

**Exhibit #1**

*[Insert separate .pdf document containing the Compliance FY 2013 Capital Budget Proposal and associated Financing Plan].*

# **PHILADELPHIA GAS WORKS**

## **COMPLIANCE FISCAL 2013 CAPITAL BUDGET AND FORECAST FISCAL 2014-2018**

## **WITH FISCAL 2013 FINANCING PLAN**

**APRIL 19, 2012**



PHILADELPHIA GAS WORKS

PROPOSED  
CAPITAL BUDGET

FISCAL YEAR 2013 AND FORECAST 2014 THROUGH 2018

	<u>2013</u> <u>CAPITAL BUDGET</u>	<u>2014 - 2018</u> <u>FORECAST</u>	<u>TOTAL 6 YEARS</u>
<u>GAS PROCESSING</u>			
ADDITIONS	367,000	5,934,000	6,301,000
REPLACEMENTS	<u>5,798,000</u>	<u>10,492,000</u>	<u>16,290,000</u>
TOTAL	<u>6,165,000</u>	<u>16,426,000</u>	<u>22,591,000</u>
<u>DISTRIBUTION</u>			
ADDITIONS	9,921,000	52,896,000	62,817,000
REPLACEMENTS	<u>56,033,000</u>	<u>295,912,000</u>	<u>351,945,000</u>
GROSS TOTAL	65,954,000	348,808,000	414,762,000
LESS: SALVAGE			
LESS: CONTRIBUTIONS*			
LESS: REIMBURSEMENTS**	<u>(3,610,000)</u>	<u>(8,201,000)</u>	<u>(11,811,000)</u>
NET TOTAL	<u>62,344,000</u>	<u>340,607,000</u>	<u>402,951,000</u>
<u>FIELD SERVICES</u>			
ADDITIONS	2,337,000	13,207,000	15,544,000
REPLACEMENTS	<u>2,761,000</u>	<u>15,493,000</u>	<u>18,254,000</u>
GROSS TOTAL	5,098,000	28,700,000	33,798,000
LESS: SALVAGE			
LESS: CONTRIBUTIONS*			
NET TOTAL	<u>5,098,000</u>	<u>28,700,000</u>	<u>33,798,000</u>
<u>FLEET OPERATIONS</u>			
ADDITIONS	39,000	0	39,000
REPLACEMENTS	<u>4,163,000</u>	<u>16,148,000</u>	<u>20,311,000</u>
GROSS TOTAL	4,202,000	16,148,000	20,350,000
LESS: SALVAGE			
NET TOTAL	<u>4,202,000</u>	<u>16,148,000</u>	<u>20,350,000</u>

PHILADELPHIA GAS WORKS

PROPOSED  
CAPITAL BUDGET

FISCAL YEAR 2013 AND FORECAST 2014 THROUGH 2018

	<u>2013</u> <u>CAPITAL BUDGET</u>	<u>2014 - 2018</u> <u>FORECAST</u>	<u>TOTAL 6 YEARS</u>
<u>OTHER DEPARTMENTS</u>			
ADDITIONS	1,496,000	2,173,000	3,669,000
REPLACEMENTS	<u>8,026,000</u>	<u>16,495,000</u>	<u>24,521,000</u>
TOTAL	<u>9,522,000</u>	<u>18,668,000</u>	<u>28,190,000</u>
<u>TOTAL</u>			
ADDITIONS	14,160,000	74,210,000	88,370,000
REPLACEMENTS	<u>76,781,000</u>	<u>354,540,000</u>	<u>431,321,000</u>
GROSS TOTAL	90,941,000	428,750,000	519,691,000
LESS: SALVAGE			
LESS: REIMBURSEMENTS**	(3,610,000)	(8,201,000)	(11,811,000)
LESS: CONTRIBUTIONS*			
NET TOTAL	<u>87,331,000</u>	<u>420,549,000</u>	<u>507,880,000</u>

\* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

\*\* REIMBURSEMENT TO PGW FOR RELOCATING STRUCTURES & EQUIPMENT AND/OR LOAD GROWTH

PHILADELPHIA GAS WORKS  
PROPOSED CAPITAL BUDGET  
BUDGET/FORECAST COMPARISON

<u>DEPARTMENT</u>	<u>2012 BUDGET</u>	<u>2013 FORECAST</u>	<u>2013 BUDGET</u>	<u>2013 vs 2012 BUDGET</u>		<u>2013 vs FORECAST</u>		
				<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>	
<u>GAS PROCESSING</u>								
ADDITIONS	1,158,000	1,045,000	367,000	(791,000)	-68.3%	(678,000)	-64.9%	
REPLACEMENTS	<u>1,620,000</u>	<u>3,308,000</u>	<u>5,798,000</u>	<u>4,178,000</u>	<u>257.9%</u>	<u>2,490,000</u>	<u>75.3%</u>	
TOTAL GAS PROCESSING	2,778,000	4,353,000	6,165,000	3,387,000	121.9%	1,812,000	41.6%	
<u>DISTRIBUTION</u>								
ADDITIONS	16,956,000	10,558,000	9,921,000	(7,035,000)	-41.5%	(637,000)	-6.0%	
REPLACEMENTS	<u>47,864,000</u>	<u>42,532,000</u>	<u>56,033,000</u>	<u>8,169,000</u>	<u>17.1%</u>	<u>13,501,000</u>	<u>31.7%</u>	
GROSS TOTAL DISTRIBUTION	64,820,000	53,090,000	65,954,000	1,134,000	1.7%	12,864,000	24.2%	
LESS: SALVAGE					N/A		N/A	
LESS: CONTRIBUTIONS*					N/A		N/A	
LESS: REIMBURSEMENT**	<u>(7,549,000)</u>	<u>(1,259,000)</u>	<u>(3,610,000)</u>	<u>3,939,000</u>	<u>-52.2%</u>	<u>(2,351,000)</u>	<u>186.7%</u>	
NET TOTAL DISTRIBUTION	57,271,000	51,831,000	62,344,000	5,073,000	8.9%	10,513,000	20.3%	
<u>FIELD SERVICES</u>								
ADDITIONS	2,412,000	2,464,000	2,337,000	(75,000)	-3.1%	(127,000)	-5.2%	
REPLACEMENTS	<u>3,087,000</u>	<u>2,662,000</u>	<u>2,761,000</u>	<u>(326,000)</u>	<u>-10.6%</u>	<u>99,000</u>	<u>3.7%</u>	
GROSS TOTAL FIELD SERVICES	5,499,000	5,126,000	5,098,000	(401,000)	-7.3%	(28,000)	-0.5%	
LESS: SALVAGE					N/A		N/A	
LESS: CONTRIBUTIONS*					N/A		N/A	
NET TOTAL FIELD SERVICES	5,499,000	5,126,000	5,098,000	(401,000)	-7.3%	(28,000)	-0.5%	

PHILADELPHIA GAS WORKS  
PROPOSED CAPITAL BUDGET  
BUDGET/FORECAST COMPARISON

DEPARTMENT	2012 BUDGET	2013 FORECAST	2013 BUDGET	2013 vs 2012 BUDGET		2013 vs FORECAST	
				AMOUNT DIFFERENCE	PERCENT DIFFERENCE	AMOUNT DIFFERENCE	PERCENT DIFFERENCE
<u>FLEET OPERATIONS</u>							
ADDITIONS			39,000	39,000	N/A	39,000	N/A
REPLACEMENTS	<u>952,000</u>	<u>4,219,000</u>	<u>4,163,000</u>	<u>3,211,000</u>	<u>337.3%</u>	<u>(56,000)</u>	<u>-1.3%</u>
GROSS TOTAL FLEET OPERATIONS	952,000	4,219,000	4,202,000	3,250,000	341.4%	(17,000)	-0.4%
LESS: SALVAGE					N/A		N/A
NET TOTAL TRANSPORTATION	952,000	4,219,000	4,202,000	3,250,000	341.4%	(17,000)	-0.4%
<u>OTHER</u>							
ADDITIONS	2,382,000	2,059,000	1,496,000	(886,000)	-37.2%	(563,000)	-27.3%
REPLACEMENTS	<u>6,135,000</u>	<u>2,856,000</u>	<u>8,026,000</u>	<u>1,891,000</u>	<u>30.8%</u>	<u>5,170,000</u>	<u>181.0%</u>
TOTAL OTHER	8,517,000	4,915,000	9,522,000	1,005,000	11.8%	4,607,000	93.7%
<u>TOTAL</u>							
ADDITIONS	22,908,000	16,126,000	14,160,000	(8,748,000)	-38.2%	(1,966,000)	-12.2%
REPLACEMENTS	<u>59,658,000</u>	<u>55,577,000</u>	<u>76,781,000</u>	<u>17,123,000</u>	<u>28.7%</u>	<u>21,204,000</u>	<u>38.2%</u>
GROSS TOTAL	82,566,000	71,703,000	90,941,000	8,375,000	10.1%	19,238,000	26.8%
LESS: SALVAGE					N/A		N/A
LESS: REIMBURSEMENT**	(7,549,000)	(1,259,000)	(3,610,000)	3,939,000	-52.2%	(2,351,000)	186.7%
LESS: CONTRIBUTIONS*					N/A		N/A
NET TOTAL	<u>75,017,000</u>	<u>70,444,000</u>	<u>87,331,000</u>	<u>12,314,000</u>	<u>16.4%</u>	<u>16,887,000</u>	<u>24.0%</u>

\* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

\*\* REIMBURSEMENT TO PGW FOR RELOCATING STRUCTURES & EQUIPMENT AND/OR LOAD GROWTH

PHILADELPHIA GAS WORKS  
 FISCAL YEAR 2013 CAPITAL BUDGET  
 SUMMARY ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>
CURRENT BUDGET	14,160,000	13,910,000	76,781,000	63,740,000	90,941,000	77,650,000
YEAR 1		250,000		12,291,000		12,541,000
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
<b>TOTAL</b>	<b>14,160,000</b>	<b>14,160,000</b>	<b>76,781,000</b>	<b>76,031,000</b>	<b>90,941,000</b>	<b>90,191,000</b>

GAS PROCESSING DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET  
SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>COST OF REMOVAL</u>	<u>TOTAL</u>
53-01 NATURAL GAS MEASUREMENT AND CONTROL FACILITIES		631,000		631,000
53-02 SUPPLEMENTAL GAS FACILITIES	251,000	4,886,000		5,137,000
53-03 BUILDING AND GROUNDS				
53-04 MISC CAPITAL REQUIREMENTS	116,000	281,000		397,000
TOTAL GAS PROCESSING	<u>367,000</u>	<u>5,798,000</u>		<u>6,165,000</u>

GAS PROCESSING DEPARTMENT  
FISCAL YEAR 2013  
BUDGET/FORECAST COMPARISON

CATEGORY	2012 BUDGET	2013 FORECAST	2013 BUDGET	2013 vs 2012 BUDGET		2013 vs FORECAST	
				\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
53-01 NATURAL GAS ADDITIONS	85,000	0	0	(85,000)	-100.0%	0	N/A
MEASUREMENT AND REPLACEMENTS	<u>499,000</u>	<u>633,000</u>	<u>631,000</u>	<u>132,000</u>	<u>26.5%</u>	<u>(2,000)</u>	<u>-0.3%</u>
CONTROL FACILITIES							
TOTAL	584,000	633,000	631,000	47,000	8.0%	(2,000)	-0.3%
53-02 SUPPLEMENTAL GAS ADDITIONS	287,000	923,000	251,000	(36,000)	-12.5%	(672,000)	-72.8%
FACILITIES REPLACEMENTS	<u>537,000</u>	<u>2,216,000</u>	<u>4,886,000</u>	<u>4,349,000</u>	<u>809.9%</u>	<u>2,670,000</u>	<u>120.5%</u>
TOTAL	824,000	3,139,000	5,137,000	4,313,000	523.4%	1,998,000	63.7%
53-03 BUILDING AND ADDITIONS	664,000	0	0	(664,000)	-100.0%	0	N/A
GROUND REPLACEMENTS	<u>275,000</u>	<u>150,000</u>	<u>0</u>	<u>(275,000)</u>	<u>-100.0%</u>	<u>(150,000)</u>	<u>-100.0%</u>
TOTAL	939,000	150,000	0	(939,000)	-100.0%	(150,000)	-100.0%
53-04 MISC CAPITAL ADDITIONS	122,000	122,000	116,000	(6,000)	-4.9%	(6,000)	-4.9%
REQUIREMENTS REPLACEMENTS	<u>309,000</u>	<u>309,000</u>	<u>281,000</u>	<u>(28,000)</u>	<u>-9.1%</u>	<u>(28,000)</u>	<u>-9.1%</u>
TOTAL	431,000	431,000	397,000	(34,000)	-7.9%	(34,000)	-7.9%
TOTAL GAS PROCESSING	<u>2,778,000</u>	<u>4,353,000</u>	<u>6,165,000</u>	<u>3,387,000</u>	<u>121.9%</u>	<u>1,812,000</u>	<u>41.6%</u>

