

GOOD
ENERGY
MAKES
GOOD
SENSE



www.pgworks.com
800 West Montgomery Avenue
Philadelphia, PA 19122

Annual Report
Philadelphia Gas Works
For Fiscal Year Ended August 31, 2013

GOOD ENERGY MAKES GOOD SENSE

Philadelphia Gas Works

Annual Report

For Fiscal Year Ended August 31, 2013

Michael A. Nutter

Mayor, City of Philadelphia

David Seltzer

Chairman, Board of Directors

Philadelphia Facilities Management Corporation

Craig E. White

President & Chief Executive Officer,

Philadelphia Gas Works

Joseph F. Golden, Jr.

Executive Vice President &

Acting Chief Financial Officer,

Philadelphia Gas Works



Philadelphia Gas Works
800 West Montgomery Ave
Philadelphia, PA 19122



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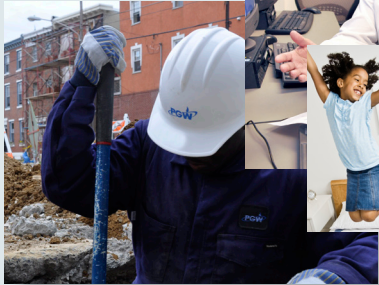


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Good Energy Makes Good Sense


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PGW At-a-Glance

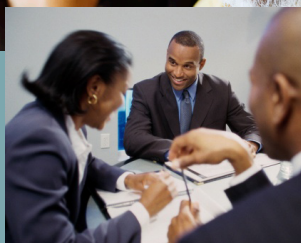
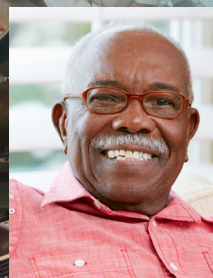
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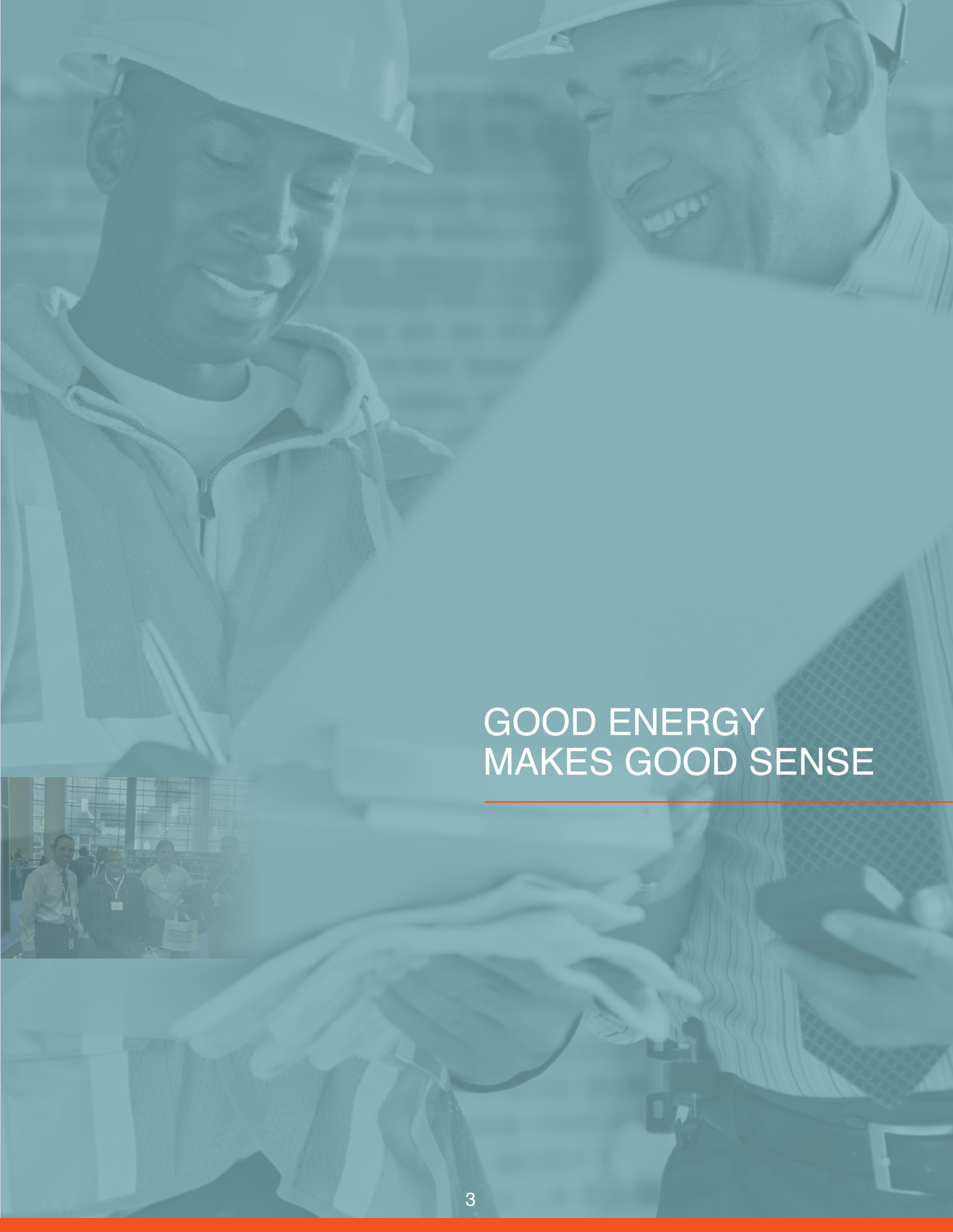
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Some of the statements contained in this annual report or in the Capital Budget or the Five Year Forecast referenced herein, make reference to certain matters which constitute “forward-looking” statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward-looking statements. Readers of this annual report or the Capital Budget or the Five Year Forecast referenced herein should not place undue reliance on these statements. All statements, other than statements of historical facts, could be deemed to be forward-looking. All opinions, estimates, projections, forecasts and valuations are preliminary and indicative only, and are subject to change without notice.





GOOD ENERGY
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Craig E. White

**President & Chief Executive Officer
Philadelphia Gas Works**

Between the end of FY2013 (August 31, 2013) and the completion of this report, a lot has happened with respect to PGW's future. As outlined in the Chairman's letter, UIL Holdings Corporation (NYSE: UIL) has been selected to purchase PGW, subject to Philadelphia City Council and regulatory approvals.

UIL is the parent company for The United Illuminating Company, The Southern Connecticut Gas Company, Connecticut Natural Gas Corporation, and The Berkshire Gas Company. Together these companies deliver electricity and natural gas to more than 700,000 customers in Connecticut and Massachusetts, and employ more than 1,850 people.

PGW and UIL have a lot in common; including a legacy of hard work and dedication to the customers we serve. We distinguish ourselves from our competitors by focusing on customer satisfaction as a means to achieve operational and financial success, and we both recognize that our success is a testament to dedicated employees and strong management teams.

If the sale is ultimately approved and completed, the combined resources of two well-matched companies will expand PGW's – and Philadelphia's – opportunities for new success, on behalf of customers, employees, investors and stakeholders. Under private ownership, PGW will be better able to take advantage of new and real opportunities that will help transform Philadelphia. These opportunities include: expanding and improving PGW's infrastructure, capitalizing on the abundant supply of local natural gas, and investing more capital in the potential of PGW's Liquefied Natural Gas (LNG) assets. Both PGW and UIL can also benefit from those areas where its expertise is greatest, as we share best practices.

This is an exciting time for PGW and we have made ourselves more competitive through real and consistent progress towards our business goals during FY2013.



Building on the successes of 2012, we continued to sharpen the focus on customer satisfaction, expand efforts to exploit new opportunities and add new communication tools to match customer expectations.

The accomplishments of FY2013 are important and notable and mean that PGW can look, with confidence, to the work that lies ahead. Important changes are taking place, and we're well placed for long-term success.

Across the natural gas industry in America, companies are trying to become more nimble, more innovative and more strategic in their operation. That behavior is a direct response to the growing popularity of natural gas. At PGW, we've spent the last decade developing operational efficiencies, unveiling new product offerings and improving our ability to identify new possibilities

and then apply the right resources at just the right time. That puts us in the vanguard of companies seeking to capitalize on natural gas' popularity. It's also why we finished another year with a stronger enterprise that continues to move Philadelphia forward.

