

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 2022 COMPLIANCE CAPITAL
BUDGET**

AND

FORECAST FISCAL 2023 - 2027

WITH

FISCAL 2022 FINANCING PLAN

APRIL 13, 2021



PHILADELPHIA GAS WORKS

PROPOSED

CAPITAL BUDGET

FISCAL YEAR 2022 AND FORECAST 2023 THROUGH 2027

	2022 CAPITAL BUDGET	2023 - 2027 FORECAST	TOTAL 6 YEARS
<u>GAS PROCESSING</u>			
ADDITIONS	1,057,000	631,000	1,688,000
REPLACEMENTS	<u>9,023,000</u>	<u>151,710,000</u>	<u>160,733,000</u>
TOTAL	<u>10,080,000</u>	<u>152,341,000</u>	<u>162,421,000</u>
<u>DISTRIBUTION</u>			
ADDITIONS	16,362,000	87,890,000	104,252,000
REPLACEMENTS	<u>91,521,000</u>	<u>477,457,000</u>	<u>568,978,000</u>
GROSS TOTAL	107,883,000	565,347,000	673,230,000
LESS: SALVAGE			
LESS: CONTRIBUTIONS*			
LESS: REIMBURSEMENTS**	<u>(4,804,000)</u>	<u>(25,560,000)</u>	<u>(30,364,000)</u>
NET TOTAL	<u>103,079,000</u>	<u>539,787,000</u>	<u>642,866,000</u>
<u>FIELD SERVICES</u>			
ADDITIONS	3,208,000	19,262,000	22,470,000
REPLACEMENTS	<u>5,398,000</u>	<u>85,291,000</u>	<u>90,689,000</u>
GROSS TOTAL	8,606,000	104,553,000	113,159,000
LESS: SALVAGE			
LESS: CONTRIBUTIONS*			
NET TOTAL	<u>8,606,000</u>	<u>104,553,000</u>	<u>113,159,000</u>
<u>FLEET OPERATIONS</u>			
ADDITIONS			
REPLACEMENTS	<u>4,138,000</u>	<u>33,426,000</u>	<u>37,564,000</u>
GROSS TOTAL	4,138,000	33,426,000	37,564,000
LESS: SALVAGE			
NET TOTAL	<u>4,138,000</u>	<u>33,426,000</u>	<u>37,564,000</u>

PHILADELPHIA GAS WORKS
PROPOSED
CAPITAL BUDGET
FISCAL YEAR 2022 AND FORECAST 2023 THROUGH 2027

	<u>2022</u> <u>CAPITAL BUDGET</u>	<u>2023 - 2027</u> <u>FORECAST</u>	<u>TOTAL 6 YEARS</u>
<u>OTHER DEPARTMENTS</u>			
ADDITIONS	3,232,000	1,260,000	4,492,000
REPLACEMENTS	<u>13,540,000</u>	<u>24,526,000</u>	<u>38,066,000</u>
TOTAL	<u><u>16,772,000</u></u>	<u><u>25,786,000</u></u>	<u><u>42,558,000</u></u>
 <u>TOTAL</u>			
ADDITIONS	23,859,000	109,043,000	132,902,000
REPLACEMENTS	<u>123,620,000</u>	<u>772,410,000</u>	<u>896,030,000</u>
GROSS TOTAL	147,479,000	881,453,000	1,028,932,000
LESS: SALVAGE			
LESS: REIMBURSEMENTS**	(4,804,000)	(25,560,000)	(30,364,000)
LESS: CONTRIBUTIONS*			
NET TOTAL	<u><u>142,675,000</u></u>	<u><u>855,893,000</u></u>	<u><u>998,568,000</u></u>

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

GROWTH

*** FISCAL YEAR 2021 COMPLIANCE BUDGET IS FILED WITH THE GAS COMMITTEE PER MOTION AND AWAITING CITY COUNCIL APPROVAL.

PHILADELPHIA GAS WORKS
PROPOSED CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

<u>DEPARTMENT</u>	<u>2021 COMPL BUDGET</u>	<u>2022 FORECAST</u>	<u>2022 BUDGET</u>	<u>2022</u>	<u>2021</u>	<u>2022 BUD vs 2022 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	303,000	265,000	1,057,000	754,000	248.8%	792,000	298.9%	
REPLACEMENTS	<u>8,593,000</u>	<u>4,894,000</u>	<u>9,023,000</u>	<u>430,000</u>	5.0%	<u>4,129,000</u>	<u>84.4%</u>	
TOTAL GAS PROCESSING	8,896,000	5,159,000	10,080,000	1,184,000	13.3%	4,921,000	95.4%	
<u>DISTRIBUTION</u>								
ADDITIONS	15,075,000	15,436,000	16,362,000	1,287,000	8.5%	926,000	6.0%	
REPLACEMENTS	<u>89,306,000</u>	<u>92,644,000</u>	<u>91,521,000</u>	<u>2,215,000</u>	2.5%	<u>(1,123,000)</u>	<u>-1.2%</u>	
GROSS TOTAL DISTRIBUTION	104,381,000	108,080,000	107,883,000	3,502,000	3.4%	(197,000)	-0.2%	
LESS: SALVAGE					N/A		N/A	
LESS: CONTRIBUTIONS*					N/A		N/A	
LESS: REIMBURSEMENT**	<u>(4,366,319)</u>	<u>(4,457,000)</u>	<u>(4,804,000)</u>	<u>(437,681)</u>	10.0%	<u>(347,000)</u>	<u>7.8%</u>	
NET TOTAL DISTRIBUTION	100,014,681	103,623,000	103,079,000	3,064,319	3.1%	(544,000)	-0.5%	
<u>FIELD SERVICES</u>								
ADDITIONS	3,676,000	3,871,000	3,208,000	(468,000)	-12.7%	(663,000)	-17.1%	
REPLACEMENTS	<u>8,044,000</u>	<u>9,670,000</u>	<u>5,398,000</u>	<u>(2,646,000)</u>	-32.9%	<u>(4,272,000)</u>	<u>-44.2%</u>	
GROSS TOTAL FIELD SERVICES	11,720,000	13,541,000	8,606,000	(3,114,000)	-26.6%	(4,935,000)	-36.4%	
LESS: SALVAGE					N/A		N/A	
LESS: CONTRIBUTIONS*					N/A		N/A	
NET TOTAL FIELD SERVICES	11,720,000	13,541,000	8,606,000	(3,114,000)	-26.6%	(4,935,000)	-36.4%	

PHILADELPHIA GAS WORKS
PROPOSED CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

<u>DEPARTMENT</u>	<u>2021 COMPL BUDGET</u>	<u>2022 FORECAST</u>	<u>2022 BUDGET</u>	<u>2022</u>	<u>2021</u>	<u>2022 BUD vs 2022 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>3,966,000</u>	<u>9,049,000</u>	<u>4,138,000</u>	<u>172,000</u>	<u>4.3%</u>	<u>(4,911,000)</u>	<u>-54.3%</u>	
GROSS TOTAL FLEET OPERATIONS	3,966,000	9,049,000	4,138,000	172,000	4.3%	(4,911,000)	-54.3%	
LESS: SALVAGE					N/A		N/A	
NET TOTAL TRANSPORTATION	3,966,000	9,049,000	4,138,000	172,000	4.3%	(4,911,000)	-54.3%	
<u>OTHER</u>								
ADDITIONS	788,000	250,000	3,232,000	2,444,000	310.2%	2,982,000	1192.8%	
REPLACEMENTS	<u>86,983,000</u>	<u>9,538,000</u>	<u>13,540,000</u>	<u>(73,443,000)</u>	<u>-84.4%</u>	<u>4,002,000</u>	<u>42.0%</u>	
TOTAL OTHER	87,771,000	9,788,000	16,772,000	(70,999,000)	-80.9%	6,984,000	71.4%	
<u>TOTAL</u>								
ADDITIONS	19,842,000	19,822,000	23,859,000	4,017,000	20.2%	4,037,000	20.4%	
REPLACEMENTS	<u>196,892,000</u>	<u>125,795,000</u>	<u>123,620,000</u>	<u>(73,272,000)</u>	<u>-37.2%</u>	<u>(2,175,000)</u>	<u>-1.7%</u>	
GROSS TOTAL	216,734,000	145,617,000	147,479,000	(69,255,000)	-32.0%	1,862,000	1.3%	
LESS: SALVAGE					N/A		N/A	
LESS: REIMBURSEMENT**	(4,366,319)	(4,457,000)	(4,804,000)	(437,681)	10.0%	(347,000)	7.8%	
LESS: CONTRIBUTIONS*					<u>N/A</u>		<u>N/A</u>	
NET TOTAL	<u>212,367,681</u>	<u>141,160,000</u>	<u>142,675,000</u>	<u>(69,692,681)</u>	<u>-32.8%</u>	<u>1,515,000</u>	<u>1.1%</u>	

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2022 CAPITAL BUDGET
 SUMMARY ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

<u>FISCAL YEAR</u>	<u>ADDITIONS</u>		<u>REPLACEMENTS</u>		<u>TOTAL</u>	
	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>
CURRENT BUDGET	23,859,000	23,155,000	123,620,000	83,866,000	147,479,000	107,021,000
YEAR 1	-	704,000	-	35,862,000	-	36,566,000
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	23,859,000	23,859,000	123,620,000	119,728,000	147,479,000	143,587,000

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2022 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	-	-	-	-
53-02 SUPPLEMENTAL GAS FACILITIES	958,000	7,635,000	-	8,593,000
53-03 BUILDING AND GROUNDS	-	1,112,000	-	1,112,000
53-04 MISC CAPITAL REQUIREMENTS	99,000	276,000	-	375,000 - -
 TOTAL GAS PROCESSING	 <u>1,057,000</u>	 <u>9,023,000</u>	 <u>-</u>	 <u>10,080,000</u>

GAS PROCESSING DEPARTMENT
FISCAL YEAR 2022 CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

