



26 PHILADELPHIA INVESTORS CONFERENCE



OVERVIEW

1. ABOUT PGW

2. FINANCIAL STRENGTH

*3. COMMITMENT TO SAFE,
AFFORDABLE, RELIABLE &
SUSTAINABLE ENERGY*

4. FOCUS ON INNOVATION

*5. WHAT PGW CUSTOMERS
ARE SAYING*

6. INDUSTRY REPORTS

OUR MISSION

*Enhance the quality of life for all by delivering **safe, reliable and affordable** energy in an **environmentally responsible** way.*

**SAFETY
FIRST**

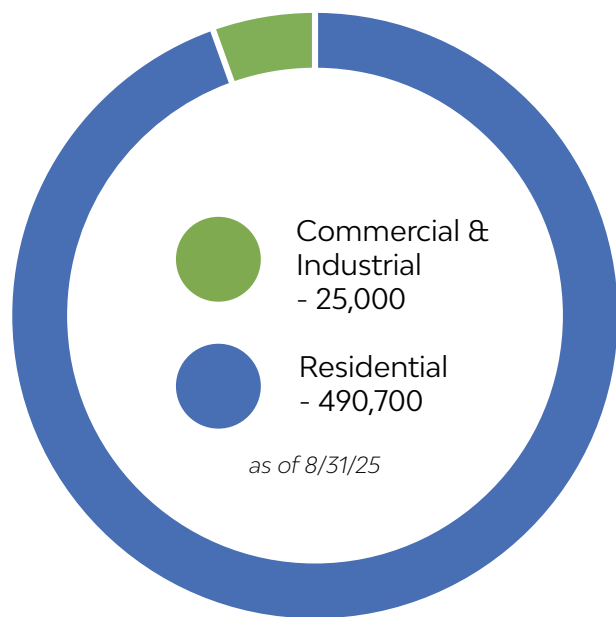
**DO THE
RIGHT
THING**

**WE DO
BETTER
TOGETHER**

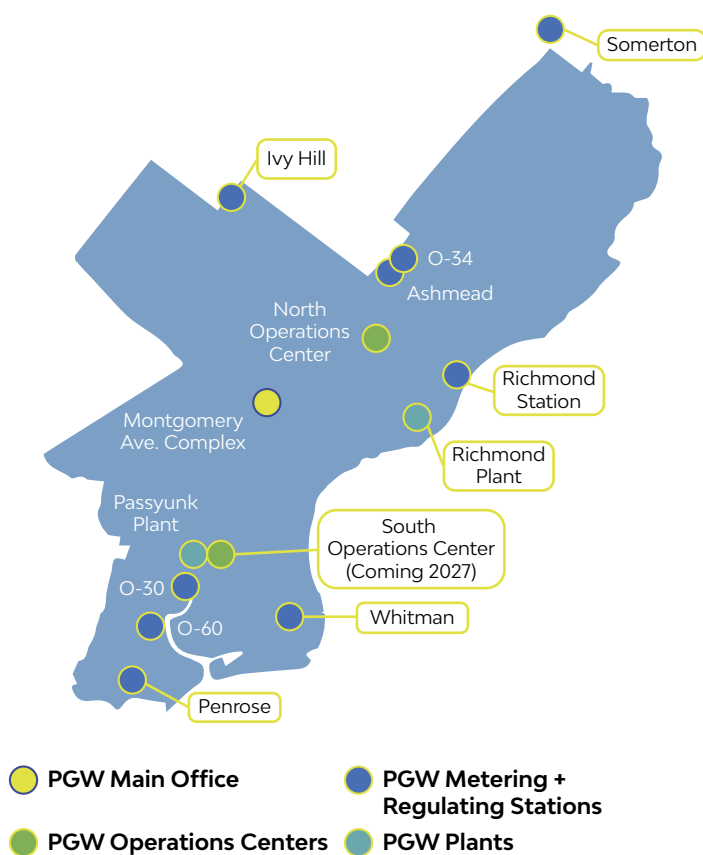
**GO ABOVE
AND
BEYOND**

**LEAVE IT
BETTER THAN
YOU FOUND IT**

Customer Breakdown



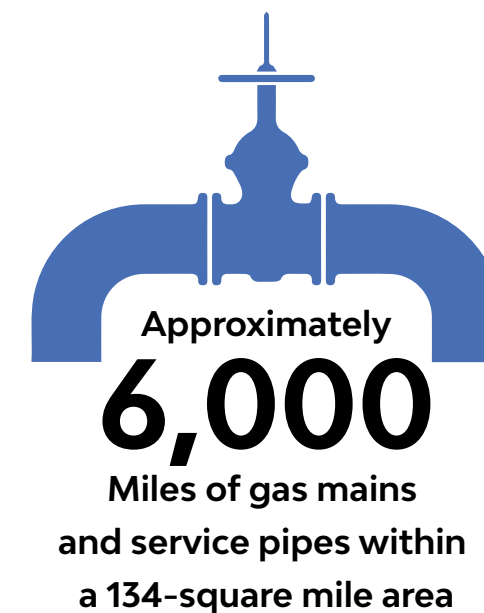
Service Map



Employee Breakdown



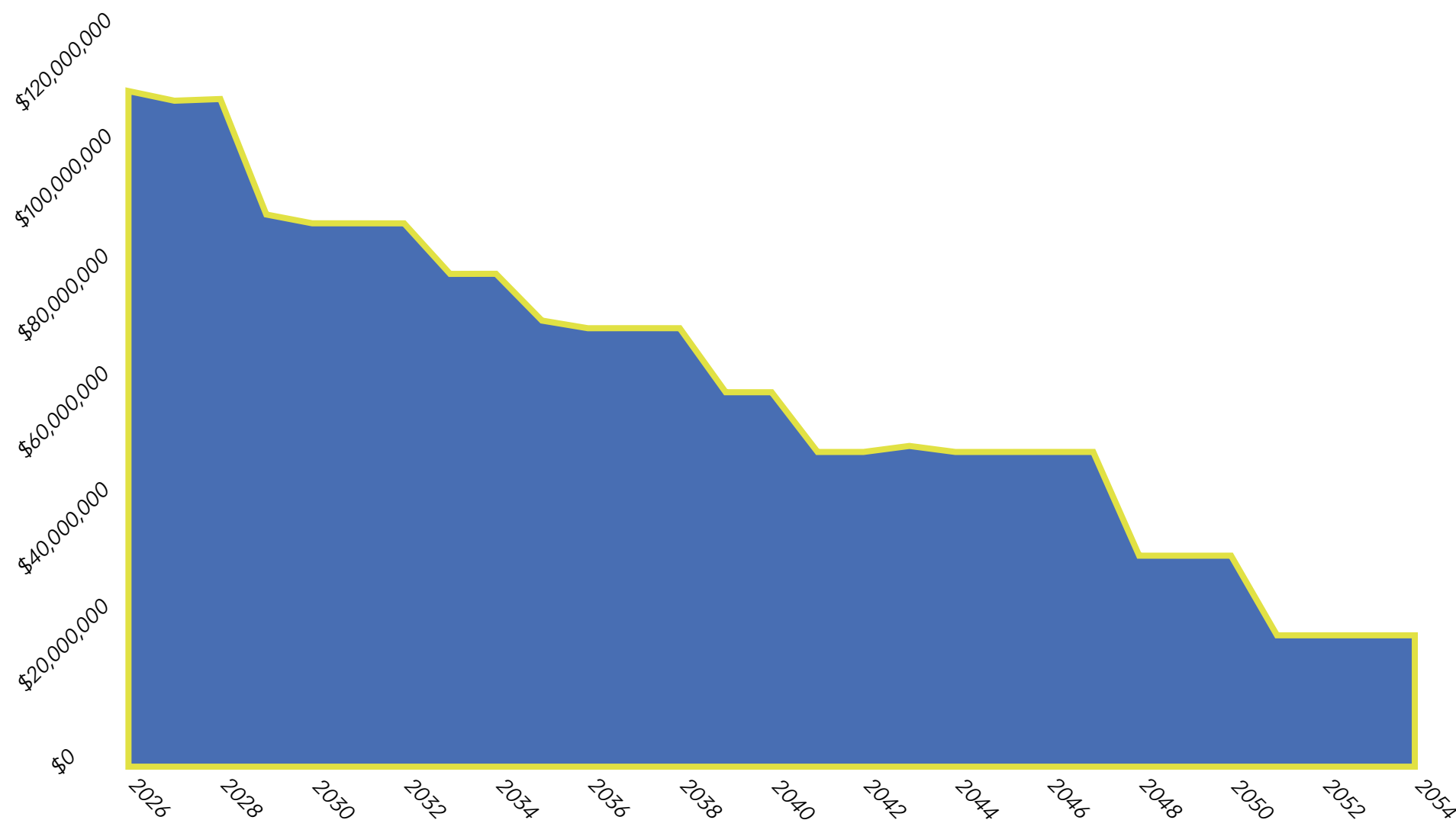
Gas Distribution



The background of the slide is a photograph of a modern building entrance with large glass windows and doors. The letters 'PGW' are visible on a dark panel above the entrance. The entire image is overlaid with a semi-transparent blue filter. In the center, the words 'FINANCIAL STRENGTH' are written in a large, bold, white, sans-serif font.

FINANCIAL STRENGTH

Annual Debt Service Payments



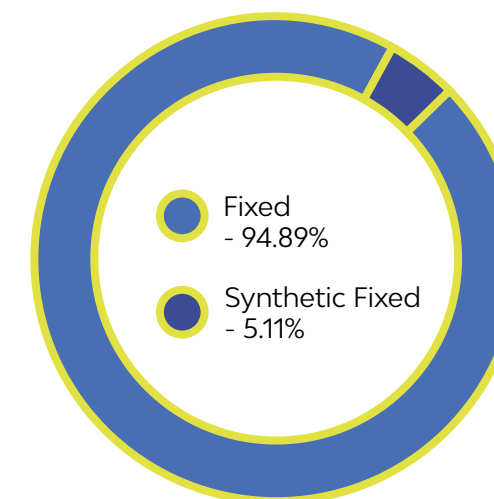
Note: Reflects only existing debt service with no projected future issuances.

Outstanding Debt as of 8/31/2026

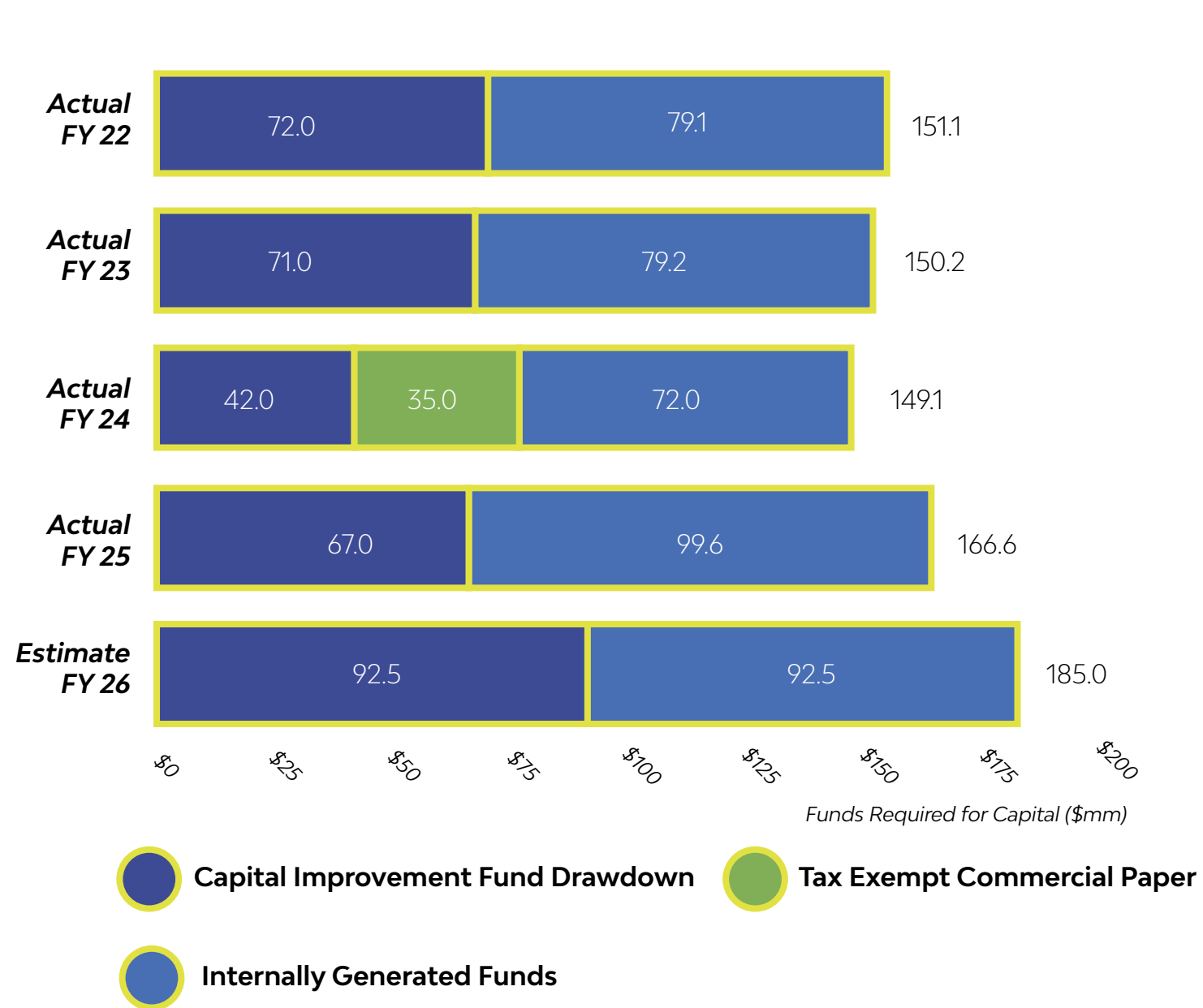
(\$ mm)	
Type	<u>1998 Ordinance</u>
Fixed	\$1,018.8
Synthetic Fixed ¹	\$54.9
Total	\$1,073.7