GAS PROCESSING DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>			<u>AMOUNT</u>
	<u>GP-1</u>	<u>NATURAL GAS MEASUREMENT AND CONTROL FACILITIES</u>	
1	53-01-2-01	REPLACE OVERHEAD PIPING - PASSYUNK	631,000
		TOTAL GP-1	<u>631,000</u>
	<u>GP-2</u>	<u>SUPPLEMENTAL GAS FACILITIES</u>	
1	53-02-1-01	INSTALL EQUIPMENT HOISTS ON LNG TANK BERMS - RICHMOND	152,000
1	53-02-1-02	PROCESS UPGRADES - RICHMOND	99,000
1	53-02-2-01	REPL MAIN SWITCHGEAR & EMERGENCY GENERATORS - RICHMOND	4,724,000
1	53-02-2-02	REPLACE UNINTERRUPTIBLE POWER SUPPLY SYSTEMS - RICHMOND	162,000
		TOTAL GP-2	<u>5,137,000</u>
	<u>GP-3</u>	<u>BUILDING AND GROUNDS</u>	
		TOTAL GP-3	<u>                    </u>
	<u>GP-4</u>	<u>MISCELLANEOUS CAPITAL REQUIREMENTS</u>	
1	53-04-1-01	MISCELLANEOUS CAPITAL ADDITIONS	116,000
1	53-04-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS	281,000
		TOTAL GP-4	<u>397,000</u>
		TOTAL GAS PROCESSING DEPARTMENT	<u><u>6,165,000</u></u>

GAS PROCESSING DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2013 CAPITAL BUDGET

<u>P.</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>BUDGET_YR</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4 +</u>
	PRIORITY 1						
1	GP-1 53-01-2-01 REPLACE OVERHEAD PIPING - PASSYUNK	631,000	631,000				
1	GP-2 53-02-1-01 INSTALL EQUIPMENT HOISTS ON LNG TANK BERMS - RICHMOND	152,000	152,000				
1	GP-2 53-02-1-02 PROCESS UPGRADES - RICHMOND	99,000	99,000				
1	GP-2 53-02-2-01 REPL MAIN SWITCHGEAR & EMERGENCY GENERATORS - RICHMOND	4,724,000	466,000	4,258,000			
1	GP-2 53-02-2-02 REPLACE UNINTERRUPTIBLE POWER SUPPLY SYSTEMS - RICHMOND	162,000	162,000				
1	GP-4 53-04-1-01 MISCELLANEOUS CAPITAL ADDITIONS	116,000	116,000				
1	GP-4 53-04-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS	281,000	281,000				
	<b>TOTAL GAS PROCESSING DEPARTMENT:</b>	<b>6,165,000</b>	<b>1,907,000</b>	<b>4,258,000</b>			

PHILADELPHIA GAS WORKS  
 FISCAL YEAR 2013 CAPITAL BUDGET  
 GAS PROCESSING DEPARTMENT ESTIMATE OF ENCUMBERANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED
CURRENT BUDGET	367,000	367,000	5,798,000	1,540,000	6,165,000	1,907,000
YEAR 1				4,258,000		4,258,000
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	<u>367,000</u>	<u>367,000</u>	<u>5,798,000</u>	<u>5,798,000</u>	<u>6,165,000</u>	<u>6,165,000</u>

DISTRIBUTION DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET

SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>GROSS TOTAL</u>	<u>REIMBURSEMENT**</u>	<u>CONTRIBUTIONS*</u>	<u>SALV.</u>	<u>NET TOTAL</u>
52-20 GAS MAINS - HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)	1,017,000	11,753,000	12,770,000				12,770,000
52-21 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8 INCH AND SMALLER	2,080,000	19,434,000	21,514,000	(1,488,000)			20,026,000
52-22 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 12 INCH AND LARGER	33,000	2,392,000	2,425,000	(2,009,000)			416,000
52-23 CUST MTR & REG INSTALL, PRESSURE REGULATION & CORROSION CONTROL FACILITIES	222,000	438,000	660,000				660,000
52-24 SERVICES	6,547,000	21,841,000	28,388,000	(113,000)			28,275,000
52-29 OTHER DISTRIBUTION FACILITIES	22,000	175,000	197,000				197,000
52-99 COST OF REMOVAL AND ABANDONMENT							
SALVAGE							
<b>TOTAL DISTRIBUTION</b>	<b>9,921,000</b>	<b>56,033,000</b>	<b>65,954,000</b>	<b>(3,610,000)</b>			<b>62,344,000</b>

\* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

\*\* REIMBURSEMENT TO PGW FOR RELOCATING STRUCTURES & EQUIPMENT AND/OR LOAD GROWTH

DISTRIBUTION DEPARTMENT  
FISCAL YEAR 2013  
BUDGET/FORECAST COMPARISON

CATEGORY	2012 BUDGET	2013 FORECAST	2013 BUDGET	2013 vs 2012 BUDGET		2013 vs FORECAST	
				\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
52-20 GAS MAINS - HIGH ADDITIONS	7,947,000	1,237,000	1,017,000	(6,930,000)	-87.2%	(220,000)	-17.8%
PRESSURE (WITH REPLACEMENTS	<u>3,505,000</u>	<u>529,000</u>	<u>11,753,000</u>	<u>8,248,000</u>	<u>235.3%</u>	<u>11,224,000</u>	<u>2121.7%</u>
ASSOCIATED VALVES AND REGULATORS) TOTAL	11,452,000	1,766,000	12,770,000	1,318,000	11.5%	11,004,000	623.1%
52-21 GAS MAINS - LOW ADDITIONS	1,927,000	1,986,000	2,080,000	153,000	7.9%	94,000	4.7%
AND INTERMEDIATE REPLACEMENTS	<u>18,030,000</u>	<u>18,380,000</u>	<u>19,434,000</u>	<u>1,404,000</u>	<u>7.8%</u>	<u>1,054,000</u>	<u>5.7%</u>
PRESSURE - 8 INCH AND SMALLER TOTAL	19,957,000	20,366,000	21,514,000	1,557,000	7.8%	1,148,000	5.6%
52-22 GAS MAINS - LOW ADDITIONS	38,000	39,000	33,000	(5,000)	-13.2%	(6,000)	-15.4%
AND INTERMEDIATE REPLACEMENTS	<u>2,852,000</u>	<u>79,000</u>	<u>2,392,000</u>	<u>(460,000)</u>	<u>-16.1%</u>	<u>2,313,000</u>	<u>2927.8%</u>
PRESSURE - 12 INCH AND LARGER TOTAL	2,890,000	118,000	2,425,000	(465,000)	-16.1%	2,307,000	1955.1%
52-23 CUST MTR & REG INST, ADDITIONS	142,000	145,000	222,000	80,000	56.3%	77,000	53.1%
PRESSURE REGULA- REPLACEMENTS	<u>1,002,000</u>	<u>426,000</u>	<u>438,000</u>	<u>(564,000)</u>	<u>-56.3%</u>	<u>12,000</u>	<u>2.8%</u>
TION AND CORROSION CONTROL FACILITIES TOTAL	1,144,000	571,000	660,000	(484,000)	-42.3%	89,000	15.6%
52-24 SERVICES ADDITIONS	5,996,000	7,103,000	6,547,000	551,000	9.2%	(556,000)	-7.8%
REPLACEMENTS	<u>22,461,000</u>	<u>23,103,000</u>	<u>21,841,000</u>	<u>(620,000)</u>	<u>-2.8%</u>	<u>(1,262,000)</u>	<u>-5.5%</u>
TOTAL	28,457,000	30,206,000	28,388,000	(69,000)	-0.2%	(1,818,000)	-6.0%
52-29 OTHER DISTRIBUTION ADDITIONS	906,000	48,000	22,000	(884,000)	-97.6%	(26,000)	-54.2%
FACILITIES REPLACEMENTS	<u>14,000</u>	<u>15,000</u>	<u>175,000</u>	<u>161,000</u>	<u>1150.0%</u>	<u>160,000</u>	<u>1066.7%</u>
TOTAL	920,000	63,000	197,000	(723,000)	-78.6%	134,000	212.7%
GROSS TOTAL DISTRIBUTION	64,820,000	53,090,000	65,954,000	1,134,000	1.7%	12,864,000	24.2%
52-99 COST OF REMOVAL AND ABANDONMENT	0	0	0	0	N/A	0	N/A
LESS: SALVAGE	0	0	0	0	N/A	0	N/A
LESS: CONTRIBUTIONS*	0	0	0	0	N/A	0	N/A
LESS: REIMBURSEMENT**	<u>(7,549,000)</u>	<u>(1,259,000)</u>	<u>(3,610,000)</u>	<u>3,939,000</u>	<u>-52.2%</u>	<u>(2,351,000)</u>	<u>186.7%</u>
NET TOTAL DISTRIBUTION	<u>57,271,000</u>	<u>51,831,000</u>	<u>62,344,000</u>	<u>5,073,000</u>	<u>8.9%</u>	<u>10,513,000</u>	<u>20.3%</u>

\* DISTRIBUTION DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

\*\* REIMBURSEMENT TO PGW FOR RELOCATING STRUCTURES & EQUIPMENT AND/OR LOAD GROWTH

DISTRIBUTION DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>D-20</u>	<u>AMOUNT</u>	<u>FEET, UNITS</u>
	<u>GAS MAINS - HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)</u>		
4	52-20-1-01 INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND EXTENSIONS TO SUPPLY ADDITIONAL LOADS	1,017,000	
3	52-20-2-01 ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK	839,000	1,599
1	52-20-2-02 INCREMENTAL REPLACEMENTS OF 12" HP CAST IRON MAIN	3,816,000	
1	52-20-2-03 INCREMENTAL REPLACEMENT OF 30" MAIN-RICHMOND TO PASSYUNK	4,598,000	
1	52-20-2-04 NATURAL GAS SOMERTON STATION - CHANGE MAOP (MAXIMUM ALLOWABLE OPERATING PRESSURE)	2,500,000	
		<u>GROSS TOTAL D-20</u>	<u>12,770,000</u>
52-20-2-97		LESS: REIMBURSEMENT**	
		LESS: POTENTIAL CUSTOMER CONTRIBUTIONS	
		<u>NET TOTAL D-20</u>	<u>12,770,000</u>
	<u>GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8 INCH AND SMALLER</u>		
	<u>D-21</u>		
4	52-21-1-01 LOCAL MAINS TO SUPPLY NEW HOUSES AND TO PROVIDE FOR INCREASED CAPACITY	2,080,000	
3	52-21-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK AND ENLARGEMENTS THAT MAY BE REQUIRED TO MAINTAIN SYSTEM PRESSURE	4,951,000	19,379
1	52-21-2-02 PRUDENT MAIN REPLACEMENTS	14,483,000	77,350
		<u>GROSS TOTAL D-21</u>	<u>21,514,000</u>
52-21-2-97		LESS: REIMBURSEMENT**	(1,488,000)
		<u>NET TOTAL D-21</u>	<u>20,026,000</u>