CATEGORY		2021 COMPL	2022	2022	2022	2021	2022 BUD vs 2022 FORECAST	
		BUDGET	FORECAST	BUDGET	\$	COMPL BUDGET	\$	%
					DIFF.	DIFF.	DIFF.	DIFF.
53-01	NATURAL GAS							
	ADDITIONS	-	-	-	-	N/A	0	N/A
	REPLACEMENTS	<u>1,211,000</u>	-	-	<u>(1,211,000)</u>	<u>-100.0%</u>	<u>0</u>	<u>N/A</u>
	TOTAL	1,211,000	-	-	(1,211,000)	-100.0%	0	N/A
53-02	SUPPLEMENTAL GAS							
	ADDITIONS	-	159,000	958,000	958,000	N/A	799,000	502.5%
	REPLACEMENTS	<u>3,199,000</u>	<u>4,570,000</u>	<u>7,635,000</u>	<u>4,436,000</u>	<u>138.7%</u>	<u>3,065,000</u>	<u>67.1%</u>
	TOTAL	3,199,000	4,729,000	8,593,000	5,394,000	168.6%	3,864,000	81.7%
53-03	BUILDING AND							
	ADDITIONS	-	-	-	-	N/A	0	N/A
	REPLACEMENTS	<u>1,182,000</u>	-	<u>1,112,000</u>	<u>(70,000)</u>	<u>-5.9%</u>	<u>1,112,000</u>	<u>N/A</u>
	TOTAL	1,182,000	-	1,112,000	(70,000)	-5.9%	1,112,000	N/A
53-04	MISC CAPITAL							
	ADDITIONS	103,000	106,000	99,000	(4,000)	-3.9%	(7,000)	-6.6%
	REPLACEMENTS	<u>316,000</u>	<u>324,000</u>	<u>276,000</u>	<u>(40,000)</u>	<u>-12.7%</u>	<u>(48,000)</u>	<u>-14.8%</u>
	TOTAL	419,000	430,000	375,000	(44,000)	-10.5%	(55,000)	-12.8%
	REAUTHORIZATION							
	ADDITIONS	200,000	-	-	<u>(200,000)</u>	<u>-100.0%</u>	<u>0</u>	<u>N/A</u>
	REPLACEMENTS	<u>2,685,000</u>	-	-	<u>(2,685,000)</u>	<u>-100.0%</u>	<u>0</u>	<u>N/A</u>
	TOTAL	2,885,000	-	-	(2,885,000)	-100.0%	0	N/A
	TOTAL GAS PROCESSING	<u>8,896,000</u>	<u>5,159,000</u>	<u>10,080,000</u>	<u>1,184,000</u>	<u>13.3%</u>	<u>4,921,000</u>	<u>95.4%</u>

GAS PROCESSING DEPARTMENT
FISCAL 2022 COMPLIANCE CAPITAL BUDGET

<u>P</u>			<u>AMOUNT</u>
	<u>GP-1</u>	<u>NATURAL GAS MEASUREMENT AND CONTROL FACILITIES</u>	
		TOTAL GP-1	<u><u>-</u></u>
	<u>GP-2</u>	<u>SUPPLEMENTAL GAS FACILITIES</u>	
2	53-02-1-01	SOFTWARE REPORTING - PHASE 2 - RICHMOND AND PASSYUNK PLANTS	257,000
1	53-02-2-03	REPLACE LNG SWITCHGEAR - RICHMOND	1,715,000
1	53-02-2-04	EXPANDER LIQUEFIER TSA SYSTEM UPGRADES - RICHOMND	3,533,000
1	53-02-2-05	ISOLATE NATURAL GAS HEATHERS - PASSYUNK	172,000
2	53-02-2-06	DCS CONVERSION - PASSYUNK	2,215,000
1	53-02-2-08	ENERGY MGMT PROGRM - #1 HVAC SYSTEM FOR RICHMOND MAIN SWGR	356,000
1	53-02-2-09	PLATFORMS WHARF AND BOILER HOUSE - PASSYUNK	345,000
		TOTAL GP-2	<u><u>8,593,000</u></u>
	<u>GP-3</u>	<u>BUILDING & GROUNDS</u>	
1	53-03-2-05	REMODEL CENTRAL CONTROL ROOM - PASSYUNK	547,000
1	53-03-2-06	UPGRADE MAIN GATE GUARD SHACK - PASSYUNK	565,000
		TOTAL GP-3	<u><u>1,112,000</u></u>
	<u>GP-4</u>	<u>MISCELLANEOUS CAPITAL REQUIREMENTS</u>	
1	53-04-1-01	MISCELLANEOUS CAPITAL ADDITIONS	99,000
1	53-04-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS	276,000
		TOTAL GP-4	<u><u>375,000</u></u>
		TOTAL GAS PROCESSING DEPARTMENT	<u><u>10,080,000</u></u>

GAS PROCESSING DEPARTMENT
LISTING BY PRIORITY
FISCAL 2022 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-2 53-02-2-03 REPLACE LNG SWITCHGEAR - RICHMOND	1,715,000	1,550,000	165,000	-	-
1	GP-2 53-02-2-04 EXPANDER LIQUEFIER TSA SYSTEM UPGRADES - RICHMOND	3,533,000	2,391,000	1,142,000	-	-
1	GP-2 53-02-2-05 ISOLATE NATURAL GAS HEATERS - PASSYUNK	172,000	159,000	13,000	-	-
1	GP-2 53-02-2-08 ENERGY MGMT PROGRAM - #1 HVAC SYSTEM FOR RICHMOND MAIN SW	356,000	-	356,000	-	-
1	GP-2 53-02-2-09 PLATFORMS WHARF AND BOILER HOUSE - PASSYUNK	345,000	52,000	293,000	-	-
1	GP-2 53-03-2-05 REMODEL CENTRAL CONTROL ROOM - PASSYUNK	547,000	547,000	-	-	-
1	GP-2 53-03-2-06 UPGRADE MAIN GATE GUARD SHACK - PASSYUNK	565,000	270,000	295,000	-	-
1	GP-2 53-04-1-01 MISCELLANEOUS CAPITAL ADDITIONS	99,000	99,000	-	-	-
1	GP-2 53-04-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS	276,000	276,000	-	-	-
<u>PRIORITY 2</u>						
2	GP-2 53-02-1-01 SOFTWARE REPORTING - PHASE 2 - RICHMOND AND PASSYUNK PLAN	257,000	257,000	-	-	-
2	GP-2 53-02-2-14 DCS CONVERSION - PASSYUNK	2,215,000	2,215,000	-	-	-

TOTAL GAS PROCESSING DEPARTMENT: 10,080,000 7,816,000 2,264,000

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2022 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	1,057,000	408,000	9,023,000	7,408,000	10,080,000	7,816,000
YEAR 1	-	649,000.00	-	1,615,000	-	2,264,000
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	1,057,000	1,057,000	9,023,000	9,023,000	10,080,000	10,080,000

DISTRIBUTION DEPARTMENT
FISCAL YEAR 2022 CAPITAL BUDGET

SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEM ENTS</u>	<u>GROSS TOTAL</u>	<u>REIMBURSEM ENT**</u>	<u>NET TOTAL</u>
52-20 GAS MAINS - HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)	3,096,000	1,377,000	4,473,000	-	4,473,000
52-21 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8 INCH AND SMALLER	2,734,000	62,803,000	65,537,000	(3,822,000)	61,715,000
52-22 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 12 INCH AND LARGER	225,000	2,191,000	2,416,000	(982,000)	1,434,000
52-23 CUST MTR & REG INSTALL, PRESSURE REGULATION & CORROSION CONTROL FACILITIES	405,000	1,011,000	1,416,000	-	1,416,000
52-24 SERVICES	9,777,000	19,775,000	29,552,000	-	29,552,000
52-25 CONDITIONED RESERVED	-	3,142,000	3,142,000	-	3,142,000
52-29 OTHER DISTRIBUTION FACILITIES	125,000	1,222,000	1,347,000	-	1,347,000
TOTAL DISTRIBUTION	16,362,000	91,521,000	107,883,000	(4,804,000)	103,079,000

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

DISTRIBUTION DEPARTMENT
FISCAL YEAR 2022 CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

CATEGORY		2021 COMPL BUDGET	2022 FORECAST	2022 BUDGET	2022	2021	2022 BUD vs 2022	
					BUDGET vs	COMPL BUDGET	FORECAST	FORECAST
					\$	%	\$	%
					DIFF.	DIFF.	DIFF.	DIFF.
52-20 GAS MAINS - HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)	ADDITIONS	2,742,000	2,808,000	3,096,000	354,000	12.9%	288,000	10.3%
	REPLACEMENTS	<u>1,698,000</u>	<u>1,739,000</u>	<u>1,377,000</u>	<u>(321,000)</u>	<u>-18.9%</u>	<u>(362,000)</u>	<u>-20.8%</u>
	TOTAL	4,440,000	4,547,000	4,473,000	33,000	0.7%	(74,000)	-1.6%
52-21 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8 INCH AND SMALLER	ADDITIONS	2,641,000	2,704,000	2,734,000	93,000	3.5%	30,000	1.1%
	REPLACEMENTS	<u>61,016,000</u>	<u>63,640,000</u>	<u>62,803,000</u>	<u>1,787,000</u>	<u>2.9%</u>	<u>(837,000)</u>	<u>-1.3%</u>
	TOTAL	63,657,000	66,344,000	65,537,000	1,880,000	3.0%	(807,000)	-1.2%
52-22 GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 12 INCH AND LARGER	ADDITIONS	177,000	181,000	225,000	48,000	27.1%	44,000	24.3%
	REPLACEMENTS	<u>2,107,000</u>	<u>2,158,000</u>	<u>2,191,000</u>	<u>84,000</u>	<u>4.0%</u>	<u>33,000</u>	<u>1.5%</u>
	TOTAL	2,284,000	2,339,000	2,416,000	132,000	5.8%	77,000	3.3%
52-23 CUST MTR & REG INST, PRESSURE REGULA- TION AND CORROSION CONTROL FACILITIES	ADDITIONS	376,000	385,000	405,000	29,000	7.7%	20,000	5.2%
	REPLACEMENTS	<u>955,000</u>	<u>978,000</u>	<u>1,011,000</u>	<u>56,000</u>	<u>5.9%</u>	<u>33,000</u>	<u>3.4%</u>
	TOTAL	1,331,000	1,363,000	1,416,000	85,000	6.4%	53,000	3.9%
52-24 SERVICES	ADDITIONS	9,139,000	9,358,000	9,777,000	638,000	7.0%	419,000	4.5%
	REPLACEMENTS	<u>19,493,000</u>	<u>19,961,000</u>	<u>19,775,000</u>	<u>282,000</u>	<u>1.4%</u>	<u>(186,000)</u>	<u>-0.9%</u>
	TOTAL	28,632,000	29,319,000	29,552,000	920,000	3.2%	233,000	0.8%
52-25 CONDITIONED FUDNING RESERVED		3,041,000	3,148,000	3,142,000	101,000	3.3%	(6,000)	-0.2%
52-29 OTHER DISTRIBUTION FACILITIES	ADDITIONS	-	-	125,000	125,000	N/A	125,000.00	N/A
	REPLACEMENTS	<u>996,000</u>	<u>1,020,000</u>	<u>1,222,000</u>	<u>226,000</u>	<u>22.7%</u>	<u>202,000</u>	<u>19.8%</u>
	TOTAL	996,000	1,020,000	1,347,000	351,000	35.2%	327,000	32.1%
GROSS TOTAL DISTRIBUTION DEPARTMENT		104,381,000	108,080,000	107,883,000	3,502,000	3.4%	(197,000)	-0.2%
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>(4,366,319)</u>	<u>(4,457,000)</u>	<u>(4,804,000)</u>	<u>(437,681)</u>	<u>10.0%</u>	<u>(347,000)</u>	<u>7.8%</u>
NET TOTAL DISTRIBUTION		<u>100,014,681</u>	<u>103,623,000</u>	<u>103,079,000</u>	<u>3,064,319</u>	<u>3.1%</u>	<u>(544,000)</u>	<u>-0.5%</u>

