

For Immediate Release

Contact: Barry O'Sullivan
215-684-6624

PHILADELPHIA GAS WORKS ANNOUNCES DECREASE IN NATURAL GAS COSTS THIS FALL
Average PGW residential heating customers will pay nearly five percent less per month

(Philadelphia, Pa. – September 3, 2013) – Philadelphia Gas Works (PGW) today announced that natural gas rates will decrease this fall for PGW's residential, commercial, industrial and municipal customers. The new rate reflects what PGW pays for the gas. The rate for residential customers, for instance, will be adjusted for the next three months from its current \$1.49 per hundred cubic feet (Ccf) to \$1.41 per Ccf for residential customers.

With this rate decrease, the cost for an average PGW residential customer equals the same period last year. On an annualized basis, the average residential customer using 850 Ccf, will lower their PGW bill by approximately 4.7 percent per month and equates to savings of \$68 per year.

"PGW has worked diligently to monitor the costs of our gas supply to protect our customers from continually changing rates and spikes in gas cost," said Craig E. White, PGW president & chief executive officer. "In addition, PGW programs available at www.PGWenergysense.com and at our six customer service centers enable our customers to save even more."

PGW reviews its gas rate quarterly and determines, based on market conditions, whether it should change. The new rate began September 1, 2013 and will stay in effect through November 30, 2013.

PGW's residential natural gas rates are made up of two main components: a supply charge and delivery charge:

- The supply charge is the part of the bill that reflects the amount of gas used by the customer. This charge is what PGW pays for the gas and is passed on to the customer without markup.
- The delivery charge includes the cost of delivering natural gas to the customer's residence, distribution system maintenance and customer billing costs, as well as weather adjustments.

Founded in 1836, The 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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