PHILADELPHIA GAS WORKS

NOTICE OF PROPOSED GAS COST RATE INCREASE

To Our Customers:

As part of its annual Gas Cost Rate (GCR) filing, Philadelphia Gas Works (PGW) is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase the GCR portion of your bill effective September 1, 2021. Customers are notified of the annual rate increase or decrease by providing this notice for the annual GCR filing on March 1. PGW is requesting a projected rate increase of $0.6674 per one thousand cubic feet (Mcf) based upon a comparison between the GCR effective March 1, 2021 ($3.4687 per Mcf) and the projected rate in its annual GCR filing ($4.1361 per Mcf). This notice describes PGW's gas cost rate request, the PUC's role, and what actions you can take.

The GCR is designed to recover the cost of natural gas that PGW purchases from gas suppliers and does not include a profit margin. The rate will be recalculated to show actual costs on a quarterly basis. Customers are notified of this quarterly rate recalculation by a message on each customer's bill after the dates of each quarterly filing. The quarterly filing dates are March 1, June 1, September 1, and December 1. The rate may change if the recalculated rate is different by more than 2% from the rate that is approved.

PGW Gas Cost Rate Increase
PGW has requested an overall rate increase of approximately $27.3 million per year. If PGW's entire request is approved, the total bill for a typical General Service (GS) Residential Heating Customer using 74 thousand cubic feet (Mcf) of natural gas per year would increase from $95.98 to $100.24 per month or by approximately 4.4%.

The total bill for a typical GS Commercial Heating Customer using 340 Mcf of natural gas per year would increase from $336.64 to $355.71 per month or by approximately 5.7%.

The total bill for a typical GS Industrial Heating Customer using 1,032 Mcf of natural gas per year would increase from $1,008.38 to $1,066 per month or by approximately 5.7%.

The total bill for a typical Municipal Service (MS) Heating Customer using 1,131 Mcf of natural gas per year would increase from $999.21 to $1,062.15 per month or by approximately 6.3%.

The total bill for a typical Philadelphia Housing Authority (PHA) Heating Customer using 204 Mcf of natural gas per year would increase from $215.10 to $226.24 per month or by approximately 5.3%.

The total bill for a typical Philadelphia GS Housing Authority (PHA/GS) Heating Customer using 88 Mcf of natural gas per year would increase from $104.02 to $109.09 per month or by approximately 4.9%.

To find out your customer class or how the requested increase may affect GS, MS, and PHA bills, contact PGW at 215-235-1000. The rates requested by PGW may be found in PGW Gas Service Tariff Number 2. You may examine the material filed with the PUC, which explains the requested increase and the reasons for it. A copy of this material is kept at PGW's Main Office at 800 W. Montgomery Avenue, Philadelphia, PA, and can be reviewed Monday through Friday from 9 a.m. to 5 p.m. It is also available at www.pgworks.com.

SEE REVERSE SIDE

The PUC's Role
The PUC is the state agency that approves rates for PGW. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates the request. PGW must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request.

The PUC may change the amount of the rate increase requested by PGW for each customer class. As a result, the rate charged to you may be different than the rate requested by PGW and shown above.

Actions You Can Take to Challenge PGW's Request to Increase its Rates

1. **You can file a formal complaint.** If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before September 1, 2021. If no formal complaints are filed, the Commission may grant all, some, or none of the request without holding a hearing before a judge.

2. **You can send the PUC a letter telling why you object to the requested rate increase.** Sometimes there is information in these letters that makes the PUC aware of problems regarding PGW's service or management. This information can be helpful when the PUC investigates the rate request.

Send your letter or request for a formal or informal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265. Complaint forms can also be accessed at the PUC Website in Adobe Acrobat Format: http://www.puc.state.pa.us/general/onlineforms/pdf/official_complaint_form_final.pdf

You may also call the PUC at 1-800-692-7380.

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