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December 16, 2025

VIA E-FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

RE: Philadelphia Gas Works (“PGW”) January 1, 2026 Quarterly Distribution System Improvement Charge (“DSIC”) Filing; Docket No. M-2025-

Dear Secretary Homsher:

Enclosed for electronic filing please find Philadelphia Gas Works’ (“PGW”) support schedules for the January 1, 2026 Quarterly Distribution System Improvement Charge (“DSIC”) filing.

Pursuant to Pennsylvania Public Utility Commission’s Order entered October 9, 2025 at Docket No. R-2025-3053112 approving PGW’s temporary DSIC Percent Cap increase, also enclosed is Supplement No. 183 to Gas Service Tariff – Pa. P.U.C. No. 2, which acts to **decrease** the DSIC surcharge to 8.17%, effective January 1, 2026.

If you have any questions on this matter, please contact me.

Sincerely,



Bryce R. Beard

BRB/jls
Enclosure

cc: Certificate of Service (w/enc)
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CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of PGW's (1/1/26) Quarterly DSIC 1307(e) filing, 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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Bryce R. Beard

Bryce R. Beard, Esquire

Date: December 16, 2025

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Seth Shapiro
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

Rates effective January 1, 2026 in accordance with
the Commission's Order entered October 9, 2025
at Docket No. R-2025-3053115
approving PGW's Temporary DSIC Cap % Increase.

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)

Decreases the temporary increase to DSIC Cap % to allow for recovery of prior DSIC undercollections ending calendar year 2025 as approved at Docket No. R-2025-3053112.

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PHILADELPHIA GAS WORKS

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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 July 1, 2021, a charge of 8.17% 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 and the Commission Order dated October 9, 2025 at Docket No. R-2025-3053112 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 levelized 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.

(C) – Change; (I) – Increase; (D) – Decrease

PHILADELPHIA GAS WORKS
January 1, 2026 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Projected Recoverable Annual Costs (DSI) 43,689,000

2024 Annual Reconciliation (e) \$ - (Page 2)

Total Recoverable Costs (DSI + e) \$ 43,689,000

Projected Annual Revenues (PAR) \$ 580,011,508 (Page 3)

Distribution System Improvement Charge (DSIC) 7.50%

Recovery of \$3.9 Million From 2024 Under-Collection / Rate Case Settlement

2024 Annual Reconciliation (e) / 2 \$ **3,895,959** (Page 2)

Projected Annual Revenues (PAR) \$ 580,011,508 (Page 3)

Distribution System Improvement Charge (DSIC) 0.67%

Total Distribution System Improvement Charge (DSIC) **8.17%**

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

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

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
2024 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION

<u>Month</u>	<u>Total DSIC</u>	<u>DSIC Revenue Billed</u>	<u>Over / (Under)</u>	<u>DSIC</u>	<u>DSIC Revenue Billed</u>	<u>Over/(Under)</u>	<u>Interest</u>	<u>Interest Rate*</u>	<u>Interest**</u>
	<u>Revenue Billed</u>	<u>Allocated to Over /</u>	<u>Collection Balance</u>	<u>Recoverable</u>	<u>Allocated to</u>	<u>Collection</u>	<u>Weighting</u>		
	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5 = 1 - 2)</u>	<u>(6 = 5 - 4)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>
January 24	\$ 5,763,319	\$ 990,245	\$ 990,245		\$ 4,773,074	\$ 4,773,074	21	7.25%	\$ 605,584
February	\$ 5,603,160	\$ 962,726	\$ 1,952,971	\$ 3,143,175	\$ 4,640,433	\$ 1,497,258	20	6.75%	\$ 168,442
March	\$ 4,327,916	\$ 743,616	\$ 2,696,587		\$ 3,584,300	\$ 3,584,300	19	6.75%	\$ 383,072
2023 Under Collection			\$ (9,222,313)						
April	\$ 3,628,062	\$ 910,933	\$ (5,614,793)		\$ 2,717,130	\$ 2,717,130	18	6.75%	\$ 275,109
May	\$ 2,033,085	\$ 510,466	\$ (5,104,327)	\$ 3,320,007	\$ 1,522,619	\$ (1,797,388)	17	6.75%	\$ (171,875)
June	\$ 1,462,591	\$ 367,227	\$ (4,737,100)		\$ 1,095,364	\$ 1,095,364	16	7.25%	\$ 105,885
July	\$ 1,287,746	\$ 323,327	\$ (4,413,773)		\$ 964,419	\$ 964,419	15	7.00%	\$ 84,387
August	\$ 1,242,051	\$ 311,854	\$ (4,101,920)	\$ 8,665,185	\$ 930,197	\$ (7,734,987)	14	7.00%	\$ (631,691)
September	\$ 1,327,994	\$ 333,432	\$ (3,768,487)		\$ 994,561	\$ 994,561	13	7.00%	\$ 75,421
October	\$ 1,473,468	\$ 369,958	\$ (3,398,530)		\$ 1,103,510	\$ 1,103,510	12	6.50%	\$ 71,728
November	\$ 2,265,027	\$ 568,702	\$ (2,829,827)	\$ 14,831,583	\$ 1,696,325	\$ (13,135,258)	11	6.50%	\$ (782,642)
December***	\$ 4,681,665	\$ 1,175,471	\$ (1,654,356)	\$ 3,705,740	\$ 3,506,194	\$ (199,546)	10	6.75%	\$ (11,224)
Totals	\$ 35,096,084	\$ 7,567,957		\$ 33,665,689	\$ 27,528,127	\$ (6,137,562)			\$ 172,195
2024 under Collection			\$ (7,791,919)						

