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March 23, 2021

Via E-Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Philadelphia Gas Works 2021-2022 1307(f) Gas Cost Rate Filing
Docket No. R-2021-3023970

Dear Secretary Chiavetta:

On behalf of Philadelphia Gas Works (“PGW”), enclosed please find:

- an Errata to pages 2, 7, and 82 of PGW’s Tariff Supplement No. 140 to Gas Service Tariff – Pa P.U.C. No. 2, which reflect a change to page 82 and PGW’s Other Post Employment Benefit Rider Surcharge;
- an Errata to page 78 of PGW’s Tariff Supplement No. 140 to Gas Service Tariff – Pa P.U.C. No. 2, which removes an indication that there was a change to Paragraph 1; and
- Revised Schedules 13(a), 13(b), and 14.

Please contact me if you have any questions regarding this matter. Thank you.

Sincerely,

Kristine E. Marsilio

Kristine E. Marsilio, Esq.

Enclosure

cc: Hon. Darlene Heep w/enc. (via e-mail)
Shalea Delvillar w/enc. (via e-mail)
Cert. of Service w/enc. (via e-mail)
Craig Berry w/enc. (via e-mail)

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 1307f, II DEFINITIONS (PAGE No. 67)

In the definition of “GAC,” the GAC value effective September 1, 2021, increases from \$(0.03097) per Ccf to \$(0.00890).

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

In the definition of “IRC,” the IRC value effective September 1, 2021 is \$(0.00004) per Ccf. In the definition of “SSC,” the SSC value effective September 1, 2021, increases from \$0.37775 per Ccf to \$0.42247 per Ccf.

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

The Gas Cost Rate (GCR) effective September 1, 2021 increases from \$0.34687 per Ccf to \$0.41361 per Ccf.

PRICE TO COMPARE (PAGE No. 78)

The Prices to Compare effective September 1, 2021 are: a) \$0.43254 per Ccf for Residential (GS-RES); b) \$0.43254 per Ccf for Public Housing Customers (GS-PH); (c) \$0.42133 per Ccf for Commercial (GS-COM); (d) \$0.41931 per Ccf for Industrial (GS-IND); (e) \$0.41757 per Ccf for Municipal Service (MS); (f) \$0.41757 per Ccf for Philadelphia Housing Authority (PHA); and, (g) \$0.41757 per Ccf for Natural Gas Vehicle Service (NGVS).

RESTRUCTURING AND CONSUMER EDUCATION SURCHARGE (PAGE No. 79)

The Restructuring and Consumer Education Surcharge effective September 1, 2021 increases from \$(0.00009)-per Ccf to \$0.00002 per Ccf.

EFFICIENCY COST RECOVERY SURCHARGE (PAGE No. 80)

The Efficiency Cost Recovery Surcharge rates effective September 1, 2021 are: a) \$0.00276 per Ccf for Residential and Public Housing Customers on Rate GS; b) \$0.00313 per Ccf for Commercial Customers on Rate GS; c) \$(0.00063) per Ccf for Industrial Customers on Rate GS; and, d) \$0.00313 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 September 1, 2021 increases from \$0.15792 per Ccf to \$0.15864 per Ccf.

OTHER POST EMPLOYMENT BENEFITS SURCHARGE (PAGE No. 82)

The Current Other Post Employment Benefit Rider Surcharge effective September 1, 2021 increases from \$0.03473 per Ccf to \$0.03565 per Ccf.

GENERAL SERVICE – RATE GS (PAGE No. 83); MUNICIPAL SERVICE – RATE MS (PAGE No. 87); PHILADELPHIA HOUSING AUTHORITY SERVICE – RATE PHA (PAGE No. 90); and, DEVELOPMENTAL NATURAL GAS VEHICLE SVC - RATE NGVS FIRM SERVICE (Page No. 135)

The Gas Cost Rate (GCR) effective September 1, 2021 increases from \$0.346874 per Ccf to \$0.41361 per Ccf.