* DISTRIBUTION DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

DISTRIBUTION DEPARTMENT
FISCAL 2022 COMPLIANCE CAPITAL BUDGET

<u>P</u>		<u>AMOUNT</u>	<u>FEET UNITS</u>
	<u>GAS MAINS - HIGH PRESSURE (WITH ASSOCIATED VALVES AND REGULATORS)</u>		
	<u>D-20</u>		
4	52-20-1-01 INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND EXTENSIONS TO SUPPLY ADDITIONAL LOADS	3,096,000	11,879
3	52-20-2-01 ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK	1,377,000	678
		<u>4,473,000</u>	
52-20-2-97	GROSS TOTAL D-20	4,473,000	
	LESS: REIMBURSEMENT**		
	LESS: POTENTIAL CUSTOMER CONTRIBUTIONS		
	NET TOTAL D-20	<u><u>4,473,000</u></u>	
	<u>GAS MAINS - LOW AND INTERMEDIATE PRESSURE - 8 INCH AND SMALLER</u>		
	<u>D-21</u>		
4	52-21-1-01 MAINS TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INCREASED CAPACITY	2,734,000	12,679
3	52-21-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK	5,270,000	23,673
1	52-21-2-02 PRUDENT MAIN REPLACEMENTS	20,533,000	76,340
1	52-21-2-03 LONG TERM INFRASTRUCTURE PLAN - DSIC	37,000,000	
		<u>65,537,000</u>	
52-21-2-97	GROSS TOTAL D-21	65,537,000	
	LESS: REIMBURSEMENT**	(3,822,000)	
	NET TOTAL D-21	<u><u>61,715,000</u></u>	

DISTRIBUTION DEPARTMENT
FISCAL 2022 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	225,000	194
3	52-22-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK	1,100,000	2,915
3	52-22-2-02 MAIN FOR MAJOR ENFORCED RELOCATION	1,091,000	1,422
	GROSS TOTAL D-22	<u>2,416,000</u>	
	LESS: REIMBURSEMENT**	(982,000)	
	NET TOTAL D-22	<u><u>1,434,000</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	405,000	
1	52-23-2-01 REPLACEMENT/REHABILITATION OF HIGH PRESSURE MAIN VALVES	591,000	
2	52-23-2-02 REPLACEMENT OF VARIOUS PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	420,000	
	GROSS TOTAL D-23	<u>1,416,000</u>	
	LESS: REIMBURSEMENT**		
	LESS: POTENTIAL CUSTOMER CONTRIBUTIONS*		
	NET TOTAL D-23	<u><u>1,416,000</u></u>	

DISTRIBUTION DEPARTMENT

FISCAL YEAR 2022 CAPITAL BUDGET

DISTRIBUTION COMPRESSED CATEGORIES

<u>CATEGORIES</u>	2021 COMPL BUDGET	2022 FORECAST	2022 BUDGET
MAIN ADDITIONS	5,560,000	5,693,000	6,055,000
MAIN REPLACEMENTS	64,821,000	67,537,000	66,371,000
SERVICE ADDITIONS	9,139,000	9,358,000	9,777,000
SERVICE REPLACEMENTS	19,493,000	19,961,000	19,775,000
METER/REGULATOR/CORROSION	1,331,000	1,363,000	1,416,000
TOOLS	996,000	1,020,000	1,347,000
CONDITIONED FUNDING RESERVE	3,041,000	3,148,000	3,142,000
GROSS TOTAL DISTRIBUTION	104,381,000	108,080,000	107,883,000

DISTRIBUTION DEPARTMENT
LISTING BY PRIORITY
FISCAL 2022 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	20,533,000	76,340	14,174,000	6,359,000	-	-
1	D-21 52-21-2-03 LONG TERM INFRASTRUCTURE PLAN - DSIC	37,000,000		19,625,000	17,375,000	-	-
	REPLACEMENT/REHABILITATION OF HIGH PRESSURE MAIN						
1	D-23 52-23-2-01 VALVES	591,000		591,000	-	-	-
1	D-24 52-24-2-02 RENEWAL OF 2" AND LARGER SERVICES	1,096,000	110	1,096,000	-	-	-
1	D-24 52-24-2-01 RENEWAL OF 1-1/4" AND SMALLER SERVICES FOR PRUDENT	18,679,000	8,950	15,994,000	2,685,000	-	-
1	D-25 52-25-2-01 CONDITIONED FUNDING RESERVED	3,142,000		-	-	-	-
	<u>PRIORITY 2</u>						
2	D-23 52-23-2-02 REPLACEMENT OF VARIOUS PRESSURE REGULATING AND	420,000		420,000	-	-	-
2	D-29 52-29-1-01 ADDITIONAL TOOLS AND WORK EQUIPMENT	125,000		125,000	-	-	-
2	D-29 52-29-2-01 REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK	1,222,000		1,222,000	-	-	-

DISTRIBUTION DEPARTMENT
LISTING BY PRIORITY
 FISCAL 2022 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	1,377,000	678	1,377,000	-	-	-
3	D-21 52-21-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER	5,270,000	23,673	4,451,000	819,000	-	-
3	D-22 52-22-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER	1,100,000	2,915	1,100,000	-	-	-
3	D-22 52-22-2-02 MAIN FOR MAJOR ENFORCED RELOCATION	1,091,000	1,422	1,091,000	-	-	-
	<u>PRIORITY 4</u>						
4	D-20 52-20-1-01 INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND	3,096,000	11,879	3,096,000	-	-	-
4	D-21 52-21-1-01 MAINS TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR	2,734,000	12,679	2,734,000	-	-	-
4	D-23 52-23-1-01 CUSTOMER METERING AND REGULATOR INSTALLATION	405,000		405,000	-	-	-
4	D-22 52-22-1-01 TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR	225,000	194	225,000	-	-	-
4	D-24 52-24-1-01 INSTALLATION OF NEW 1-1/4" AND SMALLER SERVICES, HIGH,	7,468,000	2,071	7,468,000	-	-	-
4	D-24 52-24-1-02 INSTALLATION OF NEW 2 INCH AND LARGER SERVICES, HIGH,	2,309,000	188	2,309,000	-	-	-
TOTAL DISTRIBUTION DEPARTMENT:				77,503,000	27,238,000	-	-

PHILADELPHIA GAS WORKS
FISCAL YEAR 2022 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	16,362,000	16,362,000	91,521,000	61,141,000	107,883,000	77,503,000
YEAR 1	-	-	-	27,238,000	-	27,238,000
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	16,362,000	16,362,000	91,521,000	88,379,000	107,883,000	104,741,000

FIELD SERVICES DEPARTMENT
FISCAL YEAR 2022 CAPITAL BUDGET
SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>TOTAL</u>
50-30 METERS & INSTALLATION	2,831,000	3,696,000	6,527,000
50-32 SERVICE REGULATORS AND INSTALLATION	113,000	71,000	184,000
50-33 COMMERCIAL & INDUSTRIAL TELEMETERING SYSTEMS	81,000	65,000	146,000
50-36 AUTOMATIC METER READING	<u>183,000</u>	<u>1,566,000</u>	<u>1,749,000</u>
GROSS TOTAL FIELD SERVICES	3,208,000	5,398,000	8,606,000
LESS: SALVAGE LESS: CONTRIBUTIONS*	<u> </u>	<u> </u>	<u> </u>
NET TOTAL FIELD SERVICES	<u><u>3,208,000</u></u>	<u><u>5,398,000</u></u>	<u><u>8,606,000</u></u>

* FIELD SERVICES DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

FIELD SERVICES DEPARTMENT
FISCAL YEAR 2022 CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

CATEGORY		2021 COMPL BUDGET	2022 FORECAST	2022 BUDGET	2022		2021		2022 BUD vs 2022 FORECAST	
					BUDGET vs	\$	COMPL BUDGET	%	\$	%
					DIFFERENCE	DIFF.		DIFFERENCE	DIFF.	
50-30 METERS	ADDITIONS	2,819,000	3,029,000	2,831,000	12,000	0.4%		(198,000)	-6.5%	
	REPLACEMENTS	<u>2,640,000</u>	<u>2,774,000</u>	<u>3,696,000</u>	<u>1,056,000</u>	<u>40.0%</u>		<u>922,000</u>	<u>33.2%</u>	
	TOTAL	5,459,000	5,803,000	6,527,000	1,068,000	19.6%		724,000	12.5%	
50-32 SERVICE REGULATORS AND INSTALLATIONS	ADDITIONS	89,000	84,000	113,000	24,000	27.0%		29,000	34.5%	
	REPLACEMENTS	<u>64,000</u>	<u>65,000</u>	<u>71,000</u>	<u>7,000</u>	<u>10.9%</u>		<u>6,000</u>	<u>9.2%</u>	
	TOTAL	153,000	149,000	184,000	31,000	20.3%		35,000	23.5%	
50-33 TELEMETERING AND INSTALLATIONS	ADDITIONS	41,000	42,000	81,000	40,000	97.6%		39,000	92.9%	
	REPLACEMENTS	<u>1,073,000</u>	<u>1,158,000</u>	<u>65,000</u>	<u>(1,008,000)</u>	<u>-93.9%</u>		<u>(1,093,000)</u>	<u>-94.4%</u>	
	TOTAL	1,114,000	1,200,000	146,000	(968,000)	-86.9%		(1,054,000)	-87.8%	
50-35 SERVICE SECTION EQUIPMENT	ADDITIONS	500,000	500,000	-	(500,000)	-100.0%		(500,000)	-100.0%	
	REPLACEMENTS	-	-	-	-	N/A		-	N/A	
	TOTAL	500,000	500,000	-	(500,000)	-100.0%		(500,000)	-100.0%	
50-36 AUTOMATIC METER READING	ADDITIONS	227,000	216,000	183,000	(44,000)	-19.4%		(33,000)	-15.3%	
	REPLACEMENTS	<u>4,267,000</u>	<u>5,673,000</u>	<u>1,566,000</u>	<u>(2,701,000)</u>	<u>-63.3%</u>		<u>(4,107,000)</u>	<u>-72.4%</u>	
	TOTAL	4,494,000	5,889,000	1,749,000	(2,745,000)	-61.1%		(4,140,000)	-70.3%	
GROSS TOTAL FIELD SERVICES		11,720,000	13,541,000	8,606,000	(3,114,000)	-26.6%		(4,935,000)	-36.4%	
LESS: SALVAGE		-	-	-	-	N/A		-	N/A	
LESS: CONTRIBUTIONS*		-	-	-	-	N/A		-	N/A	
NET TOTAL FIELD SERVICES		<u>11,720,000</u>	<u>13,541,000</u>	<u>8,606,000</u>	<u>(3,114,000)</u>	<u>-26.6%</u>		<u>(4,935,000)</u>	<u>-36.4%</u>	