* Maximum Lawful Rate of Interest for Residential Mortgages for the month posted in the Pennsylvania Bulletin

** Interest is not recoverable in net under-collections

*** December Recoverable Cost Revised

PHILADELPHIA GAS WORKS
December 1, 2025 - QUARTERLY FILING
Annual Tariff Revenue

	December 1, 2025			December 1, 2025 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	10,749	128,987	305,262	\$17.25	\$0.3316	\$2.0068	\$0.0291	\$ -	\$8.5396	2,225	101	613	9	0	2,607	5,555
3 Commercial	2,932	35,184	722,404	\$29.00	\$0.3316	\$2.0068	\$0.0849	\$ -	\$6.3694	1,020	240	1,450	61	0	4,601	7,372
4 BUS	55	660	1,697	\$371.80	\$0.3316	\$2.0068	-	\$ -	\$6.3694	245	1	3	0	0	11	260
5 NGS	1	12	15,674	\$426.06	\$ -	\$ -	\$ -	\$ -	\$2.7500	5	0	0	0	0	43	48
6 Industrial	73	876	85,900	\$100.00	\$0.3316	\$2.0068	\$0.0004	\$ -	\$6.5960	88	28	172	0	0	567	855
7 Municipal/MS	90	1,080	72,638	\$29.00	\$0.3316	\$2.0068	-	\$ -	\$7.2370	31	24	146	0	0	526	727
8 NGV	1	12	229	\$46.50	\$0.3316	\$2.0068	-	\$ -	\$3.2000	1	0	0	0	0	1	2
9 <i>Total Non-Heat Firm</i>	13,901	166,811	1,203,804							3,615	394	2,384	70	0	8,355	14,819
10																
11 Heating:																
12 Residential	442,539	5,310,468	29,596,672	\$17.25	\$0.3316	\$2.0068	\$0.0291	\$ -	\$8.5396	91,606	9,814	59,395	861	0	252,744	414,419
13 Commercial	17,868	214,419	5,921,679	\$29.00	\$0.3316	\$2.0068	\$0.0849	\$ -	\$6.3694	6,218	1,964	11,884	503	0	37,718	58,286
14 BUS	22	264	8,239	\$371.80	\$0.3316	\$2.0068	\$0.0849	\$ -	\$6.3694	98	3	17	1	0	52	171
15 Industrial	271	3,252	280,847	\$100.00	\$0.3316	\$2.0068	\$0.0004	\$ -	\$6.5960	325	93	564	0	0	1,852	2,835
16 Municipal/MS	419	5,028	507,522	\$29.00	\$0.3316	\$2.0068	-	\$ -	\$7.2370	146	168	1,018	0	0	3,673	5,006
17 PHA Rate 8	1,070	12,840	395,055	\$29.00	\$0.3316	\$2.0068	\$0.0849	\$ -	\$7.6015	372	131	793	34	0	3,003	4,333
18 PHA/GS	1,796	21,552	132,900	\$17.25	\$0.3316	\$2.0068	\$0.0291	\$ -	\$9.2857	372	44	267	4	0	1,234	1,920
19 <i>Total Heat Firm</i>	463,985	5,567,823	36,842,914							99,137	12,217	73,936	1,402	0	300,276	486,969
20 Total Heat & Non-Heat Firm	477,886	5,734,634	38,046,718							102,752	12,611	76,321	1,472	0	308,631	501,788
21																
22 Firm Transport																
23 Non-Heating:																
24 Residential	1,469	17,622	44,780	\$17.25	\$0.3316	\$2.0068	\$0.0291	\$ -	\$8.5396	304	15	90	1	0	382	792
25 Commercial	625	7,494	458,849	\$29.00	\$0.3316	\$2.0068	\$0.0849	\$ -	\$6.3694	217	152	921	39	0	2,923	4,252
26 Industrial	27	324	99,753	\$100.00	\$0.3316	\$2.0068	\$0.0004	\$ -	\$6.5960	32	33	200	0	0	658	924
27 Municipal/MS	150	1,800	67,480	\$29.00	\$0.3316	\$2.0068	-	\$ -	\$7.2370	52	22	135	0	0	488	698
28 NGV	1	12	19,037	\$46.50	\$0.3316	\$2.0068	-	\$ -	\$3.2000	1	6	38				45
29 <i>Total Non Heat FT</i>	2,271	27,252	689,899							606	229	1,384	40	0	4,451	6,711
30																
31 Heating:																
32 Residential	29,555	354,662	2,339,716	\$17.25	\$0.3316	\$2.0068	\$0.0291	\$ -	\$8.5396	6,118	776	4,695	68	0	19,980	31,637
33 Commercial	2,930	35,161	3,466,754	\$29.00	\$0.3316	\$2.0068	\$0.0849	\$ -	\$6.3694	1,020	1,150	6,957	294	0	22,081	31,502
34 Industrial	70	839	216,596	\$100.00	\$0.3316	\$2.0068	\$0.0004	\$ -	\$6.5960	84	72	435	0	0	1,429	2,019
35 Municipal/MS	205	2,460	440,580	\$29.00	\$0.3316	\$2.0068	-	\$ -	\$7.2370	71	146	884	0	0	3,188	4,290
36 PHA/GS	181	2,172	15,951	\$17.25	\$0.3316	\$2.0068	\$0.0291	\$ -	\$9.2857	37	5	32	0	0	148	223
37 Total Heat FT	32,941	395,294	6,479,598							7,330	2,149	13,003	363	0	46,827	69,672
38 Total FT	35,212	422,546	7,169,497							7,937	2,377	14,388	403	0	51,278	76,383
39 IT-XLT	2	24	13,345,560	1,100			\$0.0004		\$0.1138	26		290	5		1,519	1,840
40 Total PGW	513,100	6,157,204	58,561,775							110,716	14,988	90,998	1,881	0	361,428	580,012