Financially, PGW was able to report a net income of \$61 million, doubling its net income over FY2012, while reducing its long-term debt even further. The challenge going forward is reducing PGW's dependency on degree days, while continuing to increase revenue and positive cash flow. To this end, PGW will continue to drive new demand for natural gas, and strive to capitalize on new revenue streams.

That's why, for instance, PGW supports the development of a viable Compressed Natural Gas (CNG) market around Philadelphia. Such a market could mean new jobs for the region, more revenue for the City and increased natural gas sales for PGW.

That's a longer term development, but in FY2013, PGW used its 40 plus years of experience working with LNG to bring in additional revenue. We looked anew at our LNG business and turned what was once a small additional service, into a significant business success. From a standing start, we sold in excess of 465,000 thousand cubic feet (Mcf) by year's end with contracts in 2014 to triple this output. That's the equivalent of heating over 15,000 additional Philadelphia homes. To date, most sales have come from long-haul trucking and natural gas extraction customers, but other prospects are emerging, including sales to marine and rail companies.

Of course, we need to market these opportunities without putting undue strain on our infrastructure. That's one reason why our accelerated infrastructure replacement program – financed through direct customer charges rather than new debt – is so valuable. This program means PGW can now replace an additional seven miles of pipeline annually, for a total of around 25 miles, which translates to a more advanced, safe and reliable distribution system, ready for whatever the market brings.

PGW's infrastructure also includes our communications channels, and we've also moved to enhance that side of the business. In this fast, urban environment, the need for more customer-focused communication is unavoidable. So we completely redesigned PGWorks.com, making it easier and faster for customers to find the information they need. The site's 'three clicks or less' mantra is more than a design feature, it's a direct response to customer feedback and, along with our social media feeds and our move into email marketing, is key to our pursuit of greater levels of customer satisfaction.

That's not all; in FY2013, PGW launched a text and smartphone service in support of its Low Income Home Energy Assistance Program (LIHEAP) and Collections advertising campaigns. Tens of thousands of people connected with PGW through their mobile phones in 2013, giving us a whole new way to engage with customers. Practically, this service increased the number of LIHEAP grants assigned to PGW, and led to more customers connecting with us before they move too far along the collections path. This additional way for customers to find and receive the information they need with mobile technology will ultimately translate to fewer incoming calls and reduced call times for our call center.

Everyone at PGW has worked hard to put the company in a strong position, and the task now is to grasp the opportunities available to us including the benefits of private ownership. This means reinforcing the loyalty of customers, with a continued emphasis on customer satisfaction, carving out new opportunities and taking advantage of emerging technologies, such as natural gas vehicles and micro-CHP, and expanded use of LNG. The work ahead is hard and real, but the potential rewards are significant.

Indeed, all of us in this industry see what is, perhaps, the greatest opportunity to date for domestically sourced natural gas to become the nation's fuel of choice. By focusing on our strengths, and carefully adding new areas of expertise, PGW can thrive in this new environment, and achieve new successes.

David Seltzer

**Chairman, Board of Directors
Philadelphia Facilities Management Corporation**

In our last annual report, I noted that Mayor Michael A. Nutter, members of his Administration and the Philadelphia Facilities Management Corporation (PFMC) were studying the PGW ownership structure that best suited the needs of the City and of PGW's customers. That process continued through FY2013, with the City hiring JP Morgan Securities and Loop Capital Markets to serve as brokers. More than 30 financially- and operationally-qualified buyers responded to the City's request for qualifications last August and through a series of bidding rounds, the City narrowed the field down to a handful of firms which submitted final bids on January 31, 2014.

In early March, the Mayor announced that the City had signed an agreement with UIL Holdings Corporation to purchase PGW. UIL is a New Haven-based publicly-traded utility with over 700,000 natural gas and electricity customers and it has agreed to purchase PGW's assets and assume certain liabilities for a price of \$1.86 billion, at the upper range of the level estimated last fall by Lazard, the City's financial advisor for the sale. As importantly, UIL agreed to meet key public policy criteria, including no PGW employee layoffs for three years, honoring the existing collective bargaining agreement with our union workers, no base rate increases before 2018, and maintaining the current low-income and senior citizen discount programs.

A combined utility will offer many advantages for PGW customers, including the infusion of substantial equity capital providing greater financial stability, scale economies in operations, and greater flexibility in pursuing promising business opportunities in the natural gas sector as Philadelphia re-emerges as a national clean energy hub. While the signing of the asset purchase agreement is subject to the approval of City Council and the Pennsylvania Public Utility Commission approval, the favorable outcome reaffirms the wisdom behind



the Mayor's decision to look anew at the role the Gas Works can play in furthering Philadelphia's growth and prosperity.

Throughout this process, the PFMC Board has been committed to ensuring that PGW remains focused on its core mission of safe, reliable service. And as PFMC chairman, I am pleased to report that the company has made impressive strides over the last year on these fronts, while positioning itself to take great advantage of the opportunities that exist within the growing market for natural gas.

Natural gas is more popular than ever, and is increasingly recognized as a critical driver for near-term local, state and federal energy policy goals. While continuing to deliver a cleaner, cheaper and more plentiful supply of domestic fuel than any viable alternative, PGW also needs to capitalize upon



immediate growth opportunities. From its operating structure to its physical infrastructure, and from its social obligations to its product offerings, PGW must continually look at itself, its competition, its assets and its liabilities and ask: are we doing the best that we can for those who depend upon us?

There is no doubt that PGW today is financially and operationally sound. Thanks to the market environment, the leadership team and the support of key stakeholders, the company has completed another successful year. The City administration, PGW's leaders and I, along with my fellow PFMC Board members, are hard at work to ensure we build upon that success and make the best of the promising future that awaits.

Philadelphia Facilities Management Corporation
BOARD OF DIRECTORS



David Seltzer
Principal, Mercator Advisors LLC
Board Chairman
Audit Committee
Business Development Committee
Finance Committee
Workforce Development Committee



Clarence D. Armbrister
President, Girard College
Board Vice Chair
Chair, Audit Committee
Chair, Finance Committee



Suzanne R. Biemiller
*First Deputy Chief of Staff,
City of Philadelphia*
Business Development Committee



Catherine M. Paster
*First Deputy Director of Finance,
City of Philadelphia*
Board Treasurer
Audit Committee
Finance Committee