¹ Fixed payer swap layered on Eighth Series B-E, variable rate debt

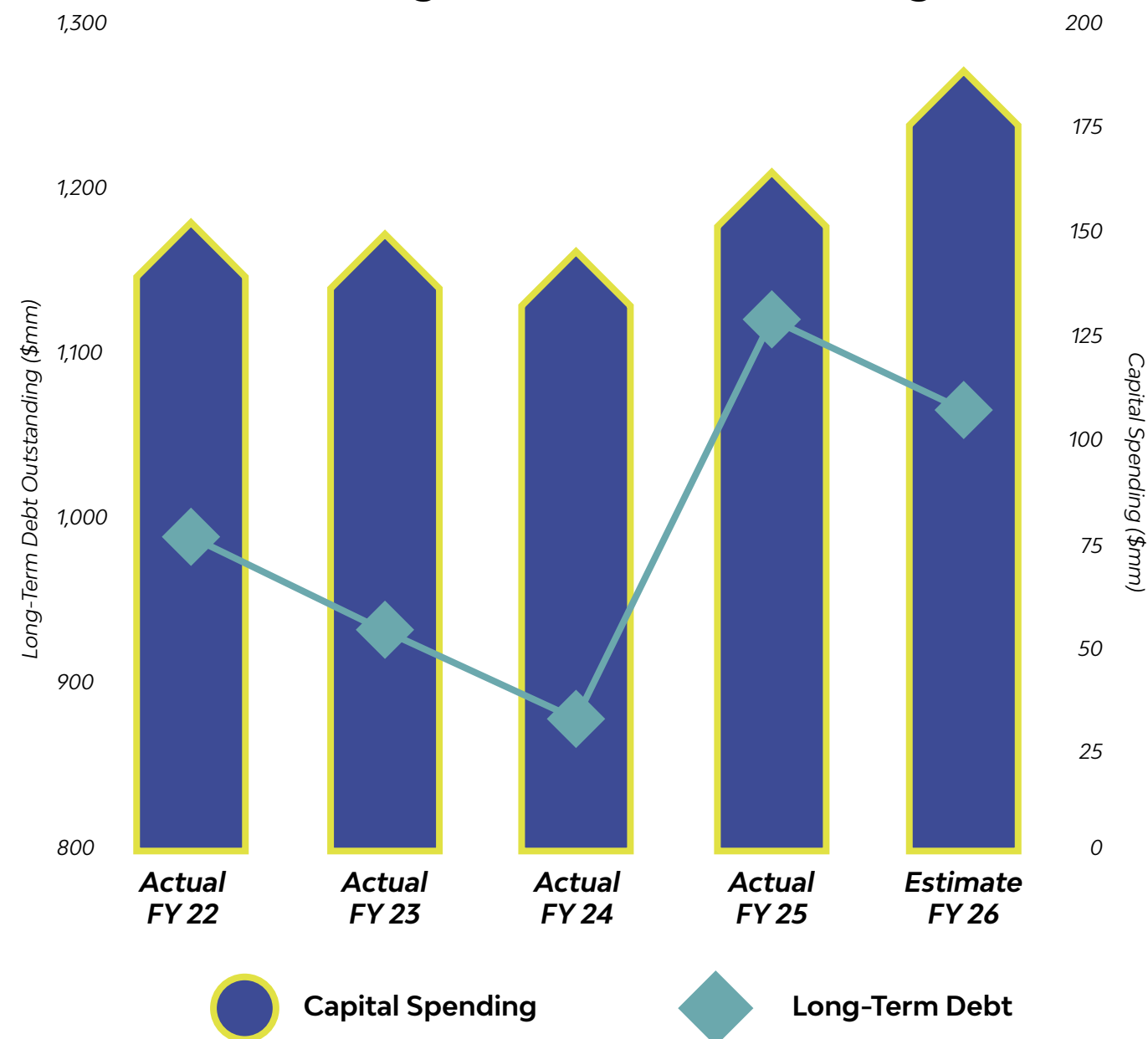
Debt Mix as of 8/31/2026



FY 22 - FY 26 Funds Required for Capital Expenditures



FY 22 - FY 26 Capital Spending and Long-Term Debt Outstanding



Bond Ratings³

PGW's sound fiscal management and credit supportive regulatory environment is expected to continue to yield stable financial results

MOODY'S **A3**

S&P Global **A**

FitchRatings **A**

Rate Case Results

Pennsylvania Public Utility Commission (PUC) regulates the rates of certain Pennsylvania utilities including PGW

Date of Request	Purpose	Date Relief Granted	Amount of Relief Granted	Granted
Feb. 2025	Rate Relief & Recover Under-Collection	10/9/2025	\$62.0 mm Base Rate; \$7.8 mm DSIC ₁ under-collection over 2-year period	✓
Feb. 2023	Rate Relief	11/9/2023	\$26.0 mm	✓
Feb. 2020	Rate Relief	11/19/2020	\$35 mm over 2-year period	✓
Feb. 2017	Rate Relief	11/8/2017	\$42 mm	✓
Feb. 2016	Recover Under-Collection	07/06/2016 effective 10/1/2016	\$11.4 mm over 2-year period	✓
Apr. 2015	DSM ₂ Phase I; Extend DSM Phase I until order is rendered on Phase II	07/06/2016 effective 10/1/2016	\$10.7 mm	✓
Feb. 2015	Continued OPEB Funding	07/08/2015	\$16.0 mm	✓

1. Distribution System Improvement Charge
 2. Demand Side Management
 3. Current bond ratings outlook: Stable

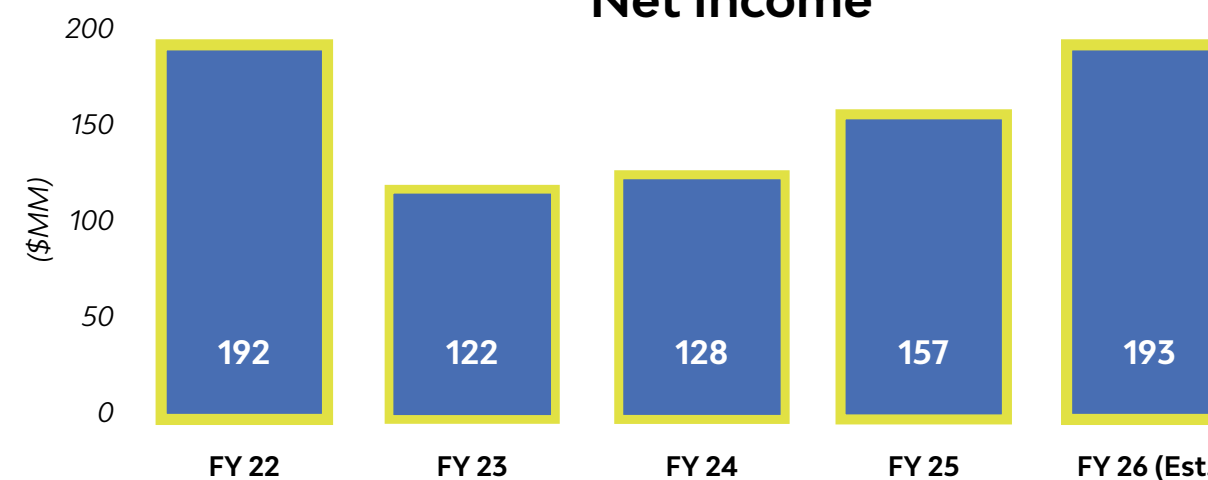
Strong Debt Service Coverage

FY Ended Aug. 31 (\$000s)	FY 22	FY 23	FY 24	FY 25	FY 26 (Est.)
Total Operating Revenues	805,437	771,026	664,069	729,993	834,309
Other Income (Loss)	(2,139)	11,596	9,478	13,726	5,367
Total Funds Provided	803,298	722,622	673,547	743,719	852,000
Total Operating Expenses	572,577	564,203	511,461	551,996	567,354
Funds Available for Debt Service	229,494	249,498	212,858	221,710	284,646
Debt Service Requirements					
Senior 1998 Ordinance Bonds	98,430	99,144	103,704	110,077	112,973
Total Debt Service Requirements	98,430	99,144	103,704	110,077	112,973
Total Debt Service Coverage	3.04x	2.52x	2.05x	2.01x	2.52x

Key Metrics

FY Ended Aug. 31	FY 22	FY 23	FY 24	FY 25	FY 26 (Est.)
Net Billed Sales Volume with Firm Transportation (Bcf*)	47	43	42	46	49
Operating Margins (\$mm)	291	221	211	237	287
Year-End Cash Balance (\$mm)	116	139	116	83	102
CapEx Funding Ratio	52%	52.7%	48%	59.7%	50%
24-Month Collection Rate	97%	98%	98%	98%	95%

Net Income



*Billion cubic feet
Source: 2025 Annual Comprehensive Financial Report

Weather Normalization Adjustment (WNA)

The WNA allows PGW to maintain relatively stable margins despite variations in volume caused by weather

	FY 22	FY 23	FY 24	FY 25	FY 26 (Est.) ₃
Total Operating Revenues (\$mm)	805.4	711.0	664.1	730.0	834.3
WNA ₂ (\$mm)	23.2	32.4	25.5	11.9	(13.6)
Actual Heating Degree Days ₁	3,853	3,740	3,809	4,030	3,994
Normal Heating Degree Days	4,336	4,336	4,339	4,308	3,817

1. Experienced degree day data is provided by the National Weather Service and measured at the Philadelphia International Airport.

2. The purpose of the WNA Clause is to neutralize the impact of weather on PGW's revenues. This allows PGW to achieve the recovery of appropriate costs as authorized by the PUC. The WNA Clause results in neither a rate increase nor a rate decrease but acts as a billing adjustment. The main benefits of the WNA Clause are the stabilization of cash flow and the reduction of the need for short-term borrowing from year to year. PGW has not utilized short-term borrowing for operations in any of the fiscal years presented. The WNA Clause adjustment is applied to customer invoices rendered during the period of October 1 through May 31 of each year for each billing cycle.

3. Normal and Actual degree days for the FY 2026 period were as of March 31, 2026.

PGW pension funding consistently exceeds the Actuarial Determined Contribution

PGW's pension funded ratios using the market value of assets was 83.8% as of July 1, 2025

- The PGW Pension Plan provides benefits to all eligible employees of PGW and other eligible class employees of PFMC and the Gas Commission.
- PGW pays an annual amount that is projected to be sufficient to cover its normal cost on an amortization of the PGW Pension Plan's UAL.
- PGW makes monthly contributions to the PGW Retirement Reserve Fund. The actuary's report assumes contributions at the beginning, middle, and end of the plan year. PGW utilizes the mid-year contribution level to approximate the actual funding methodology.