DISTRIBUTION DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>D-22</u>	<u>GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 12 INCH AND LARGER</u>	<u>AMOUNT</u>	<u>FEET, UNITS</u>
4	52-22-1-01	TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INSTALLATION OF MAINS AHEAD-OF-PAVING	33,000	55
3	52-22-2-01	ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK, AND NECESSARY REPLACEMENTS	160,000	67
3	52-22-2-02	MAIN FOR MAJOR ENFORCED RELOCATIONS: I-95 RECONSTRUCTION	<u>2,232,000</u>	
		GROSS TOTAL D-22	<u>2,425,000</u>	
		LESS: REIMBURSEMENT**	<u>(2,009,000)</u>	
		NET TOTAL D-22	<u><u>416,000</u></u>	
	<u>D-23</u>	<u>CUSTOMER METERING &amp; REGULATOR INSTALLATION, AND PRESSURE REGULATION &amp; CORROSION CONTROL FACILITIES (NOT INCLUDED IN D-20 OR D-22)</u>		
4	52-23-1-01	CUSTOMER METERING AND REGULATOR INSTALLATION	222,000	
1	52-23-2-01	REPLACEMENT/REHABILITATION OF HIGH PRESSURE MAIN VALVES	156,000	
2	52-23-2-02	REPLACEMENT OF VARIOUS PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	282,000	
		GROSS TOTAL D-23	<u>660,000</u>	
		LESS: REIMBURSEMENT**		
		LESS: POTENTIAL CUSTOMER CONTRIBUTIONS*		
		NET TOTAL D-23	<u><u>660,000</u></u>	

DISTRIBUTION DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>D-24</u>	<u>SERVICES</u>	<u>AMOUNT</u>	<u>FEET, UNITS</u>
4	52-24-1-01	INSTALLATION OF NEW 1-1/4" AND SMALLER SERVICES, HIGH, INTERMEDIATE AND LOW PRESSURE	4,245,000	
4	52-24-1-02	INSTALLATION OF NEW 2 INCH AND LARGER SERVICES TO SUPPLY NEW LOAD	2,302,000	
1	52-24-2-01	RENEWAL OF 1-1/4" AND SMALLER SERVICES FOR PRUDENT REASONS, AS A RESULT OF LEAK SURVEYS, CUSTOMER COMPLAINTS OR CITY AND STATE WORK	20,920,000	9,260
1	52-24-2-02	RENEWAL OF 2" AND LARGER SERVICES RESULTING FROM LEAKS OR OTHER REASONS	921,000	124
		GROSS TOTAL D-24	<u>28,388,000</u>	
		LESS: REIMBURSEMENT**	(113,000)	
		NET TOTAL D-24	<u><u>28,275,000</u></u>	
	<u>D-29</u>	<u>OTHER DISTRIBUTION FACILITIES</u>		
5	52-29-1-01	ADDITIONAL TOOLS AND WORK EQUIPMENT	22,000	
2	52-29-2-01	REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK EQUIPMENT	175,000	
		NET TOTAL D-29	<u><u>197,000</u></u>	
1	52-99-2-99	REMOVAL AND ABANDONMENTS		
		GROSS TOTAL DISTRIBUTION DEPARTMENT	65,954,000	
		LESS: REIMBURSEMENT**	(3,610,000)	
		LESS: POTENTIAL CUSTOMER CONTRIBUTIONS*		
		LESS: SALVAGE		
	52-98-2-98	NET TOTAL DISTRIBUTION DEPARTMENT	<u><u>62,344,000</u></u>	

\* DISTRIBUTION DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

\*\* REIMBURSEMENT TO PGW FOR RELOCATING STRUCTURES & EQUIPMENT AND/OR LOAD GROWTH

DISTRIBUTION DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>BUDGET YR</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4 +</u>
	<u>PRIORITY 1</u>						
1	52-20-2-02	3,816,000	2,816,000	1,000,000			
	INCREMENTAL REPLACEMENTS OF 12" HP CAST IRON MAIN						
1	52-20-2-03	4,598,000	3,598,000	1,000,000			
	INCREMENTAL REPLACEMENT OF 30" MAIN-RICHMOND TO PASSYUNK						
1	52-20-2-04	2,500,000	1,500,000	1,000,000			
	NATURAL GAS SOMERTON STATION - CHANGE MAOP (MAXIMUM ALLOWABLE OPERATING PRESSURE)						
1	52-21-2-02	14,483,000	13,883,000	600,000			
	PRUDENT MAIN REPLACEMENTS						
1	52-23-2-01	156,000	156,000				
	REPLACEMENT OF HIGH PRESSURE MAIN VALVES						
1	52-24-2-01	20,920,000	20,920,000				
	RENEWAL OF 1-1/4" AND SMALLER SERVICES FOR PRUDENT REASONS, AS A RESULT OF LEAK SURVEYS, CUSTOMER COMPLAINTS OR CITY AND STATE WORK						
1	52-24-2-02	921,000	921,000				
	RENEWAL OF 2" AND LARGER SERVICES RESULTING FROM LEAKS OR OTHER REASONS						
	<u>PRIORITY 2</u>						
2	52-23-2-02	282,000	282,000				
	REPLACEMENT OF VARIOUS PRESSURE REGULATING AND CORROSION CONTROL FACILITIES						
2	52-29-2-01	175,000	175,000				
	REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK EQUIPMENT						

DISTRIBUTION DEPARTMENT  
LISTING BY PRIORITY  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>BUDGET_YR</u>	<u>YEAR_1</u>	<u>YEAR_2</u>	<u>YEAR_3</u>	<u>YEAR_4 +</u>
	<u>PRIORITY 3</u>						
3	52-20-2-01	839,000	839,000				
	<u>ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK</u>						
3	52-21-2-01	4,951,000	2,319,000	2,632,000			
	<u>ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK AND ENLARGEMENTS THAT MAY BE REQUIRED TO MAINTAIN SYSTEM PRESSURE</u>						
3	52-22-2-01	160,000	160,000				
	<u>ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK, AND NECESSARY REPLACEMENTS</u>						
3	52-22-2-02	2,232,000	1,699,000	533,000			
	<u>MAIN FOR MAJOR ENFORCED RELOCATIONS: I-95 RECONSTRUCTION</u>						
	<u>PRIORITY 4</u>						
4	52-20-1-01	1,017,000	1,017,000				
	<u>INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND EXTENSIONS TO SUPPLY ADDITIONAL LOADS</u>						
4	52-21-1-01	2,080,000	2,080,000				
	<u>LOCAL MAINS TO SUPPLY NEW HOUSES AND TO PROVIDE FOR INCREASED CAPACITY</u>						
4	52-22-1-01	33,000	33,000				
	<u>TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INSTALLATION OF MAINS AHEAD-OF-PAVING</u>						
4	52-23-1-01	222,000	222,000				
	<u>CUSTOMER METERING AND REGULATOR INSTALLATION</u>						
4	52-24-1-01	4,245,000	4,245,000				
	<u>INSTALLATION OF NEW 1-1/4" AND SMALLER SERVICES, HIGH, INTERMEDIATE AND LOW PRESSURE</u>						
4	52-24-1-02	2,302,000	2,302,000				
	<u>INSTALLATION OF NEW 2 INCH AND LARGER SERVICES TO SUPPLY NEW LOAD</u>						
	<u>PRIORITY 5</u>						
5	52-29-1-01	22,000	22,000				
	<u>ADDITIONAL TOOLS AND WORK EQUIPMENT</u>						
		<u>TOTAL DISTRIBUTION DEPARTMENT:</u>	<u>65,954,000</u>	<u>59,189,000</u>	<u>6,765,000</u>	<u>0</u>	<u>0</u>

PHILADELPHIA GAS WORKS  
 FISCAL YEAR 2013 CAPITAL BUDGET  
 DISTRIBUTION DEPARTMENT ESTIMATE OF ENCUMBERANCE AND EXPENDITURE

<u>FISCAL YEAR</u>	<u>ADDITIONS</u>		<u>REPLACEMENTS</u>		<u>TOTAL</u>	
	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>
CURRENT BUDGET	9,921,000	9,921,000	56,033,000	49,268,000	65,954,000	59,189,000
YEAR 1				6,765,000		6,765,000
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	<u>9,921,000</u>	<u>9,921,000</u>	<u>56,033,000</u>	<u>56,033,000</u>	<u>65,954,000</u>	<u>65,954,000</u>

FIELD SERVICES DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET  
SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>TOTAL</u>
50-30 METERS & INSTALLATION	2,166,000	1,449,000	3,615,000
50-32 SERVICE REGULATORS AND INSTALLATION	38,000	61,000	99,000
50-33 COMMERCIAL & INDUSTRIAL TELEMETERING SYSTEMS	74,000	10,000	84,000
50-34 METER SHOP EQUIPMENT		104,000	104,000
50-35 SERVICE SECTION EQUIPMENT			
50-36 AUTOMATIC METER READING	59,000	1,137,000	1,196,000
50-99 COST OF REMOVAL			
GROSS TOTAL FIELD SERVICES	2,337,000	2,761,000	5,098,000
LESS: SALVAGE LESS: CONTRIBUTIONS*			
NET TOTAL FIELD SERVICES	2,337,000	2,761,000	5,098,000

\* FIELD SERVICES DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

FIELD SERVICES DEPARTMENT  
FISCAL YEAR 2013  
BUDGET/FORECAST COMPARISON

CATEGORY	2012 BUDGET	2013 FORECAST	2013 BUDGET	2013 vs 2012 BUDGET		2013 vs FORECAST	
				\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
50-30 METERS							
ADDITIONS	2,207,000	2,300,000	2,166,000	(41,000)	-1.9%	(134,000)	-5.8%
REPLACEMENTS	<u>1,328,000</u>	<u>1,447,000</u>	<u>1,449,000</u>	<u>121,000</u>	<u>9.1%</u>	<u>2,000</u>	<u>0.1%</u>
TOTAL	3,535,000	3,747,000	3,615,000	80,000	2.3%	(132,000)	-3.5%
50-32 SERVICE REGULATORS AND INSTALLATIONS							
ADDITIONS	37,000	28,000	38,000	1,000	2.7%	10,000	35.7%
REPLACEMENTS	<u>78,000</u>	<u>15,000</u>	<u>61,000</u>	<u>(17,000)</u>	<u>-21.8%</u>	<u>46,000</u>	<u>306.7%</u>
TOTAL	115,000	43,000	99,000	(16,000)	-13.9%	56,000	130.2%
50-33 TELEMETERING AND INSTALLATIONS							
ADDITIONS	104,000	76,000	74,000	(30,000)	-28.8%	(2,000)	-2.6%
REPLACEMENTS	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>(10,000)</u>	<u>-50.0%</u>	<u>(10,000)</u>	<u>-50.0%</u>
TOTAL	124,000	96,000	84,000	(40,000)	-32.3%	(12,000)	-12.5%
50-34 METER SHOP EQUIPMENT							
ADDITIONS	0	0	0	0	N/A	0	N/A
REPLACEMENTS	<u>496,000</u>	<u>0</u>	<u>104,000</u>	<u>(392,000)</u>	<u>-79.0%</u>	<u>104,000</u>	<u>N/A</u>
TOTAL	496,000	0	104,000	(392,000)	-79.0%	104,000	N/A
50-35 SERVICE SECTION EQUIPMENT							
ADDITIONS	0	0	0	0	N/A	0	N/A
REPLACEMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>0</u>	<u>N/A</u>
TOTAL	0	0	0	0	N/A	0	N/A
50-36 AUTOMATIC METER READING							
ADDITIONS	64,000	60,000	59,000	(5,000)	-7.8%	(1,000)	-1.7%
REPLACEMENTS	<u>1,165,000</u>	<u>1,180,000</u>	<u>1,137,000</u>	<u>(28,000)</u>	<u>-2.4%</u>	<u>(43,000)</u>	<u>-3.6%</u>
TOTAL	1,229,000	1,240,000	1,196,000	(33,000)	-2.7%	(44,000)	-3.5%
50-99 COST OF REMOVAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>0</u>	<u>N/A</u>
GROSS TOTAL FIELD SERVICES	5,499,000	5,126,000	5,098,000	(401,000)	-7.3%	(28,000)	-0.5%
LESS: SALVAGE	0	0	0	0	N/A	0	N/A
LESS: CONTRIBUTIONS*	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>0</u>	<u>N/A</u>
NET TOTAL FIELD SERVICES	<u>5,499,000</u>	<u>5,126,000</u>	<u>5,098,000</u>	<u>(401,000)</u>	<u>-7.3%</u>	<u>(28,000)</u>	<u>-0.5%</u>

