

Exhibit #1

Compliance FY 2022 Capital Budget Proposal, associated Financing Plan, and Revised Five Year Forecast of Capital Budgets for FY 2023 – FY 2027.

PHILADELPHIA GAS WORKS

FISCAL 2023 COMPLIANCE CAPITAL BUDGET

AND

FORECAST FISCAL 2024 - 2028

WITH

FISCAL 2023 FINANCING PLAN

APRIL 26, 2022



PHILADELPHIA GAS WORKS

COMPLIANCE

CAPITAL BUDGET

FISCAL YEAR 2023 AND FORECAST 2024 THROUGH 2028

	COMPLIANCE 2023 <u>CAPITAL BUDGET</u>	2024 - 2028 <u>FORECAST</u>	<u>TOTAL 6 YEARS</u>
<u>GAS PROCESSING</u>			
ADDITIONS	637,000	420,000	1,057,000
REPLACEMENTS	<u>26,487,000</u>	<u>242,933,000</u>	<u>269,420,000</u>
TOTAL	<u>27,124,000</u>	<u>243,353,000</u>	<u>270,477,000</u>
<u>DISTRIBUTION</u>			
ADDITIONS	18,711,000	93,841,000	112,552,000
REPLACEMENTS	<u>94,883,000</u>	<u>500,698,000</u>	<u>595,581,000</u>
GROSS TOTAL	113,594,000	594,539,000	708,133,000
LESS: SALVAGE			
LESS: CONTRIBUTIONS*			
LESS: REIMBURSEMENTS**	<u>(6,025,000)</u>	<u>(28,830,000)</u>	<u>(34,855,000)</u>
NET TOTAL	<u>107,569,000</u>	<u>565,709,000</u>	<u>673,278,000</u>
<u>FIELD SERVICES</u>			
ADDITIONS	2,845,000	18,164,000	21,009,000
REPLACEMENTS	<u>4,987,000</u>	<u>109,356,000</u>	<u>114,343,000</u>
GROSS TOTAL	7,832,000	127,520,000	135,352,000
LESS: SALVAGE			
LESS: CONTRIBUTIONS*			
NET TOTAL	<u>7,832,000</u>	<u>127,520,000</u>	<u>135,352,000</u>
<u>FLEET OPERATIONS</u>			
ADDITIONS			
REPLACEMENTS	<u>7,826,000</u>	<u>32,073,000</u>	<u>39,899,000</u>
GROSS TOTAL	7,826,000	32,073,000	39,899,000
LESS: SALVAGE			
NET TOTAL	<u>7,826,000</u>	<u>32,073,000</u>	<u>39,899,000</u>

PHILADELPHIA GAS WORKS

COMPLIANCE

CAPITAL BUDGET

FISCAL YEAR 2023 AND FORECAST 2024 THROUGH 2028

	COMPLIANCE 2023 <u>CAPITAL BUDGET</u>	2024 - 2028 <u>FORECAST</u>	<u>TOTAL 6 YEARS</u>
<u>OTHER DEPARTMENTS</u>			
ADDITIONS	4,319,000	1,261,000	5,580,000
REPLACEMENTS	<u>26,658,000</u>	<u>14,650,000</u>	<u>41,308,000</u>
TOTAL	<u>30,977,000</u>	<u>15,911,000</u>	<u>46,888,000</u>
<u>TOTAL</u>			
ADDITIONS	26,512,000	113,686,000	140,198,000
REPLACEMENTS	<u>160,841,000</u>	<u>899,710,000</u>	<u>1,060,551,000</u>
GROSS TOTAL	187,353,000	1,013,396,000	1,200,749,000
LESS: SALVAGE			
LESS: REIMBURSEMENTS**	(6,025,000)	(28,830,000)	(34,855,000)
LESS: CONTRIBUTIONS*			
NET TOTAL	<u>181,328,000</u>	<u>984,566,000</u>	<u>1,165,894,000</u>

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

*** FISCAL YEAR 2022 AMENDED COMPLIANCE BUDGET IS FILED WITH THE GAS COMMITTEE PER MOTION AND AWAITING CITY COUNCIL APPROVAL.

PHILADELPHIA GAS WORKS
COMPLIANCE CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

<u>DEPARTMENT</u>	<u>2022 COMPL BUDGET</u>	<u>2023 FORECAST</u>	<u>2023 BUDGET</u>	<u>2023</u>	<u>2022</u>	<u>2023 BUD vs 2023 FORECAST</u>	
				<u>BUDGET vs AMOUNT DIFFERENCE</u>	<u>COMPL BUDGET PERCENT DIFFERENCE</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>
<u>GAS PROCESSING</u>							
ADDITIONS	1,057,000	192,000	637,000	(420,000)	-39.7%	445,000	231.8%
REPLACEMENTS	<u>9,023,000</u>	<u>9,983,000</u>	<u>26,487,000</u>	<u>17,464,000</u>	<u>193.5%</u>	<u>16,504,000</u>	<u>165.3%</u>
TOTAL GAS PROCESSING	10,080,000	10,175,000	27,124,000	17,044,000	169.1%	16,949,000	166.6%
<u>DISTRIBUTION</u>							
ADDITIONS	16,362,000	16,754,000	18,711,000	2,349,000	14.4%	1,957,000	11.7%
REPLACEMENTS	<u>91,521,000</u>	<u>92,801,000</u>	<u>94,883,000</u>	<u>3,362,000</u>	<u>3.7%</u>	<u>2,082,000</u>	<u>2.2%</u>
GROSS TOTAL DISTRIBUTION	107,883,000	109,555,000	113,594,000	5,711,000	5.3%	4,039,000	3.7%
LESS: SALVAGE					N/A		N/A
LESS: CONTRIBUTIONS*					N/A		N/A
LESS: REIMBURSEMENT**	<u>(4,804,000)</u>	<u>(4,903,000)</u>	<u>(6,025,000)</u>	<u>(1,221,000)</u>	<u>25.4%</u>	<u>(1,122,000)</u>	<u>22.9%</u>
NET TOTAL DISTRIBUTION	103,079,000	104,652,000	107,569,000	4,490,000	4.4%	2,917,000	2.8%
<u>FIELD SERVICES</u>							
ADDITIONS	3,208,000	3,331,000	2,845,000	(363,000)	-11.3%	(486,000)	-14.6%
REPLACEMENTS	<u>5,398,000</u>	<u>5,406,000</u>	<u>4,987,000</u>	<u>(411,000)</u>	<u>-7.6%</u>	<u>(419,000)</u>	<u>-7.8%</u>
GROSS TOTAL FIELD SERVICES	8,606,000	8,737,000	7,832,000	(774,000)	-9.0%	(905,000)	-10.4%
LESS: SALVAGE					N/A		N/A
LESS: CONTRIBUTIONS*					N/A		N/A
NET TOTAL FIELD SERVICES	8,606,000	8,737,000	7,832,000	(774,000)	-9.0%	(905,000)	-10.4%

PHILADELPHIA GAS WORKS
COMPLIANCE CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

<u>DEPARTMENT</u>	<u>2022 COMPL BUDGET</u>	<u>2023 FORECAST</u>	<u>2023 BUDGET</u>	<u>2023</u>	<u>2022</u>	<u>2023 BUD vs 2023 FORECAST</u>	
				<u>BUDGET vs AMOUNT DIFFERENCE</u>	<u>COMPL BUDGET PERCENT DIFFERENCE</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>
<u>FLEET OPERATIONS</u>							
ADDITIONS	-	-	-	-	N/A	-	N/A
REPLACEMENTS	<u>4,138,000</u>	<u>4,560,000</u>	<u>7,826,000</u>	<u>3,688,000</u>	<u>89.1%</u>	<u>3,266,000</u>	<u>71.6%</u>
GROSS TOTAL FLEET OPERATIONS	4,138,000	4,560,000	7,826,000	3,688,000	89.1%	3,266,000	71.6%
LESS: SALVAGE					N/A		N/A
NET TOTAL TRANSPORTATION	4,138,000	4,560,000	7,826,000	3,688,000	89.1%	3,266,000	71.6%
<u>OTHER</u>							
ADDITIONS	3,232,000	238,000	4,319,000	1,087,000	33.6%	4,081,000	1714.7%
REPLACEMENTS	<u>13,540,000</u>	<u>10,682,000</u>	<u>26,658,000</u>	<u>13,118,000</u>	<u>96.9%</u>	<u>15,976,000</u>	<u>149.6%</u>
TOTAL OTHER	16,772,000	10,920,000	30,977,000	14,205,000	84.7%	20,057,000	183.7%
<u>TOTAL</u>							
ADDITIONS	23,859,000	20,515,000	26,512,000	2,653,000	11.1%	5,997,000	29.2%
REPLACEMENTS	<u>123,620,000</u>	<u>123,432,000</u>	<u>160,841,000</u>	<u>37,221,000</u>	<u>30.1%</u>	<u>37,409,000</u>	<u>30.3%</u>
GROSS TOTAL	147,479,000	143,947,000	187,353,000	39,874,000	27.0%	43,406,000	30.2%
LESS: SALVAGE					N/A		N/A
LESS: REIMBURSEMENT**	(4,804,000)	(4,903,000)	(6,025,000)	(1,221,000)	25.4%	(1,122,000)	22.9%
LESS: CONTRIBUTIONS*					N/A		N/A
NET TOTAL	<u>142,675,000</u>	<u>139,044,000</u>	<u>181,328,000</u>	<u>38,653,000</u>	<u>27.1%</u>	<u>42,284,000</u>	<u>30.4%</u>

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
 SUMMARY 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	26,512,000	24,144,000	160,841,000	110,758,000	187,353,000	134,902,000
YEAR 1	-	2,368,000	-	39,344,000	-	41,712,000
YEAR 2	-	-	-	6,680,000	-	6,680,000
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	<u>26,512,000</u>	<u>26,512,000</u>	<u>160,841,000</u>	<u>156,782,000</u>	<u>187,353,000</u>	<u>183,294,000</u>

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2023 COMPLIANCE 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	-	532,000	-	532,000
53-02 SUPPLEMENTAL GAS FACILITIES	559,000	25,612,000	-	26,171,000
53-03 BUILDING AND GROUNDS	-	-	-	-
53-04 MISC CAPITAL REQUIREMENTS	78,000	283,000	-	361,000
REAUTHORIZATIONS	-	60,000	-	60,000
 TOTAL GAS PROCESSING	 <u>637,000</u>	 <u>26,487,000</u>	 <u>-</u>	 <u>27,124,000</u>

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

CATEGORY		2022 COMPL	2023	2023	2023	2022	2023 BUD vs 2023 FORECAST	
		BUDGET	FORECAST	BUDGET	\$ DIFF.	% DIFF.	\$ DIFF.	% DIFF.
53-01	NATURAL GAS							
	ADDITIONS	-	-	-	-	N/A	0	N/A
	REPLACEMENTS	-	2,100,000	532,000	532,000	N/A	(1,568,000)	-74.7%
	CONTROL FACILITIES							
	TOTAL	-	2,100,000	532,000	532,000	N/A	(1,568,000)	-74.7%
53-02	SUPPLEMENTAL GAS							
	ADDITIONS	958,000	91,000	559,000	(399,000)	-41.6%	468,000	514.3%
	REPLACEMENTS	7,635,000	7,600,000	25,612,000	17,977,000	235.5%	18,012,000	237.0%
	TOTAL	8,593,000	7,691,000	26,171,000	17,578,000	204.6%	18,480,000	240.3%
53-03	BUILDING AND							
	ADDITIONS	-	-	-	-	N/A	0	N/A
	REPLACEMENTS	1,112,000	-	-	(1,112,000)	-100.0%	0	N/A
	GROUND							
	TOTAL	1,112,000	-	-	(1,112,000)	-100.0%	0	N/A
53-04	MISC CAPITAL							
	ADDITIONS	99,000	101,000	78,000	(21,000)	-21.2%	(23,000)	-22.8%
	REPLACEMENTS	276,000	283,000	283,000	7,000	2.5%	0	0.0%
	TOTAL	375,000	384,000	361,000	(14,000)	-3.7%	(23,000)	-6.0%
	TOTAL GAS PROCESSING	10,080,000	10,175,000	27,124,000	17,044,000	169.1%	16,949,000	166.6%

GAS PROCESSING DEPARTMENT
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

<u>P</u>			<u>AMOUNT</u>
	<u>GP-1</u>	<u>NATURAL GAS MEASUREMENT AND CONTROL FACILITIES</u>	
1	53-01-2-04	REPLACE NATUAL GAS DRIVEN POSITIONERS AND ACTUATORS	532,000
		TOTAL GP-1	<u><u>532,000.00</u></u>
	<u>GP-2</u>	<u>SUPPLEMENTAL GAS FACILITIES</u>	
2	53-02-2-01	EXPANDER LIQUEFIER TSA SYSTEM UPGRADES -RICHMOND	-
2	53-02-1-02	ADD CAMERAS TO THE LNG TANK DIKE AREA - PASSYUNK	107,000
1	53-02-2-03	REPLACE LNG SWITCHGEAR - RICHMOND	3,826,000
1	53-02-2-04	HAZZARD DETECTION NON PROCESS AREAS	4,705,000
1	53-02-2-05	REPL PRODUCT RECOVERY TANK AND OIL/WATER SEPRATOR - PASSYUNK	489,000
1	53-02-1-06	BOILOFF MOBILE ODORANT NO. 2 RUN - RICHMOND	452,000
2	53-02-2-08	REPLACE THE EXPANDER PLANT COLD BOX	14,500,000
1	53-02-2-10	SPLIT HAZARD DETECTION LOOP - RICHMOND	549,000
2	53-02-2-12	REPLACE FIBER OPTIC - PASSYUNK	1,543,000
		TOTAL GP-2	<u><u>26,171,000</u></u>
	<u>GP-4</u>	<u>MISCELLANEOUS CAPITAL REQUIREMENTS</u>	
1	53-04-1-01	MISCELLANEOUS CAPITAL ADDITIONS	78,000
1	53-04-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS	283,000
		TOTAL GP-4	<u><u>361,000</u></u>
		2021 REAUTHORIZATION	
1	53-02-2-22	ISOLATE PIPING #77 BUILDING BASEMENT - RICHMOND	60,000
		TOTAL REAUTHORIZATION	<u><u>60,000</u></u>
		TOTAL GAS PROCESSING DEPARTMENT	<u><u>27,124,000</u></u>