* FIELD SERVICES DEPARTMENT CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

FIELD SERVICES DEPARTMENT
FISCAL 2022 COMPLIANCE CAPITAL BUDGET

<u>P</u>			<u>AMOUNT</u>
	<u>C-30</u>	<u>METERS</u>	
4	50-30-1-01	PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR NEW CUSTOMERS	2,831,000
5	50-30-2-01	PURCHASE METERS TO SUPPORT AUTOMATIC METER READING	3,696,000
		TOTAL C-30	<u>6,527,000</u>
	<u>C-32</u>	<u>SERVICE REGULATORS</u>	
4	50-32-1-01	PURCHASE AND INSTALLATION OF SERVICE REGULATORS	113,000
2	50-32-2-01	PURCHASE VARIOUS SIZE SERVICE REGULATORS AS REPLACEMENTS	71,000
		TOTAL C-32	<u>184,000</u>
	<u>C-33</u>	<u>COMMERCIAL & INDUSTRIAL TELEMETERING SYSTEMS</u>	
4	50-33-1-01	PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	81,000
2	50-33-2-01	REPLACE BPS METSCAN & LBS METRETEK UNITS	65,000
		TOTAL C-33	<u>146,000</u>
	<u>C-35</u>	<u>SERVICE SECTION EQUIPMENT</u>	
5	50-35-1-01	ADVANCED METER INFRASTRUCTURE	-
		TOTAL C-35	<u>-</u>
	<u>C-36</u>	<u>AUTOMATIC METER READING</u>	
5	50-36-1-01	PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	183,000
5	50-36-2-01	REPLACE AMR DEVICES	1,566,000
		TOTAL C-36	<u>1,749,000</u>
		GROSS TOTAL FIELD SERVICES DEPARTMENT	8,606,000
50-98-2-98	LESS: ESTIMATED SALVAGE		
	LESS: CONTRIBUTIONS*		
		NET TOTAL FIELD SERVICES DEPARTMENT	<u>8,606,000</u>

FIELD SERVICES DEPARTMENT

LISTING BY PRIORITY

FISCAL 2022 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>					
2	50-32-2-01 PURCHASE VARIOUS SIZE SERVICE REGULATORS AS REPLACEMENTS	71,000	71,000	-	-	-
2	50-33-2-01 REPLACE BPS METSCAN & LBS METRETEK UNITS	65,000	65,000	-	-	-
	<u>PRIORITY 4</u>					
4	50-30-1-01 PURCHASE AND INSTALLATION OF METERS TO PROVIDE FOR	2,831,000	2,831,000	-	-	-
4	50-32-1-01 PURCHASE AND INSTALLATION OF SERVICE REGULATORS	113,000	113,000	-	-	-
4	50-33-1-01 PURCHASE AND INSTALLATION OF EQUIPMENT AND INSTRUMENTATION	81,000	81,000	-	-	-
	<u>PRIORITY 5</u>					
5	50-30-2-01 PURCHASE METERS TO SUPPORT AUTOMATIC METER READING	3,696,000	3,696,000	-	-	-
5	50-35-1-01 ADVANCED METER INFRASTRUCTURE	-	-	-	-	-
5	50-36-1-01 PURCHASE AND INSTALLATION OF ERT DEVICES FOR AMR	183,000	183,000	-	-	-
5	50-36-2-01 REPLACE AMR DEVICES	1,566,000	1,566,000	-	-	-
	TOTAL FIELD SERVICES DEPARTMENT:	8,606,000	8,606,000	-	-	-

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2022 CAPITAL BUDGET
 FIELD SERVICES DEPARTMENT ESTIMATE OF ENCUMBERANCE AND EXPENDITURE

<u>FISCAL YEAR</u>	<u>ADDITIONS</u>		<u>REPLACEMENTS</u>		<u>TOTAL</u>	
	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>
CURRENT BUDGET	3,208,000	3,208,000	5,398,000	5,398,000	8,606,000	8,606,000
YEAR 1	-	-	-	-	-	-
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	3,208,000	3,208,000	5,398,000	5,398,000	8,606,000	8,606,000

FLEET OPERATIONS DEPARTMENT

FISCAL YEAR 2022 CAPITAL BUDGET

BUDGET/FORECAST COMPARISON

<u>CATEGORY</u>	<u>2021 COMPL</u>	<u>2022</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2022 BUD vs 2022</u>	
	<u>BUDGET</u>	<u>FORECAST</u>	<u>BUDGET</u>	<u>BUDGET vs</u>	<u>COMPL BUDGET</u>	<u>FORECAST</u>	
				<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
				<u>DIFFERENCE</u>	<u>DIFF.</u>	<u>DIFFERENCE</u>	<u>DIFF.</u>
73-01-2-02 MOBILE EQUIPMENT REPLACEMENT	967,000	1,578,000	762,000	(205,000)	-21.2%	(816,000)	-51.7%
73-01-2-03 VEHICLE REPLACEMENTS	2,999,000	7,471,000	3,376,000	377,000	12.6%	(4,095,000)	-54.8%
GROSS TOTAL FLEET OPERATIONS	3,966,000	9,049,000	4,138,000	172,000	4.3%	(4,911,000)	-54.3%
LESS: SALVAGE					<u>N/A</u>		<u>N/A</u>
NET TOTAL FLEET OPERATIONS	<u>3,966,000</u>	<u>9,049,000</u>	<u>4,138,000</u>	<u>172,000</u>	<u>4.3%</u>	<u>(4,911,000)</u>	<u>-54.3%</u>

FLEET OPERATIONS DEPARTMENT
FISCAL 2022 COMPLIANCE CAPITAL BUDGET

<u>P</u>		<u>AMOUNT</u>
2	73-01-2-02 MOBILE EQUIPMENT REPLACEMENTS	762,000
2	73-01-2-03 VEHICLE REPLACEMENTS	3,376,000
	GROSS TOTAL FLEET OPERATIONS	<u>4,138,000</u>
	NET TOTAL FLEET OPERATIONS	<u><u>4,138,000</u></u>

FLEET OPERATIONS DEPARTMENT
 LISTING BY PRIORITY
 FISCAL 2022 COMPLIANCE CAPITAL BUDGET

P	CATEGORY	PRIORITY 2	AMOUNT	BUDGET_YR	YEAR 1	YEAR 2	YEAR 3
2	73-01-2-02	MOBILE EQUIPMENT REPLACEMENTS	762,000	762,000	-	-	-
2	73-01-2-03	VEHICLE REPLACEMENTS	3,376,000	3,376,000	-	-	-
TOTAL FLEET OPERATIONS DEPARTMENT:			<u>4,138,000</u>	<u>4,138,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2022 CAPITAL BUDGET
 FLEET OPERATIONS DEPARTMENT ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

<u>FISCAL YEAR</u>	<u>ADDITIONS</u>		<u>REPLACEMENTS</u>		<u>TOTAL</u>	
	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>
CURRENT BUDGET	-	-	4,138,000	4,138,000	4,138,000	4,138,000
YEAR 1	-	-	-	-	-	-
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL			4,138,000	4,138,000	4,138,000	4,138,000

FACILITIES

FISCAL YEAR 2022 CAPITAL BUDGET

BUDGET/FORECAST COMPARISON

<u>CATEGORY</u>	<u>2021 COMPL BUDGET</u>	<u>2022 FORECAST</u>	<u>2022 BUDGET</u>	<u>2022</u>	<u>2021</u>	<u>2022 BUD vs 2022</u>	
				<u>BUDGET vs \$ DIFF.</u>	<u>COMPL BUDGET % DIFF.</u>	<u>FORECAST \$ DIFF.</u>	<u>% DIFF.</u>
72-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	150,000	150,000	120,000	(30,000)	-20.0%	(30,000)	-20.0%
72-01-1-02 MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	4,000	13,000	2,000	(2,000)	-50.0%	(11,000)	-84.6%
72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	471,000	404,000	423,000	(48,000)	-10.2%	19,000	4.7%
72-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	22,000	49,000	18,000	(4,000)	-18.2%	(31,000)	-63.3%
72-01-2-03 MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	9,000	61,000	13,000	4,000	44.4%	(48,000)	-78.7%
72-01-2-04 IMPROVEMENT OF PGW HQ'S HVA SYSTEM	-	-	1,500,000	1,500,000	N/A	1,500,000	N/A
72-01-2-05 REFUELING STATION NOC	-	-	3,000,000	3,000,000	N/A	3,000,000	N/A
72-01-2-06 REPAVE 800 PARKING LOT	-	-	500,000	500,000	N/A	500,000	N/A
72-01-2-04 REPLACE CARPETS - ALL LOCATIONS	40,000	-	-	(40,000)	-100.0%	-	N/A
72-01-2-05 REPLACE MODULAR FURNITURE	75,000	-	-	(75,000)	-100.0%	-	N/A
72-01-2-09 BUILDING COSOLIDATION	53,250,000	50,000	-	(53,250,000)	-100.0%	(50,000)	-100.0%
72-01-2-10 800 BUILDING RESTROOM RENOVATIONS	2,135,000	-	-	(2,135,000)	-100.0%	-	N/A
72-01-2-11 REPLACE METERSHOP ROOF	108,000	-	-	(108,000)	-100.0%	-	N/A
72-01-2-12 REPLACE 1849 BUILDING VEHICLE REPAIR SHOP	541,000	-	-	(541,000)	-100.0%	-	N/A
72-01-2-08 LEASE	-	30,000	-	-	N/A	(30,000)	-100.0%
72-01-XX-XX NON-RECURRING ITEMS	-	3,400,000	-	-	N/A	(3,400,000)	-100.0%
TOTAL FACILITIES	56,805,000	4,157,000	5,576,000	(51,229,000)	-90.2%	1,419,000	34.1%