PGW Pension – Annual Required Contributions (“ARC”)				
(Dollar Amounts in Thousands of USD)				
Actuarial Valuation Date	Normal Cost	Amortization Payment	ARC	Payments to Beneficiaries
	(A)	(B)	(A + B)	
7/1/2021	\$7,892	\$17,375	\$25,267	\$56,647
7/1/2022	\$7,732	\$17,470	\$25,202	\$58,502
7/1/2023	\$7,754	\$17,306	\$25,060	\$60,312
7/1/2024	\$7,772	\$16,256	\$24,028	\$60,928
7/1/2025	\$8,145	\$15,093	\$23,238	\$62,116

PGW Pension – Schedule of Pension Funding Progress				
(Dollar Amounts in Thousands of USD)				
Actuarial Valuation Date	Market Value of Assets	Actuarial Liability	UAL (Market Value)	Funded Ratio
7/1/2021	\$673,542	\$792,325	\$118,783	85.0%
7/1/2022	\$565,748	\$806,257	\$240,509	70.2%
7/1/2023	\$604,133	\$812,231	\$208,098	74.4%
7/1/2024	\$654,984	\$819,095	\$164,111	80.0%
7/1/2025	\$702,779	\$839,034	\$136,255	83.8%

OPEB Payments and Trust Funding

PGW's OPEB Trust funded ratio as of December 31, 2025 was 95.6%

- PGW provides post employment healthcare and life insurance benefits to its participating retirees and their eligible beneficiaries and dependents.
- As part of a July 29, 2010 Rate Case Settlement ("Rate Settlement"), PGW established an irrevocable trust for the deposit of funds derived through a rate surcharge from all customer classes to fund OPEB liabilities.
- The Rate Settlement provides for an increase in rates of \$16.0 mm per year to fund OPEBs. In July 2015, the PUC issued an order approving continuation of the OPEB Surcharge.
- Since 2011, PGW has annually deposited \$18.0 mm into the PGW OPEB Trust.

PGW OPEB Trust Payments				
(Dollar Amounts in Thousands of USD)				
Actuarial Valuation Date	Heathcare Payment	Life Insurance Payment	OPEB Trust Contribution	Total
	(A)	(B)	(A + B)	
8/31/2021	\$24,655	\$1,725	\$18,500	\$44,880
8/31/2022	\$21,970	\$1,778	\$18,500	\$42,248
8/31/2023	\$24,746	\$1,797	\$18,500	\$45,043
8/31/2024	\$25,569	\$1,737	\$18,500	\$45,806
8/31/2025	\$27,455	\$1,722	\$18,500	\$47,677

PGW OPEB Trust – Schedule of Pension Funding Progress				
(Dollar Amounts in Thousands of USD)				
Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Liability	UAL (Market Value)	Funded Ratio
12/31/2021	\$365,944	\$515,175	\$149,231	71.0%
12/31/2022	\$320,635	\$529,342	\$208,707	60.6%
12/31/2023	\$393,913	\$507,620	\$113,707	77.6%
12/31/2024	\$459,847	\$543,352	\$83,505	84.6%
12/31/2025	\$556,383	\$581,896	\$25,513	95.6%



SAFE



AFFORDABLE



RELIABLE



SUSTAINABLE

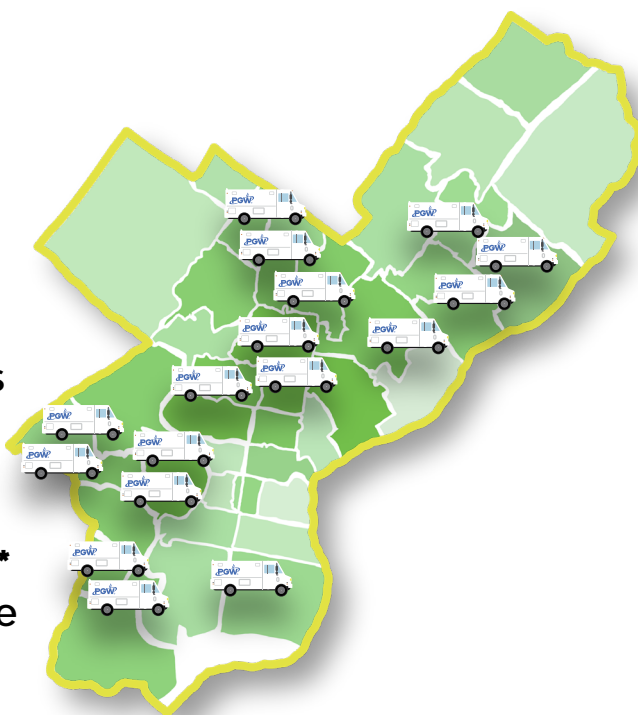
Federal Funds Hard At Work In Philadelphia

Replacing Legacy Infrastructure

\$125 mm in federal funding from the Bipartisan Infrastructure Law is aiding in accelerating PGW's Main Replacement Program to significantly improve safety, lower costs for customers, reduce methane emissions, and enhance service reliability.

SUPPORTING COMMUNITIES

Philadelphia Gas Works' (PGW) federally funded gas main replacement plan focuses on neighborhoods with the highest poverty levels, covering **97 projects*** to ensure safer, more reliable gas service for residents.



Each van represents a planned federally funded gas main replacement project.

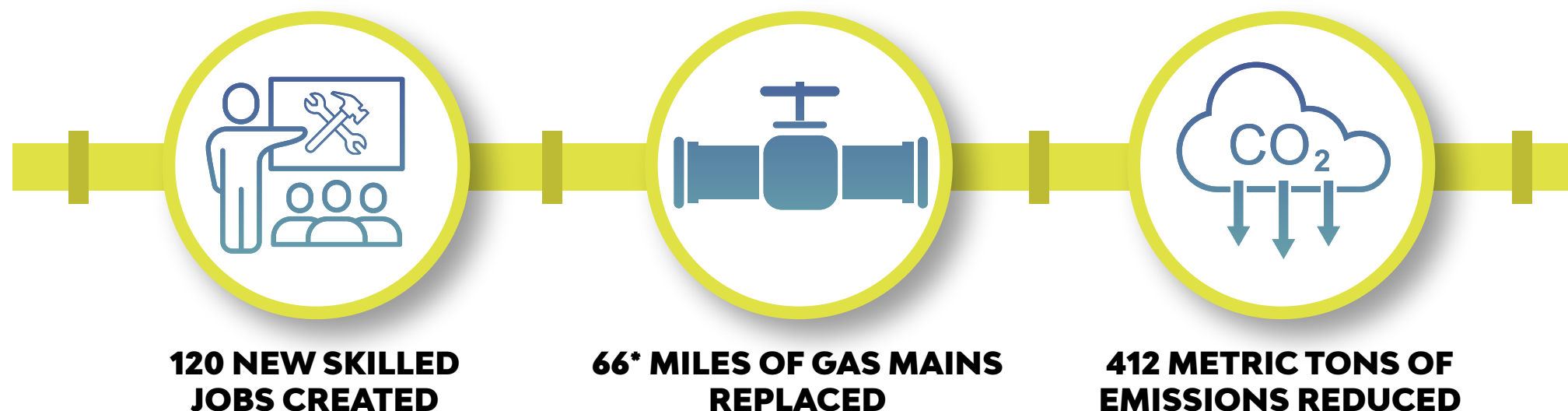
**As of 4/30/2026, 21 projects have begun.*



PROTECTING CUSTOMERS

Federal funding allows PGW to save ratepayers from \$125 mm in costs over seven fiscal years while ensuring critical infrastructure upgrades, thanks to the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA).

Key Impacts of a Federally funded Gas Main Replacement Project

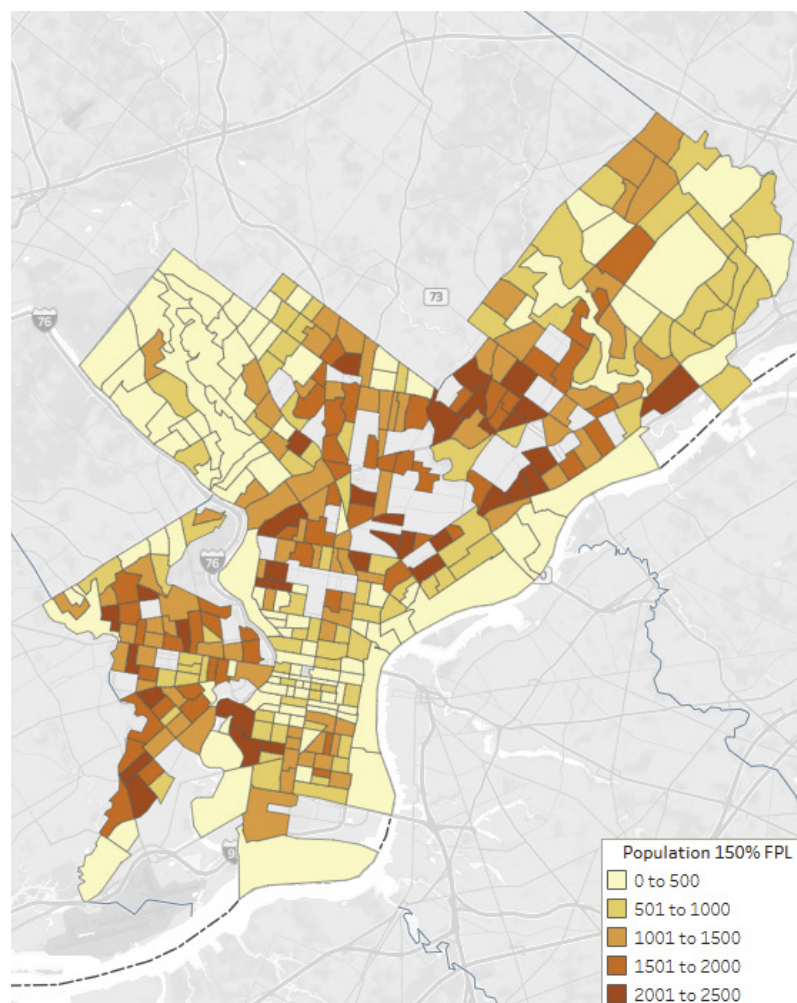


Source: Zipatlas.com analyzed data from various sources, including the U.S. Census Bureau, the Bureau of Labor Statistics, the Department of Housing and Urban Development

**Nearly 400 miles of infrastructure upgrades will take place over the course of PGW's federal grant.*

Data sourced from the 2022, 2023, and 2024 Project Narratives, as used in the grant applications. Data covers seven fiscal years.

POVERTY IN PHILADELPHIA

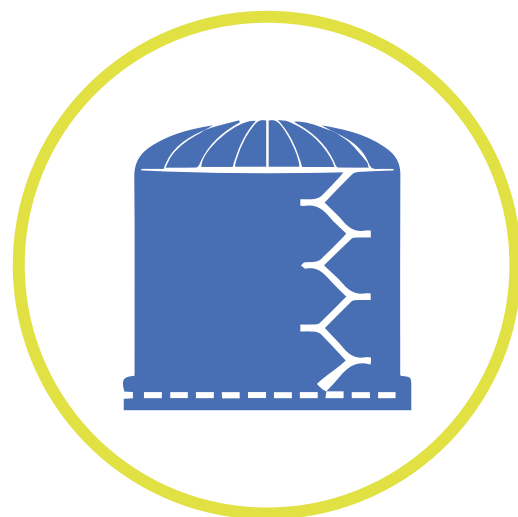


Data Source:
US Census (2024)

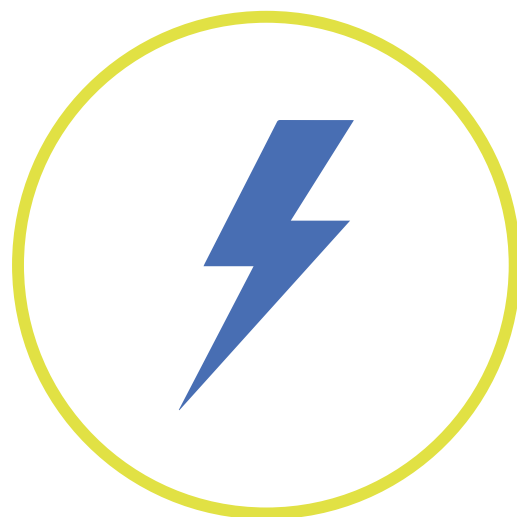
FY 25 UNIVERSAL SERVICE SURCHARGE PROGRAM & COSTS

Low-income Usage Reduction	\$7,322,142
Customer Assistance Programs Discount	\$56,953,964
Customer Assistance Programs Forgiveness	\$11,524,682
Senior Citizen Discount	\$1,361,977
TOTAL	\$77,162,765

Liquefied Natural Gas
(LNG)



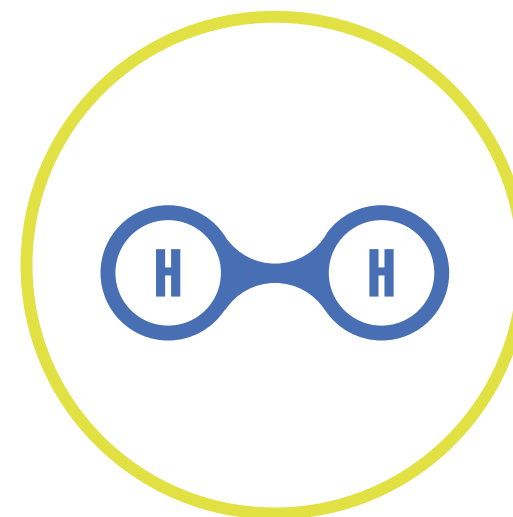
Combined Heat & Power
(CHP)



