,371	\$14.10	\$0.3473	\$1.9603	\$0.0215	\$(0.0009)	\$6.8642	75,446	11,388	64,277	705	(30)	225,073	376,859
11 Commercial	18,021	216,247	6,017,608	\$24.00	\$0.3473	\$1.9603	\$0.0277	\$(0.0009)	\$4.9570	5,190	2,090	11,796	167	(5)	29,829	49,067
12 Industrial	376	4,512	376,833	\$71.80	\$0.3473	\$1.9603	\$(0.0294)	\$(0.0009)	\$4.8825	324	131	739	(11)	(0)	1,840	3,022
13 Municipal/MS	393	4,720	453,716	\$24.00	\$0.3473	\$1.9603	-	\$(0.0009)	\$4.4159	113	158	889	0	(0)	2,004	3,163
14 PHA Rate 8	267	3,204	53,823	\$24.00	\$0.3473	\$1.9603	\$0.0277	\$(0.0009)	\$5.1393	77	19	106	1	(0)	277	479
15 PHA/GS	2,008	24,096	176,146	\$14.10	\$0.3473	\$1.9603	\$0.0215	\$(0.0009)	\$5.9444	340	61	345	4	(0)	1,047	1,797
16 <i>Total Heat Firm</i>	466,962	5,603,543	39,867,496							81,490	13,846	78,152	866	(36)	260,069	434,387
<b>17 Total Heat &amp; Non-Heat Firm</b>	<b>484,838</b>	<b>5,818,053</b>	<b>41,383,084</b>							<b>84,975</b>	<b>14,372</b>	<b>81,123</b>	<b>897</b>	<b>(37)</b>	<b>268,153</b>	<b>449,484</b>
<b>18 Firm Transport</b>																
<b>19 Non-Heating:</b>																
21 Residential	941	11,286	30,936	\$14.10	\$0.3473	\$1.9603	\$0.0215	\$(0.0009)	\$6.8642	159	11	61	1	(0)	212	444
22 Commercial	584	7,008	539,434	\$24.00	\$0.3473	\$1.9603	\$0.0277	\$(0.0009)	\$4.9570	168	187	1,057	15	(0)	2,674	4,101
23 Industrial	37	441	167,502	\$71.80	\$0.3473	\$1.9603	\$(0.0294)	\$(0.0009)	\$4.8825	32	58	328	(5)	(0)	818	1,231
24 Municipal/MS	170	2,040	66,417	\$24.00	\$0.3473	\$1.9603	-	\$(0.0009)	\$4.4159	49	23	130	0	(0)	293	495
25 NGV	0	0	0	\$35.00	\$0.3473	\$1.9603	-	\$(0.0009)	\$1.2833	0	0	0	0	(0)	0	0
26 <i>Total Non Heat FT</i>	1,731	20,775	804,289							408	279	1,577	11	(1)	3,997	6,271
<b>27 Heating:</b>																
29 Residential	21,562	258,746	1,876,226	\$14.10	\$0.3473	\$1.9603	\$0.0215	\$(0.0009)	\$6.8642	3,648	652	3,678	40	(2)	12,879	20,895
30 Commercial	2,686	32,230	3,430,378	\$24.00	\$0.3473	\$1.9603	\$0.0277	\$(0.0009)	\$4.9570	774	1,191	6,725	95	(3)	17,004	25,786
31 Industrial	80	957	250,006	\$71.80	\$0.3473	\$1.9603	\$(0.0294)	\$(0.0009)	\$4.8825	69	87	490	(7)	(0)	1,221	1,859
32 Municipal/MS	197	2,364	376,343	\$24.00	\$0.3473	\$1.9603	-	\$(0.0009)	\$4.4159	57	131	738	0	(0)	1,662	2,587
33 PHA	888	10,656	403,048	\$35.00	\$0.3473	\$1.9603	-	\$(0.0009)	\$5.1393	373	140	790	0	(0)	2,071	3,374
34 <i>Total Heat FT</i>	25,413	304,953	6,336,000							4,920	2,200	12,420	128	(6)	34,837	54,501
<b>35 Total FT</b>	<b>27,144</b>	<b>325,728</b>	<b>7,140,290</b>							<b>5,328</b>	<b>2,480</b>	<b>13,997</b>	<b>139</b>	<b>(6)</b>	<b>38,835</b>	<b>60,772</b>
<b>36</b>																
<b>37 Total PGW</b>	<b>511,982</b>	<b>6,143,781</b>	<b>48,523,373</b>							<b>90,303</b>	<b>16,852</b>	<b>95,120</b>	<b>1,036</b>	<b>(44)</b>	<b>306,988</b>	<b>510,256</b>

**PHILADELPHIA GAS WORKS**  
**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**  
**2021 REVENUE & RECOVERABLE COSTS - YTD**

<u>Month</u>		<u>Total DSIC</u> <u>Revenue Billed</u>	<u>DSIC Recoverable</u> <u>Costs</u>
January 2021	<b>Actual</b>	\$ 5,903,328	\$ -
February	<b>Actual</b>	\$ 6,898,193	\$ -

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



Issued by: Craig White  
President and CEO

PHILADELPHIA GAS WORKS  
800 West Montgomery Avenue  
Philadelphia, PA 19122

Distribution System Improvement Charge (DSIC) Rate  
to become effective April 1, 2021  
in accordance with the Commission's Orders entered May 9, 2013, January 28, 2016,  
and July 6, 2016 at Docket Nos. P-2012-2337737, P-2015-2501500.

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

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

**Distribution System Improvement Charge (DSIC) (Page No. 151)**

Decreased the DSIC from 7.5% to 7.0% effective April 1, 2021.

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## DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, for service rendered on or after April 1, 2021, a charge of 7.00% will apply consistent with the Commission Order dated May 9, 2013, at Docket No. P-2012-2337737 approving the DSIC and the Commission Orders dated January 28, 2016, and July 6, 2016, at Docket No. P-2015-2501500 modifying the terms and conditions of the DSIC.

(D)

### 1. General Description

**A. Purpose:** To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Utility with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements. The costs of extending facilities to serve new customers are not recoverable through the DSIC.

**B. Eligible Property:** The DSIC-eligible property will consist of the following:

- Piping (account 376);
- Couplings (account 376);
- Gas services lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (account 381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs.

**C. Effective Date:** The initial DSIC will become effective upon one (1) day notice after submission of a compliance tariff in compliance with commission order.

### 2. Computation of the DSIC

**A. Calculation:** The initial DSIC shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Utility's rates and have been or are projected to be placed in service in the calendar year in which the DSIC is charged. The DSIC charge shall be leveled so that, on an annual basis, it will collect the recoverable costs for eligible plant additions that have been or are anticipated to be placed in service during the calendar year. DSIC charges shall be reconciled and may be adjusted on a calendar quarter basis for: 1) actual experienced sales volumes; and 2) revisions to projected DSIC eligible capital expenditures.

(D) – Decrease