PHILADELPHIA GAS WORKS
JANUARY 1, 2026 - QUARTERLY FILING
2025 REVENUE & RECOVERABLE COSTS - YTD

<u>Month</u>	<u>Total DSIC Revenue Billed</u>	<u>DSIC Recoverable Costs</u>
January 2025	\$ 7,240,775	
February	\$ 6,775,536	\$ 6,420,412
March	\$ 5,200,501	
April	\$ 3,371,148	
May	\$ 2,002,813	\$ 4,462,408
June	\$ 1,590,181	
July	\$ 1,367,832	
August	\$ 1,320,509	\$ 5,166,247
September	\$ 1,306,277	
October	\$ 1,523,303	
November	\$ 2,836,625	\$ 20,143,013
December		



Distribution System Improvement Charge (DSIC)
Expenditures and Approvals

DSIC Period Ending

11/30/2025

Eligible property placed into fixed assets during this filing period

<u>Project Location</u>	<u>Project Class</u>	<u>CWOA</u>	<u>Expenditures</u>
500 Hellerman/Levick Streets, 6400 Rising Sun Ave., 6400 Palmetto/Bingham Streets.	12" LP	412261	\$1,032,408
2100 Chestnut St	12" LP	412294	\$223,114
100-1300 W Olney, 5200-5500 N Mascher	20" HP	412333	\$10,541,504
400 Pensdale St, 400 Rector St, 4200 Pechin St	8" (LP / IP)	412357	\$464,423
100 N 20th St.	8" (LP / IP)	412359	\$179,439
1400-1900 W Olney Ave	20" HP	412368	\$4,926,898
700 E Passyunk Ave, 300-400 Bainbridge St	20" HP	412382	\$2,027,301