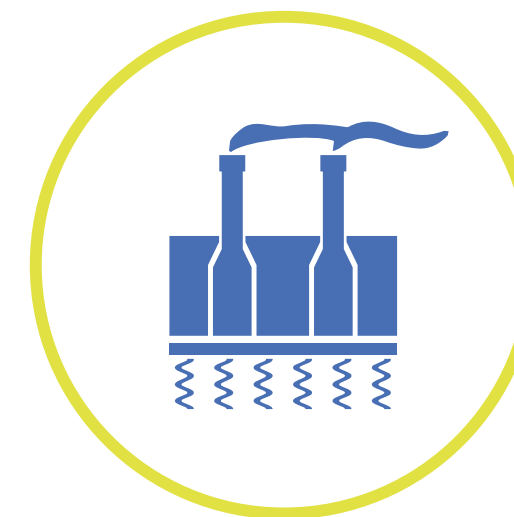
Renewable Natural Gas
(RNG)



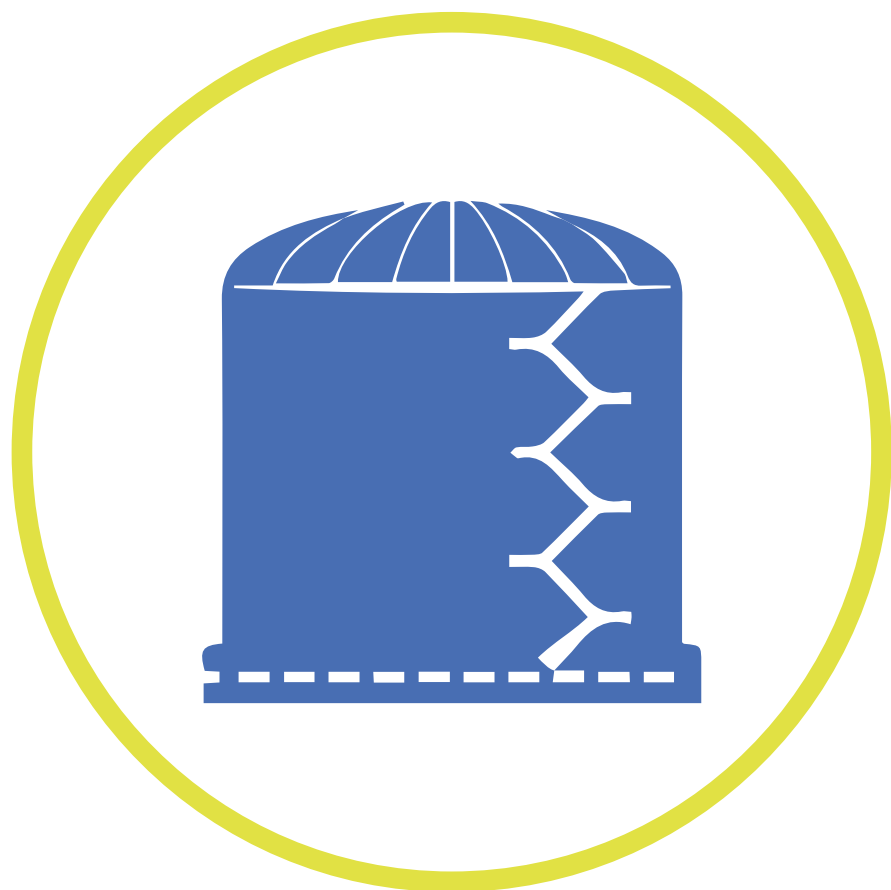
Hydrogen



Geothermal



PGW LNG Storage & Assets



- \$20.8 million in LNG Displacement Deals (Nov 2025 - March 2026)
- 4.25 BCF of LNG Storage
- 16,000 MCF/day Liquefaction capacity

Leveraging PGW Gas Portfolio Assets

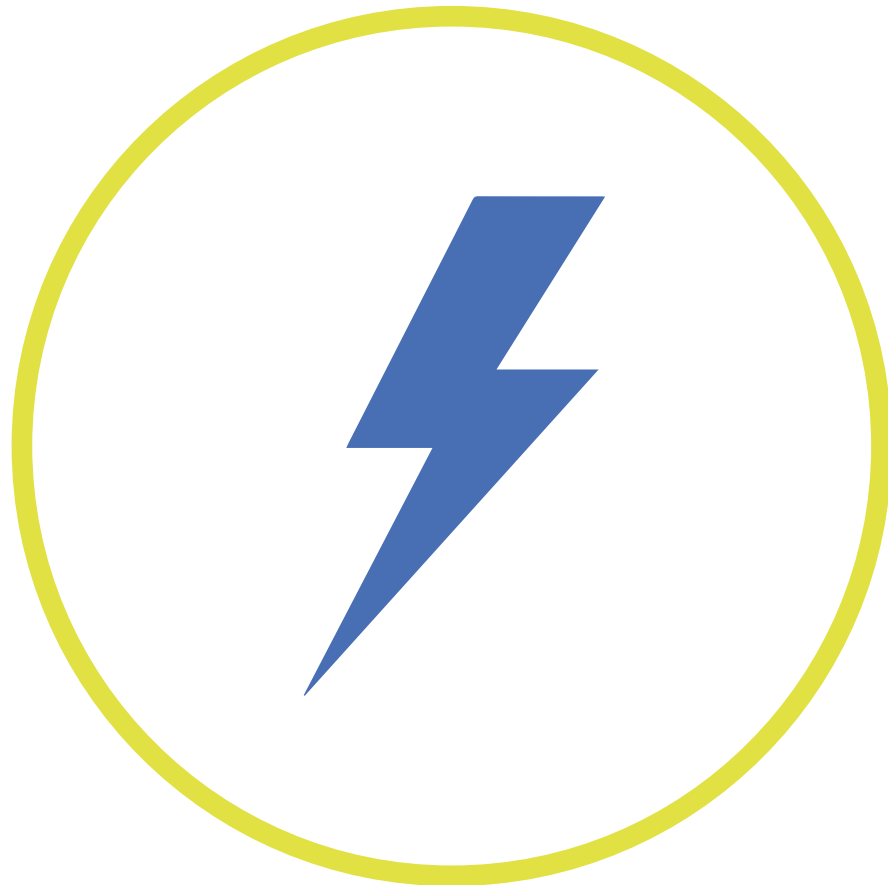
Revenue Source	FY 25 (Sept 24 to Aug 25)	FY 26 (Sept 25 to date)
LNG-N	\$7,557,172	\$14,721,069
Capacity Release	\$13,285,677	\$17,076,591
Asset Management Agreement	\$11,033,316	\$15,906,810
Off-system Sales	\$2,230,081	\$2,219,125

PGW LNG Saves Customers Millions of Dollars

LNG CONSUMPTION WINTER 2025 – 2026

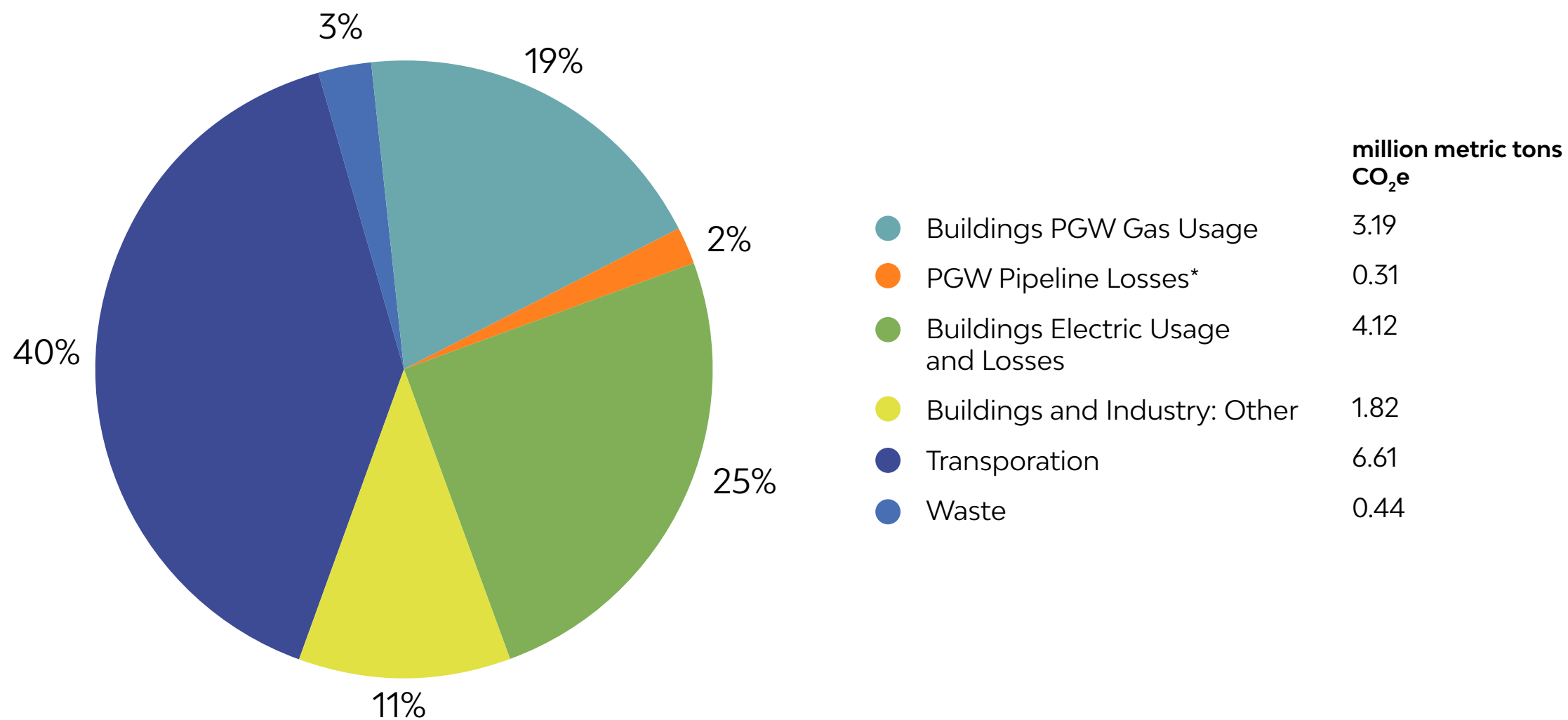
- 2025-26 Winter Vaporization: ~ 1.6 BCF, with nearly 90% occurring over 23 days (January 19th - February 10th).
- At end of the heating season, the LNG in the tanks was 2.0 BCF.
- LNG Expander expected to get the November 1, 2026, level of about 2.2 BCF (2.7 BCF needed).
- If all gas required to serve PGW customers had been available for purchase, PGW estimates an additional cost of \$90 million for its customers.
- PGW has purchased 0.75 BCF of trucked LNG to prepare for the FY 2027 heating season.

CHP (Combined Heat & Power)



- 30 sites within PGW service territory currently utilizing CHP or Power Generation
- Sizes range from 35kW to 8.8MW
- ~1,200,000 Dth per year
- ~\$1,500,000 annual revenue
- 5.8 MW CHP is scheduled to be turned on in Fall 2026
- PGW has seen 4+ high level data center requests

City of Philadelphia 2022 GHG Inventory



*Pipeline losses (also known as fugitive emissions) are distributed across the gas system and are usually associated with minor leaks along low-pressure pipes, fittings or valves.
 Source: www.phila.gov/media/20250326100034/2022-greenhouse-gas-inventory-report.pdf

A photograph of an industrial facility, possibly a refinery or chemical plant, taken at dusk or dawn. The scene is dominated by large, dark cylindrical storage tanks and a complex network of metal scaffolding, walkways, and pipes. The sky is a deep blue with scattered white clouds. The overall lighting is dim, creating a moody atmosphere. The word 'INNOVATIVE' is superimposed in large, white, bold, sans-serif capital letters across the center of the image.