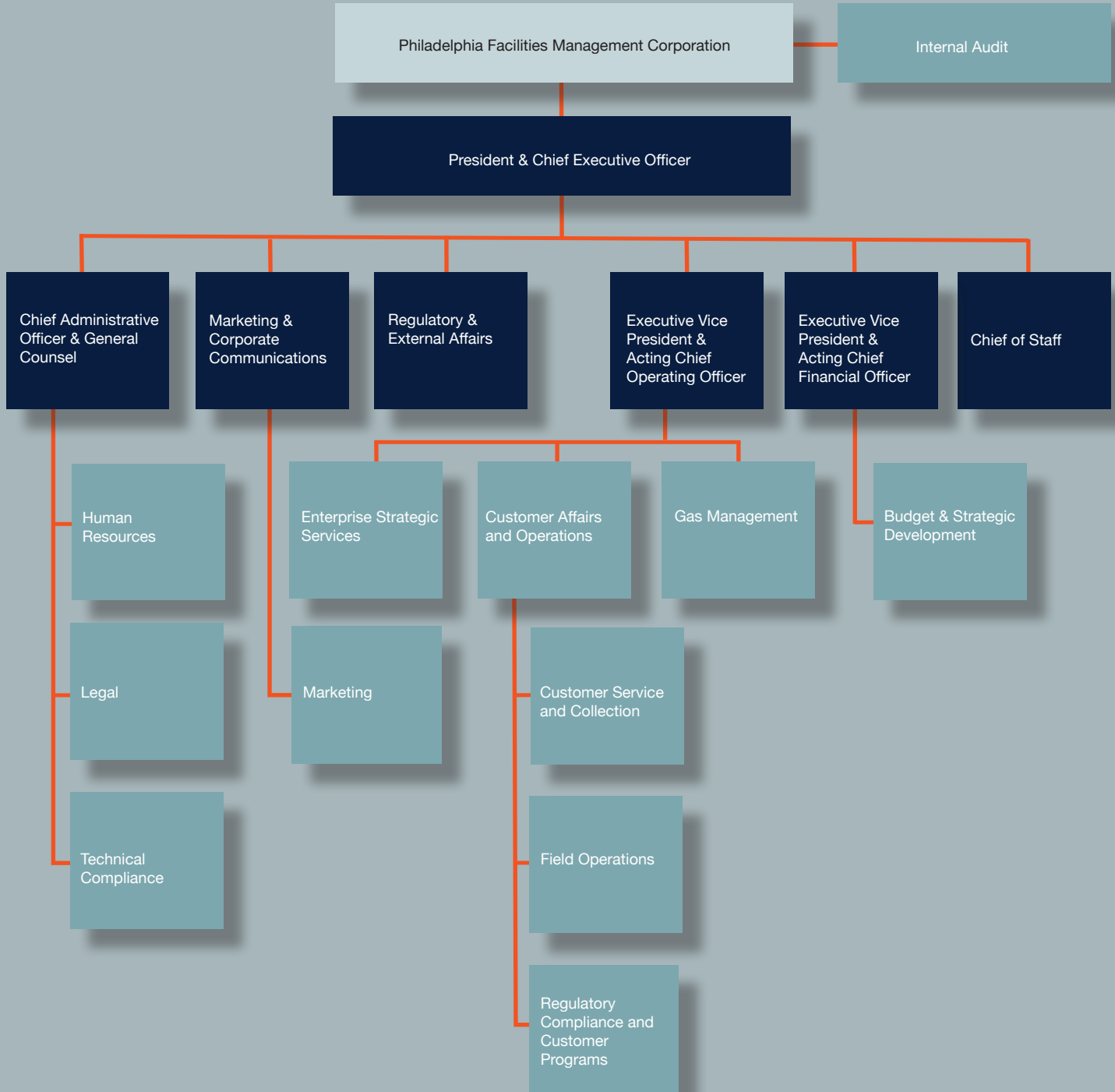


Sharmain Matlock-Turner
*President and CEO,
Urban Affairs Coalition*
Workforce Development Committee



Andrew Stober
*Chief of Staff,
Office of Transportation & Utilities,
City of Philadelphia*
Business Development Committee
Workforce Development Committee

ORGANIZATIONAL CHART



PGW LEADERSHIP

Craig E. White

President & Chief Executive Officer

Douglas A. Moser

Executive Vice President &
Acting Chief Operating Officer

Joseph F. Golden, Jr.

Executive Vice President &
Acting Chief Financial Officer

Abby L. Pozefsky, Esquire

Chief Administrative Officer &
General Counsel

Daniel P. Murray

Senior Vice President,
Customer Affairs & Operations

Douglas I. Oliver

Senior Vice President,
Marketing & Corporate
Communications

Denise Adamucci

Vice President,
Regulatory Compliance &
Customer Programs

Bernard L. Cummings

Vice President,
Customer Service & Collections

William J. Gallagher

Vice President,
Budget & Strategic Development

Charles J. Grant

Chief of Staff

Raquel N. Guzmán, Esquire

Vice President,
Legal & Associate General
Counsel

Steven P. Hershey

Vice President,
Regulatory & External Affairs

Michael H. Jones

Vice President,
Technical Compliance

Paul A. Mondimore

Vice President,
Field Operations

Raymond M. Snyder

Vice President,
Gas Management

Lorraine S. Webb

Vice President,
Human Resources

Eloise N. Young

Vice President &
Chief Information Officer

John C. Zuk

Vice President,
Marketing



“ Everyone at PGW has worked hard to put the company in a strong position, and the task now is to grasp the opportunities available to us... with a continued emphasis on customer satisfaction, carving out new opportunities and taking advantage of emerging technologies ”

– Craig White, PGW President & CEO



(L to R) Bottom Row: Denise Adamucci, Lorraine S. Webb, Charles J. Grant, Eloise N. Young, Craig E. White, Abby L. Pozefsky, Esquire, Raymond J. Welte **Middle Row:** Daniel P. Murray, John C. Zuk, Joseph F. Golden Jr., Raymond M. Snyder, Raquel N. Guzmán, Esquire, Steven P. Hershey **Top Row:** Michael H. Jones, William J. Gallagher, Douglas A. Moser, Douglas I. Oliver, Paul A. Mondimore, Jr., Bernard L. Cummings

Frequently used units for measuring natural gas:

1 cubic foot (cf) = 1,027 British thermal units (Btu)

100 cubic feet (1 ccf) = 1 therm (approximate)

1,000 cubic feet (1 Mcf) = 1,027,000 Btu (1 MMBtu)

1,000 cubic feet (1 Mcf) = 1 dekatherm (10 therms)

1 million (1,000,000) cubic feet (1 Mmcf) = 1,027,000,000 Btu

1 billion (1,000,000,000) cubic feet (1 bcf) = 1.027 trillion Btu

1 trillion (1,000,000,000,000) cubic feet (1 Tcf) = 1.027 quadrillion Btu



GOOD ENERGY MAKES GOOD SENSE



MEETING NEW MARKET DEMANDS

As a leader in the natural gas industry, with 177 years of expertise under its belt, PGW understands how to meet the needs of a growing, evolving Philadelphia. Our constant challenge is to fulfill the expectations of customers, who rely on us, while enabling Philadelphia to realize more of its potential. Last year, meeting that challenge meant ramping up efforts to create and take advantage of new market opportunities, capitalizing on technological advances, and continuing to support Philadelphia's development.

That's one reason why we supported legislation which provided a mechanism to fund the replacement of seven *additional* miles of gas mains each year, without raising base rates. As soon as we were given the green light, we ramped up our infrastructure replacement program, upgrading the safety and reliability of our distribution system, and positively impacting the local economy.

PGW's unwavering support for our region's growth is also why, in FY2013, we were so active in promoting Compressed Natural Gas (CNG) technology to customers, particularly those with fleet operations. Of note here is the passing of Act 13, which relates to Natural Gas Vehicles (NGV) and led to the first ever grant to aid development of a public access CNG fueling station in Philadelphia Gas Works' market. PGW continues to position Philadelphia as a viable CNG hub, and we are making significant progress in that regard. The potential of this new market is part of the reason why we successfully advocated for PGW to purchase 24 NGVs.

We also successfully leveraged PGW's experience with LNG by securing contracts with long-haul trucking and natural gas extraction companies to fill their LNG needs. Last year, we sold in excess of 465,000 Mcf of LNG – the equivalent of heating over 5,000 additional Philadelphia homes. Those numbers are projected to increase as more companies seek our product. In fact, over the next three years, PGW intends to sell 1.5 bcf of LNG a year – which is expected to deliver \$14 million to PGW's bottom line over that period.

It's no coincidence that these successes – entering new markets, supporting Philadelphia jobs, generating new revenue – coincide with PGW's strengthened financial position. At the end of FY2013, PGW reported a net income of \$61 million, doubling our net income over the previous year, while continuing to make meaningful reductions to our long-term debt.

We anticipate that PGW will sustain, and continue to improve, its position, delivering long-term financial stability that satisfies the aspirations of Philadelphia.

Seven *additional*
miles of gas mains

7Mi

24 NGVs

\$14M
MARGIN



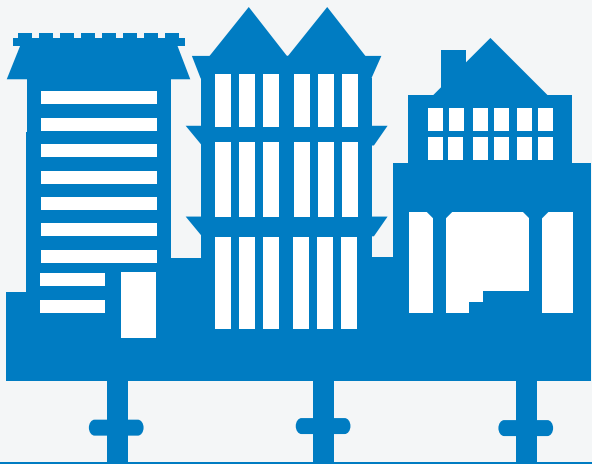
EVOLVING CUSTOMER NEEDS

Of the more than 500,000 customers PGW served in 2013, approximately 25,000 were commercial business customers, 700 were industrial customers and 475,000 were residential customers. These figures mask the change taking place in Philadelphia, as it attracts more and more young families, retains more recent graduates and continues its transition from a manufacturing center to a hub for energy, research, healthcare, education and technology services.

