

Philadelphia Gas Works

Gregory J. Stunder



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March 20, 2015

VIA EFILING

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

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: **Philadelphia Gas Works ("PGW") April 1, 2015 Quarterly Distribution System Improvement Charge ("DSIC") Filing; Docket No. M-2015-XXXXXXX;**

Dear Secretary Chiavetta:

Enclosed is PGW's Quarterly DSIC filing. The April 1, 2015 DSIC percentage is 2.09%. If you have any questions, please contact me.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Gregory J. Stunder", is written over a printed name. The signature is stylized and cursive.

Gregory J. Stunder

Enclosures

cc: All Parties of Record
Bhodan R. Pankiw, Esquire, Law Bureau (bpankiw@pa.gov)
Paul T. Diskin, Technical Utility Services (pdiskin@pa.gov)
Lori A. Burger, Bureau of Audits (lburger@pa.gov)
Brian T. Shuey, Bureau of Audits (bshuey@pa.gov)
Kenneth W. Raffensperger (kraffenspe@pa.gov)

PHILADELPHIA GAS WORKS
APRIL 1, 2015 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Recoverable Costs (DSI)	\$	<u>1,932,098</u>	(Page 2)
Annual Reconciliation (e)	\$	<u>334,767</u>	(Page 3)
		(1/4 of the Over / Under Collection)	
Total Recoverable Costs (DSI + e)	\$	<u>2,266,865</u>	
Projected Quarterly Revenues (PQR)	\$	<u>108,441,578</u>	(Page 4)
Distribution System Improvement Charge (DSIC)		<u>2.09%</u>	

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

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

Where:

DSI = Recoverable costs

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

PQR = Projected quarterly 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.

Revenues will be determined as one-fourth (1/4) of projected annual revenues.

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PHILADELPHIA GAS WORKS
APRIL 1, 2015 - QUARTERLY FILING
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

RECOVERABLE COSTS - 12/1/14 to 2/28/15

FERC Account #	PGW Project #	Location	Type	Costs			Total
				Dec-14	Jan-15	Feb-15	
376	410963	6700 QUINCY, 0-100 WESTVIEW, 6700 CHRESHEIM, 0-100 PELHAM	8" and Smaller (LP / IP)	\$ -	\$ -	\$ 1,170,515	\$ 1,170,515
376	410983	Mole Mifflin to Mckean Mifflin Hicks to Mole	8" and Smaller (LP / IP)	\$ -	\$ -	\$ 316,924	\$ 316,924
376	410992	6100 Nassau	8" and Smaller (LP / IP)	\$ -	\$ -	\$ 86,103	\$ 86,103
376	411003	7700 Overbrook 1800 Ashurst 1800 Meribrook 1900 N.77th	8" and Smaller (LP / IP)	\$ -	\$ -	\$ 358,556	\$ 358,556
Recoverable Costs (DSI)				\$ -	\$ -	\$ 1,932,098	\$ 1,932,098

PHILADELPHIA GAS WORKS
2014 DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC) RECONCILIATION

<u>Month</u>	<u>Total DSIC</u>	<u>DSIC Revenue</u>	<u>Over / (Under)</u>	<u>DSIC</u>	<u>DSIC Revenue</u>	<u>Over/(Under)</u>	<u>Interest</u>	<u>Interest</u>	<u>Interest**</u>
	<u>Revenue Billed</u>	<u>Billed Allocated to</u>	<u>Collection</u>	<u>Recoverable</u>	<u>to Recoverable</u>	<u>Collection</u>	<u>Weighting</u>	<u>Rate*</u>	<u>Interest**</u>
	<u>(1)</u>	<u>Over / (Under)</u>	<u>Balance</u>	<u>Costs</u>	<u>Costs</u>	<u>(6 = 5 - 4)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>
		<u>Collection</u>	<u>(3)</u>	<u>(4)</u>	<u>(5 = 1 - 2)</u>				
January 14	\$ 3,329,041			\$ 1,692,096 (a)	\$ 3,329,041	\$ 1,636,944	21	5.75%	\$ 164,718
February	\$ 3,799,835			\$ 1,692,096 (a)	\$ 3,799,835	\$ 2,107,739	20	6.00%	\$ 210,774
March	\$ 3,338,292			\$ 1,692,096 (a)	\$ 3,338,292	\$ 1,646,196	19	6.25%	\$ 162,905
2013 Under Collection			\$ (3,125,326)						
April	\$ 1,628,220	\$ 1,628,220	\$ (1,497,106)	\$ -	\$ -	\$ -	18	5.75%	\$ -
May	\$ 656,230	\$ 656,230	\$ (840,876)	\$ -	\$ -	\$ -	17	5.75%	\$ -
June ***	\$ 442,690	\$ 442,690	\$ (398,186)	\$ -	\$ -	\$ -	16	5.75%	\$ -
July	\$ 571,895	\$ 76,767	\$ (321,419)	\$ 1,895,060 (b)	\$ 495,128	\$ (1,399,932)	15	5.50%	\$ (96,245)
August	\$ 698,803	\$ 93,802	\$ (227,617)	\$ 1,895,060 (b)	\$ 605,001	\$ (1,290,059)	14	5.50%	\$ (82,779)
September	\$ 722,636	\$ 97,001	\$ (130,616)	\$ 1,895,060 (b)	\$ 625,635	\$ (1,269,425)	13	5.50%	\$ (75,637)
October	\$ 812,714	\$ 115,052	\$ (15,564)	\$ 2,591,705 (c)	\$ 697,662	\$ (1,894,043)	12	5.25%	\$ (99,437)
November	\$ 1,517,663	\$ 214,849	\$ 199,285	\$ 2,591,705 (c)	\$ 1,302,814	\$ (1,288,891)	11	5.50%	\$ (64,982)
December	\$ 2,804,822	\$ 397,066	\$ 596,352	\$ 2,591,705 (c)	\$ 2,407,756	\$ (183,949)	10	5.25%	\$ (8,048)
Totals	\$ 20,322,841	\$ 3,721,678		\$ 18,536,584	\$ 16,601,163	\$ (1,935,421)			\$ 111,269
2014 Under Collection			\$ (1,339,069)						