\* FIELD SERVICES DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

FIELD SERVICES DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>C-30</u>	<u>METERS</u>	<u>AMOUNT</u>
4	50-30-1-01	PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR NEW CUSTOMERS	2,166,000
1	50-30-2-01	PURCHASE METERS TO SUPPORT AUTOMATIC METER READING	<u>1,449,000</u>
		TOTAL C-30	<u><u>3,615,000</u></u>
	<u>C-32</u>	<u>SERVICE REGULATORS</u>	
4	50-32-1-01	PURCHASE AND INSTALLATION OF SERVICE REGULATORS	38,000
1	50-32-2-01	PURCHASE VARIOUS SIZE SERVICE REGULATORS	<u>61,000</u>
		TOTAL C-32	<u><u>99,000</u></u>
	<u>C-33</u>	<u>COMMERCIAL &amp; INDUSTRIAL TELEMETERING SYSTEMS</u>	
5	50-33-1-01	PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	74,000
1	50-33-2-01	REPLACE BPS METSCAN AND LBS METRETEK UNITS, EQUIPMENT AND INSTRUMENTATION	<u>10,000</u>
		TOTAL C-33	<u><u>84,000</u></u>
	<u>C-34</u>	<u>METER SHOP EQUIPMENT</u>	
5	50-34-2-01	REPLACEMENT OF OBSOLETE SHOP EQUIPMENT, HAND-HELD TOOLS AND SOFTWARE PACKAGE USED FOR AMR	104,000
		TOTAL C-34	<u><u>104,000</u></u>
	<u>C-35</u>	<u>SERVICE SECTION EQUIPMENT</u>	
2	50-35-2-01	REPLACE EQUIPMENT UTILIZED BY THE TRAINING, CLERICAL AND SERVICE SECTIONS	
		TOTAL C-35	<u><u>                    </u></u>

FIELD SERVICES DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>C-36</u>	<u>AUTOMATIC METER READING</u>	<u>AMOUNT</u>
5	50-36-1-01	PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	59,000
5	50-36-2-01	REPLACE AMR DEVICES WHERE BATTERIES FAILED	<u>1,137,000</u>
		TOTAL C-36	<u><u>1,196,000</u></u>
1	50-99-2-99	COST OF REMOVAL	<u><u>                    </u></u>
		GROSS TOTAL FIELD SERVICES DEPARTMENT	5,098,000
	50-98-2-98	LESS: ESTIMATED SALVAGE	
		LESS: CONTRIBUTIONS*	
		NET TOTAL FIELD SERVICES DEPARTMENT	<u><u>5,098,000</u></u>

FIELD SERVICES DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>BUDGET YR</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4 +</u>
	<u>PRIORITY 1</u>						
1	50-30-2-01	PURCHASE METERS TO SUPPORT AUTOMATIC METER READING	1,449,000	1,449,000			
1	50-32-2-01	PURCHASE VARIOUS SIZE SERVICE REGULATORS	61,000	61,000			
1	50-33-2-01	REPLACE BPS METSCAN AND LBS METRETEK UNITS, EQUIPMENT AND INSTRUMENTATION	10,000	10,000			
	<u>PRIORITY 2</u>						
2	50-35-2-01	REPLACE EQUIPMENT UTILIZED BY THE TRAINING, CLERICAL AND SERVICE SECTIONS	0	0			
	<u>PRIORITY 4</u>						
4	50-30-1-01	PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR NEW CUSTOMERS	2,166,000	2,166,000			
4	50-32-1-01	PURCHASE AND INSTALLATION OF SERVICE REGULATORS	38,000	38,000			
	<u>PRIORITY 5</u>						
5	50-33-1-01	PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	74,000	74,000			
5	50-34-2-01	REPLACEMENT OF OBSOLETE SHOP EQUIPMENT, HAND-HELD TOOLS AND SOFTWARE PACKAGE USED FOR AMR	104,000	104,000			
5	50-36-1-01	PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	59,000	59,000			
5	50-36-2-01	REPLACE AMR DEVICES WHERE BATTERIES FAILED	1,137,000	627,000	510,000		
		<b>TOTAL FIELD SERVICES DEPARTMENT:</b>	<b>5,098,000</b>	<b>4,588,000</b>	<b>510,000</b>	<b>0</b>	<b>0</b>

PHILADELPHIA GAS WORKS  
 FISCAL YEAR 2013 CAPITAL BUDGET  
 FIELD SERVICES DEPARTMENT ESTIMATE OF ENCUMBERANCE AND EXPENDITURE

<u>FISCAL YEAR</u>	<u>ADDITIONS</u>		<u>REPLACEMENTS</u>		<u>TOTAL</u>	
	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>
CURRENT BUDGET	2,337,000	2,337,000	2,761,000	2,251,000	5,098,000	4,588,000
YEAR 1				510,000		510,000
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
<b>TOTAL</b>	<b>2,337,000</b>	<b>2,337,000</b>	<b>2,761,000</b>	<b>2,761,000</b>	<b>5,098,000</b>	<b>5,098,000</b>

FLEET OPERATIONS DEPARTMENT  
FISCAL YEAR 2013  
BUDGET/FORECAST COMPARISON

CATEGORY	2012 BUDGET	2013 FORECAST	2013 BUDGET	2013 vs 2012 BUDGET		2013 vs FORECAST	
				\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
73-01-1-01 SHOP EQUIPMENT ADDITIONS	0	0	0	0	N/A	0	N/A
73-01-1-02 VEHICLE ADDITIONS	0	0	39,000	39,000	N/A	39,000	N/A
73-01-2-01 SHOP EQUIPMENT REPLACEMENTS	0	0	0	0	N/A	0	N/A
73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	94,000	1,037,000	1,074,000	980,000	1042.6%	37,000	3.6%
73-01-2-03 VEHICLE REPLACEMENTS	858,000	3,182,000	3,089,000	2,231,000	260.0%	(93,000)	-2.9%
GROSS TOTAL FLEET OPERATIONS	952,000	4,219,000	4,202,000	3,250,000	341.4%	(17,000)	-0.4%
LESS: SALVAGE	0	0	0	0	N/A	0	N/A
NET TOTAL FLEET OPERATIONS	952,000	4,219,000	4,202,000	3,250,000	341.4%	(17,000)	-0.4%

FLEET OPERATIONS DEPARTMENT  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>			<u>AMOUNT</u>
2	73-01-1-01	SHOP EQUIPMENT ADDITIONS	0
2	73-01-1-02	VEHICLE ADDITIONS	39,000
2	73-01-2-01	SHOP EQUIPMENT REPLACEMENTS	0
2	73-01-2-02	MOBILE EQUIPMENT REPLACEMENTS	1,074,000
2	73-01-2-03	VEHICLE REPLACEMENTS	<u>3,089,000</u>
		GROSS TOTAL FLEET OPERATIONS	<u>4,202,000</u>
	73-98-2-98	LESS: SALVAGE	
		NET TOTAL FLEET OPERATIONS	<u><u>4,202,000</u></u>

FLEET OPERATIONS DEPARTMENT

LISTING BY PRIORITY

FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>BUDGET_YR</u>	<u>YEAR_1</u>	<u>YEAR_2</u>	<u>YEAR_3</u>	<u>YEAR_4 +</u>
	<u>PRIORITY 2</u>						
2	73-01-1-01 SHOP EQUIPMENT ADDITIONS	0	0				
2	73-01-1-02 VEHICLE ADDITIONS	39,000	39,000				
2	73-01-2-01 SHOP EQUIPMENT REPLACEMENTS	0	0				
2	73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	1,074,000	1,074,000				
2	73-01-2-03 VEHICLE REPLACEMENTS	3,089,000	2,406,000	683,000			
<u>TOTAL FLEET OPERATIONS DEPARTMENT:</u>		<u>4,202,000</u>	<u>3,519,000</u>	<u>683,000</u>			

PHILADELPHIA GAS WORKS  
 FISCAL YEAR 2013 CAPITAL BUDGET  
 FLEET OPERATIONS DEPARTMENT ESTIMATE OF ENCUMBERANCE AND EXPENDITURE

FISCAL YEAR	ADDITIONS		REPLACEMENTS		TOTAL	
	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED	EXPENDED
CURRENT BUDGET	39,000	39,000	4,163,000	3,480,000	4,202,000	3,519,000
YEAR 1				683,000		683,000
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
TOTAL	<u>39,000</u>	<u>39,000</u>	<u>4,163,000</u>	<u>4,163,000</u>	<u>4,202,000</u>	<u>4,202,000</u>

OTHER DEPARTMENTS  
FISCAL YEAR 2013 CAPITAL BUDGET  
SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>TOTAL</u>
FACILITIES	133,000	6,414,000	6,547,000
INFORMATION SERVICES	1,151,000	862,000	2,013,000
CHIEF OPERATING OFFICER		750,000	750,000
SVP GAS MANAGEMENT	110,000		110,000
VP CUSTOMER AFFAIRS	102,000		102,000
TOTAL OTHER DEPARTMENTS	<u>1,496,000</u>	<u>8,026,000</u>	<u>9,522,000</u>

**OTHER DEPARTMENTS**  
**FISCAL YEAR 2013**  
**BUDGET/FORECAST COMPARISON**

CATEGORY		2012 BUDGET	2013 FORECAST	2013 BUDGET	2013 vs 2012 BUDGET		2013 vs FORECAST	
					\$ DIFFERENCE	% DIFF.	\$ DIFFERENCE	% DIFF.
FACILITIES	ADDITIONS	49,000	50,000	133,000	84,000	171.4%	83,000	166.0%
	REPLACEMENTS	<u>1,284,000</u>	<u>1,603,000</u>	<u>6,414,000</u>	<u>5,130,000</u>	<u>399.5%</u>	<u>4,811,000</u>	<u>300.1%</u>
	TOTAL	1,333,000	1,653,000	6,547,000	5,214,000	391.1%	4,894,000	296.1%
INFORMATION SERVICES	ADDITIONS	334,000	1,509,000	1,151,000	817,000	244.6%	(358,000)	-23.7%
	REPLACEMENTS	<u>2,885,000</u>	<u>503,000</u>	<u>862,000</u>	<u>(2,023,000)</u>	<u>-70.1%</u>	<u>359,000</u>	<u>71.4%</u>
	TOTAL	3,219,000	2,012,000	2,013,000	(1,206,000)	-37.5%	1,000	0.0%
CHEMICAL SERVICES	ADDITIONS	8,000	0	0	(8,000)	-100.0%	0	N/A
	REPLACEMENTS	<u>16,000</u>	<u>0</u>	<u>0</u>	<u>(16,000)</u>	<u>-100.0%</u>	<u>0</u>	<u>N/A</u>
	TOTAL	24,000	0	0	(24,000)	-100.0%	0	N/A
CHIEF OPERATING OFFICER	ADDITIONS	0	0	0	0	N/A	0	N/A
	REPLACEMENTS	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>
	TOTAL	750,000	750,000	750,000	0	0.0%	0	0.0%
CORPORATE PREPAREDNESS	ADDITIONS	291,000	0	0	(291,000)	-100.0%	0	N/A
	REPLACEMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>0</u>	<u>N/A</u>
	TOTAL	291,000	0	0	(291,000)	-100.0%	0	N/A
SVP FINANCE	ADDITIONS	0	0	0	0	N/A	0	N/A
	REPLACEMENTS	<u>1,200,000</u>	<u>0</u>	<u>0</u>	<u>(1,200,000)</u>	<u>-100.0%</u>	<u>0</u>	<u>N/A</u>
	TOTAL	1,200,000	0	0	(1,200,000)	-100.0%	0	N/A
SVP GAS MANAGEMENT	ADDITIONS	0	0	110,000	110,000	N/A	110,000	N/A
	REPLACEMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>0</u>	<u>N/A</u>
	TOTAL	0	0	110,000	110,000	N/A	110,000	N/A
VP SUPPLY CHAIN	ADDITIONS	500,000	500,000	0	(500,000)	-100.0%	(500,000)	-100.0%
	REPLACEMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>0</u>	<u>N/A</u>
	TOTAL	500,000	500,000	0	(500,000)	-100.0%	(500,000)	-100.0%
VP CUSTOMER AFFAIRS	ADDITIONS	1,200,000	0	102,000	(1,098,000)	-91.5%	102,000	N/A
	REPLACEMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>	<u>0</u>	<u>N/A</u>
	TOTAL	1,200,000	0	102,000	(1,098,000)	-91.5%	102,000	N/A
TOTAL OTHER DEPARTMENTS		<u>8,517,000</u>	<u>4,915,000</u>	<u>9,522,000</u>	<u>1,005,000</u>	<u>11.8%</u>	<u>4,607,000</u>	<u>93.7%</u>