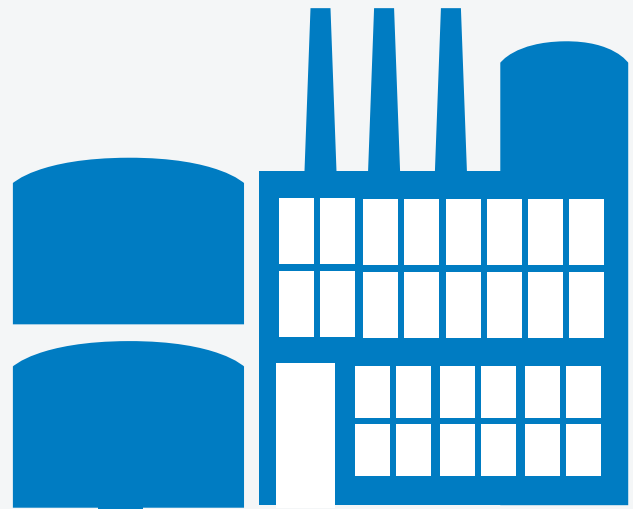
As the demographics of our City change so do the requirements of PGW's customers. With adjustments to our marketing efforts, our technology and our service orientation, PGW is poised to respond to these changes and move PGW and the City forward.

That commitment to sustaining our role as the safe, reliable energy provider of choice to our customers was renewed in FY2013, in the face of new

competition, new demands and adjusting patterns of energy use in Philadelphia. Along with offering the most cost effective fuel and energy solutions, we have augmented our value proposition by providing new tools to use natural gas even more efficiently, rebate programs to entice companies and property owners to switch from other energy sources, and assistance programs tailored to the needs of customers struggling in what is still a fragile economic environment.



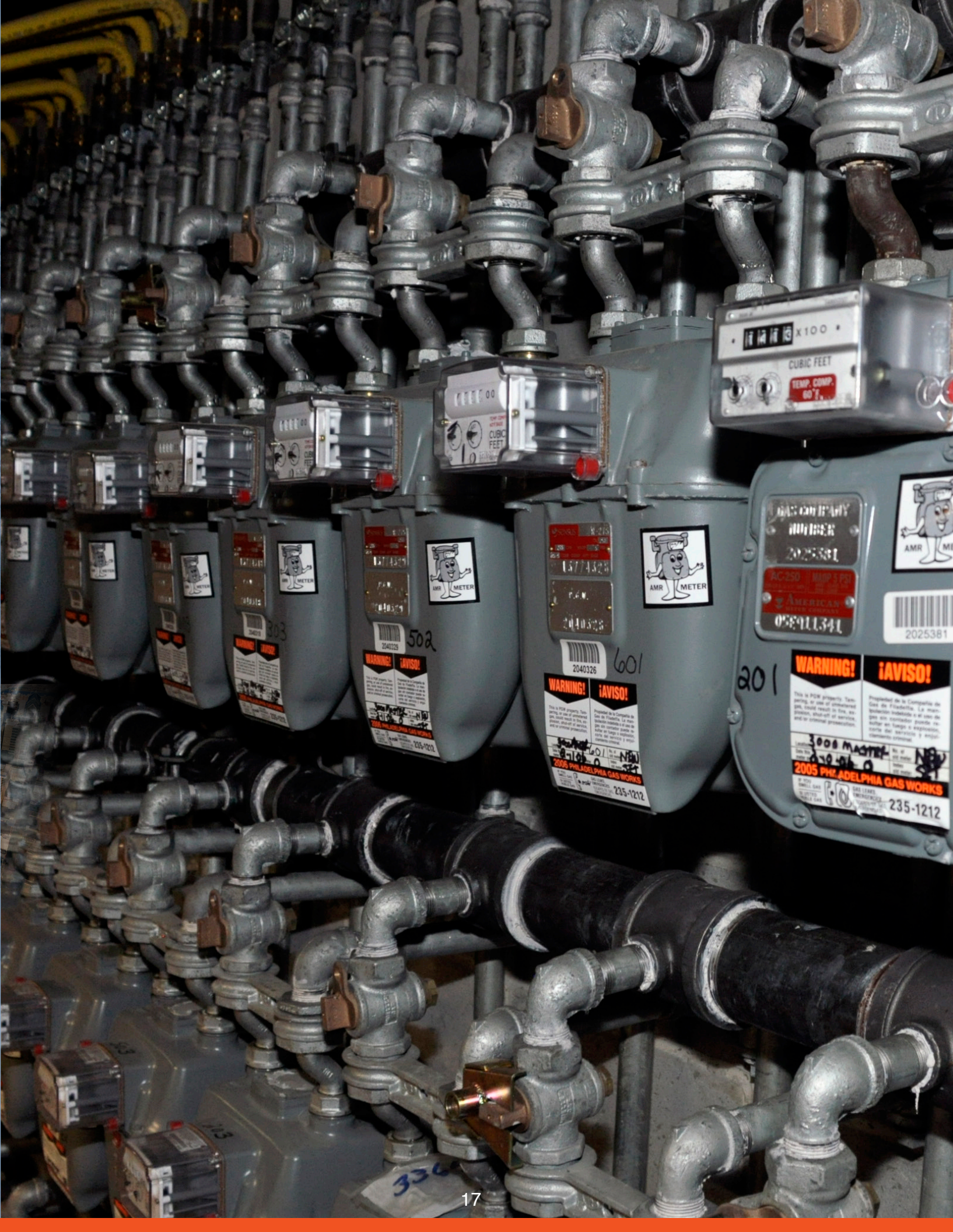
Commercial Customers
25,000



Industrial Customers
700



Residential Customers
475,000



11 14 18 X100
CUBIC FEET
TEMP. COMP. 60°F

AMR METER
METER NUMBER
2025381
AC250 MWP 5 PSI
AMERICAN
058911341
2025381

AMR METER
METER NUMBER
15774329
2040326
502
2040326
WARNING! ¡AVISO!
2005 PHILADELPHIA GAS WORKS
235-1212

AMR METER
METER NUMBER
15774329
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601
WARNING! ¡AVISO!
2005 PHILADELPHIA GAS WORKS
235-1212

201
WARNING! ¡AVISO!
Propiedad de la Compañía de Gas de Filadelfia. La Administración Inadecuada o el uso de fuerza por el consumidor puede resultar en sanciones o acciones legales. El servicio de gas debe ser apagado y reparado inmediatamente.
3008 MASTER
2005 PHILADELPHIA GAS WORKS
235-1212

330

ADVANCING COMMUNICATION

Good communication is a crucial component of good customer service – and of PGW’s Customer Satisfaction Initiative. Our customers expect high levels of service and in FY2013, PGW delivered.

We gave our customers a radically re-designed online destination, launching a new PGWorks.com with a more contemporary look and feel, easier ‘three clicks or less’ navigation, and useful links to important topics.

Each week, over 80,000 customers visit our website. Now we’ve made sure that, from any page, they are able to:

- Pay bills online
- Find savings using the Bill Analyzer
- Learn about energy savings and rebates
- Stay up to date on PGW news and events; and
- Share feedback.

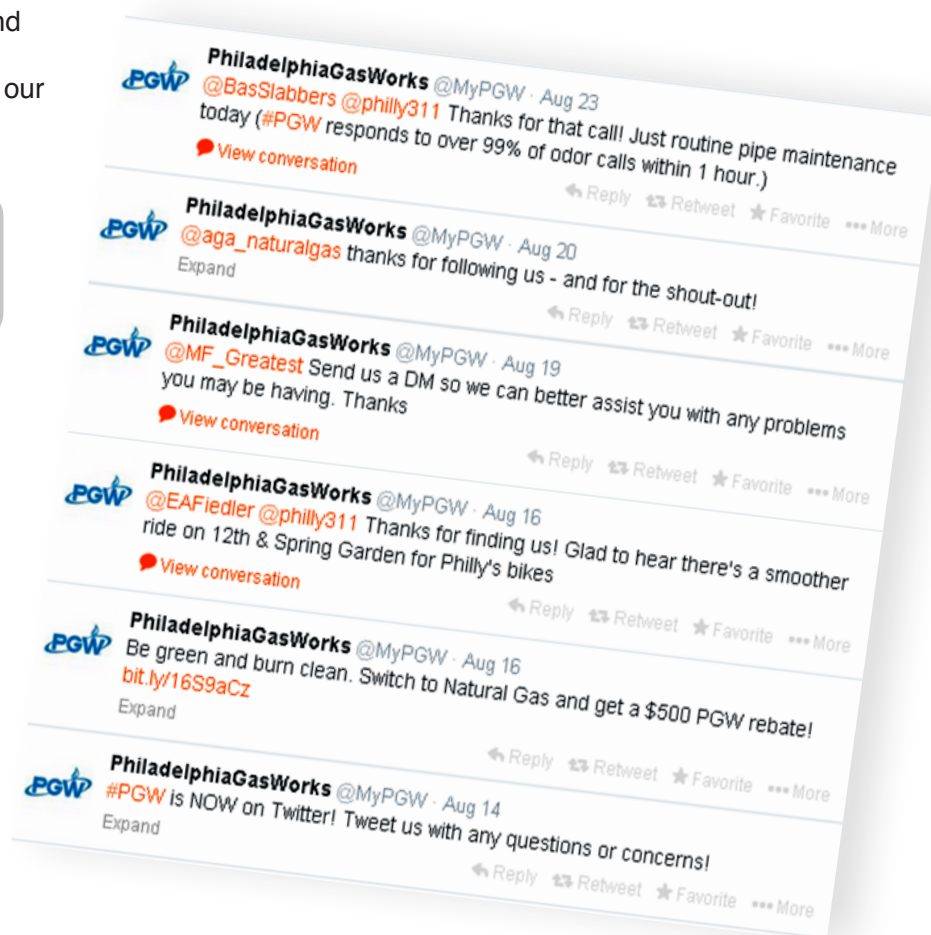
On the heels of the PGWorks.com makeover, we also launched our presence on social media. Customers, community groups, media and stakeholders can now engage with PGW through Facebook, Twitter, YouTube and our new blog.