GAS PROCESSING DEPARTMENT
LISTING BY PRIORITY
FISCAL 2023 COMPLIANCE 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>PRIORITY 1</u>							
1	GP-1	53-01-2-04	REPLACE NATUAL GAS DRIVEN POSITIONERS AND ACTUATORS	532,000	474,000	58,000	-	-
1	GP-2	53-02-2-03	REPLACE LNG SWITCHGEAR - RICHMOND	3,826,000	2,085,000	1,741,000	-	-
1	GP-2	53-02-2-04	HAZZARD DETECTION NON PROCESS AREAS	4,705,000	4,705,000	-	-	-
1	GP-2	53-02-2-05	REPL PRODUCT RECOVERY TANK AND OIL/WATER SEPRATOR - PASSYUNK	489,000	489,000	-	-	-
1	GP-2	53-02-1-06	BOILOFF MOBILE ODORANT NO. 2 RUN - RICHMOND	452,000	452,000	-	-	-
2	GP-2	53-02-2-08	REPLACE THE EXPANDER PLANT COLD BOX	14,500,000	3,757,000	4,063,000	6,680,000	-
1	GP-3	53-02-2-10	SPLIT HAZARD DETECTION LOOP - RICHMOND	549,000	152,000	397,000	-	-
2	GP-3	53-02-2-12	REPLACE FIBER OPTIC - PASSYUNK	1,543,000	1,543,000	-	-	-
1	GP-2	53-04-1-01	MISCELLANEOUS CAPITAL ADDITIONS	78,000	78,000	-	-	-
1	GP-2	53-04-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS	283,000	283,000	-	-	-
	<u>PRIORITY 2</u>							
2	GP-2	53-02-2-01	EXPANDER LIQUEFIER TSA SYSTEM UPGRADES -RICHMOND	-	-	-	-	-
2	GP-2	53-02-1-02	ADD CAMERAS TO THE LNG TANK DIKE AREA - PASSYUNK	107,000	107,000	-	-	-
TOTAL GAS PROCESSING DEPARTMENT:				27,124,000	14,185,000	6,259,000	6,680,000	-

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
 GAS PROCESSING 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	637,000	637,000	26,487,000	13,548,000	27,124,000	14,185,000
YEAR 1	-	-	-	6,259,000	-	6,259,000
YEAR 2	-	-	-	6,680,000	-	6,680,000
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	637,000	637,000	26,487,000	26,487,000	27,124,000	27,124,000

DISTRIBUTION DEPARTMENT
FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET

SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>GROSS TOTAL</u>	<u>REIMBURSEM ENT**</u>	<u>NET TOTAL</u>
52-20 GAS MAINS - HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)	5,665,000	1,348,000	7,013,000	-	7,013,000
52-21 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8 INCH AND SMALLER	2,615,000	64,202,000	66,817,000	(4,319,000)	62,498,000
52-22 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 12 INCH AND LARGER	178,000	2,792,000	2,970,000	(1,706,000)	1,264,000
52-23 CUST MTR & REG INSTALL, PRESSURE REGULATION & CORROSION CONTROL FACILITIES	397,000	2,651,000	3,048,000	-	3,048,000
52-24 SERVICES	9,566,000	19,472,000	29,038,000	-	29,038,000
52-25 CONDITIONED RESERVED	-	3,309,000	3,309,000	-	3,309,000
52-29 OTHER DISTRIBUTION FACILITIES	290,000	1,109,000	1,399,000	-	1,399,000
TOTAL DISTRIBUTION	18,711,000	94,883,000	113,594,000	(6,025,000)	107,569,000

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

DISTRIBUTION DEPARTMENT
FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

CATEGORY	2022 COMPL BUDGET	2023 FORECAST	2023 BUDGET	2023		2022		2023 BUD vs 2023	
				BUDGET vs \$ DIFF.	COMPL BUDGET % DIFF.	COMPL BUDGET \$ DIFF.	FORECAST % DIFF.		
52-20 GAS MAINS - HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)	3,096,000	3,170,000	5,665,000	2,569,000	83.0%	2,495,000	78.7%		
REPLACEMENTS	<u>1,377,000</u>	<u>1,410,000</u>	<u>1,348,000</u>	<u>(29,000)</u>	<u>-2.1%</u>	<u>(62,000)</u>	<u>-4.4%</u>		
TOTAL	4,473,000	4,580,000	7,013,000	2,540,000	56.8%	2,433,000	53.1%		
52-21 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8 INCH AND SMALLER	2,734,000	2,800,000	2,615,000	(119,000)	-4.4%	(185,000)	-6.6%		
REPLACEMENTS	<u>62,803,000</u>	<u>63,422,000</u>	<u>64,202,000</u>	<u>1,399,000</u>	<u>2.2%</u>	<u>780,000</u>	<u>1.2%</u>		
TOTAL	65,537,000	66,222,000	66,817,000	1,280,000	2.0%	595,000	0.9%		
52-22 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 12 INCH AND LARGER	225,000	230,000	178,000	(47,000)	-20.9%	(52,000)	-22.6%		
REPLACEMENTS	<u>2,191,000</u>	<u>2,243,000</u>	<u>2,792,000</u>	<u>601,000</u>	<u>27.4%</u>	<u>549,000</u>	<u>24.5%</u>		
TOTAL	2,416,000	2,473,000	2,970,000	554,000	22.9%	497,000	20.1%		
52-23 CUST MTR & REG INST, PRESSURE REGULA- TION AND CORROSION CONTROL FACILITIES	405,000	415,000	397,000	(8,000)	-2.0%	(18,000)	-4.3%		
REPLACEMENTS	<u>1,011,000</u>	<u>1,035,000</u>	<u>2,651,000</u>	<u>1,640,000</u>	<u>162.2%</u>	<u>1,616,000</u>	<u>156.1%</u>		
TOTAL	1,416,000	1,450,000	3,048,000	1,632,000	115.3%	1,598,000	110.2%		
52-24 SERVICES	9,777,000	10,011,000	9,566,000	(211,000)	-2.2%	(445,000)	-4.4%		
REPLACEMENTS	<u>19,775,000</u>	<u>20,249,000</u>	<u>19,472,000</u>	<u>(303,000)</u>	<u>-1.5%</u>	<u>(777,000)</u>	<u>-3.8%</u>		
TOTAL	29,552,000	30,260,000	29,038,000	(514,000)	-1.7%	(1,222,000)	-4.0%		
52-25 CONDITIONED FUDNING RESERVED	3,142,000	3,191,000	3,309,000	167,000	5.3%	118,000	3.7%		
52-29 OTHER DISTRIBUTION FACILITIES	125,000	128,000.00	290,000	165,000	132.0%	162,000.00	126.6%		
REPLACEMENTS	<u>1,222,000</u>	<u>1,251,000</u>	<u>1,109,000</u>	<u>(113,000)</u>	<u>-9.2%</u>	<u>(142,000)</u>	<u>-11.4%</u>		
TOTAL	1,347,000	1,379,000	1,399,000	52,000	3.9%	20,000	1.5%		
GROSS TOTAL DISTRIBUTION DEPARTMENT	107,883,000	109,555,000	113,594,000	5,711,000	5.3%	4,039,000	3.7%		
52-99 COST OF REMOVAL AND ABANDONMENT	-	-	-	-	N/A	-	N/A		
LESS: SALVAGE	-	-	-	-	N/A	-	N/A		
LESS: CONTRIBUTIONS*	-	-	-	-	N/A	-	N/A		
LESS: REIMBURSEMENT**	<u>(4,804,000)</u>	<u>(4,903,000)</u>	<u>(6,025,000)</u>	<u>(1,221,000)</u>	<u>25.4%</u>	<u>(1,122,000)</u>	<u>22.9%</u>		
NET TOTAL DISTRIBUTION	<u>103,079,000</u>	<u>104,652,000</u>	<u>107,569,000</u>	<u>4,490,000</u>	<u>4.4%</u>	<u>2,917,000</u>	<u>2.8%</u>		

* DISTRIBUTION DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

DISTRIBUTION DEPARTMENT
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

<u>P</u>		<u>AMOUNT</u>	<u>FEET UNITS</u>
	<u>D-20</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	5,665,000	14,250
3	52-20-2-01 ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK	1,348,000	1,350
	GROSS TOTAL D-20	7,013,000	
52-20-2-97	LESS: REIMBURSEMENT**		
	LESS: POTENTIAL CUSTOMER CONTRIBUTIONS		
	NET TOTAL D-20	7,013,000	
	<u>D-21</u> <u>GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8 INCH AND SMALLER</u>		
4	52-21-1-01 MAINS TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INCREASED CAPACITY	2,615,000	11,196
3	52-21-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK	5,047,000	22,771
1	52-21-2-02 PRUDENT MAIN REPLACEMENTS	21,155,000	79,249
1	52-21-2-03 LONG TERM INFRASTRUCTURE PLAN - DSIC	38,000,000	
	GROSS TOTAL D-21	66,817,000	
52-21-2-97	LESS: REIMBURSEMENT**	(4,319,000)	
	NET TOTAL D-21	62,498,000	

DISTRIBUTION DEPARTMENT
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

<u>P</u>		<u>AMOUNT</u>	<u>FEET UNITS</u>
	<u>D-22</u> <u>GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 12 INCH AND LARGER</u>		
4	52-22-1-01 TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INSTALLATION OF MAINS AHEAD-OF-PAVING	178,000	14
3	52-22-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK	896,000	3,014
3	52-22-2-02 MAIN FOR MAJOR ENFORCED RELOCATION	1,896,000	
	GROSS TOTAL D-22	<u>2,970,000</u>	
	LESS: REIMBURSEMENT**	(1,706,000)	
	NET TOTAL D-22	<u><u>1,264,000</u></u>	
	<u>D-23</u> <u>CUSTOMER METERING & REGULATOR INSTALLATION, AND PRESSURE REGULATION & CORROSION CONTROL FACILITIES (NOT INCLUDED IN D-20 OR D-22)</u>		
4	52-23-1-01 CUSTOMER METERING AND REGULATOR INSTALLATION	397,000	
1	52-23-2-01 REPLACEMENT/REHABILITATION OF HIGH PRESSURE MAIN VALVES	773,000	
2	52-23-2-02 REPLACEMENT OF VARIOUS PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	1,878,000	
	GROSS TOTAL D-23	<u>3,048,000</u>	
	LESS: REIMBURSEMENT**		
	LESS: POTENTIAL CUSTOMER CONTRIBUTIONS*		
	NET TOTAL D-23	<u><u>3,048,000</u></u>	

DISTRIBUTION DEPARTMENT
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

<u>P</u>	<u>AMOUNT</u>	<u>FEET UNITS</u>	
<u>D-24 SERVICES</u>			
4 52-24-1-01	INSTALLATION OF NEW 1-1/4" AND SMALLER SERVICES, HIGH, INTERMEDIATE AND LOW PRESSURE	7,120,000	2,027
4 52-24-1-02	INSTALLATION OF NEW 2 INCH AND LARGER SERVICES, HIGH, INTERMEDIATE AND LOW PRESSURE	2,446,000	183
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	18,393,000	8,950
1 52-24-2-02	RENEWAL OF 2" AND LARGER SERVICES	1,079,000	110
	GROSS TOTAL D-24	29,038,000	
	LESS: REIMBURSEMENT**		
	NET TOTAL D-24	<u>29,038,000</u>	
<u>D-25 CONDITIONED FUNDING</u>			
1 52-25-2-01	CONDITIONED FUNDING RESERVED	3,309,000	
	NET TOTAL D-25	<u>3,309,000</u>	
<u>D-29 OTHER DISTRIBUTION FACILITIES</u>			
2 52-29-1-01	ADDITIONAL TOOLS AND WORK EQUIPMENT	290,000	
2 52-29-2-01	REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK EQUIPMENT	1,109,000	
	NET TOTAL D-29	<u>1,399,000</u>	
	GROSS TOTAL DISTRIBUTION DEPARTMENT	113,594,000	
	LESS: REIMBURSEMENT**	(6,025,000)	
	LESS: POTENTIAL CUSTOMER CONTRIBUTIONS*		
52-98-2-98	LESS: SALVAGE		
	NET TOTAL DISTRIBUTION DEPARTMENT	<u>107,569,000</u>	

* DISTRIBUTION DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

DISTRIBUTION DEPARTMENT

FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET

DISTRIBUTION COMPRESSED CATEGORIES

<u>CATEGORIES</u>	2022 COMPL BUDGET	2023 FORECAST	2023 BUDGET
MAIN ADDITIONS	6,055,000	6,200,000	8,458,000
MAIN REPLACEMENTS	66,371,000	67,075,000	68,342,000
SERVICE ADDITIONS	9,777,000	10,011,000	9,566,000
SERVICE REPLACEMENTS	19,775,000	20,249,000	19,472,000
METER/REGULATOR/CORROSION	1,416,000	1,450,000	3,048,000
TOOLS	1,347,000	1,379,000	1,399,000
CONDITIONED FUNDING RESERVE	3,142,000	3,191,000	3,309,000
<u>GROSS TOTAL DISTRIBUTION</u>	<u>107,883,000</u>	<u>109,555,000</u>	<u>113,594,000</u>

DISTRIBUTION DEPARTMENT
LISTING BY PRIORITY
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

<u>P</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>FEET UNITS</u>	<u>BUDGET YR</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
<u>PRIORITY 1</u>							
1	D-21 52-21-2-02 PRUDENT MAIN REPLACEMENTS	21,155,000	79,249	14,605,000	6,550,000	-	-
1	D-21 52-21-2-03 LONG TERM INFRASTRUCTURE PLAN - DSIC	38,000,000		20,155,000	17,845,000	-	-
1	D-23 52-23-2-01 REPLACEMENT/REHABILITATION OF HIGH PRESSURE MAIN VALVES	773,000		773,000	-	-	-
1	D-24 52-24-2-02 RENEWAL OF 2" AND LARGER SERVICES	1,079,000	110	822,000	257,000	-	-
1	D-24 52-24-2-01 RENEWAL OF 1-1/4" AND SMALLER SERVICES FOR PRUDENT	18,393,000	8,950	15,751,000	2,642,000	-	-
1	D-25 52-25-2-01 CONDITIONED FUNDING RESERVED	3,309,000		-	-	-	-
<u>PRIORITY 2</u>							
2	D-23 52-23-2-02 REPLACEMENT OF VARIOUS PRESSURE REGULATING AND	1,878,000		1,433,000	445,000	-	-
2	D-29 52-29-1-01 ADDITIONAL TOOLS AND WORK EQUIPMENT	290,000		290,000	-	-	-
2	D-29 52-29-2-01 REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK	1,109,000		664,000	445,000	-	-