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

** Interest is not recoverable in net under-collections

*** Revised

- (a) \$ 5,076,289 recoverable costs in 1-1-14 DSIC quarterly filing divided by 3 months
(b) \$ 5,685,180 recoverable costs in 7-1-14 DSIC quarterly filing divided by 3 months
(c) \$ 7,775,115 recoverable costs in 10-1-14 DSIC quarterly filing divided by 3 months

**Philadelphia Gas Works
April 1, 2015 DSIC Filing
Annual Tariff Revenue**

	2nd Quarter Filing 3/1/2015			March 1, 2015 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	Delivery Charge	Cust. Charge Revenue	OPEB Revenue	Univ. Service Charge Revenue	Efficiency Cost Recovery Revenue	Delivery Charge Revenue	Total Distribution Revenue
1 Non-Heating:														
2 Residential	21,832	261,985	443,522	\$12.00	\$0.3078	\$1.2428	\$(0.0141)	\$6.0067	3,144	137	551	(6)	2,664	6,489
3 Commercial	4,112	49,348	1,029,055	\$18.00	\$0.3078	\$1.2428	\$(0.0074)	\$4.5984	888	317	1,279	(8)	4,732	7,208
4 Industrial	144	1,733	100,087	\$50.00	\$0.3078	\$1.2428	\$(0.1411)	\$4.5332	87	31	124	(14)	454	681
5 Municipal/MS	107	1,284	194,392	\$18.00	\$0.3078	\$1.2428	-	\$3.3661	23	60	242	0	654	979
6 NGV	4	48	3,072	\$35.00	-	\$1.2428	-	\$1.2833	2	0	4	0	4	9
7 Total Non-Heat Firm	26,200	314,398	1,770,108						4,144	544	2,200	(28)	8,508	15,367
8														
9 Heating:														
10 Residential	447,631	5,371,567	36,296,323	\$12.00	\$0.3078	\$1.2428	\$(0.0141)	\$6.0067	64,459	11,172	45,109	(512)	218,021	338,249
11 Commercial	17,194	206,329	6,161,610	\$18.00	\$0.3078	\$1.2428	\$(0.0074)	\$4.5984	3,714	1,897	7,658	(46)	28,334	41,556
12 Industrial	383	4,597	351,618	\$50.00	\$0.3078	\$1.2428	\$(0.1411)	\$4.5332	230	108	437	(50)	1,594	2,319
13 Municipal/MS	382	4,584	489,850	\$18.00	\$0.3078	\$1.2428	-	\$3.3661	83	151	609	0	1,649	2,491
14 PHA Rate 8	826	9,908	559,689	\$18.00	\$0.3078	\$1.2428	\$(0.0074)	\$4.1101	178	172	696	(4)	2,300	3,342
15 PHA/GS	1,796	21,552	178,337	\$12.00	\$0.3078	\$1.2428	\$(0.0141)	\$4.9441	259	55	222	(3)	882	1,414
16 Total Heat Firm	468,211	5,618,537	44,037,427						68,922	13,555	54,730	(614)	252,780	389,372
17 Total Heat & Non-Heat Firm	494,411	5,932,935	45,807,535						73,066	14,099	56,930	(642)	261,288	404,740
18														
19 Firm Transport														
20 Non-Heating:														
21 Residential	0	0	0	\$12.00	\$0.3078	\$1.2428	\$(0.0141)	\$6.0067	0	0	0	0	0	0
22 Commercial	696	8,348	586,047	\$18.00	\$0.3078	\$1.2428	\$(0.0074)	\$4.5984	150	180	728	(4)	2,695	3,750
23 Industrial	44	529	221,400	\$50.00	\$0.3078	\$1.2428	\$(0.1411)	\$4.5332	26	68	275	(31)	1,004	1,342
24 Municipal/MS	202	2,424	79,162	\$18.00	\$0.3078	\$1.2428	-	\$3.3661	44	24	98	0	266	433
25 Total Non Heat FT	942	11,301	886,609						220	273	1,102	(36)	3,965	5,525
26														
27 Heating:														
28 Residential	0	0	0	\$12.00	\$0.3078	\$1.2428	\$(0.0141)	\$6.0067	0	0	0	0	0	0
29 Commercial	2,397	28,767	3,107,399	\$18.00	\$0.3078	\$1.2428	\$(0.0074)	\$4.5984	518	956	3,862	(23)	14,289	19,602
30 Industrial	71	857	284,679	\$50.00	\$0.3078	\$1.2428	\$(0.1411)	\$4.5332	43	88	354	(40)	1,291	1,735
31 Municipal/MS	194	2,328	431,846	\$18.00	\$0.3078	\$1.2428	-	\$3.3661	42	133	537	0	1,454	2,165
32 Total Heat FT	2,663	31,952	3,823,924						603	1,177	4,752	(63)	17,033	25,502
33 Total FT	3,604	43,253	4,710,533						823	1,450	5,854	(99)	20,998	29,027
34														
35 Total PGW	498,016	5,976,188	50,518,068						73,888	15,549	62,784	(740)	282,286	433,766

