

City of Philadelphia



(Bill No. 010209)

AN ORDINANCE

Approving the Fiscal Year 2001 Capital Budget providing for expenditures for the capital purposes of the Philadelphia Gas Works, including the supplying of funds to be obtained in connection therewith, and rejecting the Forecast for Fiscal Years 2002 through 2006.

WHEREAS, Section IV(2)(b) of the Agreement Between the City Of Philadelphia And The Philadelphia Facilities Management Corporation For The Management and Operation of The Philadelphia Gas Works ("the Management Agreement") requires the Philadelphia Gas Works ("PGW" or "the Gas Works") to prepare annually a proposed capital budget for the ensuing year and a forecast for the six (6) years comprising the ensuing budget year and the five (5) years next following; and

WHEREAS, On June 19, 2000, the Philadelphia Gas Works ("PGW") filed with the Gas Commission its Proposed Capital Budget for Fiscal Year ("FY") 2001 totaling forty-nine million, six hundred eighty-eight thousand dollars (\$49,688,000) and an outyear Forecast of Capital Budgets for Fiscal Years 2002 through 2006, together with supporting documentation and the testimony of various PGW witnesses.

WHEREAS, On July 7, 2000, PGW filed a capital budget financing plan, a revised outyear forecast, and supplemental testimony; and

WHEREAS, On July 21, 2000, PGW filed the Direct Testimony of the City Finance Director, Janice Davis, in which she advised the Gas Commission that PGW's proposed FY 2001 Capital Budget proposal was satisfactory to her in form and extent; and

WHEREAS, On September 26, 2000, the Gas Commission endorsed a recommendation that the City Council approve a grant of continued capital spending authority to PGW during FY 2001 subject to such final recommendation as the Gas Commission might make and such final action as the City Council might ultimately take with respect to the proposed FY 2001 Capital Budget; and

WHEREAS, On November 27, 2000, Hearing Examiner Tarleton D. Williams issued a Recommended Decision in which he suggested certain adjustments be made that would reduce the proposed FY 2001 Capital Budget by two hundred eighty-eight thousand dollars (\$288,000), and addressed other capital budgeting issues; and

WHEREAS, On December 20, 2000, in comments and exceptions to the Hearing Examiner's Recommended Decision, PGW offered amendments to its proposal which

City of Philadelphia

BILL NO. 010209 continued

Certified Copy

would increase the FY 2001 Capital Budget to fifty-three million, nine hundred twenty-seven thousand dollars (\$53,927,000); and

WHEREAS, On February 15, 2001, at a public meeting, the Gas Commission deliberated and took action on PGW's Proposed FY 2001 Capital Budget as reflected in applicable Gas Commission Resolutions and Orders dated March 14, 2001; and

WHEREAS, By two separate Capital Budget Resolutions and Orders dated March 14, 2001, the Gas Commission endorsed and recommended that City Council take the following actions: (A) Reject the Fiscal Year 2001 Capital Budget proposed by PGW; (B) Reject PGW's proposed Capital Budget Forecast for Fiscal Year 2002 through Fiscal Year 2006.

WHEREAS, On February 13, 2001 PGW filed a request to revise the proposed FY 2001 Capital Budget by adding three (3) new line items with a cumulative authorization of five million, two hundred thirteen thousand dollars (\$5,213,000). On March 14, 2001, PGW amended its request so that only two (2) line items with a cumulative authorization of four million, nine hundred eighty-five thousand dollars (\$4,985,000) would be added. These line items relate to the implementation of a Human Resource Information System and to the restoration of the Passyunk Avenue Plant in the wake of the incident of December 22, 2000.

WHEREAS, On February 27, 2001, PGW filed a request that the proposed FY 2001 Capital Budget be supplemented by the inclusion of four (4) line items related to the leasing of vehicles and computer equipment with a cumulative authorization of one million, five hundred twelve thousand dollars (\$1,512,000).

WHEREAS, On February 23, 2001, PGW filed an FY 2001 Compliance Capital Budget Proposal. The information in section II of this document regarding FY 2001 spending against approved capital budgets differed from (and therefore, did not comply with) the approvals endorsed by the Gas Commission on February 15, 2001. On April 20, 2001, PGW filed a formal request for an amended capital spending projection.

WHEREAS, On April 24, 2001, at a public meeting the Gas Commission amended its recommendations to the City Council with respect to the proposed FY 2001 Capital Budget and with respect to projected FY 2001 spending from approved capital budgets. On April 30, 2001, PGW filed a Compliance Capital Spending Budget consistent with the capital budget recommendations adopted by the Gas Commission on April 24, 2001.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Pursuant to the provisions of Section IV(2)(b) of the Management Agreement, the Council:

City of Philadelphia

BILL NO. 010209 continued

Certified Copy

- (a) does hereby approve the Fiscal Year 2001 Capital Budget program authorization for the capital programs of the Philadelphia Gas Works, as modified by the recommendations of the Gas Commission and set forth in its applicable Resolution and Order dated March 14, 2001, as modified by its applicable Order and Resolution dated May 3, 2001, in an amount not exceeding fifty eight million, four hundred seventeen thousand dollars (\$58,417,000); and
- (b) does further reject the Capital Budget Forecast for Fiscal Years 2002 through 2006.

SECTION 2. Spending Authorizations.

- (a) The amounts shown in the Budget designated for expenditure in Fiscal Year 2001 are hereby authorized for the purposes shown and shall be available for expenditure upon the effective date of this Ordinance for Fiscal Year 2001, defined as September 1, 2000 through August 31, 2001, in the amount of sixty seven million, four hundred one thousand, four hundred and fifty-three dollars (\$67,401,453). This reflects fifty two million, six hundred four thousand, four hundred and fifty-three dollars (\$52,604,453) in adjusted spending during FY 2001 from the FY 2001 Capital Budget plus an additional fourteen million, seven hundred ninety seven thousand, and three dollars (\$14,797,003) in anticipated spending during FY 2001 from previously-approved capital budgets.
- (b) The amounts shown in the proposed capital budget designated for expenditure in outyears beginning in FY 2002 in the amount of five million, two hundred ninety two thousand, five hundred and fifty dollars (\$5,292,550) is hereby reserved for the purposes shown.
- (c) The amounts shown in the proposed capital budget designated for expenditure in outyears beginning in FY 2003 in the amount of five hundred twenty thousand dollars (\$520,000) is hereby reserved for the purposes shown.

City of Philadelphia

BILL NO. 010209 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on May 31, 2001. The Bill was Signed by the Mayor on May 31, 2001.



Patricia Rafferty
Chief Clerk of the City Council