DISTRIBUTION DEPARTMENT
LISTING BY PRIORITY
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

<u>P</u>	<u>CATEGORY</u>	<u>AMOUNT</u>	<u>FEET UNITS</u>	<u>BUDGET YR</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>
<u>PRIORITY 3</u>							
3	D-20 52-20-2-01 ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK	1,348,000	1,350	1,348,000	-	-	-
3	D-21 52-21-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER	5,047,000	22,771	4,261,000	786,000	-	-
3	D-22 52-22-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER	896,000	3,014	896,000	-	-	-
3	D-22 52-22-2-02 MAIN FOR MAJOR ENFORCED RELOCATION	1,896,000		1,896,000	-	-	-
<u>PRIORITY 4</u>							
4	D-20 52-20-1-01 INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND	5,665,000	14,250	4,192,000	1,473,000	-	-
4	D-21 52-21-1-01 MAINS TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR	2,615,000	11,196	2,301,000	314,000	-	-
4	D-23 52-23-1-01 CUSTOMER METERING AND REGULATOR INSTALLATION	397,000		397,000	-	-	-
4	D-22 52-22-1-01 TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR	178,000	14	178,000	-	-	-
4	D-24 52-24-1-01 INSTALLATION OF NEW 1-1/4" AND SMALLER SERVICES, HIGH,	7,120,000	2,027	7,047,000	73,000	-	-
4	D-24 52-24-1-02 INSTALLATION OF NEW 2 INCH AND LARGER SERVICES, HIGH,	2,446,000	183	2,323,000	123,000	-	-
TOTAL DISTRIBUTION DEPARTMENT:		<u>113,594,000</u>		<u>79,332,000</u>	<u>30,953,000</u>	-	-

PHILADELPHIA GAS WORKS
FISCAL YEAR 2023 COMPLIANCE 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	18,711,000	16,728,000	94,883,000	62,604,000	113,594,000	79,332,000
YEAR 1	-	1,983,000	-	28,970,000	-	30,953,000
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	18,711,000	18,711,000	94,883,000	91,574,000	113,594,000	110,285,000

FIELD SERVICES DEPARTMENT
FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>TOTAL</u>
50-30 METERS & INSTALLATION	2,441,000	3,348,000	5,789,000
50-32 SERVICE REGULATORS AND INSTALLATION	79,000	56,000	135,000
50-33 COMMERCIAL & INDUSTRIAL TELEMETERING SYSTEMS	79,000	73,000	152,000
50-34 METER SHOP EQUIPMENT	-	71,000	71,000
50-36 AUTOMATIC METER READING	<u>246,000</u>	<u>1,439,000</u>	<u>1,685,000</u>
GROSS TOTAL FIELD SERVICES	2,845,000	4,987,000	7,832,000
LESS: SALVAGE LESS: CONTRIBUTIONS*	<u> </u>	<u> </u>	<u> </u>
NET TOTAL FIELD SERVICES	<u><u>2,845,000</u></u>	<u><u>4,987,000</u></u>	<u><u>7,832,000</u></u>

* FIELD SERVICES DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

FIELD SERVICES DEPARTMENT
FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

CATEGORY		2022 COMPL	2023	2023	2023	2022	2023 BUD vs 2023 FORECAST	
		BUDGET	FORECAST	BUDGET	DIFFERENCE	COMPL BUDGET	\$	%
50-30	METERS							
	ADDITIONS	2,831,000	2,910,000	2,441,000	(390,000)	-13.8%	(469,000)	-16.1%
	REPLACEMENTS	<u>3,696,000</u>	<u>3,651,000</u>	<u>3,348,000</u>	<u>(348,000)</u>	<u>-9.4%</u>	<u>(303,000)</u>	<u>-8.3%</u>
	TOTAL	6,527,000	6,561,000	5,789,000	(738,000)	-11.3%	(772,000)	-11.8%
50-32	SERVICE REGULATORS AND INSTALLATIONS							
	ADDITIONS	113,000	93,000	79,000	(34,000)	-30.1%	(14,000)	-15.1%
	REPLACEMENTS	<u>71,000</u>	<u>72,000</u>	<u>56,000</u>	<u>(15,000)</u>	<u>-21.1%</u>	<u>(16,000)</u>	<u>-22.2%</u>
	TOTAL	184,000	165,000	135,000	(49,000)	-26.6%	(30,000)	-18.2%
50-33	TELEMETERING AND INSTALLATIONS							
	ADDITIONS	81,000	86,000	79,000	(2,000)	-2.5%	(7,000)	-8.1%
	REPLACEMENTS	<u>65,000</u>	<u>64,000</u>	<u>73,000</u>	<u>8,000</u>	<u>12.3%</u>	<u>9,000</u>	<u>14.1%</u>
	TOTAL	146,000	150,000	152,000	6,000	4.1%	2,000	1.3%
50-34	METER SHOP EQUIPMENT							
	ADDITIONS	-	-	-	-	N/A	-	N/A
	REPLACEMENTS	-	-	<u>71,000</u>	<u>71,000</u>	N/A	<u>71,000.00</u>	<u>N/A</u>
	TOTAL	-	-	71,000	71,000	N/A	71,000.00	N/A
50-36	AUTOMATIC METER READING							
	ADDITIONS	183,000	242,000	246,000	63,000	34.4%	4,000	1.7%
	REPLACEMENTS	<u>1,566,000</u>	<u>1,619,000</u>	<u>1,439,000</u>	<u>(127,000)</u>	<u>-8.1%</u>	<u>(180,000)</u>	<u>-11.1%</u>
	TOTAL	1,749,000	1,861,000	1,685,000	(64,000)	-3.7%	(176,000)	-9.5%
	GROSS TOTAL FIELD SERVICES	8,606,000	8,737,000	7,832,000	(774,000)	-9.0%	(905,000)	-10.4%
	LESS: SALVAGE	-	-	-	-	N/A	-	N/A
	LESS: CONTRIBUTIONS*	-	-	-	-	N/A	-	N/A
	NET TOTAL FIELD SERVICES	<u>8,606,000</u>	<u>8,737,000</u>	<u>7,832,000</u>	<u>(774,000)</u>	<u>-9.0%</u>	<u>(905,000)</u>	<u>-10.4%</u>

* FIELD SERVICES DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

FIELD SERVICES DEPARTMENT
FISCAL 2023 COMPLIANCE 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	2,441,000
5	50-30-2-01	PURCHASE METERS TO SUPPORT AUTOMATIC METER READING	3,348,000
		TOTAL C-30	<u><u>5,789,000</u></u>
	<u>C-32</u>	<u>SERVICE REGULATORS</u>	
4	50-32-1-01	PURCHASE AND INSTALLATION OF SERVICE REGULATORS	79,000
2	50-32-2-01	PURCHASE VARIOUS SIZE SERVICE REGULATORS AS REPLACEMENTS	56,000
		TOTAL C-32	<u><u>135,000</u></u>
	<u>C-33</u>	<u>COMMERCIAL & INDUSTRIAL TELEMETERING SYSTEMS</u>	
4	50-33-1-01	PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	79,000
2	50-33-2-01	REPLACE BPS METSCAN & LBS METRETEK UNITS	73,000
		TOTAL C-33	<u><u>152,000</u></u>
	<u>C-34</u>	<u>METER SHOP EQUIPMENT</u>	
2	50-34-2-01	REPLACEMENT OF OBSOLETE SHOP EQUIPMENT, HAND-HELD TOOLS AND SOFTWARE PACKAGE USED FOR AMR	71,000
		TOTAL C-34	<u><u>71,000</u></u>
	<u>C-36</u>	<u>AUTOMATIC METER READING</u>	
4	50-36-1-01	PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	246,000
5	50-36-2-01	REPLACE AMR DEVICES	1,439,000
		TOTAL C-36	<u><u>1,685,000</u></u>
		GROSS TOTAL FIELD SERVICES DEPARTMENT	7,832,000
50-98-2-98		LESS: ESTIMATED SALVAGE	
		LESS: CONTRIBUTIONS*	
		NET TOTAL FIELD SERVICES DEPARTMENT	<u><u>7,832,000</u></u>

FIELD SERVICES DEPARTMENT
LISTING BY PRIORITY
FISCAL 2023 COMPLIANCE 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>PRIORITY 2</u>						
2	C-32 50-32-2-01 PURCHASE VARIOUS SIZE SERVICE REGULATORS AS REPLACEMENTS	56,000	56,000	-	-	-
2	C-33 50-33-2-01 REPLACE BPS METSCAN & LBS METRETEK UNITS	73,000	73,000	-	-	-
2	C-34 50-34-2-01 REPLACEMENT OF OBSOLETE SHOP EQUIPMENT, HAND-HELD TOOLS AND SOFTWARE P	71,000	71,000	-	-	-
<u>PRIORITY 4</u>						
4	C-30 50-30-1-01 PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR	2,441,000	2,441,000	-	-	-
4	C-32 50-32-1-01 PURCHASE AND INSTALLATION OF SERVICE REGULATORS	79,000	79,000	-	-	-
4	C-33 50-33-1-01 PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	79,000	79,000	-	-	-
4	C-36 50-36-1-01 PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	246,000	246,000	-	-	-
<u>PRIORITY 5</u>						
5	C-30 50-30-2-01 PURCHASE METERS TO SUPPORT AUTOMATIC METER READING	3,348,000	3,348,000	-	-	-
5	C-36 50-36-2-01 REPLACE AMR DEVICES	1,439,000	1,439,000	-	-	-
TOTAL FIELD SERVICES DEPARTMENT:		<u>7,832,000</u>	<u>7,832,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
 FIELD SERVICES DEPARTMENT ESTIMATE OF ENCUMBERANCE 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	2,845,000	2,845,000	4,987,000	4,987,000	7,832,000	7,832,000
YEAR 1	-	-	-	-	-	-
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	<u>2,845,000</u>	<u>2,845,000</u>	<u>4,987,000</u>	<u>4,987,000</u>	<u>7,832,000</u>	<u>7,832,000</u>

FLEET OPERATIONS DEPARTMENT
FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

<u>CATEGORY</u>	<u>2022 COMPL</u> <u>BUDGET</u>	<u>2023</u> <u>FORECAST</u>	<u>2023</u> <u>BUDGET</u>	<u>2023</u>	<u>2022</u>	<u>2023 BUD vs 2023</u>	
				<u>BUDGET vs</u> <u>\$</u> <u>DIFFERENCE</u>	<u>COMPL BUDGET</u> <u>%</u> <u>DIFF.</u>	<u>FORECAST</u> <u>\$</u> <u>DIFFERENCE</u>	<u>%</u> <u>DIFF.</u>
73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	762,000	1,647,000	2,008,000	1,246,000	163.5%	361,000	21.9%
73-01-2-03 VEHICLE REPLACEMENTS	3,376,000	2,913,000	5,404,000	2,028,000	60.1%	2,491,000	85.5%
2021 REAUTHORIZATION							
73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	-	-	414,000	414,000	N/A	414,000	N/A
GROSS TOTAL FLEET OPERATIONS	4,138,000	4,560,000	7,826,000	3,688,000	89.1%	3,266,000	71.6%
LESS: SALVAGE					<u>N/A</u>		<u>N/A</u>
NET TOTAL FLEET OPERATIONS	<u>4,138,000</u>	<u>4,560,000</u>	<u>7,826,000</u>	<u>3,688,000</u>	<u>89.1%</u>	<u>3,266,000</u>	<u>71.6%</u>

FLEET OPERATIONS DEPARTMENT
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

<u>P</u>			<u>AMOUNT</u>
2	73-01-2-02	MOBILE EQUIPMENT REPLACEMENTS	2,008,000
2	73-01-2-03	VEHICLE REPLACEMENTS	5,404,000
		GROSS TOTAL FLEET OPERATIONS	<u>7,412,000</u>
		2021 REAUTHORIZATION	
2	73-01-2-02	MOBILE EQUIPMENT REPLACEMENTS	414,000
		NET TOTAL FLEET OPERATIONS	<u><u>7,826,000</u></u>

FLEET OPERATIONS DEPARTMENT
LISTING BY PRIORITY
FISCAL 2023 COMPLIANCE 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>PRIORITY 2</u>					
2	73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	2,008,000	2,008,000	-	-	-
2	73-01-2-03 VEHICLE REPLACEMENTS	5,404,000	1,739,000	3,665,000	-	-
	2021 REAUTHORIZATION					
2	73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	414,000	414,000	-		
TOTAL FLEET OPERATIONS DEPARTMENT:		<u>7,826,000</u>	<u>4,161,000</u>	<u>3,665,000</u>	<u>-</u>	<u>-</u>

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
 FLEET OPERATIONS 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	-	-	7,826,000	4,161,000	7,826,000	4,161,000
YEAR 1	-	-	-	3,665,000	-	3,665,000
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL			<u>7,826,000</u>	<u>7,826,000</u>	<u>7,826,000</u>	<u>7,826,000</u>