OTHER DEPARTMENTS
FISCAL YEAR 2022 CAPITAL BUDGET
SUMMARY

<u>CATEGORY</u>	<u>ADDITIONS</u>	<u>REPLACEMENTS</u>	<u>TOTAL</u>
FACILITIES	3,122,000	2,454,000	5,576,000
INFORMATION SERVICES	110,000	10,336,000	10,446,000
CHIEF OPERATING OFFICER	-	750,000	750,000
OTHER	-	-	-
TOTAL OTHER DEPARTMENTS	<u>3,232,000</u>	<u>13,540,000</u>	<u>16,772,000</u>

OTHER DEPARTMENTS
FISCAL YEAR 2022 CAPITAL BUDGET
BUDGET/FORECAST COMPARISON

<u>CATEGORY</u>		2021 COMPL	2022	2022	2022	2021	2022 BUD vs 2022	
		BUDGET	FORECAST	BUDGET	DIFFERENCE	COMPL BUDGET	FORECAST	
					\$	%	\$	
						DIFF.	DIFF.	
							%	
FACILITIES	ADDITIONS	154,000	163,000	3,122,000	2,968,000	1927.3%	2,959,000	1815.3%
	REPLACEMENTS	<u>56,651,000</u>	<u>3,994,000</u>	<u>2,454,000</u>	<u>(54,197,000)</u>	-95.7%	<u>(1,540,000)</u>	-38.6%
	TOTAL	<u>56,805,000</u>	<u>4,157,000</u>	<u>5,576,000</u>	<u>(51,229,000)</u>	-90.2%	<u>1,419,000</u>	<u>34.1%</u>
INFORMATION SERVICES	ADDITIONS	634,000	87,000	110,000	(524,000)	-82.6%	23,000	26.4%
	REPLACEMENTS	<u>29,401,000</u>	<u>104,000</u>	<u>10,336,000</u>	<u>(19,065,000)</u>	-64.8%	<u>10,232,000</u>	<u>9838.5%</u>
	TOTAL	<u>30,035,000</u>	<u>191,000</u>	<u>10,446,000</u>	<u>(19,589,000)</u>	-65.2%	<u>10,255,000</u>	<u>5369.1%</u>
CHIEF OPERATING OFFICER	ADDITIONS	-	-	-	-	N/A	-	N/A
	REPLACEMENTS	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	-	0.0%	-	0.0%
	TOTAL	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	-	0.0%	-	0.0%
VP TECHNICAL COMPLIANCE	ADDITIONS	-	-	-	-	N/A	-	N/A
	REPLACEMENTS	-	<u>4,690,000</u>	-	-	N/A	<u>(4,690,000)</u>	-100.0%
	TOTAL	-	<u>4,690,000</u>	-	-	N/A	<u>(4,690,000)</u>	-100.0%
SECURITY & LOST PREVENTION	ADDITIONS	-	-	-	-	N/A	-	N/A
	REPLACEMENTS	<u>181,000</u>	-	-	<u>(181,000)</u>	-100.0%	-	N/A
	TOTAL	<u>181,000</u>	-	-	<u>(181,000)</u>	-100.0%	-	N/A
TOTAL OTHER DEPARTMENTS	<u>87,771,000</u>	<u>9,788,000</u>	<u>16,772,000</u>	<u>(70,999,000)</u>	-80.9%	<u>6,984,000</u>	<u>71.4%</u>	

OTHER DEPARTMENTS
FISCAL 2022 COMPLIANCE CAPITAL BUDGET

<u>P</u>		<u>FACILITIES</u>	<u>AMOUNT</u>
1	72-01-1-01	MISCELLANEOUS CAPITAL ADDITIONS	120,000
1	72-01-1-02	MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	2,000
1	72-01-2-01	MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	423,000
1	72-01-2-02	MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	18,000
1	72-01-2-03	MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	13,000
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
		TOTAL FACILITIES	<u><u>5,576,000</u></u>

OTHER DEPARTMENTS
FISCAL 2022 COMPLIANCE CAPITAL BUDGET

<u>P</u>			<u>AMOUNT</u>
		<u>INFORMATION SERVICES</u>	
2	47-01-1-01	MISCELLANEOUS SERVER, NETWORK, & HARDWARE ADDITIONS	60,000
2	47-01-1-02	MISCELLANEOUS SOFTWARE ADDITIONS	50,000
2	47-01-2-01	MISCELLANEOUS SOFTWARE REPLACEMENTS	50,000
2	47-01-2-02	MISC SERVER AND NETWORK HARDWARE REPLACEMENT	1,033,000
2	47-01-2-03	REPLACE SAN EQUIPMENT	253,000
2	47-01-2-04	CUSTOMER INFORMATION SYSTEMS (CIS/BCCS) REPLACEMENTS	9,000,000
		TOTAL INFORMATION SERVICES	<u><u>10,446,000</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>
		TOTAL OTHER DEPARTMENTS	<u><u>16,772,000</u></u>

OTHER DEPARTMENTS
LISTING BY PRIORITY
FISCAL 2022 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	120,000	120,000	-	-	-
1	72-01-1-02 MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	2,000	2,000	-	-	-
1	72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	423,000	423,000	-	-	-
1	72-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	18,000	18,000	-	-	-
1	72-01-2-03 MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	13,000	13,000	-	-	-
1	72-01-2-04 IMPROVEMENT OF PGW'S HQ'S HVAC SYSTEM	1,500,000	750,000	750,000	-	-
1	72-01-2-06 REPAVE 800 PARKING LOT	500,000	500,000	-	-	-
1	13-01-2-01 CONDITIONAL FUNDING FOR CAPITAL NEEDS RELATED TO SAFETY	250,000	-	-	-	-
<u>PRIORITY 2</u>						
2	47-01-1-01 MISCELLANEOUS SERVER, NETWORK, & HARDWARE ADDITIONS	60,000	30,000	30,000	-	-
2	47-01-1-02 MISCELLANEOUS SOFTWARE ADDITIONS	50,000	25,000	25,000	-	-
2	47-01-2-01 MISCELLANEOUS SOFTWARE REPLACEMENTS	50,000	25,000	25,000	-	-
2	47-01-2-02 MISC SERVER AND NETWORK HARDWARE REPLACEMENT	1,033,000	599,000	434,000	-	-
2	47-01-2-03 REPLACE SAN EQUIPMENT	253,000	253,000	-	-	-
2	47-01-2-04 CUSTOMER INFORMATION SYSTEMS (CIS/BCCS) REPLACEMENTS	9,000,000	3,200,000	5,800,000	-	-
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	72-01-2-05 REFUELING STATION NOC	3,000,000	3,000,000	-	-	-
TOTAL OTHER DEPARTMENTS:			16,772,000	8,958,000	7,064,000	-

PHILADELPHIA GAS WORKS
 FISCAL YEAR 2022 CAPITAL BUDGET
 OTHER DEPARTMENTS ESTIMATE OF ENCUMBRANCE AND EXPENDITURE

<u>FISCAL YEAR</u>	<u>ADDITIONS</u>		<u>REPLACEMENTS</u>		<u>TOTAL</u>	
	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>	<u>ENCUMBERED</u>	<u>EXPENDED</u>
CURRENT BUDGET	3,232,000	3,177,000	13,540,000	5,781,000	16,772,000	8,958,000
YEAR 1	-	55,000	-	7,009,000	-	7,064,000
YEAR 2	-	-	-	-	-	-
YEAR 3	-	-	-	-	-	-
YEAR 4 AND BEYOND	-	-	-	-	-	-
TOTAL	3,232,000	3,232,000	13,540,000	12,790,000	16,772,000	16,022,000

FIVE YEAR FORECAST

PHILADELPHIA GAS WORKS

FISCAL YEAR 2022 AND FORECAST 2023 THROUGH 2027

<u>DEPARTMENT</u>	<u>2022 CAPITAL BUDGET</u>	<u>FORECAST</u>					<u>TOTAL 6 YEARS</u>
		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	
<u>GAS PROCESSING</u>							
ADDITIONS	1,057,000	192,000	104,000	107,000	110,000	118,000	1,688,000
REPLACEMENTS	<u>9,023,000</u>	<u>9,983,000</u>	<u>19,589,000</u>	<u>14,459,000</u>	<u>13,804,000</u>	<u>93,875,000</u>	<u>160,733,000</u>
TOTAL GAS PROCESSING	10,080,000	10,175,000	19,693,000	14,566,000	13,914,000	93,993,000	<u>162,421,000</u>
ACQUIRE ASSETS LEASE	10,080,000	10,175,000	19,693,000	14,566,000	13,914,000	93,993,000	162,421,000
<u>DISTRIBUTION</u>							
ADDITIONS	16,362,000	16,754,000	17,157,000	17,569,000	17,989,000	18,421,000	104,252,000
REPLACEMENTS	<u>91,521,000</u>	<u>92,801,000</u>	<u>94,115,000</u>	<u>95,461,000</u>	<u>96,835,000</u>	<u>98,245,000</u>	<u>568,978,000</u>
GROSS TOTAL DISTRIBUTION	107,883,000	109,555,000	111,272,000	113,030,000	114,824,000	116,666,000	<u>673,230,000</u>
LESS: SALVAGE							
LESS: CONTRIBUTIONS*							
LESS: REIMBURSEMENT**	<u>(4,804,000)</u>	<u>(4,903,000)</u>	<u>(5,006,000)</u>	<u>(5,110,000)</u>	<u>(5,216,000)</u>	<u>(5,325,000)</u>	<u>(30,364,000)</u>
NET TOTAL DISTRIBUTION	103,079,000	104,652,000	106,266,000	107,920,000	109,608,000	111,341,000	<u>642,866,000</u>
ACQUIRE ASSETS LEASE	103,079,000	104,652,000	106,266,000	107,920,000	109,608,000	111,341,000	642,866,000