PGW launched social media in FY2013 with the introduction of @MyPGW

These new communication tools offer new ways to share information and updates with our customers and prospects. They are a sea-change from the old broadcast model that utilities employed, where the company issued news but lacked a mechanism to assess its impact. Today PGW gets real-time feedback on its decisions and can react and respond faster to emerging issues and opportunities.

In FY2013 we also began to use the power of mobile communications as a way to connect with customers. Our LIHEAP mobile initiative gave customers the opportunity to find out about LIHEAP, request an application, learn about the long-term impact of the program and find sources of additional assistance. Over 10,000 customers took advantage of this text-to-web service, which was active for approximately four months.





GREATER ENERGY EFFICIENCY

For our customers, making energy efficient upgrades can seem like an expensive or time-consuming proposition. Lightening the load, and supporting Philadelphia's push to become the Greenest City in America by 2020, PGW continued its efforts to make greater energy efficiency more accessible to home and business owners across Philadelphia.

In FY2013, we launched our Home Rebates Program, which offers customers heavily discounted comprehensive home energy assessments. This program is the final piece of the six-program EnergySense portfolio; a portfolio that delivered more than \$800,000 in rebates in FY2013.

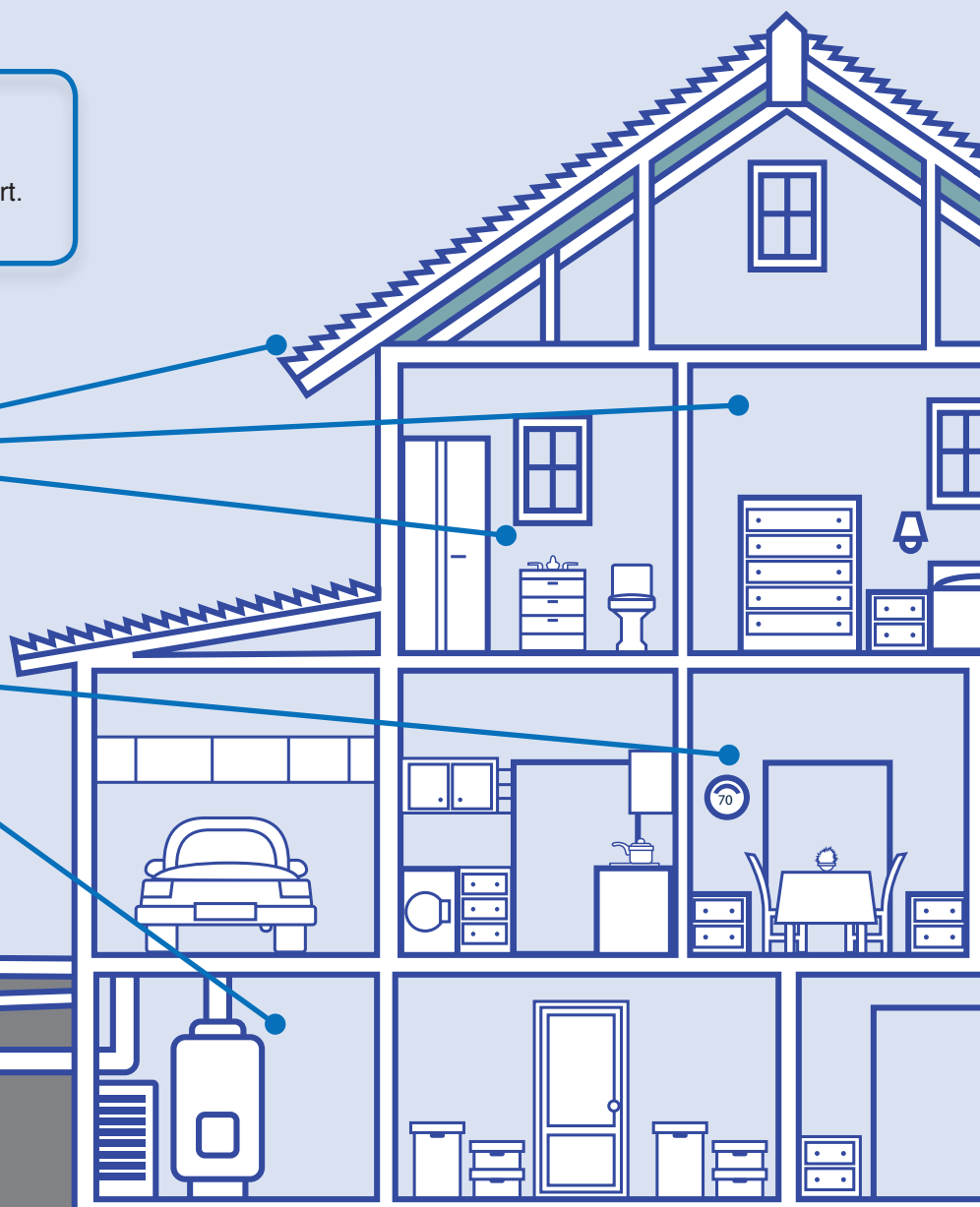
Customers who complete energy equipment upgrades are also eligible for up to \$3,500 for energy efficiency rebates. Just as important as these rebates was the completion of 2,300 home weatherization projects for selected low-income customers.

Providing energy solutions to these customers means lowering their energy usage, reducing their monthly heating bills, and making their homes healthier and more comfortable while reducing the overall cost of low-income assistance programs.

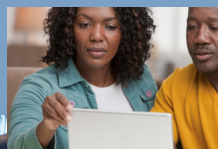
EnergySense Home Energy Assessments identify cost-effective options for long-term energy savings and improving home comfort.

Assessments uncover drafts and leaks and make sure your insulation is up to standards.

Efficient Equipment Rebates from PGW save money in the long term by replacing that old furnace or boiler or by installing a programmable thermostat.

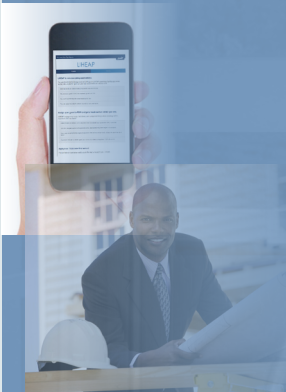






P G W

PGW AT-A-GLANCE



Joseph F. Golden, Jr.

**Executive Vice President &
Acting Chief Financial Officer
Philadelphia Gas Works**

This section of PGW's annual report for the year ended August 31, 2013 contains financial information prepared in accordance with Generally Accepted Accounting Principles (GAAP).

This section provides information on the financial performance of PGW. It is not a comprehensive accounting of our operations, but is indicative of the results we have achieved. The information presented here is best understood in the context of the environment in which PGW operates (a more comprehensive analysis of which is available at www.pgworks.com).

For this fiscal year, PGW reported a net income of \$61 million, doubling net income over fiscal year 2012. PGW saw reductions to long-term debt, and an 18.0 percent decrease in Other Postemployment Benefits (OPEB) expense, primarily due to continued funding of an OPEB trust.