FACILITIES

FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET

BUDGET/FORECAST COMPARISON

<u>CATEGORY</u>	<u>2022 COMPL BUDGET</u>	<u>2023 FORECAST</u>	<u>2023 BUDGET</u>	<u>2023</u>	<u>2022</u>	<u>2023 BUD vs 2023</u>		
				<u>BUDGET vs</u>	<u>COMPL BUDGET</u>	<u>FORECAST</u>	<u>FORECAST</u>	
				<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>	
				<u>DIFF.</u>	<u>DIFF.</u>	<u>DIFF.</u>	<u>DIFF.</u>	
72-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	120,000	123,000	96,000	(24,000)	-20.0%	(27,000)	-22.0%	
72-01-1-02 MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	2,000	2,000	2,000	-	0.0%	-	0.0%	
72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	423,000	434,000	499,000	76,000	18.0%	65,000	15.0%	
72-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	18,000	18,000	12,000	(6,000)	-33.3%	(6,000)	-33.3%	
72-01-2-03 MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	13,000	13,000	3,000	(10,000)	-76.9%	(10,000)	-76.9%	
72-05-1-03 800 BUILDING EAST PARKING LOT EV CHARGERS	-	-	307,000	307,000	N/A	307,000	N/A	
72-02-1-04 NOC DATA CENTER FACILITIES INFRASTRUCTURE	-	-	1,350,000	1,350,000	N/A	1,350,000	N/A	
72-01-2-04 REPLACE 800 BUILDING PNEUMATIC CONTROLS	-	-	231,000	231,000	N/A	231,000	N/A	
72-01-2-08 REPLACE PORTER STATION FUELING STATION	-	1,500,000	1,500,000	1,500,000	N/A	-	0.0%	
72-01-2-09 REPAVEMENT OF PORTER STATION LOT	-	1,500,000	1,500,000	1,500,000	N/A	-	0.0%	
72-01-2-10 REPLACE 800 BUILDING MAIN SWITCHGEAR CONTROLS	-	-	417,000	417,000	N/A	417,000	N/A	
72-01-2-04 IMPROVEMENT OF PGW HQ'S HVA SYSTEM	1,500,000	-	-	(1,500,000)	-100.0%	-	N/A	
72-01-2-05 REFUELING STATION NOC	3,000,000	-	-	(3,000,000)	-100.0%	-	N/A	
72-01-2-06 REPAVE 800 PARKING LOT	500,000	-	-	(500,000)	-100.0%	-	N/A	
72-01-2-07 REPLACE TIOGA LOT FENCING	-	400,000	-	-	N/A	(400,000)	-100.0%	
2021 REAUTHORIZATION								
72-01-2-10 800 BUILDING RESTROOM RENOVATIONS	-	-	300,000	300,000	N/A	300,000	N/A	
TOTAL FACILITIES	<u>5,576,000</u>	<u>3,990,000</u>	<u>6,217,000</u>	<u>641,000</u>	<u>11.5%</u>	<u>2,227,000</u>	<u>55.8%</u>	

OTHER DEPARTMENTS
FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>TOTAL</u>
FACILITIES	1,755,000	4,462,000	6,217,000
INFORMATION SERVICES	2,530,000	21,446,000	23,976,000
CHIEF OPERATING OFFICER	-	750,000	750,000
OTHER	34,000	-	34,000
TOTAL OTHER DEPARTMENTS	<u>4,319,000</u>	<u>26,658,000</u>	<u>30,977,000</u>

OTHER DEPARTMENTS
FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

CATEGORY		2022 COMPL	2023	2023	2023	2022	2023 BUD vs 2023	
		BUDGET	FORECAST	BUDGET	DIFFERENCE	COMPL BUDGET	FORECAST	
					\$	%	\$	
							%	
FACILITIES	ADDITIONS	3,122,000	125,000	1,755,000	(1,367,000)	-43.8%	1,630,000	1304.0%
	REPLACEMENTS	<u>2,454,000</u>	<u>3,865,000</u>	<u>4,462,000</u>	<u>2,008,000</u>	<u>81.8%</u>	<u>597,000</u>	<u>15.4%</u>
	TOTAL	<u>5,576,000</u>	<u>3,990,000</u>	<u>6,217,000</u>	<u>641,000</u>	<u>11.5%</u>	<u>2,227,000</u>	<u>55.8%</u>
INFORMATION SERVICES	ADDITIONS	110,000	113,000	2,530,000	2,420,000	2200.0%	2,417,000	2138.9%
	REPLACEMENTS	<u>10,336,000</u>	<u>1,378,000</u>	<u>21,446,000</u>	<u>11,110,000</u>	<u>107.5%</u>	<u>20,068,000</u>	<u>1456.3%</u>
	TOTAL	<u>10,446,000</u>	<u>1,491,000</u>	<u>23,976,000</u>	<u>13,530,000</u>	<u>129.5%</u>	<u>22,485,000</u>	<u>1508.0%</u>
CHIEF OPERATING OFFICER	ADDITIONS	-	-	-	-	N/A	-	N/A
	REPLACEMENTS	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	-	<u>0.0%</u>	-	<u>0.0%</u>
	TOTAL	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	-	<u>0.0%</u>	-	<u>0.0%</u>
VP TECHNICAL COMPLIANCE	ADDITIONS	-	-	-	-	N/A	-	N/A
	REPLACEMENTS	-	<u>4,689,000</u>	-	-	N/A	<u>(4,689,000)</u>	-100.0%
	TOTAL	-	<u>4,689,000</u>	-	-	N/A	<u>(4,689,000)</u>	-100.0%
CHEMICAL SERVICES	ADDITIONS	-	-	34,000	34,000	N/A	34,000	N/A
	REPLACEMENTS	-	-	-	-	N/A	-	N/A
	TOTAL	-	-	<u>34,000</u>	<u>34,000</u>	N/A	<u>34,000</u>	N/A
TOTAL OTHER DEPARTMENTS		<u>16,772,000</u>	<u>10,920,000</u>	<u>30,977,000</u>	<u>14,205,000</u>	<u>84.7%</u>	<u>20,057,000</u>	<u>183.7%</u>

OTHER DEPARTMENTS
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

<u>P</u>		<u>FACILITIES</u>	AMOUNT
1	72-01-1-01	MISCELLANEOUS CAPITAL ADDITIONS	96,000
1	72-01-1-02	MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	2,000
1	72-01-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	499,000
1	72-01-2-02	MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	12,000
1	72-01-2-03	MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	3,000
5	72-05-1-03	800 BUILDING EAST PARKING LOT EV CHARGERS	307,000
2	72-02-1-04	NOC DATA CENTER FACILITIES INFRASTRUCTURE	1,350,000
1	72-01-2-04	REPLACE 800 BUILDING PNEUMATIC CONTROLS	231,000
1	72-01-2-08	REPLACE PORTER STATION FUELING STATION	1,500,000
1	72-01-2-09	REPAVEMENT OF PORTER STATION LOT	1,500,000
1	72-01-2-10	REPLACE 800 BUILDING MAIN SWITCHGEAR CONTROLS	417,000
2021 REAUTHORIZATION			
5	72-01-2-10	800 BUILDING RESTROOM RENOVATIONS	300,000
TOTAL FACILITIES			<u><u>6,217,000</u></u>

OTHER DEPARTMENTS
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

P			AMOUNT
		<u>INFORMATION SERVICES</u>	
2	47-01-1-01	MISCELLANEOUS SERVER, NETWORK, & HARDWARE ADDITIONS	60,000
2	47-01-1-02	MISCELLANEOUS SOFTWARE ADDITIONS	75,000
2	47-01-1-03	COLOCATION PROJECT SOFTWARE	160,000
2	47-01-1-04	COLOCATION PROJECT (NEW NOC)	2,235,000
2	47-01-2-01	MISCELLANEOUS SOFTWARE REPLACEMENTS	521,000
2	47-01-2-02	MISC SERVER AND NETWORK HARDWARE REPLACEMENT	415,000
2	47-01-2-03	REPLACE SAN EQUIPMENT	510,000
2	47-01-2-04	CUSTOMER INFORMATION SYSTEMS (CIS/BCCS) REPLACEMENTS	20,000,000
		TOTAL INFORMATION SERVICES	<u><u>23,976,000</u></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	CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO RELIABILITY OF SERVICE	250,000
4	13-01-2-03	CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO COST-JUSTIFIED LOAD GROWTH	250,000
		TOTAL CHIEF OPERATING OFFICER	<u><u>750,000</u></u>
		<u>CHEMICAL SERVICES</u>	
1	31-01-1-01	HYDROGEN GENERATOR & PERMEATION CHAMBER	34,000
		TOTAL VP TECHNICAL COMPLIANCE	<u><u>34,000</u></u>
		TOTAL OTHER DEPARTMENTS	<u><u>30,977,000</u></u>

OTHER DEPARTMENTS
LISTING BY PRIORITY
FISCAL 2023 COMPLIANCE CAPITAL BUDGET

P	CATEGORY	AMOUNT	BUDGET YR	YEAR 1	YEAR 2	YEAR 3
<u>PRIORITY 1</u>						
1	72-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	96,000	96,000	-	-	-
1	72-01-1-02 MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	2,000	2,000	-	-	-
1	72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	499,000	499,000	-	-	-
1	72-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	12,000	12,000	-	-	-
1	72-01-2-03 MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	3,000	3,000	-	-	-
1	72-01-2-04 REPLACE 800 BUILDING PNEUMATIC CONTROLS	231,000	231,000	-	-	-
1	72-01-2-08 REPLACE PORTER STATION FUELING STATION	1,500,000	1,300,000	200,000	-	-
1	72-01-2-09 REPAVEMENT OF PORTER STATION LOT	1,500,000	1,300,000	200,000	-	-
1	72-01-2-10 REPLACE 800 BUILDING MAIN SWITCHGEAR CONTROLS	417,000	417,000	-	-	-
1	31-01-1-01 HYDROGEN GENERATOR & PERMEATION CHAMBER	34,000	34,000	-	-	-
1	13-01-2-01 CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO SAFETY	250,000	-	-	-	-
<u>PRIORITY 2</u>						
2	72-02-1-04 NOC DATA CENTER FACILITIES INFRASTRUCTURE	1,350,000	1,075,000	275,000	-	-
2	47-01-1-01 MISCELLANEOUS SERVER, NETWORK, & HARDWARE ADDITIONS	60,000	-	60,000	-	-
2	47-01-1-02 MISCELLANEOUS SOFTWARE ADDITIONS	75,000	25,000	50,000	-	-
2	47-01-1-03 COLOCATION PROJECT SOFTWARE	160,000	160,000	-	-	-
2	47-01-1-04 COLOCATION PROJECT (NEW NOC)	2,235,000	2,235,000	-	-	-
2	47-01-2-01 MISCELLANEOUS SOFTWARE REPLACEMENTS	521,000	471,000	50,000	-	-
2	47-01-2-02 MISC SERVER AND NETWORK HARDWARE REPLACEMENT	415,000	415,000	-	-	-
2	47-01-2-03 REPLACE SAN EQUIPMENT	510,000	510,000	-	-	-
2	47-01-2-04 CUSTOMER INFORMATION SYSTEMS (CIS/BCCS) REPLACEMENTS	20,000,000	20,000,000	-	-	-
2	13-01-2-02 CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO RELIABILITY OF SERVICE	250,000	-	-	-	-
<u>PRIORITY 4</u>						
4	13-01-2-03 CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO COST-JUSTIFIED LOAD GROWTH	250,000	-	-	-	-
<u>PRIORITY 5</u>						
5	72-05-1-03 800 BUILDING EAST PARKING LOT EV CHARGERS	307,000	307,000	-	-	-
2021 REAUTHORIZATION						
5	72-01-2-10 800 BUILDING RESTROOM RENOVATIONS	300,000	300,000			
TOTAL OTHER DEPARTMENTS:		<u>30,977,000</u>	<u>29,392,000</u>	<u>835,000</u>	<u>-</u>	<u>-</u>

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2023 COMPLIANCE CAPITAL BUDGET
 OTHER DEPARTMENTS 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	4,319,000	3,934,000	26,658,000	25,458,000	30,977,000	29,392,000
YEAR 1	-	385,000	-	450,000	-	835,000
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	<u>4,319,000</u>	<u>4,319,000</u>	<u>26,658,000</u>	<u>25,908,000</u>	<u>30,977,000</u>	<u>30,227,000</u>

FIVE YEAR FORECAST

PHILADELPHIA GAS WORKS
FISCAL YEAR 2023 AND FORECAST 2024 THROUGH 2028

<u>DEPARTMENT</u>	COMPLIANCE 2023 <u>CAPITAL BUDGET</u>	FORECAST					<u>TOTAL 6 YEARS</u>
		<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	
<u>GAS PROCESSING</u>							
ADDITIONS	637,000	80,000	82,000	84,000	86,000	88,000	1,057,000
REPLACEMENTS	<u>26,487,000</u>	<u>23,470,000</u>	<u>17,946,000</u>	<u>6,220,000</u>	<u>179,477,000</u>	<u>15,820,000</u>	<u>269,420,000</u>
TOTAL GAS PROCESSING	27,124,000	23,550,000	18,028,000	6,304,000	179,563,000	15,908,000	<u>270,477,000</u>
ACQUIRE ASSETS LEASE	27,124,000	23,550,000	18,028,000	6,304,000	179,563,000	15,908,000	270,477,000
<u>DISTRIBUTION</u>							
ADDITIONS	18,711,000	19,366,000	17,669,000	18,288,000	18,928,000	19,590,000	112,552,000
REPLACEMENTS	<u>94,883,000</u>	<u>96,833,000</u>	<u>97,813,000</u>	<u>99,866,000</u>	<u>101,993,000</u>	<u>104,193,000</u>	<u>595,581,000</u>
GROSS TOTAL DISTRIBUTION	113,594,000	116,199,000	115,482,000	118,154,000	120,921,000	123,783,000	<u>708,133,000</u>
LESS: SALVAGE							
LESS: CONTRIBUTIONS*							
LESS: REIMBURSEMENT**	<u>(6,025,000)</u>	<u>(6,171,000)</u>	<u>(5,475,000)</u>	<u>(5,599,000)</u>	<u>(5,727,000)</u>	<u>(5,858,000)</u>	<u>(34,855,000)</u>
NET TOTAL DISTRIBUTION	107,569,000	110,028,000	110,007,000	112,555,000	115,194,000	117,925,000	<u>673,278,000</u>
ACQUIRE ASSETS LEASE	107,569,000	110,028,000	110,007,000	112,555,000	115,194,000	117,925,000	673,278,000

PHILADELPHIA GAS WORKS
FISCAL YEAR 2023 AND FORECAST 2024 THROUGH 2028

<u>DEPARTMENT</u>	COMPLIANCE 2023 CAPITAL BUDGET	FORECAST					TOTAL 6 YEARS
		<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	
<u>FIELD SERVICES</u>							
ADDITIONS	2,845,000	3,523,000	3,452,000	3,611,000	3,734,000	3,844,000	21,009,000
REPLACEMENTS	<u>4,987,000</u>	<u>21,704,000</u>	<u>20,509,000</u>	<u>22,175,000</u>	<u>22,167,000</u>	<u>22,801,000</u>	<u>114,343,000</u>
GROSS TOTAL FIELD SERVICES	7,832,000	25,227,000	23,961,000	25,786,000	25,901,000	26,645,000	<u>135,352,000</u>
LESS: SALVAGE							
LESS: CONTRIBUTIONS*							
NET TOTAL FIELD SERVICES	7,832,000	25,227,000	23,961,000	25,786,000	25,901,000	26,645,000	<u>135,352,000</u>
ACQUIRE ASSETS LEASE	7,832,000	25,227,000	23,961,000	25,786,000	25,901,000	26,645,000	135,352,000
<u>FLEET OPERATIONS</u>							
ADDITIONS	-	-	-	-	-	-	-
REPLACEMENTS	<u>7,412,000</u>	<u>8,236,000</u>	<u>8,102,000</u>	<u>4,710,000</u>	<u>4,641,000</u>	<u>6,384,000</u>	<u>39,485,000</u>
GROSS TOTAL FLEET OPERATIONS	7,412,000	8,236,000	8,102,000	4,710,000	4,641,000	6,384,000	39,485,000
LESS: SALVAGE							
NET TOTAL FLEET OPERATIONS	7,412,000	8,236,000	8,102,000	4,710,000	4,641,000	6,384,000	<u>39,485,000</u>
ACQUIRE ASSETS LEASE	7,412,000	8,236,000	8,102,000	4,710,000	4,641,000	6,384,000	39,485,000