FACILITIES  
FISCAL YEAR 2013  
BUDGET/FORECAST COMPARISON

<u>CATEGORY</u>	<u>2012 BUDGET</u>	<u>2013 FORECAST</u>	<u>2013 BUDGET</u>	<u>2013 vs 2012 BUDGET</u>		<u>2013 vs FORECAST</u>	
				<u>\$</u> <u>DIFFERENCE</u>	<u>%</u> <u>DIFF.</u>	<u>\$</u> <u>DIFFERENCE</u>	<u>%</u> <u>DIFF.</u>
72-01-1-01 MISC CAPITAL ADDITIONS	36,000	37,000	123,000	87,000	241.7%	86,000	232.4%
72-01-1-02 MISC CAPITAL ADDITIONS-GAS PROC	13,000	13,000	10,000	(3,000)	-23.1%	(3,000)	-23.1%
72-01-2-01 MISC CAPITAL REPL & STRUCTURAL	317,000	276,000	378,000	61,000	19.2%	102,000	37.0%
72-01-2-02 MISC CAPITAL REPL - GAS PROC	40,000	41,000	48,000	8,000	20.0%	7,000	17.1%
72-01-2-03 MISC CAPITAL REPLACEMENTS - STRUCTURAL - GAS PROCESSING	55,000	56,000	47,000	(8,000)	-14.5%	(9,000)	-16.1%
72-01-2-04 RENOVATE DISTRICT OFFICE	692,000	600,000	692,000	0	0.0%	92,000	15.3%
72-01-2-05 REPLACE HVAC SYSTEM - 800	180,000	185,000	185,000	5,000	2.8%	0	0.0%
72-01-2-06 REPLACE CARPETS - ALL LOCATIONS	0	0	200,000	200,000	N/A	200,000	N/A
72-01-2-07 REPLACE LIGHTING - BELFIELD STAT	0	0	100,000	100,000	N/A	100,000	N/A
72-01-2-08 REPLACE MODULAR FURNITURE - 800	0	0	200,000	200,000	N/A	200,000	N/A
72-01-2-09 RELOCATE DATA CENTER TO 800 BLD	0	0	2,807,000	2,807,000	N/A	2,807,000	N/A
72-01-2-10 REPLACE PARKING LOT - 9TH & DIA	0	0	707,000	707,000	N/A	707,000	N/A
72-01-2-11 UPGRADE OFFICE SPACES - 1800	0	0	100,000	100,000	N/A	100,000	N/A
72-01-2-12 REPLACE HVAC COMPONENTS - 1800	0	0	200,000	200,000	N/A	200,000	N/A
72-01-2-13 REPLACE SWITCHGEAR - 1800	0	0	300,000	300,000	N/A	300,000	N/A
72-01-2-14 RENOVATE TRAINING ROOMS	0	0	300,000	300,000	N/A	300,000	N/A

FACILITIES  
FISCAL YEAR 2013  
BUDGET/FORECAST COMPARISON

<u>CATEGORY</u>	2012		2013		<u>2013 vs 2012 BUDGET</u>		<u>2013 vs FORECAST</u>	
	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
72-01-2-15 REPL ELECTRIC - CASTOR STATION	0	0	100,000	100,000	100,000	N/A	100,000	N/A
72-01-2-16 UPGR TRANSP BUILDING ELECTRIC	0	0	50,000	50,000	50,000	N/A	50,000	N/A
72-01-2-17 REPLACE ROOF - 9TH & DIAMOND	0	260,000	0	0	0	N/A	(260,000)	-100.0%
72-01-2-18 REPLACE ROOF - DISTRICT OFFICE	0	185,000	0	0	0	N/A	(185,000)	-100.0%
<u>TOTAL FACILITIES</u>	<u>1,333,000</u>	<u>1,853,000</u>	<u>6,547,000</u>	<u>5,214,000</u>	<u>391.1%</u>	<u>4,894,000</u>	<u>296.1%</u>	

OTHER DEPARTMENTS  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>FACILITIES</u>	<u>AMOUNT</u>
1	72-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	123,000
1	72-01-1-02 MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	10,000
1	72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	378,000
1	72-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	48,000
1	72-01-2-03 MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	47,000
1	72-01-2-04 RENOVATE WEST PHILADELPHIA DISTRICT OFFICE	692,000
2	72-01-2-05 REPLACE HVAC SYSTEM COMPONENTS - 800	185,000
2	72-01-2-06 REPLACE CARPETS - ALL LOCATIONS	200,000
2	72-01-2-07 REPLACE LIGHTING - BELFIELD STATION	100,000
2	72-01-2-08 REPLACE MODULAR FURNITURE - 800	200,000
2	72-01-2-09 RELOCATE DATA CENTER TO THE 800 BUILDING	2,807,000
1	72-01-2-10 REPLACE PARKING LOT - 9TH & DIAMOND	707,000
2	72-01-2-11 UPGRADE OFFICE SPACES - 1800	100,000
2	72-01-2-12 REPLACE HVAC COMPONENTS - 1800	200,000
2	72-01-2-13 REPLACE SWITCHGEAR - 1800	300,000
5	72-01-2-14 RENOVATE TRAINING ROOMS	300,000
2	72-01-2-15 REPLACE ELECTRIC - CASTOR STATION	100,000
2	72-01-2-16 UPGRADE TRANSPORTATION BUILDING ELECTRIC	50,000
	TOTAL FACILITIES	<u>6,547,000</u>

OTHER DEPARTMENTS  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>		<u>AMOUNT</u>
	<u>INFORMATION SERVICES</u>	
5	47-01-1-01 MISCELLANEOUS SERVER & NETWORK ADDITIONS	86,000
5	47-01-1-02 MISCELLANEOUS SOFTWARE ADDITIONS	50,000
5	47-01-1-03 EQUIPMENT FOR RELOCATION	368,000
5	47-01-1-04 STORAGE VIRTUALIZATION	647,000
5	47-01-2-01 DESKTOPS, LAPTOPS, PRINTERS & PERIPHERALS	0
5	47-01-2-02 MISCELLANEOUS SOFTWARE REPLACEMENTS	50,000
5	47-01-2-03 SERVER & NETWORK HARDWARE REPLACEMENTS	232,000
5	47-01-2-04 STORAGE REPLACEMENTS	230,000
5	47-01-2-05 ORACLE REAL APPLICATION CLUSTER (ORACLE LICENSES)	350,000
	TOTAL INFORMATION SERVICES	<u>2,013,000</u>
	<u>CHIEF OPERATING OFFICER</u>	
1	13-01-2-01 CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO SAFETY	250,000
2	13-01-2-02 COND FUND FOR CAPITAL NEEDS - RELIABILITY OF SERVICE	250,000
4	13-01-2-03 COND FUND FOR CAPITAL NEEDS - COST-JUSTIFIED LOAD GROWTH	250,000
	TOTAL CHIEF OPERATING OFFICER	<u>750,000</u>
	<u>SVP GAS MANAGEMENT</u>	
5	04-01-1-01 WORK MANAGEMENT SYSTEM	110,000
	TOTAL SVP GAS MANAGEMENT	<u>110,000</u>
	<u>VP CUSTOMER AFFAIRS</u>	
5	10-01-1-01 ENERGYSENSE PROGRAMS	102,000
	TOTAL VP CUSTOMER AFFAIRS	<u>102,000</u>
	TOTAL OTHER DEPARTMENTS	<u>9,522,000</u>

OTHER DEPARTMENTS

LISTING BY PRIORITY

FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>BUDGET_YR</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4 +</u>
	<u>PRIORITY 1</u>						
1	72-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	123,000	123,000				
1	72-01-1-02 MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	10,000	10,000				
1	72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	378,000	303,000	75,000			
1	72-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	48,000	48,000				
1	72-01-2-03 MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	47,000	47,000				
1	72-01-2-04 RENOVATE WEST PHILADELPHIA DISTRICT OFFICE	692,000	692,000				
1	72-01-2-12 REPLACE PARKING LOT - 9TH & DIAMOND	707,000	707,000				
1	13-01-2-01 CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO SAFETY	250,000					
	<u>PRIORITY 2</u>						
2	72-01-2-05 REPLACE HVAC SYSTEM COMPONENTS - 800	185,000	185,000				
2	72-01-2-06 REPLACE CARPETS - ALL LOCATIONS	200,000	200,000				
2	72-01-2-07 REPLACE LIGHTING - BELFIELD STATION	100,000	100,000				
2	72-01-2-08 REPLACE MODULAR FURNITURE - 800	200,000	200,000				
2	72-01-2-09 RELOCATE DATA CENTER TO THE 800 BUILDING	2,807,000	2,807,000				
2	72-01-2-11 UPGRADE OFFICE SPACES - 1800	100,000	100,000				
2	72-01-2-12 REPLACE HVAC COMPONENTS - 1800	200,000	200,000				
2	72-01-2-13 REPLACE SWITCHGEAR - 1800	300,000	300,000				
2	72-01-2-15 REPLACE ELECTRIC - CASTOR STATION	100,000	100,000				
2	72-01-2-16 UPGRADE TRANSPORTATION BUILDING ELECTRIC	50,000	50,000				
2	13-01-2-02 COND FUND FOR CAPITAL NEEDS - RELIABILITY OF SERVICE	250,000					

OTHER DEPARTMENTS  
LISTING BY PRIORITY  
FISCAL YEAR 2013 CAPITAL BUDGET

<u>P</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>BUDGET YR</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4 +</u>
4	13-01-2-03 <u>COND FUND FOR CAPITAL NEEDS - COST-JUSTIFIED LOAD GROWTH</u>	250,000					
	<u>PRIORITY 4</u>						
5	72-01-2-14 <u>RENOVATE TRAINING ROOMS</u>	300,000	300,000				
5	47-01-1-01 <u>MISCELLANEOUS SERVER &amp; NETWORK ADDITIONS</u>	86,000	86,000				
5	47-01-1-02 <u>MISCELLANEOUS SOFTWARE ADDITIONS</u>	50,000	50,000				
5	47-01-1-03 <u>EQUIPMENT FOR RELOCATION</u>	368,000	368,000				
5	47-01-1-04 <u>STORAGE VIRTUALIZATION</u>	647,000	397,000	250,000			
5	47-01-2-01 <u>DESKTOPS, LAPTOPS, PRINTERS &amp; PERIPHERALS</u>	0	0				
5	47-01-2-02 <u>MISCELLANEOUS SOFTWARE REPLACEMENTS</u>	50,000	50,000				
5	47-01-2-03 <u>SERVER &amp; NETWORK HARDWARE REPLACEMENTS</u>	232,000	232,000				
5	47-01-2-04 <u>STORAGE REPLACEMENTS</u>	230,000	230,000				
5	47-01-2-05 <u>ORACLE REAL APPLICATION CLUSTER (ORACLE LICENSES)</u>	350,000	350,000				
5	04-01-1-01 <u>WORK MANAGEMENT SYSTEM</u>	110,000	110,000				
5	10-01-1-01 <u>ENERGYSENSE PROGRAMS</u>	102,000	102,000				
	<b>TOTAL OTHER DEPARTMENTS:</b>	<b>9,522,000</b>	<b>8,447,000</b>	<b>325,000</b>			

PHILADELPHIA GAS WORKS  
 FISCAL YEAR 2013 CAPITAL BUDGET  
 OTHER DEPARTMENTS ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

<u>FISCAL YEAR</u>	<u>ADDITIONS</u>		<u>REPLACEMENTS</u>		<u>TOTAL</u>	
	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>
CURRENT BUDGET	1,496,000	1,246,000	8,026,000	7,201,000	9,522,000	8,447,000
YEAR 1		250,000		75,000		325,000
YEAR 2						
YEAR 3						
YEAR 4 AND BEYOND						
<b>TOTAL</b>	<b>1,496,000</b>	<b>1,496,000</b>	<b>8,026,000</b>	<b>7,276,000</b>	<b>9,522,000</b>	<b>8,772,000</b>