Projected Quarterly Revenue \$ 108,441,578
(1/4 of Annual Revenue)

PHILADELPHIA GAS WORKS
GAS SERVICE TARIFF



Issued by: Craig White
President and CEO

PHILADELPHIA GAS WORKS
800 West Montgomery Avenue
Philadelphia, PA 19122

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List of Changes Made by this Tariff Supplement

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ("DSIC") (PAGE No. 151)

Effective April 1, 2015, the DSIC percentage decreases from 2.24% to 2.09%.

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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, a charge of 2.09% will apply consistent with the Commission Order dated May 9, 2013 at Docket No. P-2012-2337737 approving 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 placed in service during the three-month period ending one month prior to the effective date of the initial DSIC. The DSIC will be updated on July 1, 2013 and on a quarterly basis thereafter to reflect eligible plant additions that have not previously been reflected in the Utility's rates and will have been placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

(D) - Decrease

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

VIA EMAIL

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Erin Gannon, Esquire
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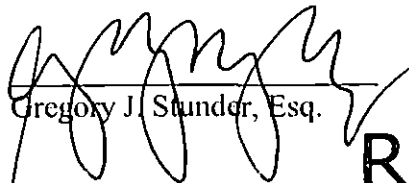
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Date: March 20, 2015


Gregory J. Stunder, Esq.

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1 From **[Redacted]**
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Sender's Name **Greg Stenderm Eng** Phone **215 6811-6878**

Company **PHILADE PHIA GAS WORKS**

Address **600 W MONTGOMERY AVE**

City **PHILADELPHIA** State **PA** ZIP **19122-2898**

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2 Your Internal Billing Reference

3 To Recipient's Name **Sec Rosemary Chasett** Phone **[Redacted]**

Company **PA PUC**

Address **400 Arch St, 2nd Fl**
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FedEx First Overnight
Earliest business morning delivery to select locations. Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx 2Day A.M.
Second business morning * Saturday Delivery NOT available

FedEx Priority Overnight
Next business morning * Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx 2Day
Second business afternoon * Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.

FedEx Standard Overnight
Next business afternoon * Saturday Delivery NOT available.

FedEx Express Saver
Third business day * Saturday Delivery NOT available

5 Packaging * Declared value limit \$500

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6 Special Handling and Delivery Signature Options

SATURDAY Delivery
NOT available for FedEx Standard Overnight, FedEx 2Day A.M., or FedEx Express Saver

No Signature Required
Package may be left without obtaining a signature for delivery

Direct Signature
Someone at recipient's address may sign for delivery. Fee applies.

Indirect Signature
If no one is available at recipient's address, someone at a neighboring address may sign for delivery. For residential deliveries only. Fee applies.

Does this shipment contain dangerous goods?
One box must be checked.

No Yes Yes
As per attached Shipper's Declaration. Shipper's Declaration not required. Dry Ice
Dry Ice, 2, UN 1845 _____ kg

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box. Cargo Aircraft Only

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Sender Acct. No. in Section 1 will be billed Recipient Third Party Credit Card Cash/Check

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