PHILADELPHIA GAS WORKS
FISCAL YEAR 2023 AND FORECAST 2024 THROUGH 2028

<u>DEPARTMENT</u>	COMPLIANCE 2023 CAPITAL BUDGET	FORECAST					TOTAL 6 YEARS
		<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	
<u>OTHER</u>							
ADDITIONS	393,000	239,000	245,000	252,000	259,000	266,000	1,654,000
REPLACEMENTS	<u>30,584,000</u>	<u>4,916,000</u>	<u>2,353,000</u>	<u>2,406,000</u>	<u>2,460,000</u>	<u>2,515,000</u>	<u>45,234,000</u>
TOTAL OTHER	30,977,000	5,155,000	2,598,000	2,658,000	2,719,000	2,781,000	46,888,000
ACQUIRE ASSETS LEASE	30,977,000	5,155,000	2,598,000	2,658,000	2,719,000	2,781,000	46,888,000
<u>TOTAL</u>							
ADDITIONS	22,586,000	23,208,000	21,448,000	22,235,000	23,007,000	23,788,000	136,272,000
REPLACEMENTS	<u>164,353,000</u>	<u>155,159,000</u>	<u>146,723,000</u>	<u>135,377,000</u>	<u>310,738,000</u>	<u>151,713,000</u>	<u>1,064,063,000</u>
GROSS TOTAL	186,939,000	178,367,000	168,171,000	157,612,000	333,745,000	175,501,000	1,200,335,000
LESS: SALVAGE							
LESS: REIMBURSEMENT**	(6,025,000)	(6,171,000)	(5,475,000)	(5,599,000)	(5,727,000)	(5,858,000)	<u>(34,855,000)</u>
LESS: CONTRIBUTIONS*							
NET TOTAL	<u>180,914,000</u>	<u>172,196,000</u>	<u>162,696,000</u>	<u>152,013,000</u>	<u>328,018,000</u>	<u>169,643,000</u>	<u>1,165,480,000</u>
ACQUIRE ASSETS LEASE	180,914,000	172,196,000	162,696,000	152,013,000	328,018,000	169,643,000	1,165,480,000

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

PHILADELPHIA GAS WORKS
PROPOSED 2024 - 2027 FORECAST
(COMPARIISON)

<u>DEPARTMENT</u>	<u>2023 - 2027 FORECAST</u>	<u>2024 - 2028 FORECAST</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>
<u>GAS PROCESSING</u>				
ADDITIONS	631,000	420,000	(211,000)	-33.4%
REPLACEMENTS	<u>151,710,000</u>	<u>242,933,000</u>	<u>91,223,000</u>	60.1%
TOTAL GAS PROCESSING	152,341,000	243,353,000	91,012,000	59.7%
<u>DISTRIBUTION</u>				
ADDITIONS	87,890,000	93,841,000	5,951,000	6.8%
REPLACEMENTS	<u>477,457,000</u>	<u>500,698,000</u>	<u>23,241,000</u>	4.9%
GROSS TOTAL DISTRIBUTION	565,347,000	594,539,000	29,192,000	5.2%
LESS: SALVAGE	-	-	-	
LESS: CONTRIBUTIONS*	-	-	-	
LESS: REIMBURSEMENT**	<u>(25,560,000)</u>	<u>(28,830,000)</u>	<u>(3,270,000)</u>	12.8%
NET TOTAL DISTRIBUTION	565,347,000	565,709,000	362,000	0.1%
<u>FIELD SERVICES</u>				
ADDITIONS	19,262,000	18,164,000	(1,098,000)	-5.7%
REPLACEMENTS	<u>85,291,000</u>	<u>109,356,000</u>	<u>24,065,000</u>	28.2%
GROSS TOTAL FIELD SERVICES	104,553,000	127,520,000	22,967,000	22.0%
LESS: SALVAGE	-	-	-	
LESS: CONTRIBUTIONS*	<u>-</u>	<u>-</u>	<u>-</u>	
NET TOTAL FIELD SERVICES	104,553,000	127,520,000	22,967,000	22.0%

PHILADELPHIA GAS WORKS
PROPOSED 2024 - 2027 FORECAST
(COMPARISON)

<u>DEPARTMENT</u>	<u>2023 - 2027 FORECAST</u>	<u>2024 - 2028 FORECAST</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>
<u>FLEET OPERATIONS</u>				
ADDITIONS	-	-	-	
REPLACEMENTS	<u>33,426,000</u>	<u>32,073,000</u>	<u>(1,353,000)</u>	-4.0%
GROSS TOTAL FLEET OPERATIONS	33,426,000	32,073,000	(1,353,000)	-4.0%
LESS: SALVAGE				
NET TOTAL FLEET OPERATIONS	33,426,000	32,073,000	(1,353,000)	-4.0%
<u>OTHER</u>				
ADDITIONS	1,260,000	1,261,000	1,000	0.1%
REPLACEMENTS	<u>24,526,000</u>	<u>14,650,000</u>	<u>(9,876,000)</u>	-40.3%
TOTAL OTHER	25,786,000	15,911,000	(9,875,000)	-38.3%
<u>TOTAL</u>				
ADDITIONS	109,043,000	113,686,000	4,643,000	4.3%
REPLACEMENTS	<u>772,410,000</u>	<u>899,710,000</u>	<u>127,300,000</u>	16.5%
GROSS TOTAL	881,453,000	1,013,396,000	131,943,000	15.0%
LESS: SALVAGE	-	-	-	
LESS: REIMBURSEMENT**	(25,560,000)	(28,830,000)	(3,270,000)	12.8%
LESS: CONTRIBUTIONS*	<u>-</u>	<u>-</u>	<u>-</u>	
NET TOTAL	<u>855,893,000</u>	<u>984,566,000</u>	<u>128,673,000</u>	15.0%

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

GAS PROCESSING DEPARTMENT

FORECAST - FISCAL YEARS 2024 THROUGH 2028

			<u>2022 COMPLIANCE</u>	<u>2023 COMPLIANCE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u>
			<u>BUDGET</u>	<u>BUDGET</u>						<u>FORECAST</u>
<u>GP-1 NATURAL GAS MEASUREMENT AND CONTROL FACILITIES</u>										
1	53-01-1-03	NEW HEATER, GENERATOR AND STATION MODIFICATIONS	-	-	1,800,000	-	1,800,000	-	-	3,600,000
1	53-01-2-04	REPLACE NATUAL GAS DRIVEN POSITIONERS AND ACTUATORS	-	532,000	559,000	587,000	616,000	647,000	-	2,409,000
TOTAL GP-1			-	<u>532,000</u>	<u>2,359,000</u>	<u>587,000</u>	<u>2,416,000</u>	<u>647,000</u>	-	<u>6,009,000</u>
<u>GP-2 SUPPLEMENTAL GAS FACILITIES</u>										
2	53-02-2-01	EXPANDER LIQUEFIER TSA SYSTEM UPGRADES -RICHMOND	3,533,000	-	3,649,000	-	-	-	-	3,649,000
2	53-02-1-02	ADD CAMERAS TO THE LNG TANK DIKE AREA - PASSYUNK	-	107,000	-	-	-	-	-	-
1	53-02-2-03	REPLACE LNG SWITCHGEAR - RICHMOND	1,715,000	3,826,000	8,753,000	-	-	-	-	8,753,000
1	53-02-2-04	HAZZARD DETECTION NON PROCESS AREAS	-	4,705,000	-	-	-	-	-	-
1	53-02-2-05	REPL PRODUCT RECOVERY TANK AND OIL/WATER SEPRATOR - PASSYUNK	-	489,000	-	-	-	-	-	-
1	53-02-1-06	BOILOFF MOBILE ODORANT NO. 2 RUN - RICHMOND	-	452,000	-	-	-	-	-	-
2	53-02-2-08	REPLACE THE EXPANDER PLANT COLD BOX	-	14,500,000	-	-	-	-	-	-
1	53-02-2-10	SPLIT HAZARD DETECTION LOOP - RICHMOND	-	549,000	-	-	-	-	-	-
1	53-02-2-11	CHP RICHMOND PLANT	-	-	2,572,000	-	-	-	-	2,572,000
2	53-02-2-12	REPLACE FIBER OPTIC - PASSYUNK	-	1,543,000	-	-	-	-	-	-
	53-02-2-13	REPLACE FIBER OPTIC - RICHMOND	-	-	2,472,000	-	-	-	-	2,472,000
	53-02-2-14	DCS UPGRADES - RICHMOND	-	-	875,000	-	-	-	-	875,000

GAS PROCESSING DEPARTMENT

FORECAST - FISCAL YEARS 2024 THROUGH 2028

		<u>2022 COMPLIANCE</u>	<u>2023 COMPLIANCE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u>
		<u>BUDGET</u>	<u>BUDGET</u>						<u>FORECAST</u>
53-02-2-15	REPLACE BREAKERS AND CONTROLS FOR MAIN SWITCHGEAR - PASSYUNK	-	-	2,500,000	-	-	-	-	2,500,000
53-02-2-16	REPLACE RIVER WATER PUMP SWITCHGEAR AND RIVER WATER PUMPS - RICHMOND	-	-	-	5,000,000	-	-	-	5,000,000
53-02-2-17	REPLACE H2O ANALYZER - RICHMOND	-	-	-	204,000	-	-	-	204,000
53-02-2-18	UPGRADE H-1 HEATER CONTROLS - RICHMOND	-	-	-	2,620,000	-	-	-	2,620,000
53-02-2-19	REPLACE FIRE SYSTEMS FOR EXPANDER PLANT AND RIVER PUMP HOUSE	-	-	-	2,500,000	-	-	-	2,500,000
53-02-2-20	REPLACE MCC 1,2,3 - RICHMOND	-	-	-	1,738,000	-	-	-	1,738,000
53-02-2-21	REPLACE VAPORIZER BUNDLES - RICHMOND	-	-	-	-	500,000	500,000	-	1,000,000
53-02-2-22	REPLACE LIQUEFIER - RICHMOND	-	-	-	-	-	170,000,000	-	170,000,000
53-02-2-23	VAPORIZATION UPGRADE-PASSYUNK	-	-	-	-	-	-	10,000,000	10,000,000
53-02-2-24	REPLACE PA SYSTEM PASSYUNK	-	-	-	-	-	2,518,000	3,000,000	5,518,000
53-02-2-25	H-1 HEATER REPLACEMENT	-	-	-	-	-	2,500,000	2,500,000	5,000,000
2	53-02-1-01 SOFTWARE REPORTING - PHASE 2 - RICHMOND AND PASSYUNK PLANTS	257,000	-	-	-	-	-	-	-
1	53-02-2-05 ISOLATE NATURAL GAS HEATHERS - PASSYUNK	172,000	-	-	-	-	-	-	-
2	53-02-2-06 DCS CONVERSION - PASSYUNK	2,215,000	-	-	-	-	-	-	-
1	53-02-1-08 ENERGY MGMT PROGRM - #1 HVAC SYSTEM FOR RICHMOND MAIN SWGR	356,000	-	-	-	-	-	-	-
1	53-02-1-09 PLATFORMS WHARF AND BOILER HOUSE - PASSYUNK	345,000	-	-	-	-	-	-	-
	TOTAL GP-2	<u>8,593,000</u>	<u>26,171,000</u>	<u>20,821,000</u>	<u>12,062,000</u>	<u>500,000</u>	<u>175,518,000</u>	<u>15,500,000</u>	<u>224,401,000</u>

DISTRIBUTION DEPARTMENT
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE BUDGET</u>	<u>2023 COMPLIANCE BUDGET</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL FORECAST</u>	
<u>D-20 HIGH PRESSURE MAINS</u>									
4 52-20-1-01	INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND EXTENSIONS TO SUPPLY ADDITIONAL LOADS	3,096,000	5,665,000	5,863,000	3,693,000	3,822,000	3,956,000	4,094,000	21,428,000
3 52-20-2-01	ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK	1,377,000	1,348,000	1,395,000	1,444,000	1,495,000	1,547,000	1,601,000	7,482,000
	GROSS TOTAL D-20	4,473,000	7,013,000	7,258,000	5,137,000	5,317,000	5,503,000	5,695,000	28,910,000
52-20-2-97	LESS: REIMBURSEMENT** LESS: CONTRIBUTIONS*								
	NET TOTAL D-20	<u>4,473,000</u>	<u>7,013,000</u>	<u>7,258,000</u>	<u>5,137,000</u>	<u>5,317,000</u>	<u>5,503,000</u>	<u>5,695,000</u>	<u>28,910,000</u>
<u>D-21 8 INCH AND SMALLER I. P. AND L. P. MAIN</u>									
4 52-21-1-01	MAINS TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INCREASED CAPACITY	2,734,000	2,615,000	2,707,000	2,802,000	2,900,000	3,002,000	3,107,000	14,518,000
3 52-21-2-01	ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK	5,270,000	5,047,000	5,224,000	5,407,000	5,596,000	5,792,000	5,995,000	28,014,000
1 52-21-2-02	PRUDENT MAIN REPLACEMENTS	20,533,000	21,155,000	21,895,000	22,661,000	23,454,000	24,275,000	25,125,000	117,410,000
1 52-21-2-03	LONG TERM INFRASTRUCTURE PLAN - DSIC	37,000,000	38,000,000	38,000,000	38,000,000	38,000,000	38,000,000	38,000,000	190,000,000
	GROSS TOTAL D-21	65,537,000	66,817,000	67,826,000	68,870,000	69,950,000	71,069,000	72,227,000	349,942,000
52-21-2-97	LESS: REIMBURSEMENT** LESS: CONTRIBUTIONS*	<u>(3,822,000)</u>	<u>(4,319,000)</u>	<u>(4,405,000)</u>	<u>(4,493,000)</u>	<u>(4,583,000)</u>	<u>(4,675,000)</u>	<u>(4,769,000)</u>	<u>(22,925,000)</u>
	NET TOTAL D-21	<u>61,715,000</u>	<u>62,498,000</u>	<u>63,421,000</u>	<u>64,377,000</u>	<u>65,367,000</u>	<u>66,394,000</u>	<u>67,458,000</u>	<u>327,017,000</u>

