



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

Legislation Text

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Approving the Fiscal Year 2014 Capital Budget providing for expenditures for the capital purposes of the Philadelphia Gas Works (including the supplying of funds in connection therewith) subject to certain constraints and conditions, and acknowledging receipt of the Forecast of Capital Budgets for Fiscal Years 2015 through 2019.

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 ("Management Agreement") requires the Philadelphia Facilities Management Corporation ("PFMC") to prepare annually for the Philadelphia Gas Works ("PGW") 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, Section IV.2.b. of the Management Agreement also requires that the proposed capital budget and forecast be submitted to the Director of Finance and the Gas Commission for their review and for submission of said budget and forecast, together with their recommendations thereon, to City Council for its approval; and

WHEREAS, Section IV.2.b. of the Management Agreement further requires that the proposed capital budget and forecast include a showing of the amounts needed and how the funds required are to be supplied as between funds generated within the business through charges to customers or otherwise and funds to be obtained through capital loans ("Financing Plan"); and

WHEREAS, Section IV.2.c. of the Management Agreement requires that all PGW expenditures be made pursuant to approved budgets; and

WHEREAS, PGW filed with the Gas Commission on January 2, 2013 a proposed Fiscal Year ("FY") 2014 Capital Budget of one hundred ten million four hundred eighty six thousand dollars (\$110,486,000) and a Five Year Forecast of Capital Budgets (FY 2015 - FY 2019); and

WHEREAS, The Gas Commission's review of said Budget proposal in its FY 2014 Budgets/ Oversight Proceeding culminated in deliberations taken at a public meeting held on April 15, 2013 whereby the Gas Commission endorsed a proposed FY 2014 Capital Budget in an amount not to exceed one hundred two million four hundred eighty seven thousand dollars (\$102,487,000) with related constraints and conditions for said Budget; and

WHEREAS, On April 17, 2013 PGW filed with the Gas Commission a Compliance FY 2014 Capital Budget Proposal of one hundred two million four hundred eighty seven thousand dollars (\$102,487,000) including its revised Financing Plan for said Budget.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Approval and Acknowledgment

Pursuant to the provisions of Section IV.2.b. and IV.2.c. of the Management Agreement, the Council:

- A. does hereby approve the Fiscal Year (“FY”) 2014 Capital Budget for the Philadelphia Gas Works (“PGW”) in an amount not exceeding one hundred two million four hundred eighty seven thousand dollars (\$102,487,000) as reflected in the Compliance FY 2014 Capital Budget Proposal which includes the associated Financing Plan and which is attached as Exhibit #1 to this Ordinance, subject to the provisions of Sections 3 through 6 of this Ordinance; and
- B. does hereby acknowledge receipt of PGW’s Forecast of Capital Budgets for FY 2015 through FY 2019.

SECTION 2. Spending Authorization

The amounts shown in the approved FY 2014 Capital Budget are hereby authorized for the purposes shown and shall be available for expenditure as of FY 2014 defined as September 1, 2013 through August 31, 2014 in an amount not exceeding one hundred two million four hundred eighty seven thousand dollars (\$102,487,000) as reflected in the Compliance FY 2014 Capital Budget Proposal which is attached as Exhibit #1 to this Ordinance, subject to the provisions of Sections 3 through 6 of this Ordinance.

SECTION 3. Constraints And Conditions - Capital Program Protocols

During the lifespan of the line items in the approved FY 2014 Capital Budget, PGW shall adhere to the “Capital Program Protocols” promulgated by the Gas Commission. A copy of said Protocols as adopted by the Gas Commission on April 15, 2013 is attached as Exhibit #2 to this Ordinance and is incorporated herein.

SECTION 4. Constraints And Conditions - Conditional Spending Authorizations

Except as necessitated by Emergency Circumstances as set forth in the “Capital Program Protocols” at Part 1 - Subpart I.3, no spending authority will attach to the following line items until the Gas Commission releases in writing such spending authority as the Gas Commission may make available after appropriate review and good cause shown:

- A. the line item styled "Conditional Funding for Capital Needs Related to Safety (#13-01-2-01) (\$250,000)” to support safety-related (i.e., Priority 1) capital projects which cannot be addressed by proposing a line item in the FY 2015 Capital Budget;
- B. the line item styled "Conditional Funding for Capital Needs Related to Reliability of Service (#13-01-2-02) (\$250,000)" to support reliability-related (i.e., Priority 2) capital projects which cannot be addressed by proposing a line item in the FY 2015 Capital Budget; and
- C. the line item styled "Conditional Funding for Capital Needs for Cost-Justified Load Growth (#13-01-2-03) (\$250,000)” to support load growth-related (i.e., Priority 4) capital projects which are justified by appropriate documentation and which cannot be addressed by proposing a line item in the FY 2015 Capital Budget.

SECTION 5. Constraints And Conditions - Line Item Transfer Exclusions

The following line items shall be unavailable as a source of spending authority in transfer transactions:

- 1. the line item styled “Customer Choice - Consolidated Billing and Purchase of

Receivables (#10-01-1-01) (\$1,523,000”);

2. the line item styled “LIHEAP Grant Application for CRP (#10-01-1-05) (\$115,000)”.

SECTION 6. Exhibits

Exhibits #1 and #2 referenced in this Ordinance and incorporated herein shall be kept on file by the Chief Clerk of City Council and shall be available to the public for inspection, reading or copying at reasonable times.

[Note: Exhibits to this Bill are on file in the Office of the Chief Clerk.]