## **FIVE YEAR FORECAST**



PHILADELPHIA GAS WORKS

FISCAL YEAR 2012 AND FORECAST 2013 THROUGH 2017

DEPARTMENT	2013	FORECAST					TOTAL
	CAPITAL BUDGET	2014	2015	2016	2017	2018	6 YEARS
<u>GAS PROCESSING</u>							
ADDITIONS	367,000	4,160,000	278,000	814,000	266,000	416,000	6,301,000
REPLACEMENTS	5,798,000	1,314,000	3,894,000	2,320,000	1,181,000	1,783,000	16,290,000
TOTAL GAS PROCESSING	6,165,000	5,474,000	4,172,000	3,134,000	1,447,000	2,199,000	22,591,000
ACQUIRE ASSETS LEASE	6,165,000	5,474,000	4,172,000	3,134,000	1,447,000	2,199,000	22,591,000
<u>DISTRIBUTION</u>							
ADDITIONS	9,921,000	10,119,000	10,332,000	10,559,000	10,813,000	11,073,000	62,817,000
REPLACEMENTS	56,033,000	57,128,000	58,164,000	59,126,000	60,198,000	61,296,000	351,945,000
GROSS TOTAL DISTRIBUTION	65,954,000	67,247,000	68,496,000	69,685,000	71,011,000	72,369,000	414,762,000
LESS: SALVAGE							
LESS: CONTRIBUTIONS*							
LESS: REIMBURSEMENT**	(3,610,000)	(3,631,000)	(1,104,000)	(1,128,000)	(1,155,000)	(1,183,000)	(11,811,000)
NET TOTAL DISTRIBUTION	62,344,000	63,616,000	67,392,000	68,557,000	69,856,000	71,186,000	402,951,000
ACQUIRE ASSETS LEASE	62,344,000	63,616,000	67,392,000	68,557,000	69,856,000	71,186,000	402,951,000

PHILADELPHIA GAS WORKS

FISCAL YEAR 2012 AND FORECAST 2013 THROUGH 2017

<u>DEPARTMENT</u>	<u>2013</u>					<u>TOTAL</u> <u>6 YEARS</u>
	<u>BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
<u>FIELD SERVICES</u>						
CAPITAL						
ADDITIONS	2,337,000	2,555,000	2,580,000	2,629,000	2,686,000	2,757,000
REPLACEMENTS	<u>2,761,000</u>	<u>2,666,000</u>	<u>2,879,000</u>	<u>3,237,000</u>	<u>3,314,000</u>	<u>3,397,000</u>
GROSS TOTAL FIELD SERVICES	5,098,000	5,221,000	5,459,000	5,866,000	6,000,000	6,154,000
LESS: SALVAGE						
LESS: CONTRIBUTIONS*						
NET TOTAL FIELD SERVICES	5,098,000	5,221,000	5,459,000	5,866,000	6,000,000	6,154,000
ACQUIRE ASSETS	5,098,000	5,221,000	5,459,000	5,866,000	6,000,000	6,154,000
LEASE						
<u>FLEET OPERATIONS</u>						
ADDITIONS	39,000	0	0	0	0	0
REPLACEMENTS	<u>4,163,000</u>	<u>3,658,000</u>	<u>3,103,000</u>	<u>3,638,000</u>	<u>3,494,000</u>	<u>2,255,000</u>
GROSS TOTAL FLEET OPERATIONS	4,202,000	3,658,000	3,103,000	3,638,000	3,494,000	2,255,000
LESS: SALVAGE						
NET TOTAL FLEET OPERATIONS	4,202,000	3,658,000	3,103,000	3,638,000	3,494,000	2,255,000
ACQUIRE ASSETS	4,202,000	3,658,000	3,103,000	3,638,000	3,494,000	2,255,000
LEASE						

PHILADELPHIA GAS WORKS

FISCAL YEAR 2012 AND FORECAST 2013 THROUGH 2017

<u>DEPARTMENT</u>	2013 CAPITAL BUDGET	<u>FORECAST</u>					<u>TOTAL 6 YEARS</u>
		<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	
<u>OTHER</u>							
ADDITIONS	1,496,000	627,000	679,000	284,000	289,000	294,000	3,669,000
REPLACEMENTS	<u>8,026,000</u>	<u>5,702,000</u>	<u>3,214,000</u>	<u>2,636,000</u>	<u>2,688,000</u>	<u>2,255,000</u>	24,521,000
TOTAL OTHER	9,522,000	6,329,000	3,893,000	2,920,000	2,977,000	2,549,000	28,190,000
ACQUIRE ASSETS LEASE	9,522,000	6,329,000	3,893,000	2,920,000	2,977,000	2,549,000	28,190,000
<u>TOTAL</u>							
ADDITIONS	14,160,000	17,461,000	13,869,000	14,286,000	14,054,000	14,540,000	88,370,000
REPLACEMENTS	<u>76,781,000</u>	<u>70,468,000</u>	<u>71,254,000</u>	<u>70,957,000</u>	<u>70,875,000</u>	<u>70,986,000</u>	<u>431,321,000</u>
GROSS TOTAL	90,941,000	87,929,000	85,123,000	85,243,000	84,929,000	85,526,000	519,691,000
LESS: SALVAGE							
LESS: REIMBURSEMENT**	(3,610,000)	(3,631,000)	(1,104,000)	(1,128,000)	(1,155,000)	(1,183,000)	(11,811,000)
LESS: CONTRIBUTIONS*							
NET TOTAL	<u>87,331,000</u>	<u>84,298,000</u>	<u>84,019,000</u>	<u>84,115,000</u>	<u>83,774,000</u>	<u>84,343,000</u>	<u>507,880,000</u>
ACQUIRE ASSETS LEASE	87,331,000	84,298,000	84,019,000	84,115,000	83,774,000	84,343,000	507,880,000

\* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

\*\* REIMBURSEMENT TO PGW FOR RELOCATING STRUCTURES & EQUIPMENT AND/OR LOAD GROWTH

PHILADELPHIA GAS WORKS  
PROPOSED 2013 - 2017 FORECAST  
(COMPARISON)

<u>DEPARTMENT</u>	<u>2013 - 2017 FORECAST</u>	<u>2014 - 2018 FORECAST</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>
<u>GAS PROCESSING</u>				
ADDITIONS	3,983,000	5,934,000	1,951,000	49.0%
REPLACEMENTS	<u>13,905,000</u>	<u>10,492,000</u>	<u>(3,413,000)</u>	-24.5%
TOTAL GAS PROCESSING	17,888,000	16,426,000	(1,462,000)	-8.2%
<u>DISTRIBUTION</u>				
ADDITIONS	55,083,000	52,896,000	(2,187,000)	-4.0%
REPLACEMENTS	<u>221,883,000</u>	<u>295,912,000</u>	<u>74,029,000</u>	33.4%
GROSS TOTAL DISTRIBUTION	276,966,000	348,808,000	71,842,000	25.9%
LESS: SALVAGE				
LESS: CONTRIBUTIONS*				
LESS: REIMBURSEMENT**	<u>(6,567,000)</u>	<u>(8,201,000)</u>	<u>(1,634,000)</u>	24.9%
NET TOTAL DISTRIBUTION	270,399,000	340,607,000	70,208,000	26.0%
<u>FIELD SERVICES</u>				
ADDITIONS	12,749,000	13,207,000	458,000	3.6%
REPLACEMENTS	<u>15,715,000</u>	<u>15,493,000</u>	<u>(222,000)</u>	-1.4%
GROSS TOTAL FIELD SERVICES	28,464,000	28,700,000	236,000	0.8%
LESS: SALVAGE				
LESS: CONTRIBUTIONS*				
NET TOTAL FIELD SERVICES	28,464,000	28,700,000	236,000	0.8%

PHILADELPHIA GAS WORKS  
PROPOSED 2013 - 2017 FORECAST  
(COMPARISON)

<u>DEPARTMENT</u>	<u>2013 - 2017 FORECAST</u>	<u>2014 - 2018 FORECAST</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>
<u>FLEET OPERATIONS</u>				
ADDITIONS		0	0	#DIV/0!
REPLACEMENTS	<u>17,457,000</u>	<u>16,148,000</u>	<u>(1,309,000)</u>	-7.5%
GROSS TOTAL FLEET OPERATIONS	17,457,000	16,148,000	(1,309,000)	-7.5%
LESS: SALVAGE				
NET TOTAL FLEET OPERATIONS	17,457,000	16,148,000	(1,309,000)	-7.5%
 <u>OTHER</u>				
ADDITIONS	23,137,000	<u>2,173,000</u>	<u>(20,964,000)</u>	-90.6%
REPLACEMENTS	<u>18,404,000</u>	<u>16,495,000</u>	<u>(1,909,000)</u>	-10.4%
TOTAL OTHER	41,541,000	18,668,000	(22,873,000)	-55.1%
 <u>TOTAL</u>				
ADDITIONS	94,952,000	74,210,000	<u>(20,742,000)</u>	-21.8%
REPLACEMENTS	<u>287,364,000</u>	<u>354,540,000</u>	<u>67,176,000</u>	23.4%
GROSS TOTAL	382,316,000	428,750,000	46,434,000	12.1%
LESS: SALVAGE				
LESS: REIMBURSEMENT**	(6,567,000)	(8,201,000)	(1,634,000)	24.9%
LESS: CONTRIBUTIONS*				
NET TOTAL	<u>375,749,000</u>	<u>420,549,000</u>	<u>44,800,000</u>	11.9%

\* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

\*\* REIMBURSEMENT TO PGW FOR RELOCATING STRUCTURES & EQUIPMENT AND/OR LOAD GROWTH

GAS PROCESSING DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
GP-1 NATURAL GAS MEASUREMENT AND CONTROL FACILITIES								
1 53-01-2-01 REPLACE OVERHEAD PIPING - PASSYUNK	499,000	631,000						
2 53-01-2-02 REPLACE (1) M&R STATION HEATER		900,000				900,000		1,800,000
2 53-01-2-03 MODIFY LNG TANK RE-PRESSURIZATION SYSTEMS - RICHMOND & PASSYUNK							150,000	150,000
53-01-X-XX NON-RECURRING ITEMS	85,000							
TOTAL GP-1	<u>584,000</u>	<u>631,000</u>		<u>900,000</u>		<u>900,000</u>	<u>150,000</u>	<u>1,950,000</u>
GP-2 SUPPLEMENTAL GAS FACILITIES								
1 53-02-1-01 INSTALL EQUIPMENT HOISTS ON LNG TANK BERMS - RICHMOND		152,000						
1 53-02-1-02 PROCESS UPGRADES - RICHMOND		99,000	174,000	162,000				336,000
2 53-02-1-03 BOILOFF JET COMPRESSORS - RICHM & PASSY							300,000	300,000
2 53-02-1-04 INSTALL GROUND FLARE - RICHMOND			1,870,000					1,870,000
2 53-02-1-05 EXTEND SECOND LNG FILL LINE TO SOUTH						150,000		150,000
2 53-02-1-06 REPLACE FIRE SYSTEM ON C-5RB BOIL-OFF COMPRESSOR - RICHMOND					698,000			698,000

GAS PROCESSING DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	2012 BUDGET	2013 BUDGET	2014	2015	2016	2017	2018	TOTAL FORECAST
<u>GP-2 SUPPLEMENTAL GAS FACILITIES</u>								
2 53-02-1-07 LIQUEFACTION FEEDGAS CO2 AND ETHANE REMOVAL - RICHMOND			2,000,000					2,000,000
1 53-02-2-01 REPLACE MAIN SWITCHGEAR & EMERGENCY GENERATORS - RICHMOND		4,724,000						
1 53-02-2-02 REPL UNINTERRUPTIBLE POWER SUPPLY SYSTEMS: RICHMOND PASSYUNK		162,000	169,000	105,000				169,000 105,000
2 53-02-2-03 REPL FOAM WATER PIPING LNG TANKS- RICI	389,000		389,000		389,000		389,000	1,167,000
2 53-02-2-04 REPLACE VAPORIZATION LOW TEMPERATURE SHUTDOWN VALVES - RICHMOND			225,000					225,000
2 53-02-2-05 REPLACE RIVER WATER PUMP SWITCHGEAR AND RIVER WATER PUMPS - RICHMOND					1,500,000			1,500,000
2 53-02-2-06 REPLACE H1 HEATER - RICHMOND				1,800,000				1,800,000
2 53-02-2-07 REPLACE LNG SWITCHGEAR - RICHMOND							1,000,000	1,000,000
2 53-02-2-08 REPLACE PNEUMATIC COMPANDER ACTUATORS WITH ELECTRONIC ACTUATORS				180,000				180,000
2 53-02-2-09 REPLACE LNG TANK COOLDOWN PUMPS - RICHMOND			100,000					100,000