INNOVATIVE

RNG (Renewable Natural Gas)



RNG Phase 1:

- PGW minting Renewable Thermal Credits (RTCs) based on Philadelphia Water Department (PWD) current wastewater treatment biogas operations
- Generated \$1.8 million net revenues from FY 2025 through April 2026 (\$900k each to PGW and PWD)

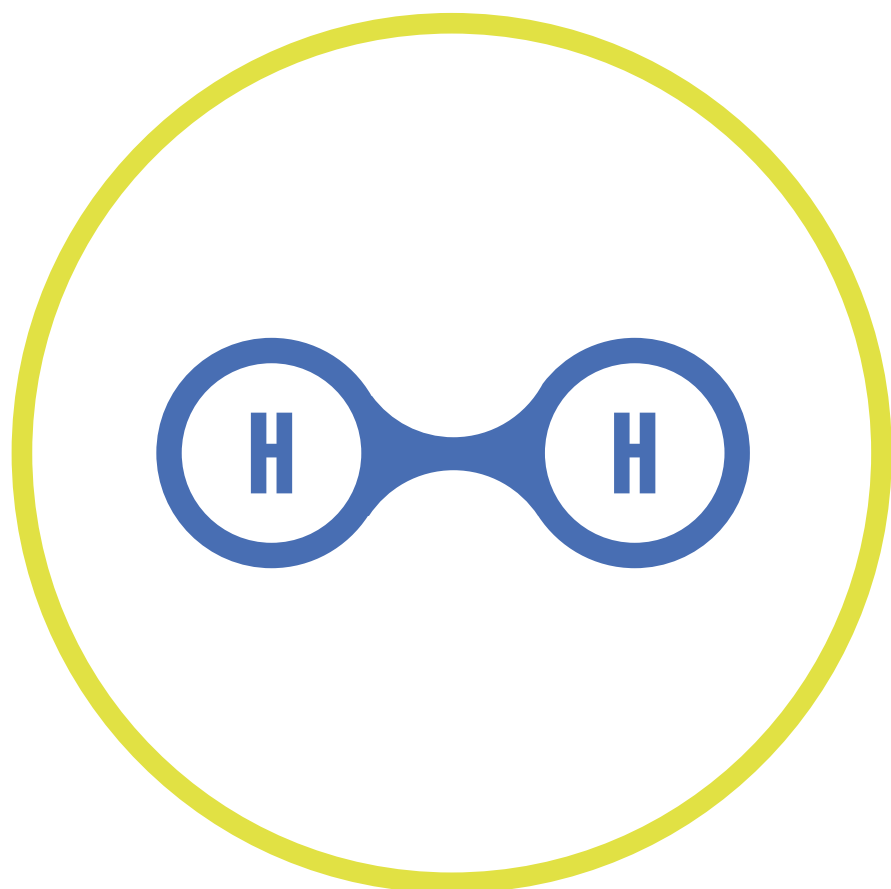
RNG Phase 2:

- Partnering with PWD and the Philadelphia Energy Authority (PEA) on PWD wastewater treatment capital project including RNG expansion
- Selected Guaranteed Energy Savings Act (GESA) contractor to design and implement project; currently in contract negotiations

Future Opportunities

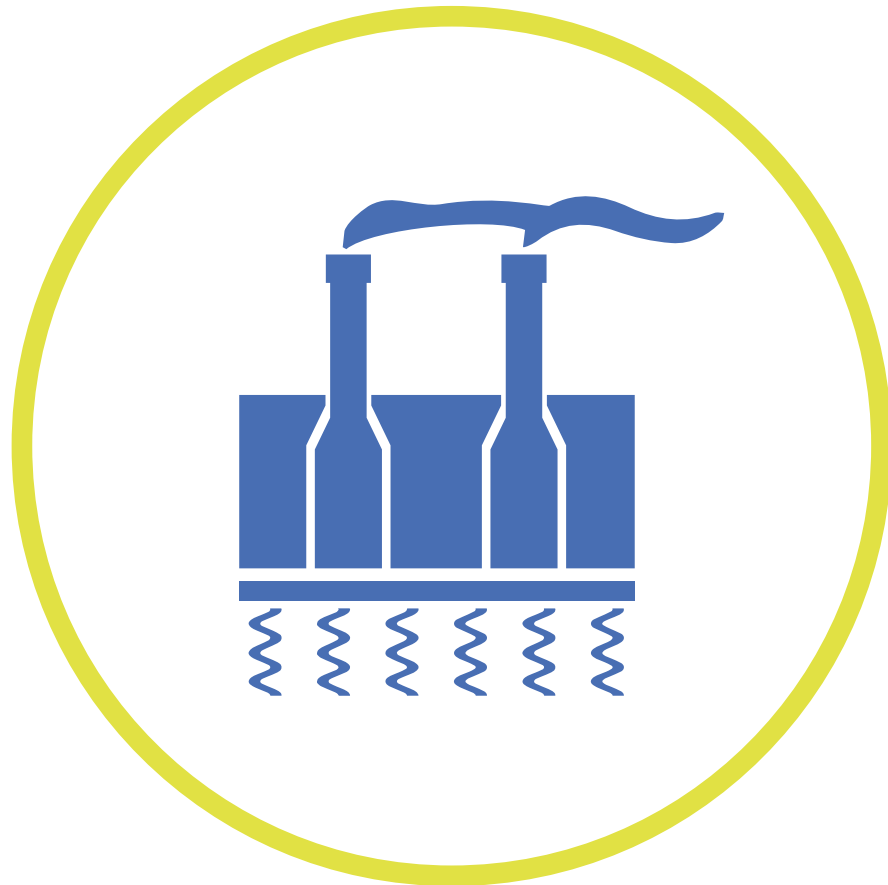
- Collaborating with Philadelphia Sanitation Department in evaluating similar opportunities for Philadelphia's Municipal Solid Waste (MSW) organic waste

Hydrogen



- PGW is proposing to facilitate a mix of hydrogen production and end-use projects in Philadelphia as a potential business diversification opportunity, specifically targeting hard-to-abate sectors such as heavy-duty transportation
- PGW is a contracted sub-recipient within the Mid-Atlantic Clean Hydrogen Hub (MACH2), awarded Department of Energy (DOE) funding
- PGW has received +\$50,000 in DOE grant funding for phase 1 planning work to-date
- PGW issued an RFP in December 2025 for Public-Private-Partners to develop PGW's proposed hydrogen projects; proposals are currently under evaluation

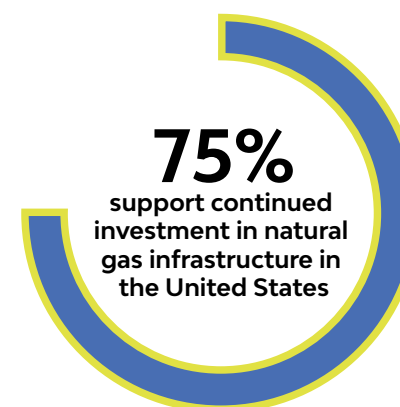
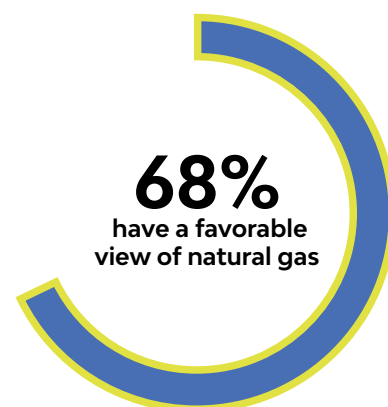
Geothermal



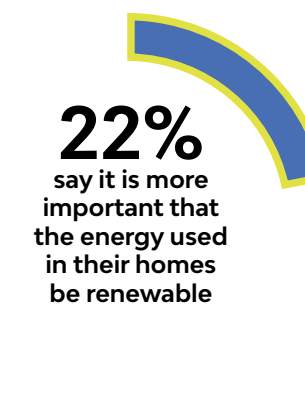
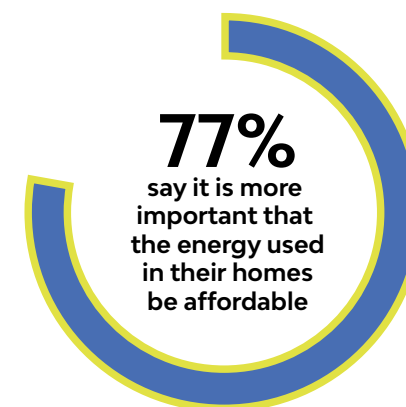
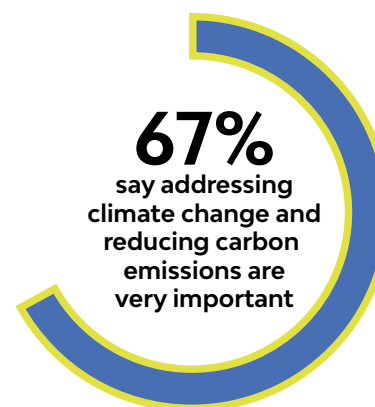
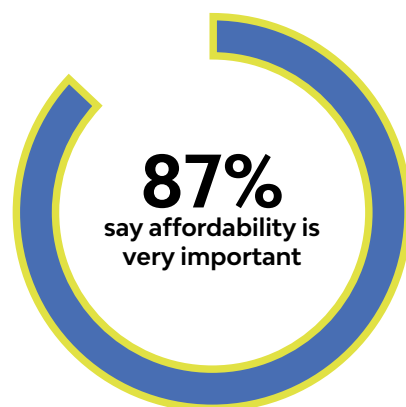
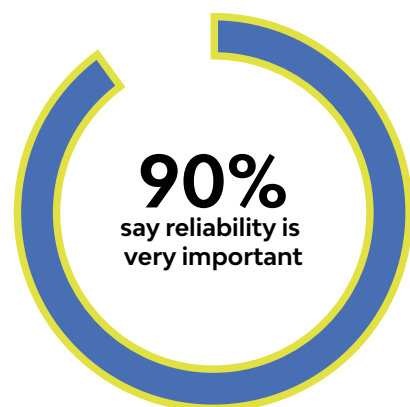
- Current phase: Geothermal feasibility study and 30% preliminary design underway for a shared-loop system for a Philadelphia Elementary school and Recreation Center
- Primary sites completed: John F. McCloskey Elementary School and Dorothy Emanuel Recreation Center
- Study assessed technical viability, project economics, and potential to scale into a broader neighborhood thermal network over time
- Project supports PGW's strategy to explore utility-enabled thermal energy infrastructure, resiliency, and long-term decarbonization opportunities in Philadelphia

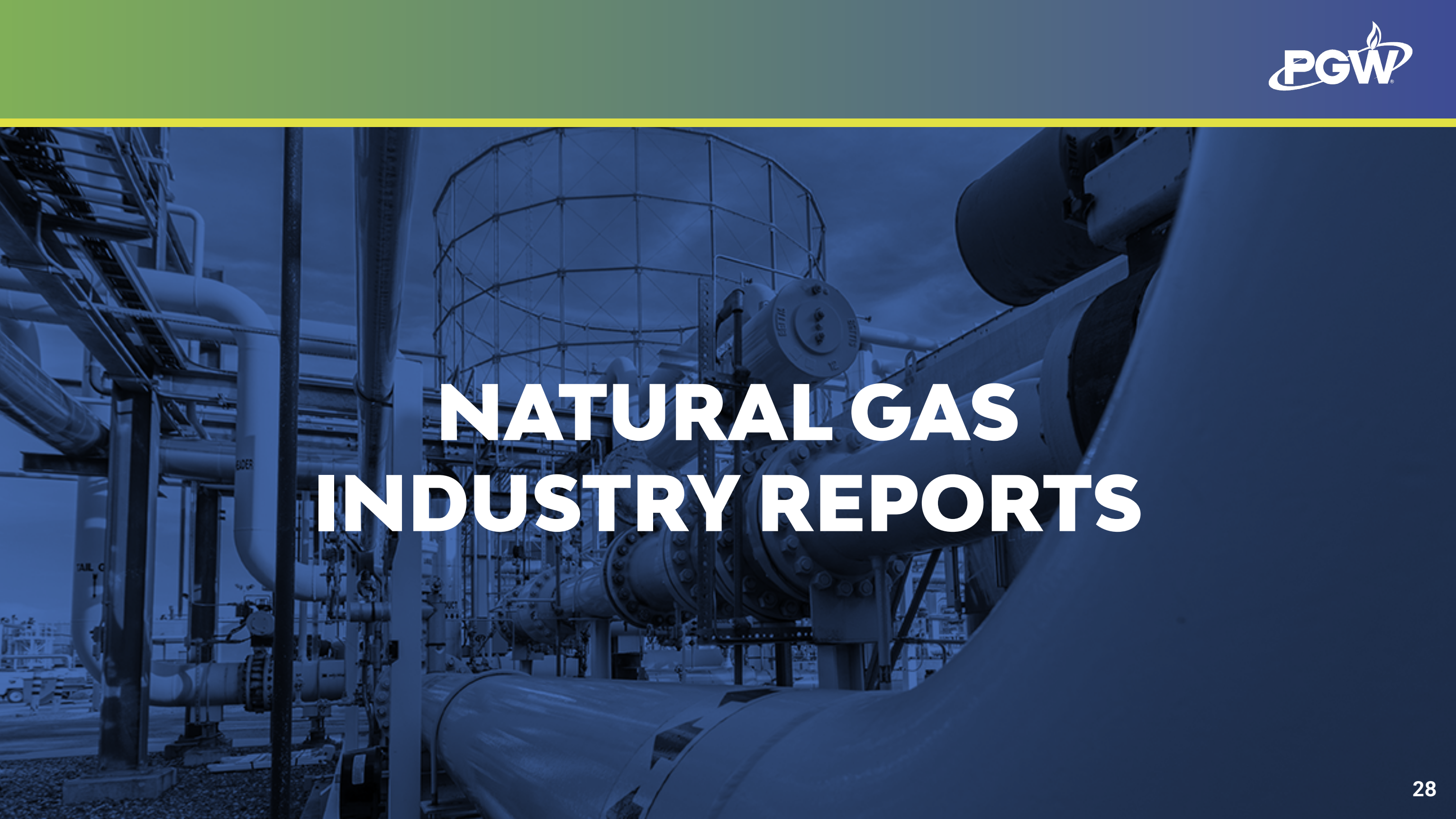
We Surveyed Philadelphians:

Natural gas is viewed favorably, and Philadelphians support continued investment in natural gas infrastructure.