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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: 3.62% - GS Residential (“GS RES”); 3.62% - GS Public Housing (“GS PHA”); 0.91% - GS Commercial (“GS COM”); and 0.42% - 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):

	GS-RES	GS-PH	GS-COM	GS-IND	MS	PHA	NGVS
SSC	\$0.42247	\$0.42247	\$0.42247	\$0.42247	\$0.42247	\$0.42247	\$0.42247
GAC	(\$0.00890)	(\$0.00890)	(\$0.03097)	(\$0.00890)	(\$0.00890)	(\$0.00890)	(\$0.00890)
MFC	\$0.01497	\$0.01497	\$0.00376	\$0.00174	\$0.00000	\$0.00000	\$0.00000
GPC	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400	\$0.00400
PTC	\$0.43254	\$0.43254	\$0.42133	\$0.41931	\$0.41757	\$0.41757	\$0.41757

(C)

(C)

(C) – Change

OTHER POST EMPLOYMENT BENEFIT (“OPEB”) SURCHARGE

The amounts necessary to fund PGW’s Other Post Employment Benefit obligations will be recovered by an Other Post Employment Benefit Surcharge applicable to all volumes of Gas delivered.

1. Computation of the Other Post Employment Benefit Rider 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.
2. Once the surcharge is in place it will be automatically adjusted effective September 1 of each year to account for over (under) recoveries in accordance with Section 1307(f) adjustment procedures. No interest will be included in such surcharge computations. The basic component of the surcharge will be determined plus (or minus) any over (or under) recovery from the prior period by dividing the total OPEB funding amounts approved for annual recovery by the estimated applicable throughput in Mcfs.
3. The Other Post Employment Benefit Rider Surcharge shall take effect upon the effective date of this Tariff.

Current Other Post Employment Benefit Rider Surcharge = \$0.03565/Ccf

(I)

(I) - Increase

**PHILADELPHIA GAS WORKS
LOAD BALANCING CHARGE RECONCILIATION
CALENDAR YEAR 2020**

		<u>2020</u>
Actual Storage and Peaking Cost		\$ 17,537,995
WSS Volumes MDQ	17,557.5	
Daily Demand Charge	0.45902	
Total Storage and Peaking Cost *		983,227.73
Prior Year Carryover		\$ <u>(224,347)</u>
		\$ 18,296,876
Design Day Requirements	Annual Mcf	698,361
Fulfilled from FT Capacity	Annual Mcf	298,152
WSS Storage Withdrawal Volumes MCF *		<u>11,705</u>
Fulfilled from Storage and Peaking Assets	Annual Mcf	388,504
Annual Load Balancing Cost per Excess Mcf	Annual \$ / Mcf	\$ 47.0958
BTU Conversion		1.031
	Annual \$ / Dth	\$ <u>45.6797</u>
Monthly Charge /Dth		\$ 3.8066
Over/(Under) Recovery		\$ 49,908
Interest		\$ <u>5,691</u>
Carryover		\$ 55,599

* Revised based on the Fiscal Year 2021 1307f PUC Settlement dated June 5, 2020 and effective I