PHILADELPHIA GAS WORKS

FISCAL YEAR 2022 AND FORECAST 2023 THROUGH 2027

<u>DEPARTMENT</u>	<u>2022 CAPITAL BUDGET</u>	<u>FORECAST</u>				<u>TOTAL 6 YEARS</u>
		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	
<u>FIELD SERVICES</u>						
ADDITIONS	3,208,000	3,331,000	3,794,000	3,923,000	4,066,000	22,470,000
REPLACEMENTS	<u>5,398,000</u>	<u>5,406,000</u>	<u>19,766,000</u>	<u>19,583,000</u>	<u>20,084,000</u>	<u>90,689,000</u>
GROSS TOTAL FIELD SERVICES	8,606,000	8,737,000	23,560,000	23,506,000	24,150,000	<u>113,159,000</u>
LESS: SALVAGE						
LESS: CONTRIBUTIONS*						
NET TOTAL FIELD SERVICES	8,606,000	8,737,000	23,560,000	23,506,000	24,150,000	<u>113,159,000</u>
ACQUIRE ASSETS LEASE	8,606,000	8,737,000	23,560,000	23,506,000	24,150,000	113,159,000
<u>FLEET OPERATIONS</u>						
ADDITIONS						
REPLACEMENTS	<u>4,138,000</u>	<u>4,560,000</u>	<u>7,516,000</u>	<u>4,248,000</u>	<u>8,280,000</u>	<u>37,564,000</u>
GROSS TOTAL FLEET OPERATIONS	4,138,000	4,560,000	7,516,000	4,248,000	8,280,000	<u>37,564,000</u>
LESS: SALVAGE						
NET TOTAL FLEET OPERATIONS	4,138,000	4,560,000	7,516,000	4,248,000	8,280,000	<u>37,564,000</u>
ACQUIRE ASSETS LEASE	4,138,000	4,560,000	7,516,000	4,248,000	8,280,000	37,564,000

PHILADELPHIA GAS WORKS

FISCAL YEAR 2022 AND FORECAST 2023 THROUGH 2027

<u>DEPARTMENT</u>	<u>2022 CAPITAL BUDGET</u>	<u>FORECAST</u>				<u>TOTAL 6 YEARS</u>
		<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	
<u>OTHER</u>						
ADDITIONS	232,000	238,000	245,000	252,000	259,000	1,492,000
REPLACEMENTS	<u>16,540,000</u>	<u>10,682,000</u>	<u>2,637,000</u>	<u>2,681,000</u>	<u>5,757,000</u>	<u>41,066,000</u>
TOTAL OTHER	16,772,000	10,920,000	2,882,000	2,933,000	6,016,000	<u>42,558,000</u>
ACQUIRE ASSETS LEASE	16,772,000	10,920,000	2,882,000	2,933,000	6,016,000	42,558,000
<u>TOTAL</u>						
ADDITIONS	20,859,000	20,515,000	21,300,000	21,851,000	22,424,000	129,902,000
REPLACEMENTS	<u>126,620,000</u>	<u>123,432,000</u>	<u>143,623,000</u>	<u>136,432,000</u>	<u>144,760,000</u>	<u>899,030,000</u>
GROSS TOTAL	147,479,000	143,947,000	164,923,000	158,283,000	167,184,000	<u>1,028,932,000</u>
LESS: SALVAGE						
LESS: REIMBURSEMENT**	(4,804,000)	(4,903,000)	(5,006,000)	(5,110,000)	(5,216,000)	<u>(30,364,000)</u>
LESS: CONTRIBUTIONS*						
NET TOTAL	<u>142,675,000</u>	<u>139,044,000</u>	<u>159,917,000</u>	<u>153,173,000</u>	<u>161,968,000</u>	<u>998,568,000</u>
ACQUIRE ASSETS LEASE	142,675,000	139,044,000	159,917,000	153,173,000	161,968,000	<u>998,568,000</u>

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

PHILADELPHIA GAS WORKS
PROPOSED 2023 - 2026 FORECAST
(COMPARISON)

<u>DEPARTMENT</u>	<u>2022 - 2026 FORECAST</u>	<u>2023 - 2027 FORECAST</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>
<u>GAS PROCESSING</u>				
ADDITIONS	810,000	631,000	(179,000)	-22.1%
REPLACEMENTS	<u>130,681,000</u>	<u>151,710,000</u>	<u>21,029,000</u>	16.1%
TOTAL GAS PROCESSING	131,491,000	152,341,000	20,850,000	15.9%
<u>DISTRIBUTION</u>				
ADDITIONS	80,972,000	87,890,000	6,918,000	8.5%
REPLACEMENTS	<u>476,626,000</u>	<u>477,457,000</u>	<u>831,000</u>	0.2%
GROSS TOTAL DISTRIBUTION	557,598,000	565,347,000	7,749,000	1.4%
LESS: SALVAGE	-	-	-	
LESS: CONTRIBUTIONS*	-	-	-	
LESS: REIMBURSEMENT**	<u>(23,235,000)</u>	<u>(25,560,000)</u>	<u>(2,325,000)</u>	10.0%
NET TOTAL DISTRIBUTION	557,598,000	539,787,000	(17,811,000)	-3.2%
<u>FIELD SERVICES</u>				
ADDITIONS	18,537,000	19,262,000	725,000	3.9%
REPLACEMENTS	<u>42,768,000</u>	<u>85,291,000</u>	<u>42,523,000</u>	99.4%
GROSS TOTAL FIELD SERVICES	61,305,000	104,553,000	43,248,000	70.5%
LESS: SALVAGE	-	-	-	
LESS: CONTRIBUTIONS*	<u>-</u>	<u>-</u>	<u>-</u>	
NET TOTAL FIELD SERVICES	61,305,000	104,553,000	43,248,000	70.5%

PHILADELPHIA GAS WORKS
PROPOSED 2023 - 2026 FORECAST
(COMPARIISON)

<u>DEPARTMENT</u>	<u>2022 - 2026 FORECAST</u>	<u>2023 - 2027 FORECAST</u>	<u>AMOUNT DIFFERENCE</u>	<u>PERCENT DIFFERENCE</u>
<u>FLEET OPERATIONS</u>				
ADDITIONS	-	-	-	
REPLACEMENTS	<u>27,989,000</u>	<u>33,426,000</u>	<u>5,437,000</u>	19.4%
GROSS TOTAL FLEET OPERATIONS	27,989,000	33,426,000	5,437,000	19.4%
LESS: SALVAGE				
NET TOTAL FLEET OPERATIONS	27,989,000	33,426,000	5,437,000	19.4%
<u>OTHER</u>				
ADDITIONS	1,321,783	1,260,000	(61,783)	-4.7%
REPLACEMENTS	<u>21,429,493</u>	<u>24,526,000</u>	<u>3,096,507</u>	14.4%
TOTAL OTHER	22,751,276	25,786,000	3,034,724	13.3%
<u>TOTAL</u>				
ADDITIONS	101,640,783	109,043,000	7,402,217	7.3%
REPLACEMENTS	<u>699,493,493</u>	<u>772,410,000</u>	<u>72,916,507</u>	10.4%
GROSS TOTAL	801,134,276	881,453,000	80,318,724	10.0%
LESS: SALVAGE	-	-	-	
LESS: REIMBURSEMENT**	(23,235,000)	(25,560,000)	(2,325,000)	10.0%
LESS: CONTRIBUTIONS*	-	-	-	
NET TOTAL	<u>777,899,276</u>	<u>855,893,000</u>	<u>77,993,724</u>	10.0%

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

GAS PROCESSING DEPARTMENT

FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL FORECAST</u>
<u>GP-1 NATURAL GAS MEASUREMENT AND CONTROL FACILITIES</u>								
1 53-01-2-03	1,211,000	-	1,800,000	-	1,800,000	-	-	3,600,000
53-01-2-04	-	-	300,000	-	300,000	-	-	600,000
TOTAL GP-1	1,211,000	-	2,100,000	-	2,100,000	-	-	4,200,000
<u>GP-2 SUPPLEMENTAL GAS FACILITIES</u>								
2 53-02-1-01	-	257,000	-	-	-	-	-	-
2 53-02-1-02	-	-	91,000	-	-	-	-	91,000
1 53-02-2-03	-	1,715,000	3,178,000	8,452,000	-	-	-	11,630,000
1 53-02-2-04	-	3,533,000	-	-	-	-	-	-
1 53-02-2-05	-	172,000	-	-	-	-	-	-
2 53-02-2-06	-	2,215,000	-	-	-	-	-	-
1 53-02-2-07	-	-	2,364,000	-	-	-	-	2,364,000
1 53-02-2-08	-	356,000	-	-	-	-	-	-
1 53-02-2-09	-	345,000	-	-	-	-	-	-
1 53-02-2-10	-	-	535,000	-	-	-	-	535,000
1 53-02-2-11	-	-	224,000	-	-	-	-	224,000
1 53-02-2-12	-	-	1,299,000	-	-	-	-	1,299,000
2 53-02-2-13	-	-	-	2,472,000	-	-	-	2,472,000
2 53-02-2-14	-	-	-	875,000	-	-	-	875,000

GAS PROCESSING DEPARTMENT

FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL FORECAST</u>
2 53-02-2-15 REPLACE BREAKERS AND CONTROLS FOR MAIN SWGR - PASSYUNK	-	-	-	2,500,000	-	-	-	2,500,000
2 53-02-2-16 REPLACE RIVER WATER PUMP SWGR AND RIVER WATER PUMPS - RICHMOND	-	-	-	-	5,000,000	-	-	5,000,000
2 53-02-2-17 REPLACE H2O ANALYZER - RICHMOND	-	-	-	-	204,000	-	-	204,000
2 53-02-2-18 UPGRADE H-1 HEATER CONTROLS - RICHMOND	-	-	-	-	2,620,000	-	-	2,620,000
2 53-02-2-19 REPLACE FIRE SYSTEMS FOR EXPANDER PLANT AND RIVER UMP HOUSE	-	-	-	-	2,500,000	-	-	2,500,000
1 53-02-2-20 REPLACE MCC 1,2,3 - RICHMOND	-	-	-	-	1,738,000	-	-	1,738,000
1 53-02-2-21 REPLACE VAPORIZER BUNDLES - RICHMOND	-	-	-	-	-	500,000	500,000	1,000,000
1 53-02-2-22 REPLACE LIQUEFIER - RICHOND	-	-	-	-	-	-	85,000,000	85,000,000
1 53-02-2-23 VAPORIZATION UPGRADE - PASSYUNK	-	-	-	-	-	10,000,000	-	10,000,000
1 53-02-2-24 REPLACE PA SYSTEM - PASSYUNK	-	-	-	-	-	-	2,517,000	2,517,000
2 53-02-2-25 H-1 HEATER REPLACEMENT	-	-	-	-	-	-	2,500,000	2,500,000
1 53-02-2-11 REPLACE HAZARD DETECTION SYSTEM - PASSYUNK	1,407,000	-	-	-	-	-	-	-
2 53-02-2-22 ISOLATE PIPING IN #77 HOUSE BASEMENT - RICHMOND	325,000	-	-	-	-	-	-	-
2 53-02-2-29 Replace Gas Piping upstream of H-1 Heater Fuel line - Richmond	481,000	-	-	-	-	-	-	-
2 53-02-2-33 Replace Two phase power systems - Passyunk	841,000	-	-	-	-	-	-	-
2 53-02-2-34 Replace ESD Panel for V-101 - Richmond	145,000	-	-	-	-	-	-	-
TOTAL GP-2	3,199,000	8,593,000	7,691,000	14,299,000	12,062,000	10,500,000	90,517,000	135,069,000