The single largest operating expense for PGW is the cost of natural gas. In FY2013, PGW's average commodity price of natural gas was \$3.78 per thousand cubic feet (Mcf) - a decrease in price from prior fiscal years.

PGW has a Weather Normalization Adjustment Clause (WNA) to stabilize and normalize revenue due to variations in weather from one fiscal year to another fiscal year. The WNA was approved by the Public Utility Commission (PUC) in 2002. The purpose of the WNA is to neutralize the impact of weather on PGW's revenues. This allows PGW to achieve the recovery of authorized costs. The WNA results in neither a rate

increase nor a rate decrease, but acts as a billing adjustment.

The main benefits of the WNA are the stabilization of cash flow and the reduction of the need for short-term borrowing from year to year. The WNA is applied to customer bills rendered during the period of October 1 through May 31.

PGW's annual capital program primarily supports an infrastructure investment plan to replace existing plant and facilities to ensure that PGW continues to operate its assets at a high standard of safety and reliability. Funds are also requested for investment in systems and technology to improve customer service and the efficiency of its delivery.

PGW also provides added-value services to our customers to satisfy their energy needs. This approach improves PGW's marketing efforts by differentiating PGW as the best source of fuel, providing safe, reliable service and valuable solutions to meet customers' energy requirements. Examples include the management of an 80,000 Mcf oil conversion at a Philadelphia medical center and the installation of a biofuel engine at the Philadelphia Water Department (PWD). The PWD built a new cogeneration plant to harness excess methane gas from its water treatment process and paired it with 10,000 Mcf of natural gas for on-site heating and electric generation. PGW strives to be the energy provider of choice for Philadelphia.



SELECTED FINANCIAL INFORMATION

(Thousands of US Dollars)

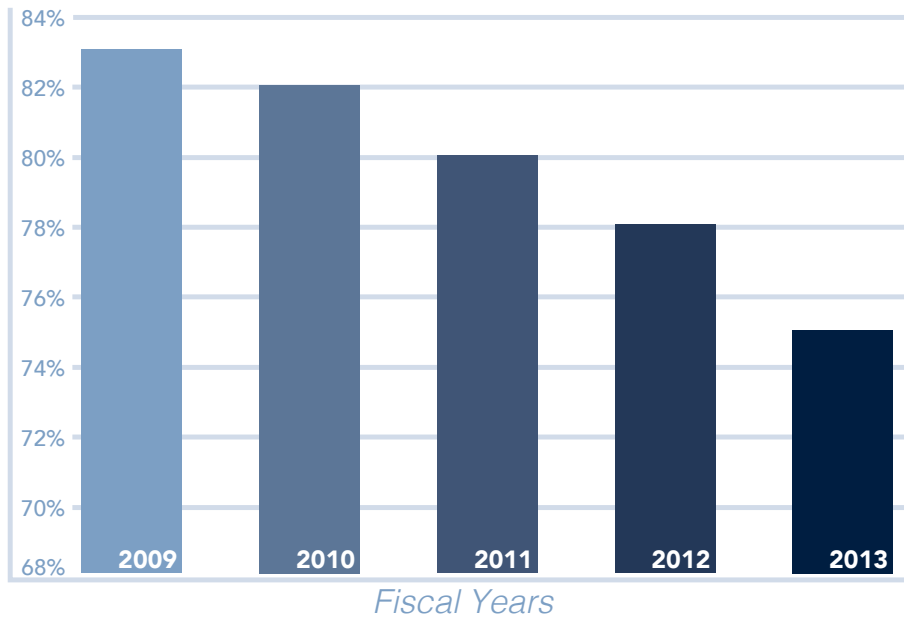
FINANCIAL HIGHLIGHTS

	2013	2012	2011	2010	2009
Utility plant, net	\$1,154,987	\$1,125,650	\$1,111,078	\$1,094,009	\$1,076,467
Restricted investment funds	155,155	199,969	236,966	284,813	175,534
Total current assets	295,112	265,848	325,827	301,570	249,164
Other assets and deferred debits	93,701	101,654	117,264	120,864	129,682
Accumulated fair value of hedging derivatives	12,059	34,712	25,360	25,906	1,244
Total assets	\$1,711,014	\$1,727,833	\$1,816,495	\$1,827,162	\$1,632,091
Net position	\$358,587	\$315,945	\$309,740	\$274,435	\$243,619
Total long-term debt	1,033,976	1,086,502	1,166,992	1,224,987	1,114,488
Total current liabilities	141,020	118,941	141,885	137,766	133,755
Other liabilities and deferred credits	177,431	206,445	197,878	189,974	140,229
Total net position and liabilities	\$1,711,014	\$1,727,833	\$1,816,495	\$1,827,162	\$1,632,091
Operating revenues	\$693,471	\$644,983	\$766,279	\$759,232	\$929,441
Operating expenses	574,011	550,338	641,640	662,594	845,558
Other income (Net)	1,147	4,659	4,348	5,301	12,240
Interest expense	59,965	69,544	75,682	71,123	78,912
Net income	\$60,642	\$29,760	\$53,305	\$30,816	\$17,211
OTHER					
Degree days	3,889	3,037	4,005	3,730	4,190
Gas sales (Bcf)	72.1	62.9	74.3	69.0	71.8
Headcount	1,654	1,651	1,668	1,682	1,712
Customer count	501,000	503,000	503,000	502,000	504,000

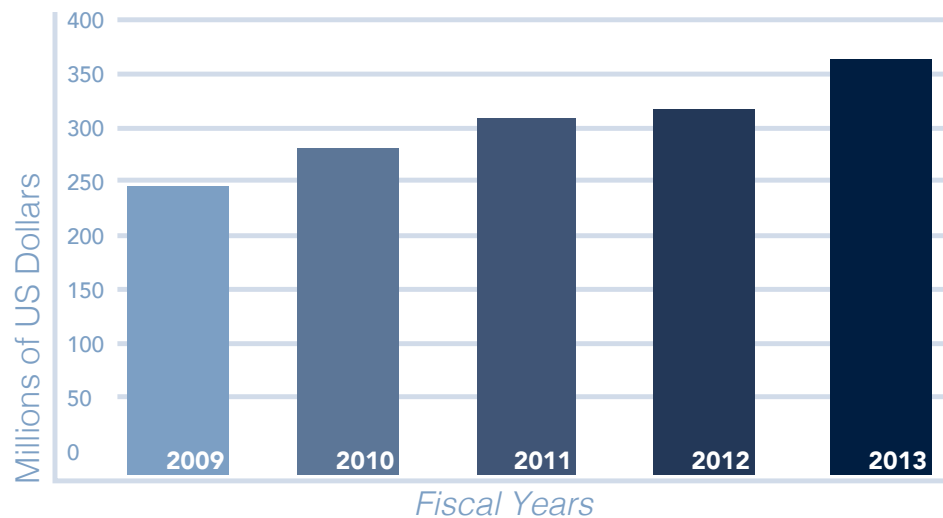
Source: PGW Audited Financial Statements and PGW Financial Records.