DISTRIBUTION DEPARTMENT
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE BUDGET</u>	<u>2023 COMPLIANCE BUDGET</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL FORECAST</u>
D-22 12 INCH AND LARGER I. P. AND L. P. MAIN								
4 52-22-1-01 TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INSTALLATION OF MAINS AHEAD-OF-PAVING	225,000	178,000	184,000	190,000	197,000	204,000	211,000	986,000
3 52-22-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK	1,100,000	896,000	927,000	959,000	993,000	1,028,000	1,064,000	4,971,000
3 52-22-2-01 MAIN FOR MAJOR ENFORCED RELOCATION	1,091,000	1,896,000	1,962,000	1,091,000	1,129,000	1,169,000	1,210,000	6,561,000
GROSS TOTAL D-22	<u>2,416,000</u>	<u>2,970,000</u>	<u>3,073,000</u>	<u>2,240,000</u>	<u>2,319,000</u>	<u>2,401,000</u>	<u>2,485,000</u>	<u>12,518,000</u>
52-22-2-97 LESS: REIMBURSEMENT**	<u>(982,000)</u>	<u>(1,706,000)</u>	<u>(1,766,000)</u>	<u>(982,000)</u>	<u>(1,016,000)</u>	<u>(1,052,000)</u>	<u>(1,089,000)</u>	<u>(5,905,000)</u>
LESS: CONTRIBUTIONS*								
NET TOTAL D-22	<u>1,434,000</u>	<u>1,264,000</u>	<u>1,307,000</u>	<u>1,258,000</u>	<u>1,303,000</u>	<u>1,349,000</u>	<u>1,396,000</u>	<u>6,613,000</u>
D-23 CUSTOMER METERING & REGULATOR INSTALLATION, AND PRESSURE REGULATION & CORROSION CONTROL FACILITIES								
4 52-23-1-01 CUSTOMER METERING AND REGULATOR INSTALLATION	405,000	397,000	411,000	425,000	440,000	455,000	471,000	2,202,000
1 52-23-2-01 REPLACEMENT/REHABILITATION OF HIGH PRESSURE MAIN VALVES	591,000	773,000	800,000	828,000	857,000	887,000	918,000	4,290,000
2 52-23-2-02 REPLACEMENT OF VARIOUS PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	420,000	1,878,000	1,944,000	2,012,000	2,082,000	2,155,000	2,230,000	10,423,000
GROSS TOTAL D-23	<u>1,416,000</u>	<u>3,048,000</u>	<u>3,155,000</u>	<u>3,265,000</u>	<u>3,379,000</u>	<u>3,497,000</u>	<u>3,619,000</u>	<u>16,915,000</u>
LESS: REIMBURSEMENT**								
LESS: CONTRIBUTIONS*								
TOTAL D-23	<u>1,416,000</u>	<u>3,048,000</u>	<u>3,155,000</u>	<u>3,265,000</u>	<u>3,379,000</u>	<u>3,497,000</u>	<u>3,619,000</u>	<u>16,915,000</u>

DISTRIBUTION DEPARTMENT
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE</u> <u>BUDGET</u>	<u>2023</u> <u>COMPLIANCE</u> <u>BUDGET</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u> <u>FORECAST</u>	
<u>D-24 SERVICES</u>									
4 52-24-1-01	7,468,000	7,120,000	7,369,000	7,627,000	7,894,000	8,170,000	8,456,000	39,516,000	
INSTALLATION OF NEW 1-1/4" AND SMALLER SERVICES, HIGH, INTERMEDIATE AND LOW PRESSURE									
4 52-24-1-02	2,309,000	2,446,000	2,532,000	2,621,000	2,713,000	2,808,000	2,906,000	13,580,000	
INSTALLATION OF NEW 2 INCH AND LARGER SERVICES, HIGH, INTERMEDIATE AND LOW PRESSURE									
1 52-24-2-01	18,679,000	18,393,000	19,037,000	19,703,000	20,393,000	21,107,000	21,846,000	102,086,000	
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	1,096,000	1,079,000	1,117,000	1,156,000	1,196,000	1,238,000	1,281,000	5,988,000	
RENEWAL OF 2" AND LARGER SERVICES									
GROSS TOTAL D-24		<u>29,552,000</u>	<u>29,038,000</u>	<u>30,055,000</u>	<u>31,107,000</u>	<u>32,196,000</u>	<u>33,323,000</u>	<u>34,489,000</u>	<u>161,170,000</u>
52-24-2-97	LESS: REIMBURSEMENT**								
	LESS: CONTRIBUTIONS*								
TOTAL D-24		<u>29,552,000</u>	<u>29,038,000</u>	<u>30,055,000</u>	<u>31,107,000</u>	<u>32,196,000</u>	<u>33,323,000</u>	<u>34,489,000</u>	<u>161,170,000</u>
<u>D-25 - CONDITIONED FUNDING</u>									
1 52-25-2-01	3,142,000	3,309,000	3,384,000	3,364,000	3,441,000	3,522,000	3,605,000	17,316,000	
CONDITIONED FUNDING RESERVED									
TOTAL D-25		<u>3,142,000</u>	<u>3,309,000</u>	<u>3,384,000</u>	<u>3,364,000</u>	<u>3,441,000</u>	<u>3,522,000</u>	<u>3,605,000</u>	<u>17,316,000</u>

DISTRIBUTION DEPARTMENT
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE BUDGET</u>	<u>2023 COMPLIANCE BUDGET</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL FORECAST</u>	
<u>D-29 OTHER DISTRIBUTION FACILITIES</u>									
2 52-29-1-01	ADDITIONAL TOOLS AND WORK EQUIPMENT	125,000	290,000	300,000	311,000	322,000	333,000	345,000	1,611,000
2 52-29-2-01	REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK EQUIPMENT	1,222,000	1,109,000	1,148,000	1,188,000	1,230,000	1,273,000	1,318,000	6,157,000
	TOTAL D-29	<u>1,347,000</u>	<u>1,399,000</u>	<u>1,448,000</u>	<u>1,499,000</u>	<u>1,552,000</u>	<u>1,606,000</u>	<u>1,663,000</u>	<u>7,768,000</u>
	GROSS TOTAL DISTRIBUTION DEPARTMENT	107,883,000	113,594,000	116,199,000	115,482,000	118,154,000	120,921,000	123,783,000	594,539,000
52-98-2-98	LESS: SALVAGE								
	LESS: CONTRIBUTIONS*								
	LESS: REIMBURSEMENT**	<u>(4,804,000)</u>	<u>(6,025,000)</u>	<u>(6,171,000)</u>	<u>(5,475,000)</u>	<u>(5,599,000)</u>	<u>(5,727,000)</u>	<u>(5,858,000)</u>	<u>(28,830,000)</u>
	NET TOTAL DISTRIBUTION DEPARTMENT	<u>103,079,000</u>	<u>107,569,000</u>	<u>110,028,000</u>	<u>110,007,000</u>	<u>112,555,000</u>	<u>115,194,000</u>	<u>117,925,000</u>	<u>565,709,000</u>
	ACQUIRE ASSETS	103,079,000	107,569,000	110,028,000	110,007,000	112,555,000	115,194,000	117,925,000	565,709,000
	LEASE								

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

FIELD SERVICES DEPARTMENT

FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE BUDGET</u>	<u>2023 COMPLIANCE BUDGET</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL FORECAST</u>
<u>C-30 METERS</u>								
4 50-30-1-01 ADDITIONS AND INSTALLATIONS	2,831,000	2,441,000	3,211,000	3,299,000	3,451,000	3,569,000	3,673,000	17,203,000
5 50-30-2-01 REPLACEMENTS	3,696,000	3,348,000	19,583,000	20,121,000	21,780,000	21,767,000	22,397,000	123,626,000
TOTAL C-30	<u>6,527,000</u>	<u>5,789,000</u>	<u>22,794,000</u>	<u>23,420,000</u>	<u>25,231,000</u>	<u>25,336,000</u>	<u>26,070,000</u>	<u>122,851,000</u>
<u>C-32 SERVICES REGULATORS</u>								
4 50-32-1-01 ADDITIONS AND INSTALLATIONS	113,000	79,000	67,000	69,000	72,000	74,000	77,000	359,000
2 50-32-2-01 REPLACEMENTS	71,000	56,000	59,000	60,000	63,000	65,000	67,000	314,000
TOTAL C-32	<u>184,000</u>	<u>135,000</u>	<u>126,000</u>	<u>129,000</u>	<u>135,000</u>	<u>139,000</u>	<u>144,000</u>	<u>673,000</u>
<u>C-33 TELEMETERING</u>								
4 50-33-1-01 ADDITIONS AND INSTALLATIONS	81,000	79,000	82,000	84,000	88,000	91,000	94,000	439,000
2 50-33-2-01 REPLACEMENTS	65,000	73,000	76,000	78,000	82,000	85,000	87,000	408,000
TOTAL C-33	<u>146,000</u>	<u>152,000</u>	<u>158,000</u>	<u>162,000</u>	<u>170,000</u>	<u>176,000</u>	<u>181,000</u>	<u>847,000</u>

FLEET OPERATIONS DEPARTMENT
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022</u> <u>COMPLIANCE</u> <u>BUDGET</u>	<u>2023 COMPLIANCE</u> <u>BUDGET</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u> <u>FORECAST</u>
73-01-1-03 VEHICLE ADDITIONS	-	-	-	-	-	-	-	-
73-01-2-01 SHOP EQUIPMENT REPLACEMENTS	-	-	-	-	-	-	-	-
73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	762,000	2,008,000	1,236,000	2,989,000	567,000	858,000	516,000	6,166,000
73-01-2-03 VEHICLE REPLACEMENTS	3,376,000	5,404,000	7,000,000	5,113,000	4,143,000	3,783,000	5,868,000	25,907,000
2021 REAUTHORIZATION								
73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	-	414,000	-	-	-	-	-	-
NET TOTAL FLEET OPERATIONS DEPARTMENT	<u>4,138,000</u>	<u>7,826,000</u>	<u>8,236,000</u>	<u>8,102,000</u>	<u>4,710,000</u>	<u>4,641,000</u>	<u>6,384,000</u>	<u>32,073,000</u>
ACQUIRE ASSETS LEASE	4,138,000	7,826,000	8,236,000	8,102,000	4,710,000	4,641,000	6,384,000	32,073,000

OTHER DEPARTMENTS
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE</u>	<u>2023 COMPLIANCE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u>	
	<u>BUDGET</u>	<u>BUDGET</u>						<u>FORECAST</u>	
<u>FACILITIES</u>									
1 72-01-1-01	MISCELLANEOUS CAPITAL ADDITIONS	120,000	96,000	98,000	100,000	103,000	106,000	109,000	516,000
1 72-01-1-02	MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	2,000	2,000	2,000	2,000	2,000	2,000	2,000	10,000
1 72-01-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	423,000	499,000	511,000	524,000	537,000	550,000	564,000	2,686,000
1 72-01-2-02	MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	18,000	12,000	12,000	12,000	12,000	12,000	12,000	60,000
1 72-01-2-03	MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	13,000	3,000	3,000	3,000	3,000	3,000	3,000	15,000
5 72-05-1-03	800 BUILDING EAST PARKING LOT EV CHARGERS	-	307,000	-	-	-	-	-	-
2 72-02-1-04	NOC DATA CENTER FACILITIES INFRASTRUCTURE	-	1,350,000	-	-	-	-	-	-
1 72-01-2-04	REPLACE 800 BUILDING PNEUMATIC CONTROLS	-	231,000	-	-	-	-	-	-
1 72-01-2-08	REPLACE PORTER STATION FUELING STATION	-	1,500,000	-	-	-	-	-	-
1 72-01-2-09	REPAVEMENT OF PORTER STATION LOT	-	1,500,000	-	-	-	-	-	-
1 72-01-2-10	REPLACE 800 BUILDING MAIN SWITCHGEAR CONTROLS	-	417,000	2,616,000	-	-	-	-	2,616,000
1 72-01-2-04	IMPROVEMENT OF PGW'S HQ'S HVAC SYSTEM	1,500,000	-	-	-	-	-	-	-
5 72-01-2-05	REFUELING STATION NOC	3,000,000	-	-	-	-	-	-	-
1 72-01-2-06	REPAVE 800 PARKING LOT	500,000	-	-	-	-	-	-	-

OTHER DEPARTMENTS
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE</u>	<u>2023 COMPLIANCE</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u>
	BUDGET	BUDGET						FORECAST
5 72-01-2-10 800 BUILDING RESTROOM RENOVATIONS	-	300,000	-	-	-	-	-	-
TOTAL FACILITIES	<u>5,576,000</u>	<u>6,217,000</u>	<u>3,242,000</u>	<u>641,000</u>	<u>657,000</u>	<u>673,000</u>	<u>690,000</u>	<u>5,903,000</u>

OTHER DEPARTMENTS
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE</u> BUDGET	<u>2023 COMPLIANCE</u> BUDGET	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u> FORECAST	
<u>INFORMATION SERVICES</u>									
								-	
2 47-01-1-01	MISCELLANEOUS SERVER, NETWORK, & HARDWARE ADDITIONS	60,000	60,000	62,000	64,000	66,000	68,000	70,000	330,000
2 47-01-1-02	MISCELLANEOUS SOFTWARE ADDITIONS	50,000	75,000	77,000	79,000	81,000	83,000	85,000	405,000
2 47-01-1-03	COLOCATION PROJECT SOFTWARE	-	160,000	-	-	-	-	-	-
1 47-01-1-04	ENVIRONMENTAL MANAGEMENT SYSTEM	-	2,235,000	-	-	-	-	-	-
2 47-01-2-01	MISCELLANEOUS SOFTWARE REPLACEMENTS	50,000	521,000	61,000	63,000	65,000	67,000	69,000	325,000
	MISC SERVER AND NETWORK HARDWARE								-
2 47-01-2-02	REPLACEMENT	1,033,000	415,000	440,000	465,000	490,000	515,000	540,000	2,450,000
2 47-01-2-03	REPLACE SAN EQUIPMENT	253,000	510,000	523,000	536,000	549,000	563,000	577,000	2,748,000
	CUSTOMER INFORMATION SYSTEMS (CIS/BCCS)								-
2 47-01-2-04	REPLACEMENTS	9,000,000	20,000,000	-	-	-	-	-	-
	TOTAL INFORMATION SERVICES	<u>10,446,000</u>	<u>23,976,000</u>	<u>1,163,000</u>	<u>1,207,000</u>	<u>1,251,000</u>	<u>1,296,000</u>	<u>1,341,000</u>	<u>6,258,000</u>