LOAD BALANCING CHARGE

2020 EXPENSE

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total
Transco	\$ 500,333	\$ 487,810	\$ 480,914	\$ 464,665	\$ 456,593	\$ 391,541	\$ 409,336	\$ 412,172	\$ 400,709	\$ 400,486	\$ 388,899	\$ 418,134	\$ 5,211,592
Tetco	\$ 1,096,629	\$ 1,079,244	\$ 1,078,519	\$ 815,824	\$ 778,661	\$ 774,745	\$ 778,851	\$ 769,032	\$ 762,284	\$ 788,572	\$ 828,726	\$ 810,181	\$ 10,361,267
Dominion	\$ 130,954	\$ 131,214	\$ 126,293	\$ 127,715	\$ 128,371	\$ 128,402	\$ 124,835	\$ 130,115	\$ 129,805	\$ 129,434	\$ 128,653	\$ 133,867	\$ 1,549,658
WSS /Transportation	\$ 3,096	\$ 2,541	\$ 194	\$ 315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45	\$ 415	\$ 6,605
Purchased Electric	\$ 63,603	\$ 54,721	\$ 46,420	\$ 37,538	\$ 37,538	\$ 34,779	\$ 22,519	\$ 60,746	\$ (4,231)	\$ 23,358	\$ 31,882	\$ -	\$ 408,873
Total	\$ 1,794,616	\$ 1,755,529	\$ 1,732,340	\$ 1,446,058	\$ 1,401,162	\$ 1,329,467	\$ 1,335,540	\$ 1,372,065	\$ 1,288,566	\$ 1,341,850	\$ 1,378,205	\$ 1,362,596	\$ 17,537,995

2020 INTEREST CALCULATION

MONTH *	LOAD BALANCING VOLUME (1) (DTH)	RATE* (2) (\$)	LOAD BALANCING CHARGE (3)=(1)*(2) (\$)	CHARGES BILLED (4) (\$)	OVER/(UNDER) RECOVERY (5)=(4)-(3) (\$)	TIME FACTOR (6)	INTEREST RATE (7)	INTEREST EXPENSE (8)=(5)*(6)*(7) (\$)
Jan-20	48,897	3.8066	186,131	217,993	31,861	18/12	4.50%	2,151
Feb-20	48,474	3.8066	184,521	216,107	31,586	17/12	4.50%	2,014
Mar-20	49,230	3.8066	187,399	218,025	30,626	16/12	4.50%	1,838
Apr-20	50,147	3.8066	190,890	222,086	31,196	15/12	4.25%	1,657
May-20	50,001	3.8066	190,334	221,439	31,106	14/12	3.75%	1,361
Jun-20	51,757	3.8066	197,018	176,662	(20,356)	13/12	3.50%	(772)
Jul-20	53,029	3.8066	201,860	181,004	(20,856)	12/12	3.50%	(730)
Aug-20	54,075	3.8066	205,842	184,574	(21,268)	11/12	3.75%	(731)
Sep-20	55,708	3.8066	212,058	202,086	(9,972)	10/12	3.50%	(291)
Oct-20	59,564	3.8066	226,736	216,074	(10,662)	9/12	3.50%	(280)
Nov-20	57,352	3.8066	218,316	208,050	(10,266)	8/12	3.50%	(240)
Dec-20	53,657	3.8066	204,251	191,164	(13,087)	7/12	3.75%	(286)
Total	631,891		2,405,356	2,455,265	49,908			5,691

* The rate has been revised based on a change in Schedule 13 (a).

**PHILADELPHIA GAS WORKS
LOAD BALANCING CHARGE
SEPTEMBER 1, 2021**

Storage and Peaking Asset Cost \$ **19,821,504**

Design Day Requirements (Mcf) **698,361**
WSS Storage Withdrawal Volumes MCF **35,115**
Fulfilled from FT Capacity (Mcf) **298,152**
Fulfilled from Storage and Peaking Assets (Excess Mcf) **435,323**

Annual Storage and Peaking Cost per Excess Mcf \$ **45.5328**
Per Mcf Over / (Under) Adjustment \$ **0.0876**
Load Balancing Charge \$ **45.4452**

Over / (Under) Recovery	\$	49,908
Interest	\$	<u>5,691</u>
Total Over/(Under) Recovery	\$	55,599
Forecasted SSPC Volumes		634,734
Per Mcf Over / (Under) Adjustment	\$	0.0876

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's Errata to pages 2, 7, 78, and 82 of PGW's Tariff Supplement No. 140 to Gas Service Tariff – Pa P.U.C. No. 2 and Revised Schedules 13(a), 13(b), and 14, upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email

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Dated: March 23, 2021

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