GAS PROCESSING DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	2012 BUDGET	2013 BUDGET	2014	2015	2016	2017	2018	TOTAL FORECAST
<u>GP-4 MISCELLANEOUS CAPITAL REQUIREMENTS</u>								
1 53-04-1-01 MISCELLANEOUS CAPITAL ADDITIONS	122,000	116,000	116,000	116,000	116,000	116,000	116,000	580,000
1 53-04-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS	309,000	281,000	281,000	281,000	281,000	281,000	244,000	1,368,000
TOTAL GP-4	<u>431,000</u>	<u>397,000</u>	<u>397,000</u>	<u>397,000</u>	<u>397,000</u>	<u>397,000</u>	<u>360,000</u>	<u>1,948,000</u>
TOTAL GAS PROCESSING DEPARTMENT	2,778,000	6,165,000	5,474,000	4,172,000	3,134,000	1,447,000	2,199,000	16,426,000
ACQUIRE ASSETS	2,778,000	6,165,000	5,474,000	4,172,000	3,134,000	1,447,000	2,199,000	16,426,000
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DISTRIBUTION DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
<u>D-20 HIGH PRESSURE MAINS</u>								
4 52-20-1-01 UNSPECIFIED	1,205,000	1,017,000	1,037,000	1,059,000	1,082,000	1,108,000	1,135,000	5,421,000
4 52-20-1-02 COND FUND-MAIN - MAJOR INIT: NAVY YARD	3,742,000							
4 52-20-1-03 COND FUND-MAIN - MAJOR INIT: ART MUSEU	3,000,000							
3 52-20-2-01 CITY AND STATE WORK	505,000	839,000	856,000	874,000	893,000	914,000	936,000	4,473,000
1 52-20-2-02 INCREMENTAL REPL OF 12" HP CAST IRON MAIN		3,816,000	4,950,000	7,920,000	7,920,000	7,920,000	7,920,000	36,630,000
1 52-20-2-03 INCREMENTAL REPLACEMENTS OF 30" MAIN RICHMOND TO PASSYUNK	1,000,000	4,598,000	6,495,000	6,495,000	6,495,000	6,495,000	6,495,000	32,475,000
1 52-20-2-04 NATURAL GAS SOMERTON STATION - CHANGE MAOP (MAXIMUM ALLOWABLE OPERATING PRESSURE)		2,500,000						
1 52-20-2-05 COND FUND - REPL OF 30" MAIN - 20th ST	2,000,000							
		11,452,000	13,338,000	16,348,000	16,390,000	16,437,000	16,486,000	78,999,000
52-20-2-97 LESS: REIMBURSEMENT**	(3,742,000)							
<b>NET TOTAL D-20</b>	<b>7,710,000</b>	<b>12,770,000</b>	<b>13,338,000</b>	<b>16,348,000</b>	<b>16,390,000</b>	<b>16,437,000</b>	<b>16,486,000</b>	<b>78,999,000</b>

DISTRIBUTION DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
<u>D-21 8 INCH AND SMALLER I. P. AND L. P. MAIN</u>								
4 52-21-1-01 ADDITIONS	1,927,000	2,080,000	2,122,000	2,167,000	2,215,000	2,268,000	2,322,000	11,094,000
3 52-21-2-01 CITY AND STATE WORK	4,582,000	4,951,000	5,041,000	4,661,000	4,764,000	4,878,000	4,995,000	24,339,000
1 52-21-2-02 PRUDENT	13,448,000	14,483,000	14,653,000	14,961,000	15,290,000	15,657,000	16,033,000	76,594,000
GROSS TOTAL D-21	19,957,000	21,514,000	21,816,000	21,789,000	22,269,000	22,803,000	23,350,000	112,027,000
52-21-2-97 LESS: REIMBURSEMENT**	<u>(1,236,000)</u>	<u>(1,488,000)</u>	<u>(1,509,000)</u>	<u>(1,104,000)</u>	<u>(1,128,000)</u>	<u>(1,155,000)</u>	<u>(1,183,000)</u>	<u>(6,079,000)</u>
NET TOTAL D-21	<u>18,721,000</u>	<u>20,026,000</u>	<u>20,307,000</u>	<u>20,685,000</u>	<u>21,141,000</u>	<u>21,648,000</u>	<u>22,167,000</u>	<u>105,948,000</u>
D-22 12 INCH AND LARGER I. P. <u>AND L. P. MAIN</u>								
4 52-22-1-01 ADDITIONS	38,000	33,000	34,000	35,000	36,000	37,000	38,000	180,000
3 52-22-2-01 CITY AND STATE WORK	78,000	160,000	163,000	166,000	170,000	174,000	178,000	851,000
3 52-22-2-02 MAIN FOR MAJOR ENFORCED RELOC. I-95	<u>2,774,000</u>	<u>2,232,000</u>	<u>2,232,000</u>					<u>2,232,000</u>
GROSS TOTAL D-22	2,890,000	2,425,000	2,429,000	201,000	206,000	211,000	216,000	3,263,000
52-22-2-97 LESS: REIMBURSEMENT**	<u>(2,497,000)</u>	<u>(2,009,000)</u>	<u>(2,009,000)</u>					<u>(2,009,000)</u>
NET TOTAL D-22	<u>393,000</u>	<u>416,000</u>	<u>420,000</u>	<u>201,000</u>	<u>206,000</u>	<u>211,000</u>	<u>216,000</u>	<u>1,254,000</u>

DISTRIBUTION DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
D-23 CUSTOMER METERING & REGULATOR INSTALLATION, AND PRESSURE CONTROL & <u>CORROSION CONTROL FACILITIES</u>								
4 52-23-1-01 CUSTOMER METER & REGULATOR INSTALL	142,000	222,000	226,000	231,000	236,000	242,000	248,000	1,183,000
1 52-23-2-01 REPLACE/REHABILITATION-HP MAIN VALVES	167,000	156,000	159,000	162,000	166,000	170,000	174,000	831,000
2 52-23-2-02 REPL - PRESSURE CNTL & CORR CNTL FACIL	<u>835,000</u>	<u>282,000</u>	<u>288,000</u>	<u>294,000</u>	<u>300,000</u>	<u>307,000</u>	<u>314,000</u>	<u>1,503,000</u>
GROSS TOTAL D-23	1,144,000	660,000	673,000	687,000	702,000	719,000	736,000	3,517,000
LESS: REIMBURSEMENT**								
TOTAL D-23	<u>1,144,000</u>	<u>660,000</u>	<u>673,000</u>	<u>687,000</u>	<u>702,000</u>	<u>719,000</u>	<u>736,000</u>	<u>3,517,000</u>
<u>D-24 SERVICES</u>								
4 52-24-1-01 1 1/4" AND SMALLER	4,236,000	4,245,000	4,330,000	4,421,000	4,518,000	4,626,000	4,737,000	22,632,000
4 52-24-1-02 2" AND LARGER	1,760,000	2,302,000	2,348,000	2,397,000	2,450,000	2,509,000	2,569,000	12,273,000
1 52-24-2-01 1 1/4" AND SMALLER	21,542,000	20,920,000	21,338,000	21,690,000	22,167,000	22,699,000	23,244,000	111,138,000
1 52-24-2-02 2" AND LARGER	<u>919,000</u>	<u>921,000</u>	<u>938,000</u>	<u>926,000</u>	<u>946,000</u>	<u>969,000</u>	<u>992,000</u>	<u>4,771,000</u>
GROSS TOTAL D-24	28,457,000	28,388,000	28,954,000	29,434,000	30,081,000	30,803,000	31,542,000	150,814,000
52-24-2-97 LESS: REIMBURSEMENT**	<u>(74,000)</u>	<u>(113,000)</u>	<u>(113,000)</u>					<u>(113,000)</u>
LESS: CONTRIBUTIONS*								
TOTAL D-24	<u>28,383,000</u>	<u>28,275,000</u>	<u>28,841,000</u>	<u>29,434,000</u>	<u>30,081,000</u>	<u>30,803,000</u>	<u>31,542,000</u>	<u>150,701,000</u>



FIELD SERVICES DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
<u>C-30 METERS</u>								
4 50-30-1-01 ADDITIONS AND INSTALLATIONS	2,207,000	2,166,000	2,383,000	2,426,000	2,474,000	2,529,000	2,594,000	12,406,000
1 50-30-2-01 REPLACEMENTS	1,328,000	1,449,000	1,366,000	1,394,000	1,721,000	1,763,000	1,805,000	8,049,000
TOTAL C-30	<u>3,535,000</u>	<u>3,615,000</u>	<u>3,749,000</u>	<u>3,820,000</u>	<u>4,195,000</u>	<u>4,292,000</u>	<u>4,399,000</u>	<u>20,455,000</u>
<u>C-32 SERVICES REGULATORS</u>								
4 50-32-1-01 ADDITIONS AND INSTALLATIONS	37,000	38,000	23,000	24,000	24,000	23,000	24,000	118,000
1 50-32-2-01 REPLACEMENTS	78,000	61,000	14,000	14,000	14,000	15,000	15,000	72,000
TOTAL C-32	<u>115,000</u>	<u>99,000</u>	<u>37,000</u>	<u>38,000</u>	<u>38,000</u>	<u>38,000</u>	<u>39,000</u>	<u>190,000</u>
<u>C-33 TELEMETERING</u>								
5 50-33-1-01 ADDITIONS AND INSTALLATIONS	104,000	74,000	91,000	74,000	75,000	77,000	80,000	397,000
1 50-33-2-01 REPLACEMENTS	20,000	10,000	22,000	22,000	23,000	23,000	12,000	102,000
TOTAL C-33	<u>124,000</u>	<u>84,000</u>	<u>113,000</u>	<u>96,000</u>	<u>98,000</u>	<u>100,000</u>	<u>92,000</u>	<u>499,000</u>

FIELD SERVICES DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
<u>C-34 METER SHOP EQUIPMENT</u>								
5 50-34-2-01 REPLACEMENTS	<u>496,000</u>	<u>104,000</u>	<u>106,000</u>	<u>109,000</u>	<u>112,000</u>	<u>115,000</u>	<u>118,000</u>	<u>560,000</u>
TOTAL C-34	<u>496,000</u>	<u>104,000</u>	<u>106,000</u>	<u>109,000</u>	<u>112,000</u>	<u>115,000</u>	<u>118,000</u>	<u>560,000</u>
<u>C-35 SERVICE SECTION EQUIPMENT</u>								
2 50-35-2-01 REPLACEMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL C-35	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>C-36 AUTOMATIC METER READING</u>								
5 50-36-1-01 ADDITIONS	<u>64,000</u>	<u>59,000</u>	<u>58,000</u>	<u>56,000</u>	<u>56,000</u>	<u>57,000</u>	<u>59,000</u>	<u>286,000</u>
5 50-36-2-01 REPLACEMENTS	<u>1,165,000</u>	<u>1,137,000</u>	<u>1,158,000</u>	<u>1,340,000</u>	<u>1,367,000</u>	<u>1,398,000</u>	<u>1,447,000</u>	<u>6,710,000</u>
TOTAL C-36	<u>1,229,000</u>	<u>1,196,000</u>	<u>1,216,000</u>	<u>1,396,000</u>	<u>1,423,000</u>	<u>1,455,000</u>	<u>1,506,000</u>	<u>6,996,000</u>



FLEET OPERATIONS DEPARTMENT

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
2 73-01-1-01 SHOP EQUIPMENT ADDITIONS	0	0	0	0	0	0	0	0
2 73-01-1-02 VEHICLE ADDITIONS		39,000						0
2 73-01-2-01 SHOP EQUIPMENT REPLACEMENTS	0	0	0	0	0	0	0	0
2 73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	94,000	1,074,000	504,000	483,000	208,000	412,000	429,000	2,036,000
2 73-01-2-03 VEHICLE REPLACEMENTS	858,000	3,089,000	3,154,000	2,620,000	3,430,000	3,082,000	1,826,000	14,112,000
GROSS TOTAL FLEET OPERATIONS DEPARTMENT	952,000	4,202,000	3,658,000	3,103,000	3,638,000	3,494,000	2,255,000	16,148,000
73-98-2-98 LESS: SALVAGE	0							0
NET TOTAL FLEET OPERATIONS DEPARTMENT	<u>952,000</u>	<u>4,202,000</u>	<u>3,658,000</u>	<u>3,103,000</u>	<u>3,638,000</u>	<u>3,494,000</u>	<u>2,255,000</u>	<u>16,148,000</u>
ACQUIRE ASSETS	952,000	4,202,000	3,658,000	3,103,000	3,638,000	3,494,000	2,255,000	16,148,000
LEASE								