OTHER DEPARTMENTS
FORECAST - FISCAL YEARS 2024 THROUGH 2028

	<u>2022 COMPLIANCE</u> BUDGET	<u>2023 COMPLIANCE</u> BUDGET	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>TOTAL</u> FORECAST
<u>CHIEF OPERATING OFFICER</u>								
1 13-01-2-01	250,000	250,000	250,000	250,000	250,000	250,000	250,000	1,250,000
CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO SAFETY								
2 13-01-2-02	250,000	250,000	250,000	250,000	250,000	250,000	250,000	1,250,000
CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO RELIABILITY OF SERVICE								
4 13-01-2-03	250,000	250,000	250,000	250,000	250,000	250,000	250,000	1,250,000
CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO COST-JUSTIFIED LOAD GROWTH								
TOTAL CHIEF OPERATING OFFICER	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>3,750,000</u>
<u>VP TECHNICAL COMPLIANCE</u>								
1 31-01-1-01	-	34,000	-	-	-	-	-	-
BIOSPARGE AND SOIL VAPOR EXTRACTION SYSTEM								
TOTAL VP TECHNICAL COMPLIANCE	<u>-</u>	<u>34,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER DEPARTMENTS	<u>16,772,000</u>	<u>30,977,000</u>	<u>5,155,000</u>	<u>2,598,000</u>	<u>2,658,000</u>	<u>2,719,000</u>	<u>2,781,000</u>	<u>15,911,000</u>
ACQUIRE ASSETS LEASE								

Exhibit #2
*Capital Program Protocols
For The Philadelphia Gas Works*

CAPITAL PROGRAM PROTOCOLS
(Proposed FY 2023 Capital Budget)

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PART 1 - GENERAL PROVISIONS

SUBPART A - DEFINITIONS

1. ***“Budget Year”***: The fiscal year assigned to a capital budget.
2. ***“Fiscal Year”***: The 12-month period that begins on the first day in September and ends on the last day in August.
3. ***“Line Item Lifespan”***: The fiscal year(s) during which a line item may be available for the purpose of spending and/or commitment.
4. ***“Immediate Funding”***: The spending authority in an approved capital budget that is available for expenditure and/or commitment on the first day of the budget year subject to the limitations stated in the budget ordinance.
5. ***“Conditional Funding”***: The spending authority in an approved capital budget that is available for expenditure and/or commitment if released by the Gas Commission after PGW has provided supplemental disclosure/substantiation in accordance with the budget ordinance.
6. ***“Conditioned Funding”***: The spending authority in an approved Capital Budget that is immediately available upon the fulfillment of designated conditions established by the Commission and approved by City Council. No expenditure of Conditioned Funding shall be permissible unless and until PGW files with the Commission: (a) confirmation that amounts available for inter-departmental or intra-departmental transfers have been utilized to the extent available and/or sufficient; (b) confirmation that amounts available for conditional funding have been utilized to the extent available and/or sufficient; (c) detailed explanation of the circumstances necessitating expenditure of conditioned funding.
7. ***“Program Year”***: The fiscal year in which a Distribution department project is originated and an associated work order is opened. The program year is utilized in the administration of capital spending for the Distribution department and is linked to the timeline for project completion. The program year methodologically presents a spending profile detailing the complete cost of Distribution projects with the corresponding capital work accomplished (e.g. footage replaced).

SUBPART B - NOMENCLATURE

1. The terms ***“budget category”*** and ***“line item category”*** shall be synonymous with the term ***“line item.”***
2. The term ***“budget ordinance”*** shall refer to the ordinance approving a capital budget or an amended capital budget.
3. Line items shall be styled as ***“miscellaneous additions”*** or ***“miscellaneous replacements”*** as applicable if total line item spending authority reflects one or more specific allocations for discrete projects having a capital cost of less than \$50,000 per project and/or a contingent

allocation for miscellaneous capital projects. If a discrete project budgeted in this manner is later cancelled/curtailed or if actual costs for a discrete project are less than originally projected, the placeholder allocation shall expand accordingly within the limits of line item spending authority.

4. The term “conditional funding reserve” shall refer to the three (3) line items proportionately allocating conditional funding to the Office of the Chief Operating Officer for unbudgeted/unanticipated capital needs that may arise during the budget year related to safety, reliability of service and load growth based upon the approved budget for a given year.
5. The term ”conditioned funding reserve” shall refer to conditioned funding amounts in a given capital budget for Distribution projects that exceed otherwise authorized spending for main and service additions/replacements due to cost overruns during the budget year. Subject to specific limitations/conditions recommended by the Gas Commission and approved by City Council, spending related to the aforesaid Distribution projects will be made immediately available. The amount of the conditioned funding reserve will be determined based upon the record presented taking into consideration indices of inflation identified by the parties and historical spending for Distribution contingency amounts.

SUBPART C - LINE ITEMS (OVERVIEW)

1. Spending authority shall be linked to the line items in an approved capital budget.
2. A line item shall reflect any and all components related to capital work identified thereby, the purpose of such work as identified by priority status, and the applicable projected cost.
3. A line item shall match expenditures and/or commitments to spend with its approved lifespan.
4. A line item shall lapse and its related spending authority shall expire:
 - A. when the spending authority is depleted as a result of actual spending (as confirmed by PGW’s practice of “one-time true-up”); or
 - B. to the extent that PGW elects to utilize all or part of the spending authority for the same or equivalent purpose and/or project in a subsequent operating budget approved by the Gas Commission and notifies the Gas Commission accordingly; or
 - C. when the spending authority is depleted as a result of line item transfers; or
 - D. if no work order has been opened for the line item by the close of business on the last day of the budget year; or
 - E. if the line item lifespan has expired; or
 - F. if the capital work justifying the line item approval is completed or cancelled unless the balance of spending authority in the line item is to be transferred.

5. A line item shall have a lifespan no greater than twenty-four (24) months commencing on the first day of the budget year, except as set forth in Part 1-Subpart C.6. or C.7.
6. The Commission may recommend and City Council may approve a budget line item lifespan of thirty-six (36) or forty-eight (48) months provided that PGW makes sufficient showing that: (i) the project timeline exceeds twenty-four (24) months, as known upon budget submission (Form 6410); (ii) the project cannot be reasonably phased-in over multiple budgets; and (iii) the expenditures related to such project will be off-limits as a source for budget transfers.
7. A line item in the conditional funding reserve shall have a lifespan no greater than fifteen (15) months commencing on the first day of the budget year.

SUBPART D - LINE ITEMS (SAFETY)

1. A line item shall be assigned a priority status of “**I**” when budgeted to fund capital investment critical to ensuring public safety, the integrity of PGW’s facilities, and/or the safety of PGW’s employees. Such line item:
 - A. may be eligible for approval as conditional funding for discrete projects identified by PGW under appropriate circumstances; and
 - B. is eligible for approval as conditional funding for unbudgeted and/or unanticipated capital needs as part of the conditional funding reserve.

SUBPART E - LINE ITEMS (RELIABILITY OF SERVICE)

1. A line item shall be assigned a priority status of “**2**” when budgeted to fund capital investment:
 - A. to preserve the dependability and proper working condition of PGW’s energy-related infrastructure based on accepted/applicable engineering practices; and/or
 - B. to keep PGW’s general facilities in a state suitable for occupancy and/or the conduct of business; and/or
 - C. to keep equipment, information systems and/or other infrastructure in a continuing state of readiness for responding to PGW’s operational needs.
2. A line item assigned a priority status of “**2**”:
 - A. may be eligible for approval as conditional funding for discrete projects identified by PGW under appropriate circumstances; and
 - B. is eligible for approval as conditional funding for unbudgeted and/or unanticipated capital needs as part of the conditional funding reserve.

SUBPART F - LINE ITEMS (ENFORCED RELOCATIONS)

1. A line item shall be assigned a priority status of “3” when budgeted to fund the replacement/relocation of gas mains and/or services as a result of anticipated or actual capital/construction work attributable to third parties which directly impacts PGW’s facilities. Such line item is not eligible for approval as conditional funding.

SUBPART G - LINE ITEMS (LOAD GROWTH)

1. A line item shall be assigned a priority status of “4” when budgeted to fund capital investment enhancing revenue generation by providing new and/or additional gas-related service(s) to end users. Such line item:
 - A. may be eligible for approval as conditional funding for discrete projects identified by PGW under appropriate circumstances; and
 - B. is eligible for approval as conditional funding for unbudgeted and/or unanticipated capital needs as part of the conditional funding reserve.

SUBPART H - LINE ITEMS (BUSINESS IMPROVEMENT)

1. A line item shall be assigned a priority status of “5” when budgeted to fund capital investment that will improve one or more business process(es) in order to increase productivity and/or enhance the efficiency of operations and/or service delivery, and will yield reduced or avoided operating and/or capital costs. Such line item is not eligible for approval as conditional funding.

SUBPART I - UNBUDGETED CAPITAL INVESTMENT

1. GENERAL PROHIBITION

Capital work that is not funded by line item spending authority in an approved budget is prohibited unless it is in accordance with the work/cost preapprovals in *Part 1 - Subparts I.2. through I.3.*

2. ADVANCE ENGINEERING

Upon enactment of an annual Capital Budget Ordinance and related Capital Program Protocols providing such preapproval, PGW may undertake such advance engineering work and incur and/or commit to such costs as may be necessary to develop capital budget proposals. Such costs shall subsequently be allocated to the capital budget line item approved by City Council or to the appropriate operating account if the applicable budget proposal is withdrawn by PGW or rejected by City Council.

3. EMERGENCY CIRCUMSTANCES

Upon enactment of an annual Capital Budget Ordinance and related Capital Program Protocols providing such preapproval, PGW may incur and/or commit to such costs as may be necessary to perform extraordinary work to (1) address an imminent threat to human life and/or property; (2) preserve the safety and/or security of PGW’s energy services system; and /or (3) avoid violation of a legal mandate, when it is impracticable to secure in advance the requisite budget authorization, release approval of conditional funding, and/or approval of line item transfer/s. The aforesaid emergency preapproval shall be subject to the following requirements:

- A. PGW shall first endeavor to cover the costs of such extraordinary, emergency work with the conditional spending reserve and, if needed, by transferring thereto unused spending authorization from line items in the approved Budget;
- B. PGW shall, within ten (10) days, notify the Gas Commission of the emergency circumstance (including documentation thereof) and its plans for covering the costs of the extraordinary, emergency work including explanation whether the conditional spending reserve and line item transfers will be sufficient; and
- C. PGW shall, within thirty (30) days, take all necessary actions to request, as applicable, any necessary supplemental budget authorization from City Council and/or the Gas Commission's post-approval of conditional funding release and/or line item transfers.

PART 2 - BUDGET ADMINISTRATION

SUBPART A - IN GENERAL

1. A work order opened for a line item shall be traceable to said line item. The numerical code identifying a line item in an approved budget shall remain unchanged throughout its lifespan.
2. A work order opened for a miscellaneous additions/ replacements line item shall be for such discrete projects:
 - A. as were identified in Supporting Documentation on the basis of which the line item was approved; or
 - B. as may in PGW's judgment be required to address an unforeseen or unbudgeted capital need through the contingency component of the line item.

SUBPART B - PLANNED WORK

1. PGW shall monitor capital work to affirm:
 - A. that the components applicable to an approved line item have not changed materially;
 - B. that the applicable project(s) continue(s) to be necessary; and
 - C. that available resources are sufficient for accomplishing said project(s) during the applicable lifespan period.
2. A "material change" to a project shall be deemed to occur when the planned work for a project differs from a reasonable interpretation of the Supporting Documentation that formed the basis of budget approval. In such cases, a material change will require a proposal for inserting a new (i.e., appropriately descriptive and/or properly funded) line item in the approved budget or a proposal for supplemental authorization in a later budget.

SUBPART C - LINE ITEM OVERSPENDING

1. The approved spending authorization for a line item shall not be exceeded.
2. If PGW anticipates that a line item spending authorization could be exceeded, PGW shall notify the Gas Commission of this possibility as soon as possible with an explanation/justification for the potential overrun and a proposal for a remedial solution (e.g., budget amendment, line item transfer, deferral/ cancellation of planned projects, resubmission in whole or part in a subsequent budget proposal).
3. If PGW anticipates that a line item spending authorization will be exceeded because of a material change to the project(s) originally contemplated in Supporting Documentation when the line item was proposed, the notice referenced in *Part 2 - Subpart C.2.* shall explain why PGW failed to

propose beforehand an amendment to the given budget or a supplemental authorization in a future budget.

SUBPART D - BUDGETARY “BOTTOM-LINE” SHORTFALLS

1. The total spending authority for all line items in an approved budget shall not be exceeded.
2. If PGW anticipates that total spending authority in approved budget could be exceeded, PGW shall notify the Gas Commission as soon as possible with an explanation/justification. Said notice shall be accompanied by a proposal for a budget amendment. If a budget amendment is barred by **Part 3 - Subpart A.2.**, said notice shall be accompanied by an alternative remediation plan. If no remediation is possible, the notice will indicate accordingly and explain why.

SUBPART E - LINE ITEM SURPLUS

1. If the actual cost of capital work for a line item is anticipated to be materially lower than the cost reflected in the approved spending authorization, PGW shall provide the Gas Commission with an appropriate explanation. Said explanation shall be filed with the next monthly update of capital spending required by **Part 2 - Subpart H.1.** or the next capital spending forecast required by **Part 2 - Subpart H.3.**, whichever falls due sooner. Said explanation shall distinguish between the following:
 - A. underruns of a windfall nature stemming from unanticipated cost reductions and/or other circumstance; and
 - B. underruns stemming from doing less work or because line item components are done or otherwise accomplished by work different from what was cited by PGW in Supporting Documentation when the applicable budget was under proposal.
2. For purposes of **Part 2 - Subpart E.1.**, a “materially lower” cost shall be the larger of \$10,000 or 10% of the approved authorization.