Affordability and reliability of service are clear priorities for Philadelphians

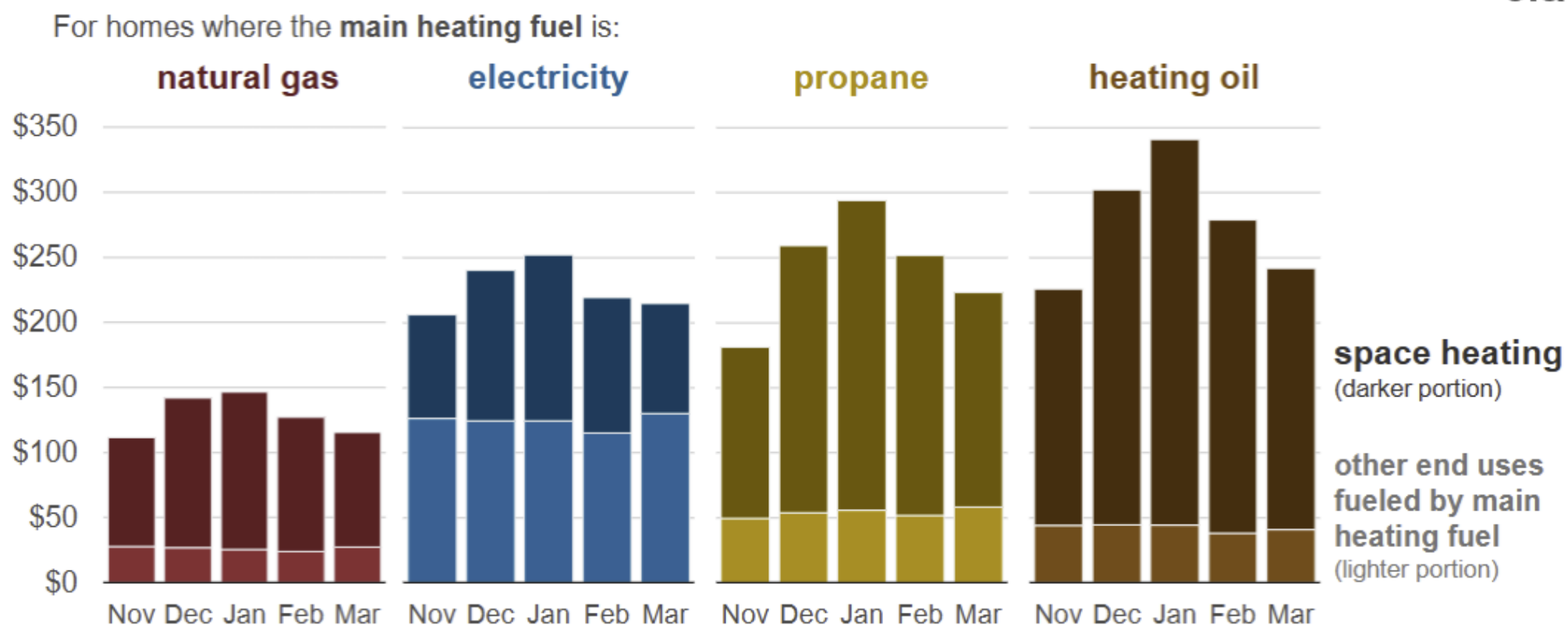


The background of the slide is a photograph of a natural gas processing plant, overlaid with a semi-transparent blue filter. The image shows a complex network of white pipes, valves, and large cylindrical storage tanks. A prominent feature is a large, cylindrical vessel with a metal lattice cage around it. The overall scene is industrial and technical.

NATURAL GAS INDUSTRY REPORTS

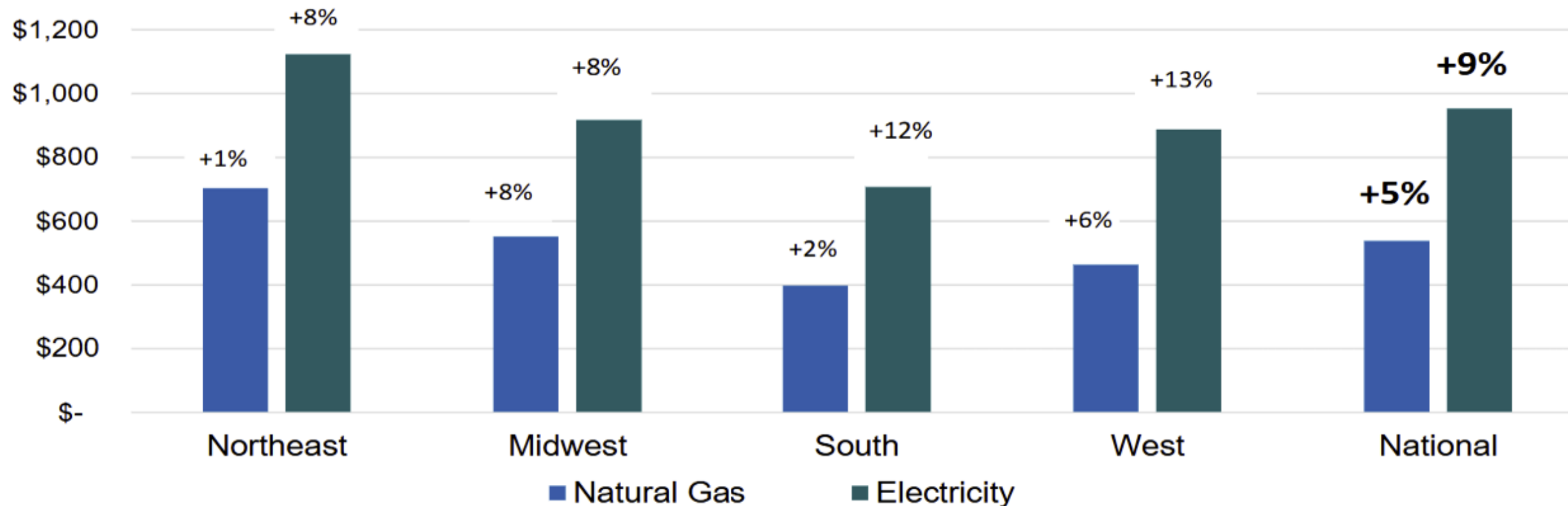
Space heating accounts for majority of winter energy expenditures, except in homes heating with electricity

Energy expenditures for space heating and other end uses (winter 2025–26)



Regional Winter Space Heating Bills (Nov '25 – March '26)

% Year over Year Change in Heating Bills

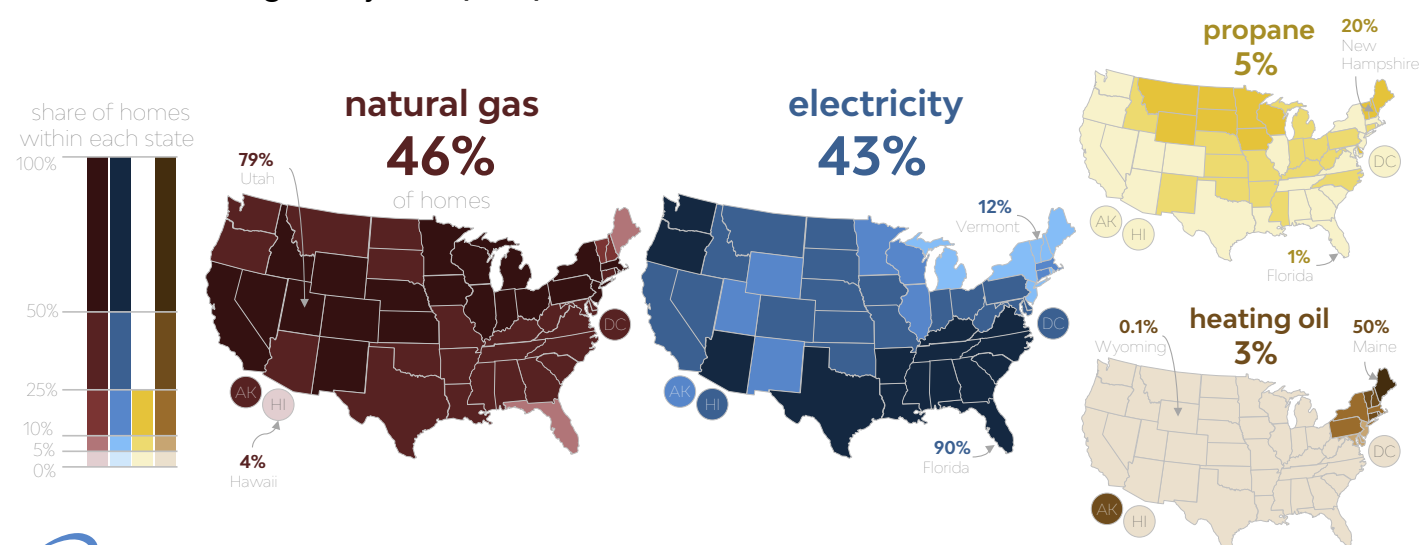


Source: Energy Information Administration, American Gas Association Modeling, Bills Adjusted for Natural Gas Household Characteristics

Heating Fuels Consumed By US

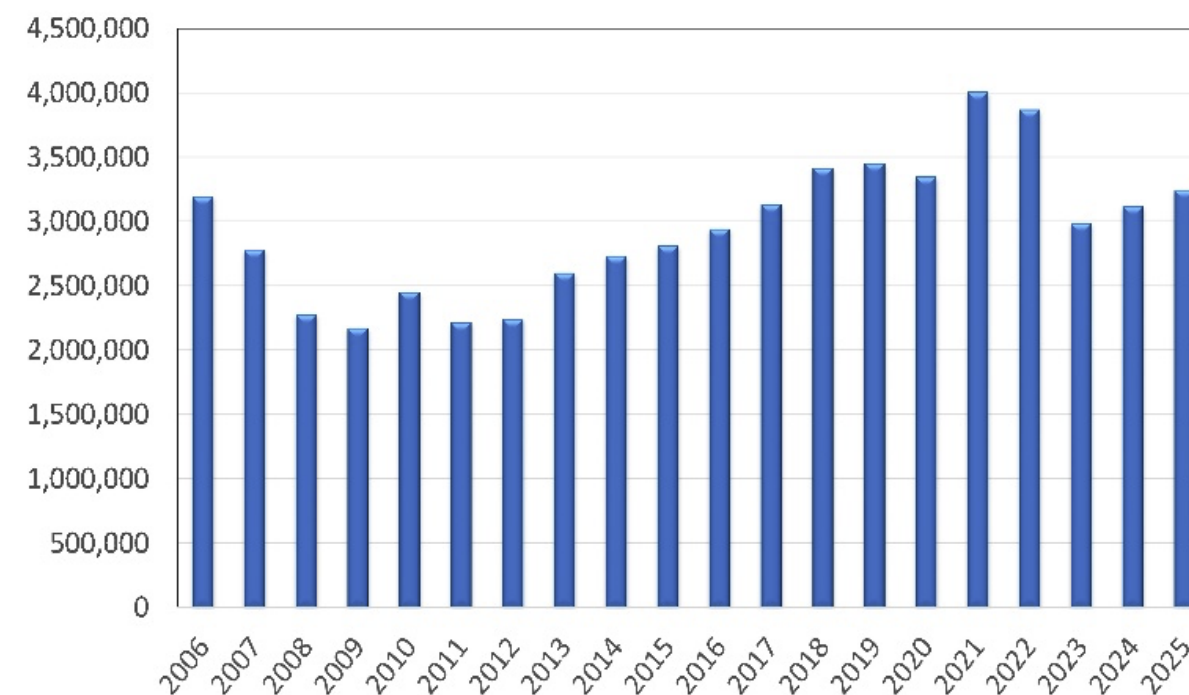
96% of U.S. homes are primarily heated with one of **four fuels**