SELECTED FINANCIAL INFORMATION

Ratio of Debt to Total Capital

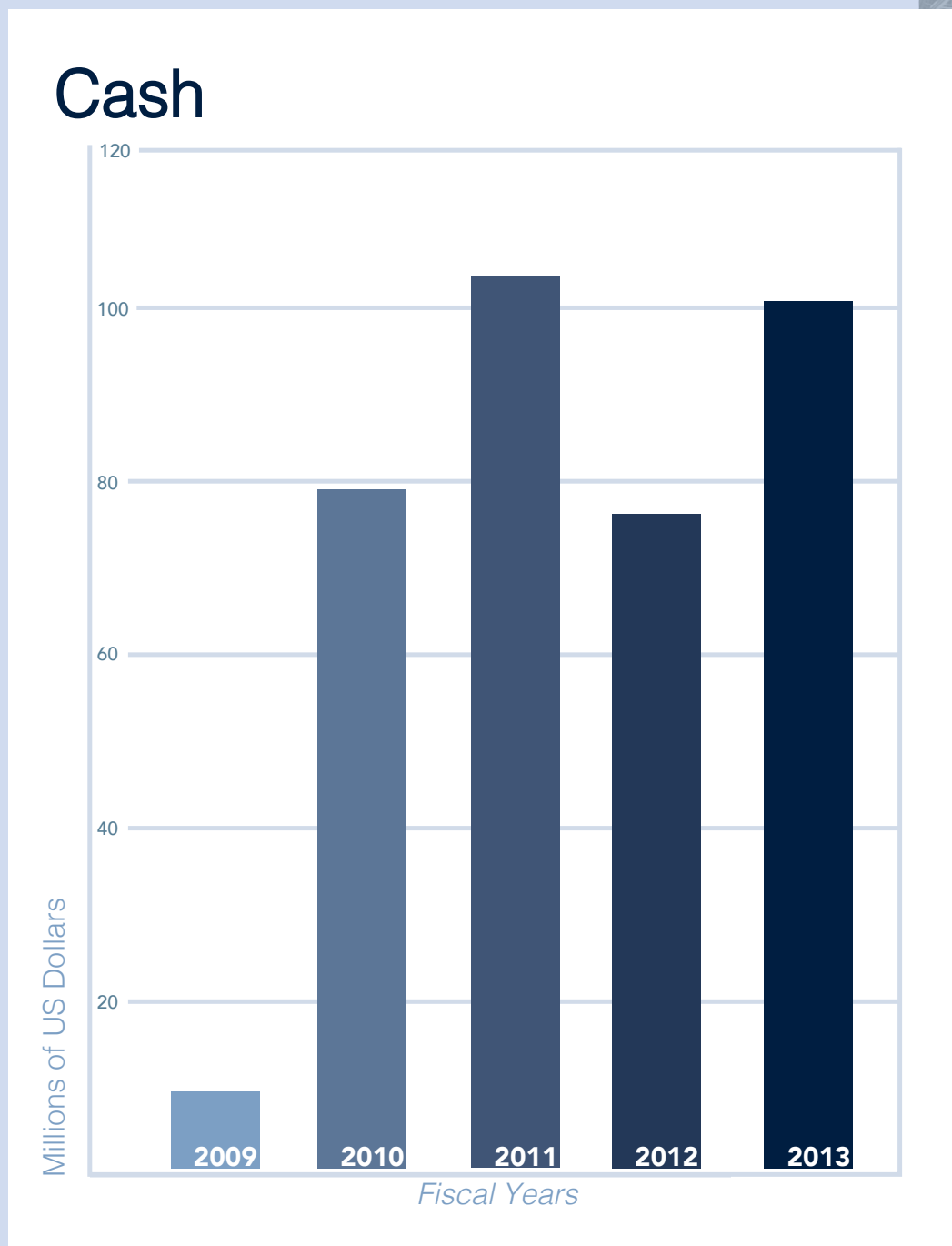


Net Position



Source: PGW Audited Financial Statements and PGW Financial Records.

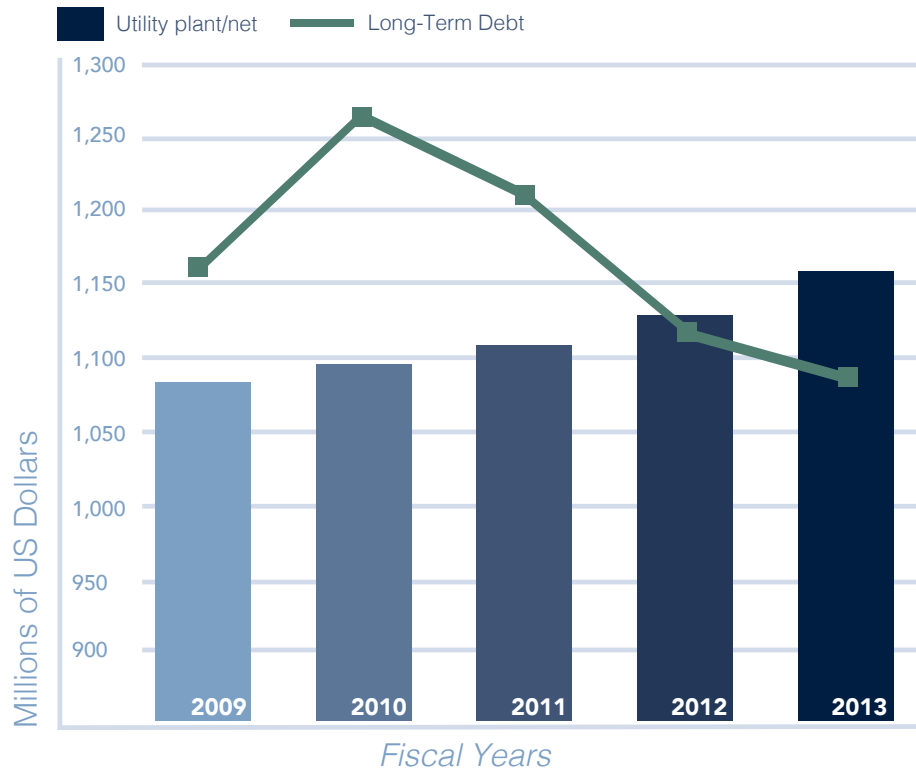
SELECTED FINANCIAL INFORMATION



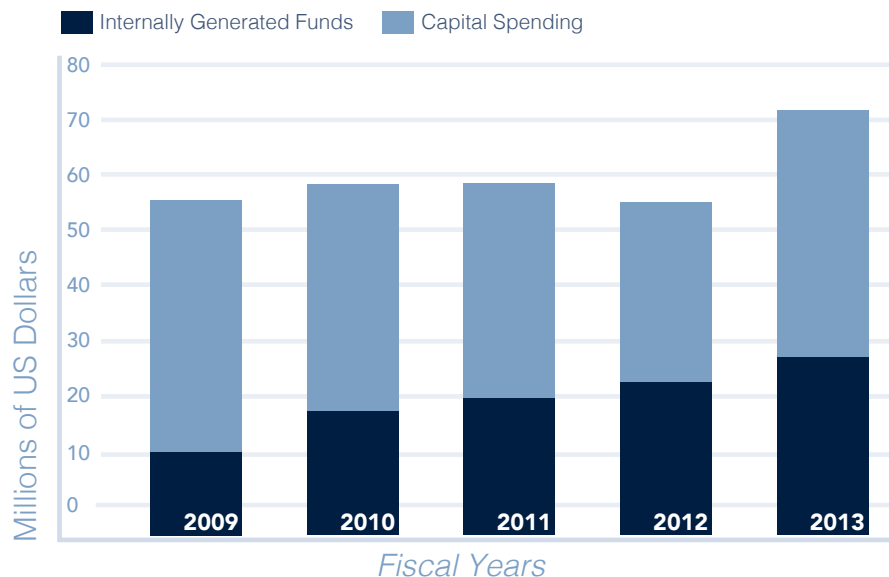
Source: PGW Audited Financial Statements and PGW Financial Records.