SUBPART F - INTRADEPARTMENTAL TRANSFERS

1. **MANAGERIAL DISCRETION**
Upon enactment of an annual Capital Budget Ordinance and related Capital Program Protocols providing such authorization, PGW may implement intradepartmental transfers of spending authority at its discretion subject to the limitations in **Part 2 - Subparts F.2. through F.7.**
2. **DURATION**
PGW discretion to implement transfers shall end on the last day of the October that follows the close of the budget year.
3. **EXCLUDED LINE ITEMS**
 - A. Line items shall be unavailable for use as a source of spending authority in a transfer transaction as follows:

- i. any line item approved as conditional funding with a priority status of “1” or “2;”
- ii. any line item approved with a priority status of “4” unless the intended recipient line item was also approved with a priority status of “4;” and
- iii. such other line item(s) as City Council shall designate in the annual Capital Budget Ordinance.

B. Any line item with a lifespan in excess of twenty-four (24) months shall be unavailable for use as a source of spending authority.

4. NEW PROJECTS

PGW discretion shall not apply to a new project unless said project properly falls within the scope of the recipient line item in a transfer transaction.

5. BUSINESS UNIT INTEGRITY

Each department included in the approved budget shall retain its identity for purposes of line item transfers notwithstanding whether said department is/was part of a larger business unit in PGW’s organizational structure.

6. CROSS-BUDGET TRANSFERS

The transfer of spending authority from one Budget to another Budget is forbidden.

7. CONDITIONAL FUNDING

- A. **RELEASE ANTECEDENT:** PGW shall have no discretion to implement a transfer transaction involving a conditional funding line item unless the Gas Commission has released such funding.
- B. **TRANSFER ADVISORY:** If a transfer transaction involves a conditional funding line item, PGW shall file with the Gas Commission a Transfer Advisory coupled with a Request for Release of Conditional Funding. The Transfer Advisory shall communicate PGW’s intent to exercise transfer discretion with respect to any such line item if the Gas Commission approves the Request for Release of Conditional Funding. The Request for Release of Conditional Funding shall be premised on and limited solely to the purpose(s) stated and the transfer transaction(s) described in the Transfer Advisory.
- C. **DEVIATION FROM RELEASE APPROVAL:** The release of conditional funding shall be null and void if PGW abandons or modifies the transactions identified in the Transfer Advisory or if PGW wishes or attempts to apply released funding to other purposes.

SUBPART G - OTHER TRANSFERS

1. APPROVAL/OVERSIGHT AUTHORITY

Upon enactment of an annual Capital Budget Ordinance and related Capital Program Protocols vesting such responsibility, the Gas Commission:

- A. may approve transfers of spending authority beyond PGW's discretion if good cause has been shown after appropriate review subject to the limitations in *Part 2 - Subparts G.2. through G.5.*; and
- B. shall be responsible for monitoring line item transfer activity in the approved Budget and making appropriate recommendations to City Council with respect to line item transfers in connection with the next ensuing budget proposal.

2. DURATION

Gas Commission authority to approve transfers shall end on the last day of the December that follows the close of the budget year.

3. EXCLUDED LINE ITEMS

- A. Line items shall be unavailable for use as a source of spending authority in a transfer transaction as follows:
 - i. any line item approved as conditional funding with a priority status of **"1"** or **"2"**;
 - ii. any line item approved with a priority status of **"4"** unless the intended recipient line item was also approved with a priority status of **"4"**; and
 - iii. such other line item(s) as City Council shall designate by ordinance in conjunction with the annual Capital Budget Ordinance.
- B. Any line item with a lifespan in excess of twenty-four (24) months shall be unavailable for use as a source of spending authority.

4. CROSS-BUDGET TRANSFERS

The transfer of spending authority from one Budget to another Budget is forbidden.

5. TRANSFER APPROVAL REQUESTS

A request that the Gas Commission approve a proposed transfer of spending authority must satisfy the following criteria:

- A. the circumstances that the transfer transaction would address are clearly defined and not subject to reasonable dispute;
- B. the transfer transaction does not rely on a source of spending authority that has been excluded by the approving Budget Ordinance;

- C. a transfer source has sufficient spending authority to support the transfer transaction; and
- D. no circumstance or consideration warrants that a proposed transfer be rejected for the sake of prudence.

SUBPART H - BUDGET REPORTING

1. MONTHLY UPDATES

PGW shall file monthly updates of actual/estimated spending styled as the “Capital Budget Authorization/Spending Review” in an electronic format acceptable to the Gas Commission as well as in hard copy. Said updates shall be due on the 15th day of each month or the next ensuing business day. Separate columns shall reflect:

- A. whether a line item is open or closed;
- B. the lifespan expiration date applicable to each line item;
- C. any transfer(s) applicable to each line item, the related dollar impact of such transfer(s) on the affected line item(s), and the justification for each transfer.

2. QUARTERLY UPDATES

PGW shall file a quarterly report disclosing PGW’s actual spending related to Disadvantaged Business Enterprise participation as compared to its projected spending broken down into operating and capital spending.

3. PERIODIC FORECASTS

PGW shall file spending forecasts of actual/estimated spending organized on a “line-by-line/budget-by-budget” basis in both hard copy and electronic formats as part of the Capital Budget Authorization/Spending Review. Said forecasts shall be due as follows:

- A. on the first business day in October, January, April and July as Quarterly Forecasts; and
- B. on the first business day in November as an Unaudited End-of-Year Forecast.

Said forecasts shall reflect any transfer(s) applicable to each line item, the related dollar impact of such transfer(s) on the affected line item(s), and the justification for each transfer.

4. FINAL REPORTS

PGW shall file a “Final Report” of actual spending for an approved Budget as and when all work orders and line items are closed as part of the Capital Budget Authorization/Spending Review. Said report shall reflect any transfer(s) applicable to each line item, the related dollar impact of such transfer(s) on the affected line item(s), and the justification for each transfer.

PART 3 - BUDGET PROPOSALS/ REQUESTS - IN GENERAL

SUBPART A - FILING DEADLINES

1. **PROPOSED ANNUAL BUDGET**
A capital budget proposal for the next ensuing budget year shall be filed with the Gas Commission by no later than the first business day in January.
2. **PROPOSED AMENDMENT TO APPROVED ANNUAL BUDGET**
A proposal to amend an approved Budget shall be filed with the Gas Commission by no later than the first business day in March of the budget year.
3. **REQUEST FOR RELEASE OF CONDITIONAL FUNDING**
A request that the Gas Commission release conditional funding in an approved Budget shall be filed with the Gas Commission by no later than:
 - A. the first business day in September that follows the budget year for a line item in the conditional funding reserve; and
 - B. the first business day in April of the budget year for all other line items.
4. **REQUEST FOR APPROVAL OF LINE ITEM TRANSFER**
A request that the Gas Commission approve a line item transfer transaction shall be due as follows:
 - A. on the same day that a request for release of conditional funding is due under **Part 3 - Subpart A.3.** if a transfer transaction involves a conditional funding line item; and
 - B. by no later than the first business day of the November that next follows the budget year if any other transfer transaction is involved.

SUBPART B - SUBSTANTIATION

1. **SAFETY**
In addition to the content requirements of **Part 4**, a proposed line item assigned a priority status of **"1"** shall be substantiated by a showing that the capital work at issue is necessary based on a confirmed risk assessment. If a Miscellaneous Funding line item is proposed, the allocation for unbudgeted/unanticipated capital projects included therein shall be reasonable.

If no risk assessment is yet confirmed or if the project scope and/or costs is/are not yet finalized, the line item may be considered for conditional funding of a discrete project only if there is a reasonable expectation that the risk assessment will be confirmed and/or that the project scope and/or costs will be finalized during the budget year.
2. **RELIABILITY OF SERVICE**
In addition to the content requirements of **Part 4**, a proposed line item assigned a priority status of **"2"** shall be substantiated by a showing that the capital work at issue is necessary based on a

confirmed risk assessment and/or cost-benefit analysis. If a Miscellaneous Funding line item is proposed, the allocation for unbudgeted/unanticipated capital projects included therein shall be reasonable.

If no risk assessment and/or cost-benefit is yet confirmed or if the project scope and/or costs is/are not yet finalized, the line item may be considered for conditional funding of a discrete project only if there is a reasonable expectation that the risk assessment and/or cost-benefit will be confirmed or that the project scope and/or costs will be finalized during the budget year.

3. ENFORCED RELOCATIONS

A proposed line item assigned a priority status of “3” shall be substantiated in accordance with the content requirements of *Part 4* as applicable.

4. LOAD GROWTH

In addition to the content requirements of *Part 4*, a proposed line item assigned a priority status of “4” shall be substantiated by a showing that a contractual commitment has been or is reasonably certain to be secured during the budget year and that such commitment promises an acceptable return on investment. If a Miscellaneous Funding line item is proposed, the allocation for unbudgeted/unanticipated capital projects included therein shall be reasonable.

If no contractual commitment and/or analysis of investment return is yet available, the line item may be considered for conditional funding of a discrete project if there is a reasonable likelihood that a contractual commitment indicating an acceptable return on investment will be secured during the budget year.

5. BUSINESS IMPROVEMENT

In addition to the content requirements of *Part 4*, a proposed line item assigned a priority status of “5” shall be substantiated by an acceptable analysis that specifically identifies cost-beneficial productivity/efficiency improvements and/or cost reductions in future operating and/or capital budgets and/or other specific benefit to PGW and its customers directly resulting from such capital investment. Said analysis shall include the identification of consequences from delaying such project. If a Miscellaneous Funding line item is proposed, the allocation for unbudgeted/unanticipated capital projects included therein shall be reasonable.

6. REGULATORY OR OTHER MANDATES

In addition to the content requirements of *Part 4*, a proposed line item with any priority status whose business justification in whole or in part involves a regulatory, legislative, or judicial mandate shall be substantiated by a citation to the applicable regulation, law, or other published directive or by a copy of the applicable order.

PART 4 - BUDGET PROPOSALS/ REQUESTS - CONTENT REQUIREMENTS

SUBPART A – FILING CONTENTS

A capital budget proposal/request shall be accompanied by supporting documentation that fully and meaningfully describes the matter at issue in accordance with *Part 3 - Subpart B*. The supporting documentation described in *Part 4 - Subparts A through K* shall be required components of each PGW capital budget proposal/request (including any requested amendment), and shall be filed together with, and at the same time as such capital budget proposal/request.

SUBPART B - NARRATIVE

The annual capital budget proposal shall be accompanied by prepared written testimony and budget narrative indexed to persons who are available for questioning and such other information as necessary to develop an informed recommendation from the Gas Commission. Any other budget proposal/request shall be accompanied by such testimony/ narrative as shall be warranted by the subject matter at issue.

SUBPART C - AUTHORIZING BOARD RESOLUTION

A capital budget proposal/request shall be accompanied by a Philadelphia Facilities Management Corporation Board Resolution authorizing such proposal/request.

SUBPART D - COST COMPONENT BREAKOUT

Supporting documentation for a proposed line item shall include a breakout of cost components that reflects the following as applicable:

1. Labor
2. Purchased Services
3. Materials
4. Information System Hardware/Software
5. Other Cost
6. Project Cost comprising *Part 4 - Subparts D.1. through D.5.*
7. Administrative & General Expense
8. Allowance for Funds Used During Construction
9. Total Capital Cost comprising *Part 4 - Subparts D.6. through D.8.*

SUBPART E - COST DERIVATION

1. Supporting documentation for a proposed line item budgeted on the basis of unit costs shall include an explanation or analysis that justifies the use of an averaging method that utilizes fewer than four years of cost data.

2. Supporting documentation for main replacement and addition line items in the Distribution Department for a given Program Year shall include the underlying information utilized to develop proposed unit costs broken down separately for each size classification, type, pressure classification and program (e.g. prudent, enforced relocation, load growth and long-term infrastructure plan) and, with respect to each size classification, type, pressure classification and program, shall provide the breakdown of cost components as set forth in Part 4 - Subpart D.
3. Supporting documentation for service replacement and addition line items in the Distribution Department for a given Program Year shall include the underlying information utilized to develop proposed unit costs broken down separately by each size classification of service replacement and addition, and with respect to each such size classification for service replacements and service additions, shall provide the breakdown of cost components set forth in Part 4 - Subpart D.

SUBPART F - LOAD GROWTH

The annual capital budget proposal shall be accompanied by the most recent Marketing Sales Forecast available. The same shall apply to a proposal to amend a proposed or approved budget by modifying or inserting a line item assigned a priority status of “4”.

SUBPART G - CAPITAL FINANCING

The annual capital budget proposal shall be accompanied by a financing plan for capital spending during the budget year indexed to illustrate the relationship of all active budgets and the following financing sources:

- Capital Improvement Fund
- Internally-Generated Funds From Operations
- Reimbursements
- Customer Contributions
- Other sources as applicable.

A proposal to amend a proposed or approved budget shall be accompanied by a revised financing plan.

SUBPART H - DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

The annual capital budget proposal shall include pertinent data on Disadvantaged Business Enterprise (“DBE”) participation:

- as projected for the budget year; and
- as estimated for the prior fiscal year.

This data shall include a report regarding any changes to participation goals, contract compliance procedures, or any other aspect(s) of the DBE vendor program. A proposal to amend a proposed or approved Budget shall include updated DBE participation data.

SUBPART I - APPROVED BUDGETS (CASH RECAPTURE)

The annual capital budget proposal shall include information on the amount of money PGW has received to date by way of reimbursements, customer contributions, salvage or any other project-related cash recapture applicable to approved budgets for which no final spending report has been filed. A proposal to amend a proposed or approved budget shall include updated recapture data as appropriate.

SUBPART J - APPROVED BUDGETS (LEASES)

The annual capital budget proposal shall include a capital leasing report which identifies all line items in approved budgets for which no final spending report has been filed. For each line item, PGW will provide the following information:

- names and addresses of all lessors;
- the lease term; and
- the annual lease payment.

SUBPART K - APPROVED BUDGETS (GAINS/REDUCTIONS)

The annual capital budget proposal shall include narrative which identifies the productivity/efficiency gains and/or cost reductions and/or other specific benefit secured via line items with a priority status of “5” in approved Budgets for which no final spending report has been file