Main home heating fuel by state (2024)



Data source: U.S. Census Bureau, American Community Survey; U.S. Energy Information Administration, Winter Fuels Outlook

Gas Warm Air Furnaces

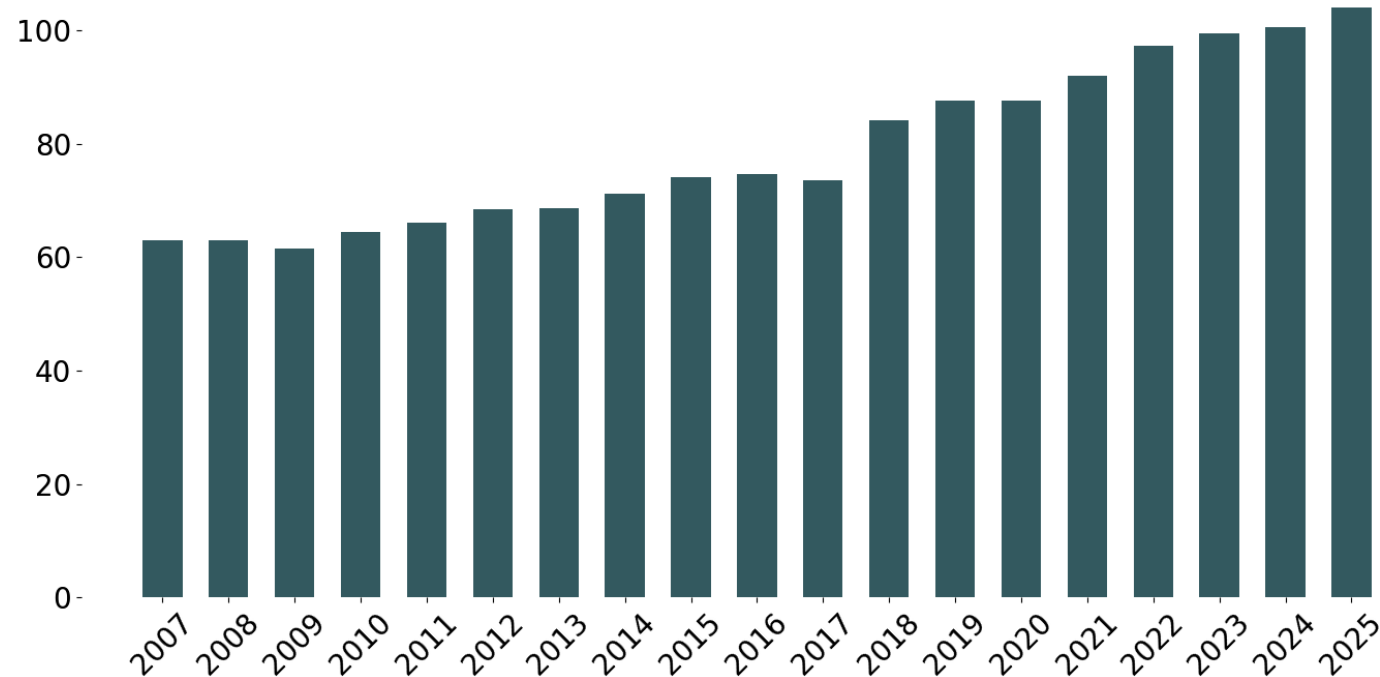


Source: 2026 Air-Conditioning, Heating, and Refrigeration Institute

Natural gas demand and production are at a record high

Demand

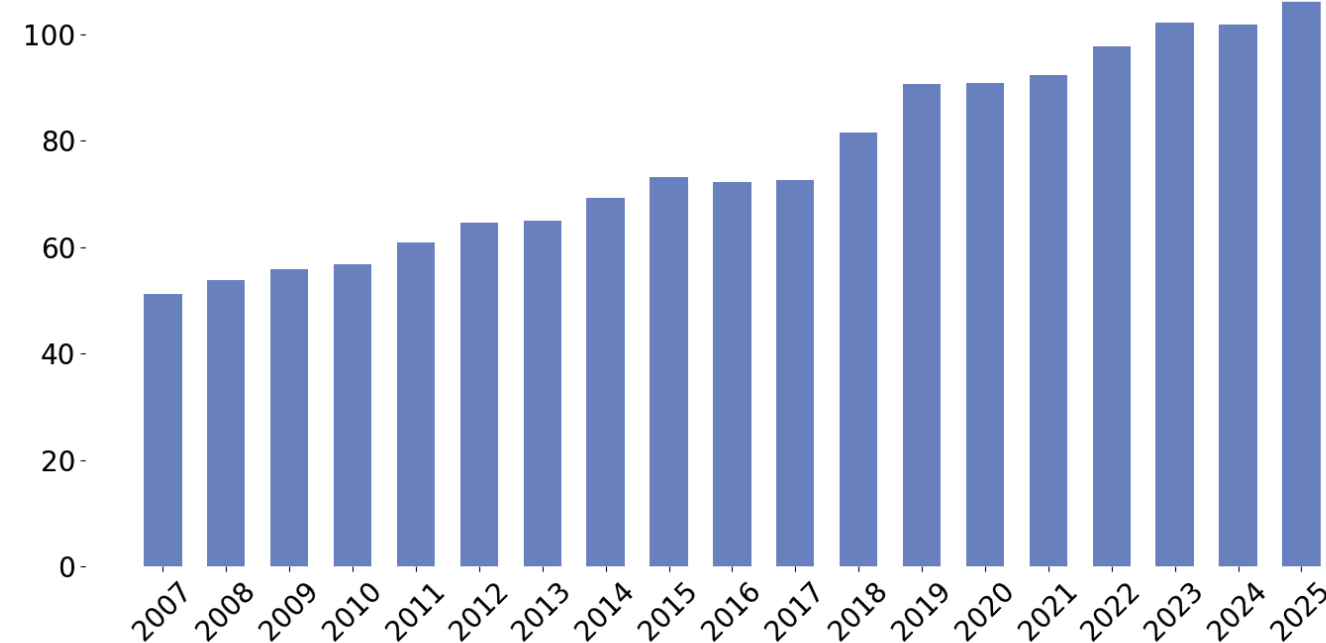
Total Natural Gas Demand, Lower-48 YTD thru Sep 29th
Bcf per day



Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association, Data as of Sep 29, 2025, Subject to Revision

Production

Natural Gas Production, Lower-48 YTD thru Sep 29th
Bcf per day

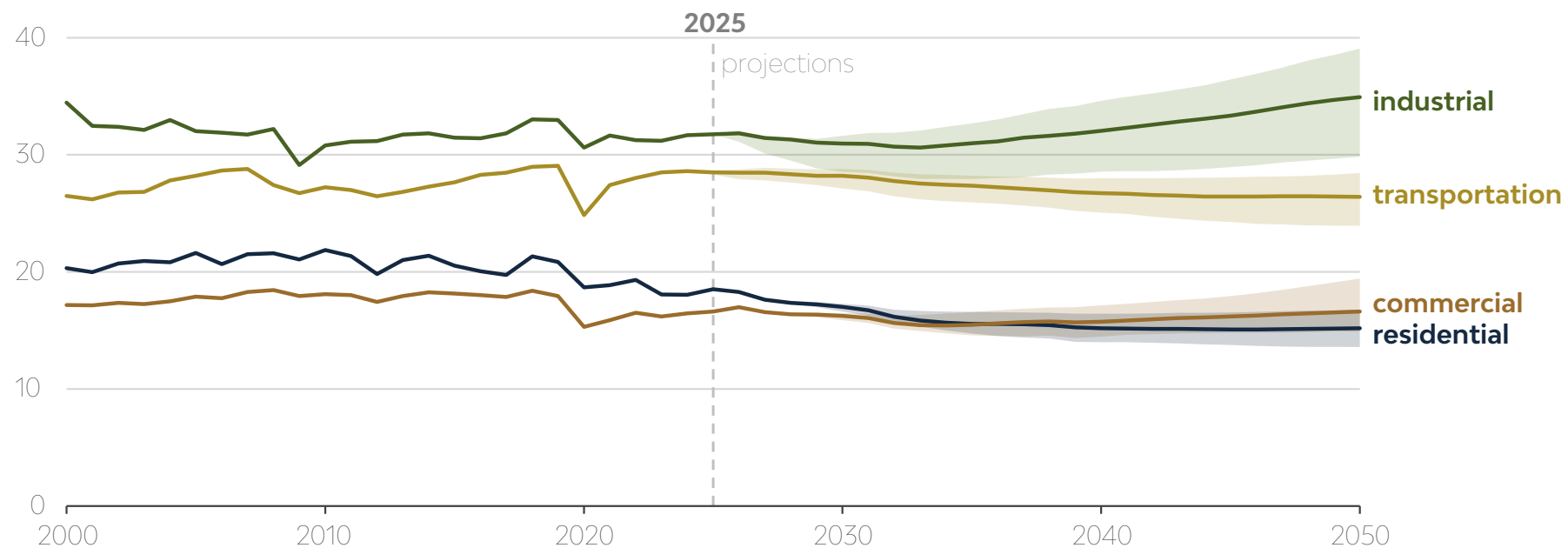


Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association, Data as of Sep 29, 2025, Subject to Revision

U.S. total energy consumption remains largely flat, with greatest growth in the industrial sector

Total energy consumption by end - use sector

quadrillion British thermal units

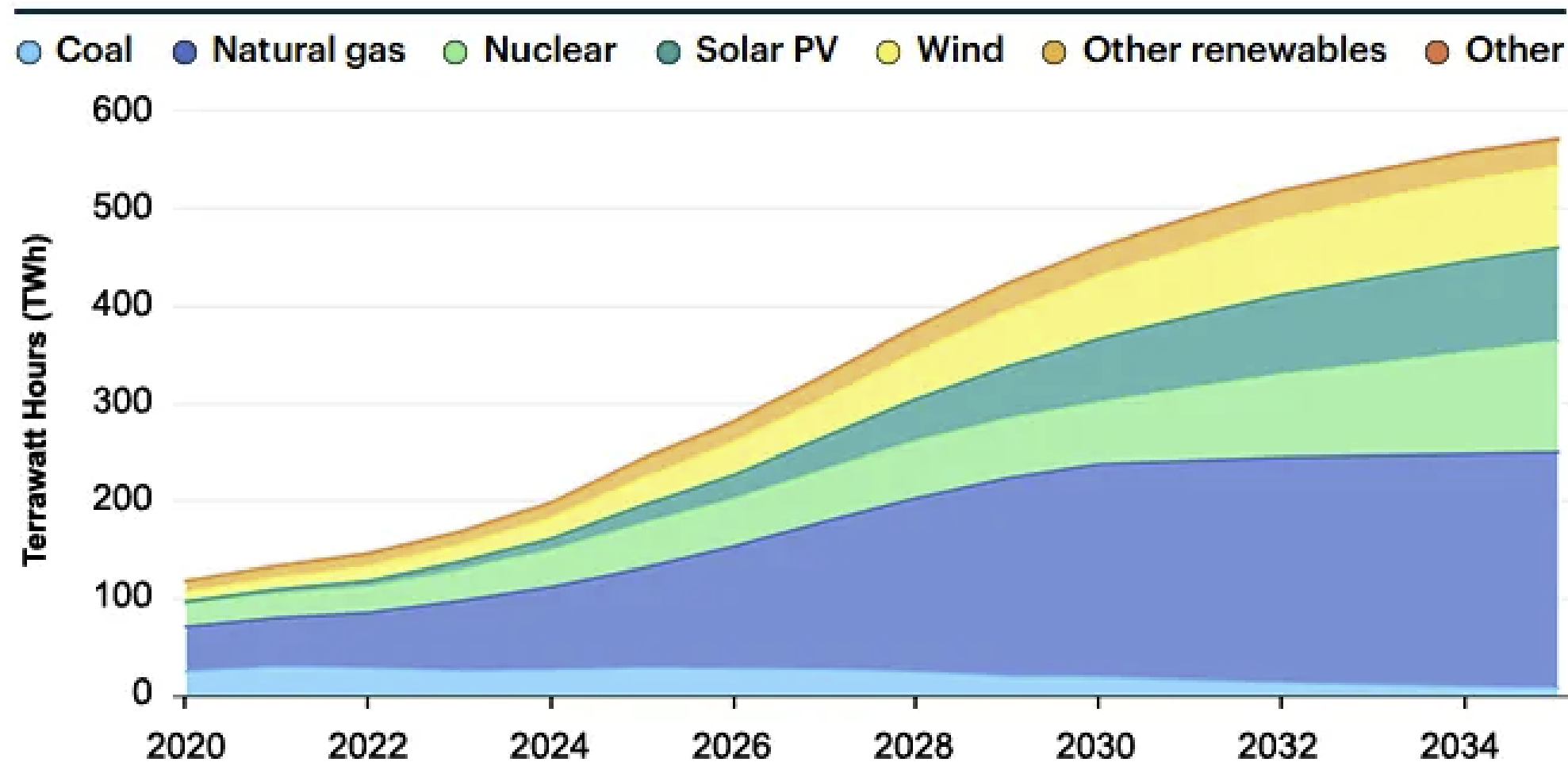


Annual Energy Outlook 2026,

Data source: U.S. Energy Information Administration, Annual Energy Outlook 2026, April 2026

Note: Total consumption in end-use sectors includes purchased electricity, electricity-related losses, and hydrogen-related losses. Transportation sector includes pipeline and liquefaction consumption. Each line represents AEO Counterfactual Baseline case projections.