GAS PROCESSING DEPARTMENT

FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL FORECAST</u>
<u>GP-3 BUILDING AND GROUNDS</u>								
2 53-03-2-01	-	-	-	5,000,000	-	-	-	5,000,000
2 53-03-2-04	-	-	-	-	-	3,000,000	3,000,000	6,000,000
1 53-03-2-05	-	547,000	-	-	-	-	-	-
1 53-03-2-06	-	565,000	-	-	-	-	-	-
1 53-03-2-05	817,000	-	-	-	-	-	-	-
1 53-03-2-06	365,000	-	-	-	-	-	-	-
	<u>1,182,000</u>	<u>1,112,000</u>	<u>-</u>	<u>5,000,000</u>	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>11,000,000</u>
TOTAL GP-3								
1 53-04-1-01	103,000	99,000	101,000	104,000	107,000	110,000	118,000	540,000
1 53-04-2-01	316,000	276,000	283,000	290,000	297,000	304,000	358,000	1,532,000
	<u>419,000</u>	<u>375,000</u>	<u>384,000</u>	<u>394,000</u>	<u>404,000</u>	<u>414,000</u>	<u>476,000</u>	<u>2,072,000</u>
TOTAL GP-4								
<u>REAUTHORIZATIONS</u>								
2 53-02-2-03	200,000	-	-	-	-	-	-	-
1 53-02-2-11	1,880,000	-	-	-	-	-	-	-
1 53-03-2-05	205,000	-	-	-	-	-	-	-
1 53-01-2-03	400,000	-	-	-	-	-	-	-
2 53-02-1-04	200,000	-	-	-	-	-	-	-
	<u>2,885,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REAUTHORIZATION								
	8,896,000	10,080,000	10,175,000	19,693,000	14,566,000	13,914,000	93,993,000	152,341,000
TOTAL GAS PROCESSING DEPARTMENT								
ACQUIRE ASSETS LEASE	8,896,000	10,080,000	10,175,000	19,693,000	14,566,000	13,914,000	93,993,000	152,341,000

DISTRIBUTION DEPARTMENT
FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL FORECAST</u>
<u>D-20 HIGH PRESSURE MAINS</u>								
4 52-20-1-01	2,742,000	3,096,000	3,170,000	3,246,000	3,324,000	3,404,000	3,486,000	16,630,000
	INSTALLATIONS TO PROVIDE FOR AHEAD-OF-PAVING AND EXTENSIONS TO SUPPLY ADDITIONAL LOADS							
3 52-20-2-01	1,698,000	1,377,000	1,410,000	1,444,000	1,479,000	1,514,000	1,550,000	7,397,000
	ENFORCED RELOCATIONS CAUSED BY CITY AND STATE WORK							
	4,440,000	4,473,000	4,580,000	4,690,000	4,803,000	4,918,000	5,036,000	24,027,000
	GROSS TOTAL D-20							
52-20-2-97	4,440,000	4,473,000	4,580,000	4,690,000	4,803,000	4,918,000	5,036,000	24,027,000
	LESS: REIMBURSEMENT**							
	LESS: CONTRIBUTIONS*							
	NET TOTAL D-20							
<u>D-21 8 INCH AND SMALLER I.P. AND L.P. MAIN</u>								
4 52-21-1-01	2,641,000	2,734,000	2,800,000	2,867,000	2,936,000	3,006,000	3,078,000	14,687,000
	MAINS TO SUPPLY NEW CUSTOMERS AND TO PROVIDE FOR INCREASED CAPACITY							
3 52-21-2-01	5,894,000	5,270,000	5,396,000	5,526,000	5,659,000	5,795,000	5,934,000	28,310,000
	ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK							
1 52-21-2-02	20,122,000	20,533,000	21,026,000	21,531,000	22,048,000	22,577,000	23,119,000	110,301,000
	PRUDENT MAIN REPLACEMENTS							
1 52-21-2-03	35,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	37,000,000	185,000,000
	LONG TERM INFRASTRUCTURE PLAN - DSIC							
52-21-2-97	63,657,000	65,537,000	66,222,000	66,924,000	67,643,000	68,378,000	69,131,000	338,298,000
	LESS: REIMBURSEMENT**							
	LESS: CONTRIBUTIONS*							
	60,254,581	61,715,000	62,324,000	62,948,000	63,587,000	64,241,000	64,911,000	318,011,000
	NET TOTAL D-21							

DISTRIBUTION DEPARTMENT
FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</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	177,000	225,000	230,000	236,000	242,000	248,000	254,000	1,210,000
3 52-22-2-01 ENFORCED RELOCATIONS CAUSED BY CITY, STATE AND OTHER WORK	1,036,000	1,100,000	1,126,000	1,153,000	1,181,000	1,209,000	1,238,000	5,907,000
3 52-22-2-01 MAIN FOR MAJOR ENFORCED RELOCATION	1,071,000	1,091,000	1,117,000	1,144,000	1,171,000	1,199,000	1,228,000	5,859,000
	2,284,000	2,416,000	2,473,000	2,533,000	2,594,000	2,656,000	2,720,000	12,976,000
	(963,900)	(982,000)	(1,005,000)	(1,030,000)	(1,054,000)	(1,079,000)	(1,105,000)	(5,273,000)
52-22-2-97 LESS: REIMBURSEMENT**								
LESS: CONTRIBUTIONS*	1,320,100	1,434,000	1,468,000	1,503,000	1,540,000	1,577,000	1,615,000	7,703,000
D-23 CUSTOMER METERING & REGULATOR INSTALLATION, AND PRESSURE REGULATION & CORROSION CONTROL FACILITIES								
4 52-23-1-01 CUSTOMER METERING AND REGULATOR INSTALLATION	376,000	405,000	415,000	425,000	435,000	445,000	456,000	2,176,000
1 52-23-2-01 REPLACEMENT/REHABILITATION OF HIGH PRESSURE MAIN VALVES	511,000	591,000	605,000	620,000	635,000	650,000	666,000	3,176,000
2 52-23-2-02 REPLACEMENT OF VARIOUS PRESSURE REGULATING AND CORROSION CONTROL FACILITIES	444,000	420,000	430,000	440,000	451,000	462,000	473,000	2,256,000
	1,331,000	1,416,000	1,450,000	1,485,000	1,521,000	1,557,000	1,595,000	7,608,000
LESS: REIMBURSEMENT**								
LESS: CONTRIBUTIONS*								
TOTAL D-23	1,331,000	1,416,000	1,450,000	1,485,000	1,521,000	1,557,000	1,595,000	7,608,000

DISTRIBUTION DEPARTMENT
FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL FORECAST</u>
<u>D-29 OTHER DISTRIBUTION FACILITIES</u>								
2 52-29-1-01 ADDITIONAL TOOLS AND WORK EQUIPMENT	-	125,000	128,000	131,000	134,000	137,000	140,000	670,000
2 52-29-2-01 REPLACEMENT OF OBSOLETE TOOLS, RADIOS, AND WORK EQUIPMENT	996,000	1,222,000	1,251,000	1,281,000	1,312,000	1,343,000	1,375,000	6,562,000
	<u>996,000</u>	<u>1,347,000</u>	<u>1,379,000</u>	<u>1,412,000</u>	<u>1,446,000</u>	<u>1,480,000</u>	<u>1,515,000</u>	<u>7,232,000</u>
TOTAL D-29								
GROSS TOTAL DISTRIBUTION DEPARTMENT	104,381,000	107,883,000	109,555,000	111,272,000	113,030,000	114,824,000	116,666,000	565,347,000
LESS: SALVAGE								
LESS: CONTRIBUTIONS*	(4,366,319)	(4,804,000)	(4,903,000)	(5,006,000)	(5,110,000)	(5,216,000)	(5,325,000)	(25,560,000)
LESS: REIMBURSEMENT**	<u>100,014,681</u>	<u>103,079,000</u>	<u>104,652,000</u>	<u>106,266,000</u>	<u>107,920,000</u>	<u>109,608,000</u>	<u>111,341,000</u>	<u>539,787,000</u>
NET TOTAL DISTRIBUTION DEPARTMENT								
ACQUIRE ASSETS	100,014,681	103,079,000	104,652,000	106,266,000	107,920,000	109,608,000	111,341,000	539,787,000
LEASE								

* CONTRIBUTIONS ARE POTENTIAL CUSTOMER CONTRIBUTIONS

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

FIELD SERVICES DEPARTMENT

FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL FORECAST</u>
<u>C-30 METERS</u>								
4 50-30-1-01 ADDITIONS AND INSTALLATIONS	2,819,000	2,831,000	2,910,000	3,611,000	3,736,000	3,876,000	3,959,000	18,092,000
5 50-30-2-01 REPLACEMENTS	2,640,000	3,696,000	3,651,000	18,553,000	19,192,000	19,691,000	20,048,000	99,113,000
TOTAL C-30	5,459,000	6,527,000	6,561,000	22,164,000	22,928,000	23,567,000	24,007,000	99,227,000
<u>C-32 SERVICES REGULATORS</u>								
4 50-32-1-01 ADDITIONS AND INSTALLATIONS	89,000	113,000	93,000	96,000	99,000	101,000	103,000	492,000
2 50-32-2-01 REPLACEMENTS	64,000	71,000	72,000	74,000	76,000	78,000	79,000	379,000
TOTAL C-32	153,000	184,000	165,000	170,000	175,000	179,000	182,000	871,000
<u>C-33 TELEMETERING</u>								
4 50-33-1-01 ADDITIONS AND INSTALLATIONS	41,000	81,000	86,000	87,000	88,000	89,000	86,000	436,000
2 50-33-2-01 REPLACEMENTS	1,073,000	65,000	64,000	64,000	65,000	65,000	75,000	333,000
TOTAL C-33	1,114,000	146,000	150,000	151,000	153,000	154,000	161,000	769,000

FIELD SERVICES DEPARTMENT

FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL FORECAST</u>
<u>C-35 SERVICE SECTION EQUIPMENT</u>								
5 50-35-1-01	ADVANCED METER INFRASTRUCTURE	500,000	-	1,075,000	250,000	250,000	250,000	1,825,000
	TOTAL C-35	500,000	-	1,075,000	250,000	250,000	250,000	1,825,000
<u>C-36 AUTOMATIC METER READING</u>								
5 50-36-1-01	ADDITIONS	227,000	183,000	242,000	-	-	-	242,000
5 50-36-2-01	REPLACEMENTS	4,267,000	1,566,000	1,619,000	-	-	-	1,619,000
	TOTAL C-36	4,494,000	1,749,000	1,861,000	-	-	-	1,861,000
1 50-99-2-99	<u>C-99 COST OF REMOVAL</u>							
	GROSS TOTAL FIELD SERVICES DEPARTMENT	11,720,000	8,606,000	8,737,000	23,560,000	24,150,000	24,600,000	104,553,000
50-98-2-98	LESS: SALVAGE							
50-94-1-94	LESS: CONTRIBUTIONS							
	NET TOTAL FIELD SERVICES DEPARTMENT	11,720,000	8,606,000	8,737,000	23,560,000	24,150,000	24,600,000	104,553,000
	ACQUIRE ASSETS	11,720,000	8,606,000	8,737,000	23,560,000	24,150,000	24,600,000	104,553,000
	LEASE							