OTHER DEPARTMENTS

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	2012 BUDGET	2013 BUDGET	2014	2015	2016	2017	2018	TOTAL FORECAST
<u>FACILITIES</u>								
2 72-01-2-09		2,807,000						
1 72-01-2-10		707,000						
2 72-01-2-11		100,000	100,000					100,000
2 72-01-2-12		200,000						
2 72-01-2-13		300,000						
5 72-01-2-14		300,000						
2 72-01-2-15		100,000	100,000	100,000				200,000
2 72-01-2-16		50,000						
2 72-01-2-17				50,000	50,000	50,000		150,000
5 72-01-2-18			60,000	25,000	25,000	60,000	60,000	230,000
2 72-01-2-19			260,000					260,000

OTHER DEPARTMENTS

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
<u>FACILITIES</u>								
2 72-01-2-20 REPLACE ROOF - CASTOR STATION			265,000					265,000
5 72-01-2-21 UPGRADE DISPATCH CENTERS			500,000					500,000
5 72-01-2-22 UPGRADE TIOGA STATION			500,000	500,000				1,000,000
72-01-X-XX NON-RECURRING ITEMS	692,000							
<b>TOTAL FACILITIES</b>	<u>1,333,000</u>	<u>6,547,000</u>	<u>3,365,000</u>	<u>2,069,000</u>	<u>1,483,000</u>	<u>1,527,000</u>	<u>1,086,000</u>	<u>9,530,000</u>

OTHER DEPARTMENTS

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>	
<u>INFORMATION SERVICES</u>									
5 47-01-1-01	MISC SERVER & NETWORK ADDITIONS	118,000	86,000	88,000	90,000	92,000	94,000	96,000	460,000
5 47-01-1-02	MISCELLANEOUS SOFTWARE ADDITIONS	50,000	50,000	51,000	52,000	53,000	54,000	55,000	265,000
5 47-01-1-03	EQUIPMENT FOR RELOCATION	368,000							
5 47-01-1-04	STORAGE VIRTUALIZATION	647,000							
2 47-01-1-05	NETWORK SECURITY - HARDWARE ADDITION	166,000							
5 47-01-1-06	VOICE OVER IP PHONE SYS - PLANTS & D.O.'s		353,000		400,000				753,000
5 47-01-2-01	DESKTOP, LAPTOP, PRINTER & PERIPHERALS	0							
5 47-01-2-02	MISCELLANEOUS SOFTWARE REPLACEMENT	50,000	50,000	51,000	52,000	53,000	54,000	55,000	265,000
5 47-01-2-03	SERVER & NETWORK HARDWARE REPLACE	208,000	232,000	236,000	240,000	244,000	248,000	252,000	1,220,000
5 47-01-2-04	STORAGE REPLACEMENTS	235,000	230,000	35,000	240,000	245,000	250,000	255,000	1,025,000
5 47-01-2-05	ORACLE RAC (ORACLE LICENSES)	350,000							
5 47-01-2-06	PBX REPLACEMENT		1,400,000						1,400,000



OTHER DEPARTMENTS

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
<u>CORPORATE PREPAREDNESS</u>								
5 65-01-1-01 MONTGOMERY LOBBY TURNSTILE - 800	206,000							
5 65-01-1-02 VISITOR MANAGEMENT SYSTEM - 800	18,000							
5 65-01-1-03 MONTGOMERY CAT-WALK TURNSTILE	67,000							
TOTAL CORPORATE PREPAREDNESS	<u>291,000</u>							
<u>SVP FINANCE</u>								
5 17-01-2-01 CONDITIONAL FUNDING - ORACLE UPGRADE	1,200,000							
TOTAL SVP FINANCE	<u>1,200,000</u>							
<u>SVP GAS MANAGEMENT</u>								
5 04-01-1-01 WORK MANAGEMENT SYSTEM								110,000
TOTAL SVP GAS MANAGEMENT								<u>110,000</u>

OTHER DEPARTMENTS

FORECAST - FISCAL YEARS 2014 THROUGH 2018

	<u>2012 BUDGET</u>	<u>2013 BUDGET</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>TOTAL FORECAST</u>
<u>VP SUPPLY CHAIN</u>								
5 16-01-1-01 SOFTWARE UPGRADES	500,000							
TOTAL VP SUPPLY CHAIN	<u>500,000</u>							
<u>VP CUSTOMER AFFAIRS</u>								
5 10-01-1-01 ENERGYSENSE PROGRAMS		102,000						
10-01-X-XX NON-RECURRING ITEMS	1,200,000							
TOTAL VP CUSTOMER AFFAIRS	<u>1,200,000</u>	<u>102,000</u>						
TOTAL OTHER DEPARTMENTS	<u>8,517,000</u>	<u>9,522,000</u>	<u>6,329,000</u>	<u>3,893,000</u>	<u>2,920,000</u>	<u>2,977,000</u>	<u>2,549,000</u>	<u>18,668,000</u>
ACQUIRE ASSETS LEASE	8,517,000	9,522,000	6,329,000	3,893,000	2,920,000	2,977,000	2,549,000	18,668,000

**FISCAL 2013 FINANCING PLAN**

**PHILADELPHIA GAS WORKS**  
**CAPITAL FINANCING PLAN**

As a result of the FY 2011 Operating Budget proceedings, a motion was approved that directed PGW to begin with its FY 2012 Capital Budget filing to include with each proposed Capital Budget and Capital Budget Amendment a proposed Capital Funding plan pursuant to Section IV.2.b of the Management Agreement.

In this section of the Management Agreement, funds required to be supplied must be identified between:

- i. Funds generated within the business through charges to customer or otherwise; and
- ii. Funds to be obtained through capital loans.

**Capital Spending in FY 2013**

• Spending from FY 2013 Program	\$77,650,000
• Spending Carryover from FY 2012	\$10,724,000
• Total FY 2013 Spending	\$88,374,000
• Projected Reimbursement	\$3,610,000
• <b>Net FY 2013 Capital Spending</b>	<b>\$84,764,000</b>

**Capital Funding Sources:**

• Capital Bond Proceeds	\$59,764,000
• Internally Generated Funds	\$25,00,000
• <b>Total Capital Funding</b>	<b>\$84,764,000</b>

The funding plan is based upon current financial projections and is subject to changes based upon PGW's financial conditions at the time funds are required to support the FY 2013 Capital Program.

**Exhibit #2**  
**Philadelphia Gas Works Capital Budgets - Principles**

## **Philadelphia Gas Works: Capital Budgets - Principles**

**Adopted:** Gas Commission Meeting Held June 19, 2001

**Revised:** Gas Commission Meeting Held September 20, 2004

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### **Principle #1**

- 1.1. These principles of capital budgeting shall apply to the Philadelphia Gas Works. Adherence to these principles is required unless strict compliance would cause detriment to PGW ratepayers. Any non-compliance with these principles must be approved by the Philadelphia Gas Commission or its designee.
- 1.2. The Philadelphia Gas Works capital budget is a line item financial budget. The term “line item” includes any and all components related to identifying a program within the capital budget as well as the derivation of total projected capital cost for such program. The term “capital budget category” shall be synonymous with the term “line item”.

### **Principle #2**

- 2.1. A line item will have a definite lifespan indicated by spending years referenced in spending authorizations approved by the City Council.
- 2.2. The numerical code used to identify line items in approved capital budgets (e.g., “#52-20-1-01, Distribution Department, High Pressure Load Addition”) shall remain unchanged throughout the life of the capital budget to which the line item belongs and shall be traceable to its assigned work order(s).
- 2.3. Line items of a “miscellaneous” or “contingency” denomination or nature shall be work ordered only for an identified project. Further, the specific project shall be work ordered in a manner that traces such project to the “miscellaneous” or “contingency” line item in an approved capital budget.
- 2.4. The total capital budget spending authorization approved by City Council for a specific line item shall not be exceeded. Further, the total capital budget spending authorization approved by the City Council for all line items in the aggregate shall not be exceeded, without further authorization by City Council. If PGW is in danger of exceeding a spending authorization for a line item, a departmental capital budget or for a PGW-wide capital budget, PGW must notify the Gas Commission of this possibility as soon as possible with justification for the potential overrun prior to the spending authorization’s being exceeded.
- 2.5. PGW shall propose an amendment to the Capital Budget for which any overspending on a capital budget spending authorization is anticipated; provided, however, that the proposed amended Capital Budget shall be transmitted to the Gas Commission and the Finance Director for their recommendations thereon,

and the Gas Commission shall transmit such proposed amended Capital Budget together with both recommendations thereon to City Council for final action.

**Principle #3**

- 3.1. Capital budget line items are to be developed so that the projected timing of the expenditures realistically matches the budget year.
- 3.2. Multi-year capital projects will be divided into phases. Each phase shall be submitted as a line item for the capital budget applicable to the fiscal year when funds will be required.
- 3.3. Where spending is expected to occur across multiple fiscal years and the indivisible nature of the capital project defining a line item necessitates the approval of the total program authorization proposed, spending approval will be granted on an individual fiscal year to fiscal year basis.

**Principle #4**

- 4.1. Where capital work related to an approved line item has not adequately progressed, such line item must be reviewed as to whether or not it is still necessary and shall be closed if it is determined that the line item is not necessary. If a closed line item is determined to be necessary at a later date, a line item shall be resubmitted as part of a future capital budget proposal.

**Principle #5**

- 5.1. If the nature or cost of capital work for an approved line item has changed significantly, the line item shall be resubmitted to the Gas Commission as part of a future capital budget proposal or as a modification to a proposed or approved capital budget.
- 5.2. A “significant change” to an approved line item shall include instances where the scope and requirements of a project have changed materially.
- 5.3. Principles 5.1. and 5.2. shall not apply where the total projected cost of a line item is lower than approved.

**Principle #6**

[RESERVED]

**Principle #7**

- 7.1. Capital budget line items when proposed to the Gas Commission shall be accompanied by explanatory project detail whereby such line items are fully and

meaningfully described and explained. Project Detail shall substantiate line items by incorporating applicable documentation, calculations, and any other related derivational parameters so as to leave the reader reasonably informed as to the justification for the project.

- 7.2. Questions as to whether items of information should logically be included in Project Detail shall be resolved in favor of inclusion. PGW is encouraged to work with the Gas Commission's staff and the Public Advocate to minimize redundancy or arguable irrelevance in Project Detail disclosure.

### **Principle #8**

#### **8.1. Priority 1 Projects (Safety)**

**8.1.1.** Such projects will reflect capital investment critical to ensuring public safety, the integrity of PGW's facilities, and/or the safety of PGW's employees.

**8.1.2.** No cost/benefit analysis is required to satisfy any safety consideration associated with such projects. However, a cost/benefit justification is required for that part of a project which exceeds minimum requirements to achieve an acceptable level of risk.

#### **8.2. Priority 2 Projects (Reliability)**

**8.2.1.** Such projects will reflect capital investment essential to maintaining the reliability of PGW's facilities in proper working condition as defined by accepted engineering practices. Included in this priority category is the replacement of facilities approaching the end of their useful life (and which need to be upgraded or replaced for reliability considerations).

**8.2.2.** Such projects require cost/benefit or risk assessment of potential impact.

#### **8.3. Priority 3 Projects (Enforced Relocations)**

**8.3.1.** Such projects reflect capital investment that is based upon forecasted city, state, or federal mandated projects as well as those of other agencies or utilities that have a direct impact on PGW facilities. Such projects include the replacement of facilities resulting from enforced relocations.

**8.3.2.** Such projects require documentation (obtained through a due diligence effort) of the reason(s) for relocation.

#### **8.4. Priority 4 Projects (Load Growth)**

- 8.4.1.** Such projects reflect capital investment required to provide new or additional facilities to customers.
  - 8.4.2.** Such projects require a payback-oriented cost/benefit analysis.
- 8.5.** Priority 5 Projects (Improved Efficiency and Discretionary)
  - 8.5.1.** Such projects reflect capital investment that offers opportunity to improve efficiency of operations and subsequent reduction in future operating costs.
  - 8.5.2.** Such projects require cost/benefit analysis and the identification of consequences from delaying such project.