

Philadelphia Gas Works					
Main and Service Costs in \$70 Million Rate Increase					
		CAPITAL SPENDING			
	FY 2021	Mains	\$ 41,445,000		
	FY 2021	Services	\$ 25,978,000	\$ 67,423,000	
	Less:				
	FY 2018	Mains	\$ 29,730,271		
	FY 2018	Services	\$ 28,406,000	\$ 58,136,271	
		Difference		\$ 9,286,730	
		IGF	50.0%	\$ 4,643,365	\$ 4,643,365
		Borrowing	50.0%	\$ 4,643,365	
				\$ 9,286,730	
		Borrowing		\$ 4,643,365	
	Div By:	Principal payments (30 years)		30	
	Mult By:	Interest @ 4.3%		1.043	
	Mult By:	Debt Service Coverage (JFG-2)		2.17	
				\$ 350,312	\$ 350,312
					\$ 4,993,677
<p>Approximately \$5 million dollars in main and service capital costs and related debt service & debt service coverage is included in the \$70 million rate increase. It is also important to note that base rate increases permit increased recovery in the DSIC surcharge, therefore, base rate increases will allow the cast iron main replacement program to take place over a shorter number of years (see the Direct Testimony of Douglas A. Moser, PGW St. No. 7, page 2.).</p>					