

PHILADELPHIA GAS WORKS NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

PGW is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your natural gas rates as of April 28, 2017. PGW has requested an overall rate increase of \$70 million per year. If the Company's entire request is approved, the total bill for a residential customer using 76 thousand cubic feet (Mcf) per year would increase from \$94.06 to \$104.65 per month or by 11.3%. The total bill for a commercial customer using 332 Mcf per year would increase from \$327.07 to \$342.15 per month or by 4.6%. Rates for an industrial customer using 717 Mcf per year would decrease from \$712.81 to \$694.58 per month or by (2.6)%.

To find out your customer class, how the requested increase may affect your natural gas bill, or to find out what actions you may take, contact PGW at 215-235-1000. A copy of the filing can also be viewed by visiting pgworks.com.

Philadelphia Gas Works - 800 W. Montgomery Avenue Philadelphia, PA 19122 - 215-235-1000



PGW has asked to raise rates for its customers, is that true?

Yes. For the first time in more than 7 years, PGW has asked for permission from our regulators to increase rates.

How much will my PGW bill go up?

The PUC will decide how much PGW is able to raise its base rates. If the PUC decides to allow PGW to increase rates by the amount we have asked for, then the average residential customer using 76 thousand cubic feet (Mcf) per year will see their bill increase by \$2.44 a week. CRP customers will not be affected.

Even though we are asking to increase these base rates, the average bill will still be less than it was in 2010, after our last base rate increase.

Why are these rates going up?

At PGW, our top priority is to run a safe and reliable natural gas system. Doing that takes money; so even though we were able to avoid raising rates for nearly 8 years, running a business today is more expensive than it used to be. We have to raise rates to meet those increasing costs.

What is PGW going to do with the increased rates?

Every dollar we collect is reinvested in the company and the City, or is used to cover the cost of supplying and delivering natural gas, safely and reliably. As PGW is owned by the City, it does not make a profit.

When will the PUC make its decision about approval?

The PUC is expected to decide whether to approve the request within the next 9 months. This time period could be shorter if the parties reach a settlement, which the PUC encourages.