SELECTED FINANCIAL INFORMATION

Utility Plant/Long-Term Debt



Capital Spending



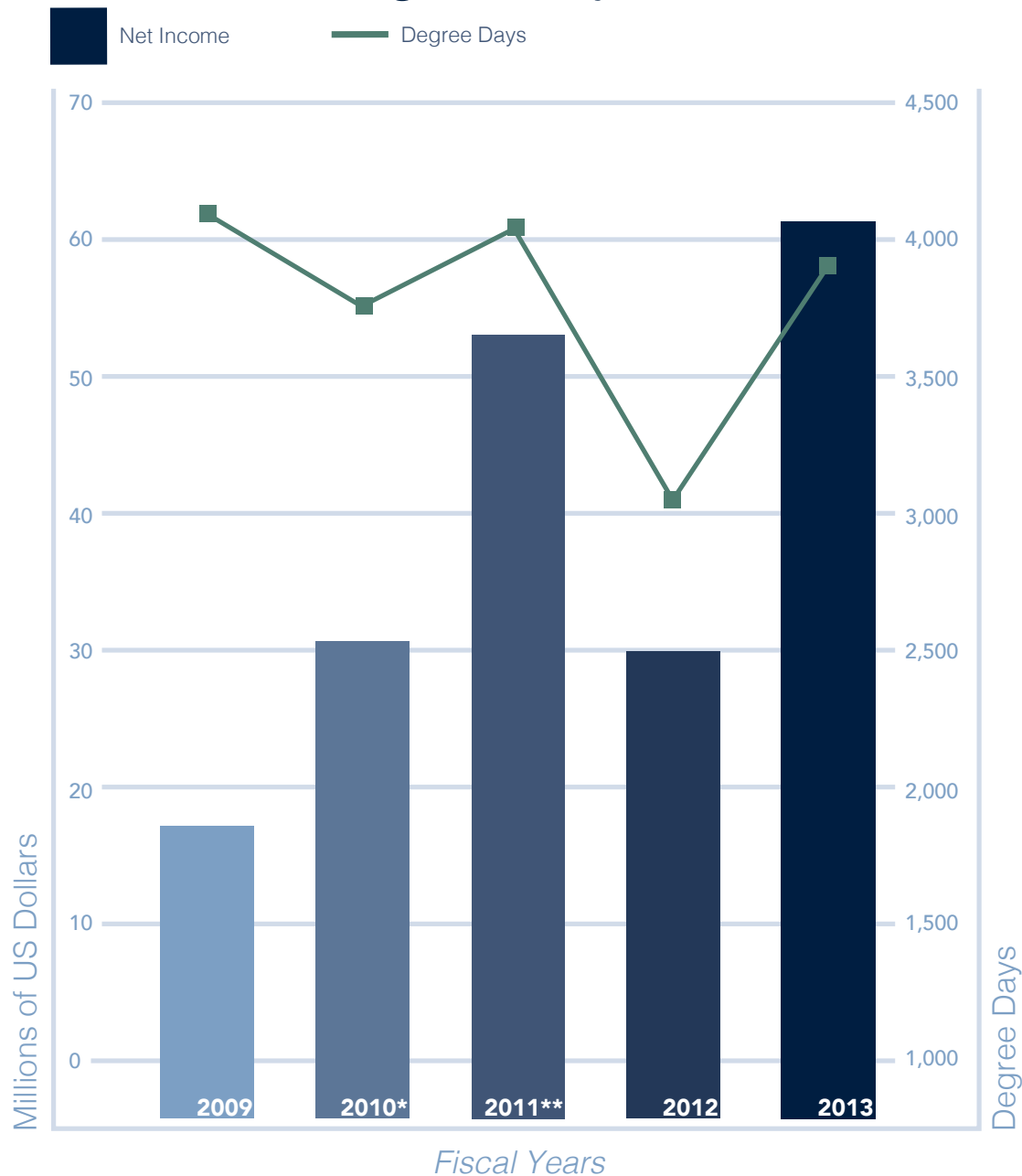
\$44.1M

Available in the Capital Improvement Fund for capital expenditures

Source: PGW Audited Financial Statements and PGW Financial Records.

SELECTED FINANCIAL INFORMATION

Net Income/Degree Days



* Represents full year impact of \$60 million rate increase effective January 1, 2009.

** Reflects full year impact of \$16 million rate increase effective September 1, 2010.

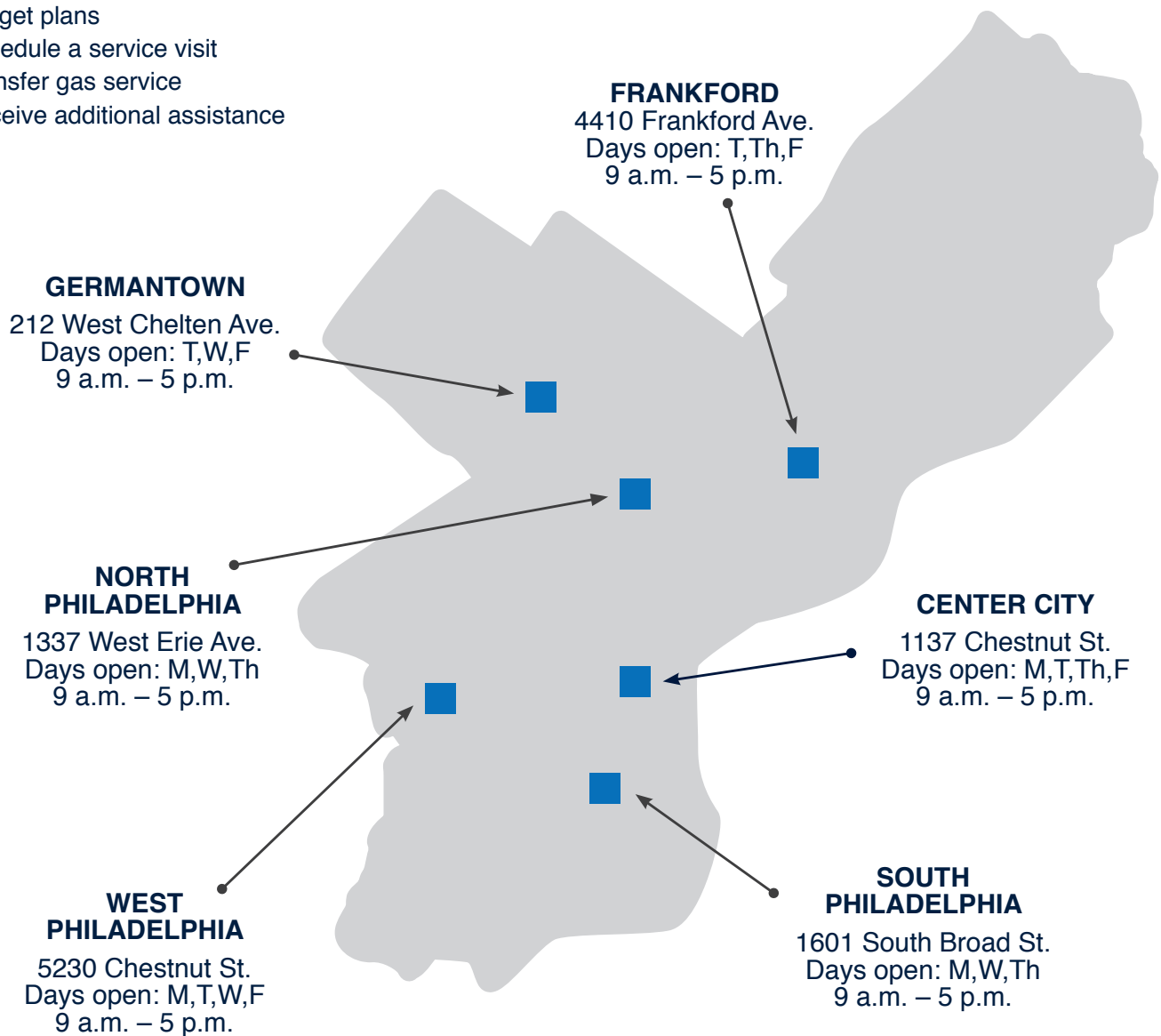
Source: PGW Audited Financial Statements and PGW Financial Records.

OUR LOCATIONS

CUSTOMER SERVICE CENTERS

Visit a nearby Customer Service Center to:

- Pay a bill
- Apply for gas service
- Apply for LIHEAP and Crisis grants
- Enroll in special programs and budget plans
- Schedule a service visit
- Transfer gas service
- Receive additional assistance



CONTACT US

EMERGENCY HOTLINE: (215) 235-1212

If you smell gas or have an unsafe condition, call immediately, at any time.

CUSTOMER SERVICE

Monday - Friday, 8 a.m. to 5 p.m.

If you call regarding your bill, please have your account number ready.

(215) 235-1000 Billing, Special Programs & General Information

(215) 235-1777 Payment Assistance

(215) 787-HEAT (4328) LIHEAP & Crisis Grants

(215) 235-2050 Appliance Service & Gas Turn-on

(215) 235-2050 PGW Parts & Labor Plan

(215) 235-2244 Request a Meter Reading

(215) 684-6000 EnergySense

(215) 684-6700 Convert to Natural Gas

(215) 236-4646 Hearing Impaired Line (TTY)

(215) 235-2175 Información y Servicio en Español

OTHER IMPORTANT NUMBERS

(215) 684-6383 Report the theft of gas 24-hours-a-day, 7-days-a-week. Your call is confidential. Gas theft endangers others.

8-1-1 Call before you dig. Contact the 24-hour PA one-call system.

(215) 684-6535 Claims

IN THE COMMUNITY

If you would like PGW to attend your next community event, to speak or provide information on energy efficiency, grant programs and/or customer assistance programs, contact our Community Hotline at **(215) 684-6901** or **community@pgworks.com**.

Founded in 1836, Philadelphia Gas Works (PGW) is owned by the City of Philadelphia and is the largest municipally owned gas utility in the country. It manages a distribution system of approximately 6,000 miles of gas mains and service pipes supplying approximately 500,000 customers. PGW's operations are managed by a non-profit corporation, the Philadelphia Facilities Management Corporation (PFMC). More information about the company is available at www.pgworks.com.



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