OTHER DEPARTMENTS

FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE BUDGET</u>	<u>2022 BUDGET</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL FORECAST</u>
<u>FACILITIES</u>								
1 72-01-1-01 MISCELLANEOUS CAPITAL ADDITIONS	150,000	120,000	123,000	126,000	129,000	132,000	135,000	645,000
1 72-01-1-02 MISCELLANEOUS CAPITAL ADDITIONS - GAS PROCESSING	4,000	2,000	2,000	2,000	2,000	2,000	2,000	10,000
1 72-01-2-01 MISCELLANEOUS CAPITAL REPLACEMENTS/STRUCTURAL REPAIRS	471,000	423,000	434,000	445,000	456,000	467,000	479,000	2,281,000
1 72-01-2-02 MISCELLANEOUS CAPITAL REPLACEMENTS - GAS PROCESSING	22,000	18,000	18,000	18,000	18,000	18,000	18,000	90,000
1 72-01-2-03 MISC CAPITAL REPL - STRUCTURAL REPAIRS - GAS PROCESSING	9,000	13,000	13,000	13,000	13,000	13,000	13,000	65,000
1 72-01-2-04 IMPROVEMENT OF PGW'S HQ'S HVAC SYSTEM	40,000	1,500,000	-	-	-	-	-	-
5 72-01-2-05 REFUELING STATION NOC	75,000	3,000,000	-	-	-	-	-	-
1 72-01-2-06 REPAVE 800 PARKING LOT	-	500,000	-	-	-	-	-	-
5 72-01-2-09 BUILDING CONSOLIDATION	53,250,000	-	-	-	-	-	-	-
5 72-01-2-10 800 BUILDING RESTROOM RENOVATIONS	2,135,000	-	-	-	-	-	-	-
1 72-01-2-11 REPLACE METERSHOP ROOF	108,000	-	-	-	-	-	-	-
2 72-01-2-12 REPLACE 1849 BUILDING VEHICLE REPAIR SHOP	541,000	-	-	-	-	-	-	-

OTHER DEPARTMENTS

FORECAST - FISCAL YEARS 2023 THROUGH 2027

	<u>2021 COMPLIANCE</u>	<u>2022 RINGFRT</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>TOTAL</u>
2 72-01-2-07 REPLACE TIOGA LOT FENCING	-	-	400,000	-	-	-	-	400,000
2 72-01-2-08 REPLCE PORTER ST. LOT	-	-	1,500,000	-	-	-	-	1,500,000
2 72-01-2-09 REPLACE PORTER ST. FUELING STATION	-	-	1,500,000	-	-	-	-	1,500,000
1 72-01-2-10 REPLACE 800 BLDG. MAIN ELECTRIC SWITCH	-	-	-	-	-	3,033,000	-	3,033,000
TOTAL FACILITIES	<u>56,805,000</u>	<u>5,576,000</u>	<u>3,990,000</u>	<u>604,000</u>	<u>618,000</u>	<u>3,665,000</u>	<u>647,000</u>	<u>9,524,000</u>
INFORMATION SERVICES								
2 47-01-1-01 MISCELLANEOUS SERVER, NETWORK, & HARDWARE ADDITIONS	59,000	60,000	61,000	63,000	65,000	67,000	69,000	325,000
2 47-01-1-02 MISCELLANEOUS SOFTWARE ADDITIONS	575,000	50,000	52,000	54,000	56,000	58,000	60,000	280,000
2 47-01-2-01 MISCELLANEOUS SOFTWARE REPLACEMENTS	411,000	50,000	61,000	63,000	65,000	67,000	69,000	325,000
MISC SERVER AND NETWORK HARDWARE								
2 47-01-2-02 REPLACEMENT	75,000	1,033,000	1,058,000	1,083,000	1,108,000	1,133,000	1,158,000	5,540,000
2 47-01-2-03 REPLACE SAN EQUIPMENT	-	253,000	259,000	265,000	271,000	276,000	282,000	1,353,000
CUSTOMER INFORMATION SYSTEMS (CIS/BCCS)								
2 47-01-2-04 REPLACEMENTS	19,970,000	9,000,000	-	-	-	-	-	-
2019 REAUTHORIZATION								
2 47-01-2-04 REPLACEMENTS	8,516,000	-	-	-	-	-	-	-
2 47-01-1-06 GIS IMPLEMENTATION	429,000	-	-	-	-	-	-	-
TOTAL INFORMATION SERVICES	<u>30,035,000</u>	<u>10,446,000</u>	<u>1,491,000</u>	<u>1,528,000</u>	<u>1,565,000</u>	<u>1,601,000</u>	<u>1,638,000</u>	<u>7,823,000</u>

PHILADELPHIA GAS WORKS
CAPITAL FINANCING PLAN

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

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

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

Capital Spending in FY 2022 Compliance Budget

• Spending from FY 2022 Program	\$ 107,021,000
• Spending Carryover from FY 2021	\$ 60,097,000
• Total FY 2022 Spending	\$ 167,118,000
• Projected Reimbursement	\$ (4,804,000)
• Salvage	\$ (443,000)
• Construction Contributions	\$ (1,666,000)
• Net FY 2022 Capital Spending	\$ 160,205,000

Capital Funding Sources:

• Capital Bond Proceeds	\$ 80,102,000
• DSIC	\$ 37,000,000
• Internally Generated Funds	\$ 43,103,000
• FY 2022 Capital Funding	\$ 160,205,000

The funding plan is based upon current financial projections and is subject to changes based upon PGW's financial conditions at the time funds are required to support the FY 2022 Capital Program.

Exhibit #2
Capital Program Protocols
For The Philadelphia Gas Works

CAPITAL PROGRAM PROTOCOLS
(Proposed FY 2022 Capital Budget)

TABLE OF CONTENTS

PART 1 - GENERAL PROVISIONS	A-1
SUBPART A - DEFINITIONS	A-1
SUBPART B - NOMENCLATURE	A-1
SUBPART C - LINE ITEMS (OVERVIEW)	A-2
SUBPART D - LINE ITEMS (SAFETY)	A-3
SUBPART E - LINE ITEMS (RELIABILITY OF SERVICE)	A-3
SUBPART F - LINE ITEMS (ENFORCED RELOCATIONS)	A-4
SUBPART G - LINE ITEMS (LOAD GROWTH).....	A-4
SUBPART H - LINE ITEMS (BUSINESS IMPROVEMENT)	A-4
SUBPART I - UNBUDGETED CAPITAL INVESTMENT	A-4
1. GENERAL PROHIBITION	A-4
2. ADVANCE ENGINEERING.....	A-4
3. EMERGENCY CIRCUMSTANCES.....	A-4
PART 2 - BUDGET ADMINISTRATION	A-6
SUBPART A - IN GENERAL	A-6
SUBPART B - PLANNED WORK.....	A-6
SUBPART C - LINE ITEM OVERSPENDING	A-6
SUBPART D - BUDGETARY “BOTTOM-LINE” SHORTFALLS	A-7
SUBPART E - LINE ITEM SURPLUS	A-7
SUBPART F - INTRADEPARTMENTAL TRANSFERS.....	A-7
1. MANAGERIAL DISCRETION.....	A-7
2. DURATION.....	A-7
3. EXCLUDED LINE ITEMS	A-7
4. NEW PROJECTS	A-8
5. BUSINESS UNIT INTEGRITY.....	A-8
6. CROSS-BUDGET TRANSFERS.....	A-8
7. CONDITIONAL FUNDING	A-8
A. RELEASE ANTECEDENT.....	A-8
B. TRANSFER ADVISORY	A-8
C. DEVIATION FROM RELEASE APPROVAL.....	A-8
SUBPART G - OTHER TRANSFERS	A-9
1. APPROVAL/OVERSIGHT AUTHORITY	A-9
2. DURATION.....	A-9
3. EXCLUDED LINE ITEMS.....	A-9
4. CROSS-BUDGET TRANSFERS.....	A-9
5. TRANSFER APPROVAL REQUESTS.....	A-9
SUBPART H - BUDGET REPORTING.....	A-10
1. MONTHLY UPDATES.....	A-10
2. QUARTERLY UPDATES	A-10

3.	PERIODIC FORECASTS	A-10
4.	FINAL REPORTS	A-10
PART 3 - BUDGET PROPOSALS/ REQUESTS - IN GENERAL.....		A-11
SUBPART A - FILING DEADLINES.....		A-11
1.	PROPOSED ANNUAL BUDGET	A-11
2.	PROPOSED AMENDMENT TO APPROVED ANNUAL BUDGET	A-11
3.	REQUEST FOR RELEASE OF CONDITIONAL FUNDING.....	A-11
4.	REQUEST FOR APPROVAL OF LINE ITEM TRANSFER	A-11
SUBPART B - SUBSTANTIATION		A-11
1.	SAFETY	A-11
2.	RELIABILITY OF SERVICE.....	A-11
3.	ENFORCED RELOCATIONS.....	A-12
4.	LOAD GROWTH.....	A-12
5.	BUSINESS IMPROVEMENT	A-12
6.	REGULATORY OR OTHER MANDATES	A-12
PART 4 - BUDGET PROPOSALS/ REQUESTS - CONTENT REQUIREMENTS.....		A-13
SUBPART A - FILING CONTENTS		A-13
SUBPART B - NARRATIVE		A-13
SUBPART C - AUTHORIZING BOARD RESOLUTION.....		A-13
SUBPART D - COST COMPONENT BREAKOUT		A-13
SUBPART E - COST DERIVATION		A-13
SUBPART F - LOAD GROWTH		A-14
SUBPART G - CAPITAL FINANCING		A-14
SUBPART H - DISADVANTAGED BUSINESS PARTICIPATION.....		A-14
SUBPART I - APPROVED BUDGETS (CASH RECAPTURE).....		A-16
SUBPART J - APPROVED BUDGETS (LEASES).....		A-16
SUBPART K - APPROVED BUDGETS (GAINS/REDUCTIONS)		A-16

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 methodology 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 “1” 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