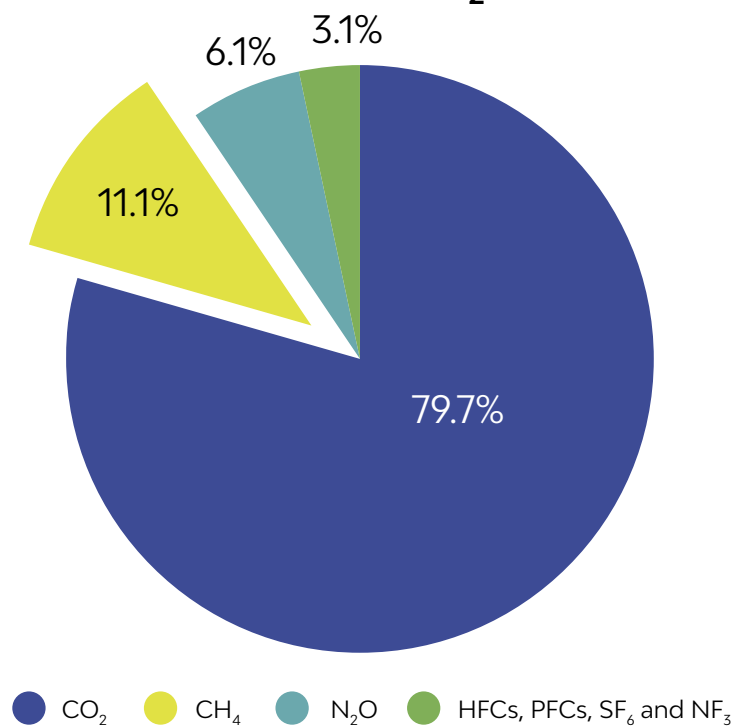
U.S. Data Center Electricity Generation Base Case



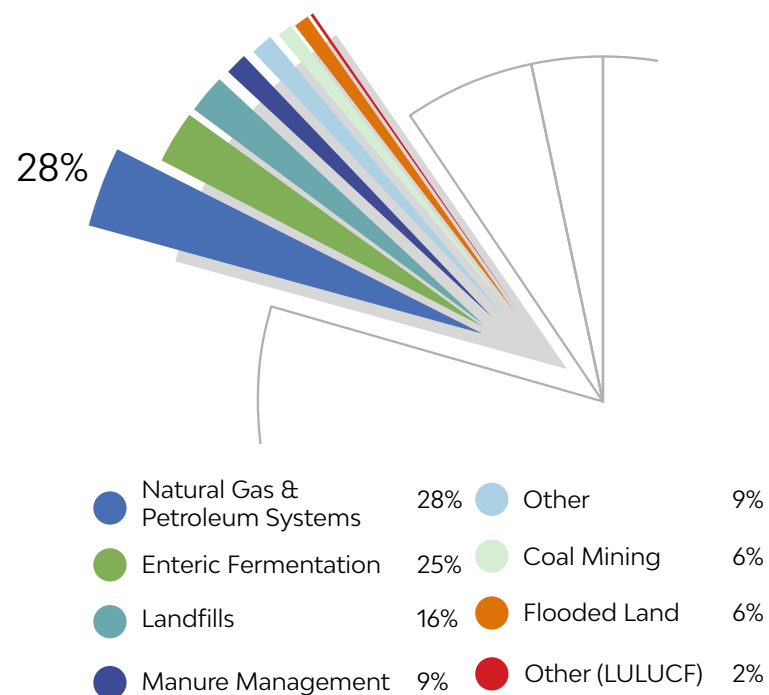
Source: International Energy Agency

Gas Distribution Companies are Extremely Small Contributors of Emissions

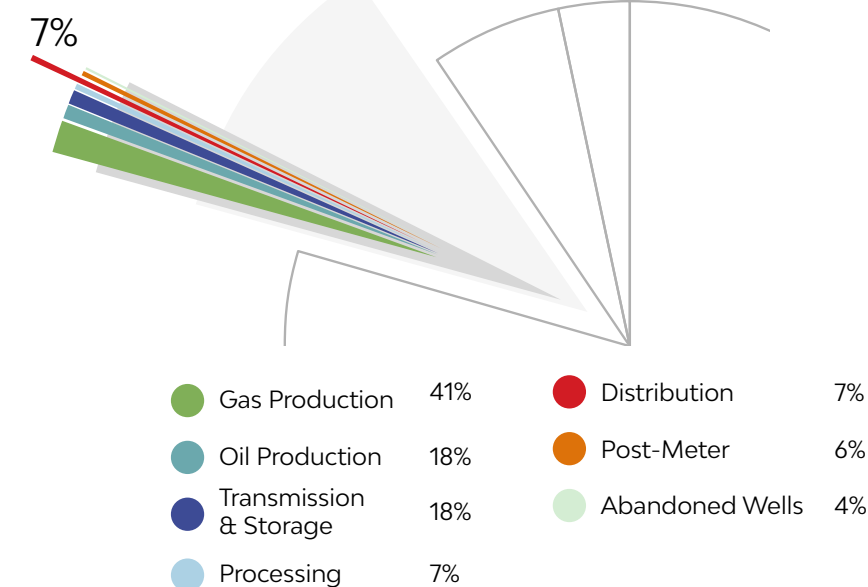
All GHG Emissions
~5,550 MMTCO₂e



Sources of CH₄ Emissions



Sources of Oil and Gas Methane Emissions by Segment
~220 MMTCO₂e



Sources: These charts are using data sourced from EPA's most recent U.S. GHG Inventory 1990-2022
 1: <https://www.epa.gov/natural-gas-star-program/estimates-methane-emissions-segment-united-states>
 2: <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>
 3: <https://www.epa.gov/ghgemissions/methane-emissions>
 Note: MMT=Million Metric Tons

Understanding Greenhouse Gas Emissions from Natural Gas - EPA 2024 National Inventory (1990-2022)

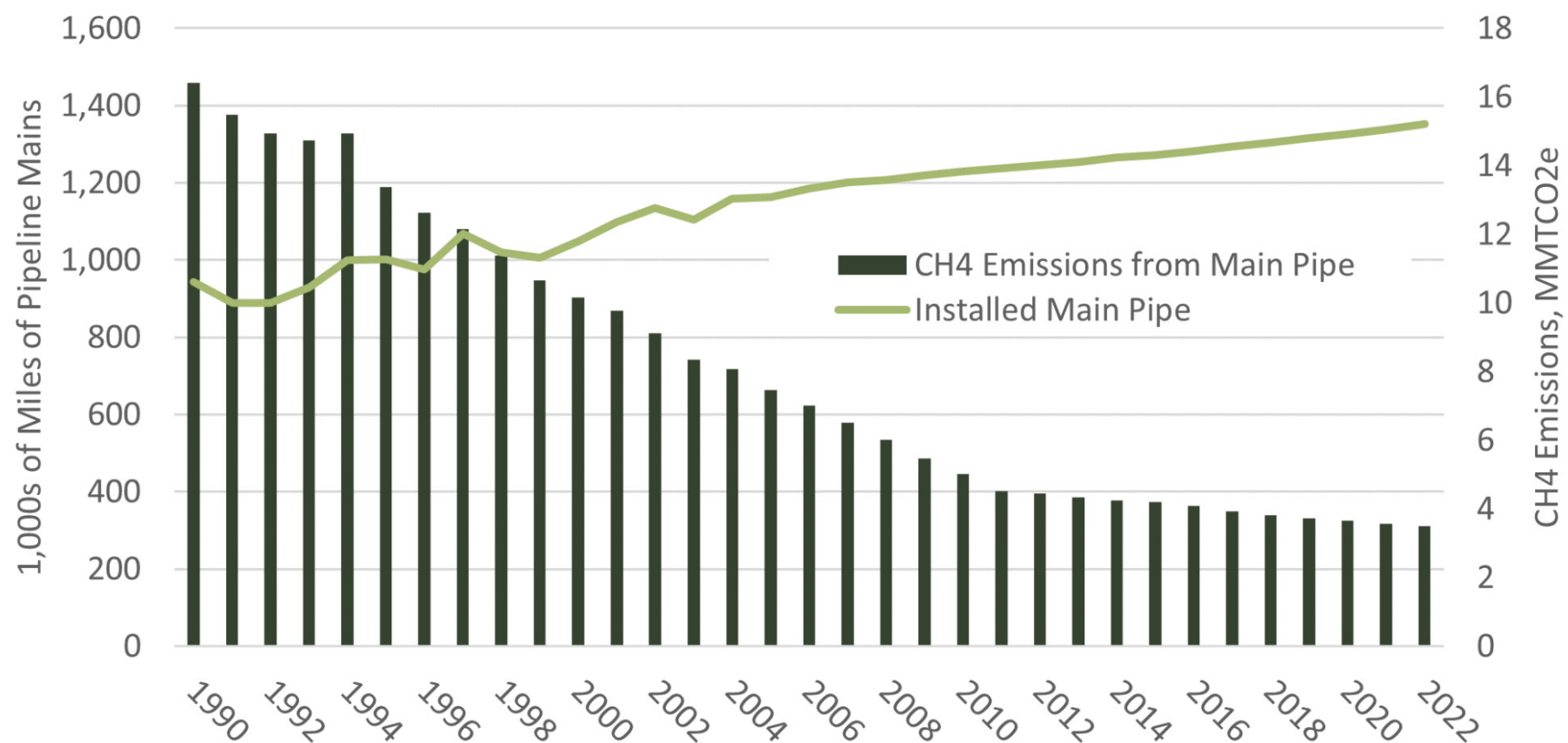


Figure 1 illustrates distribution system CH4 emissions and corresponding installed main pipe activity trends for the 1990 to 2022 time series
Source: <https://www.aga.org/research-policy/resource-library/understanding-greenhouse-gas-emissions-from-natural-gas-epa-2024-inventory-1990-2022/>

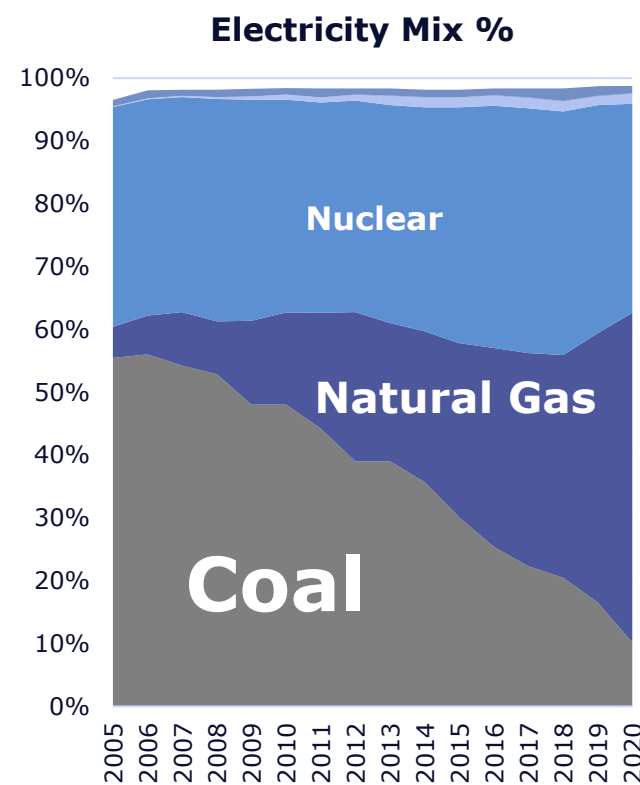
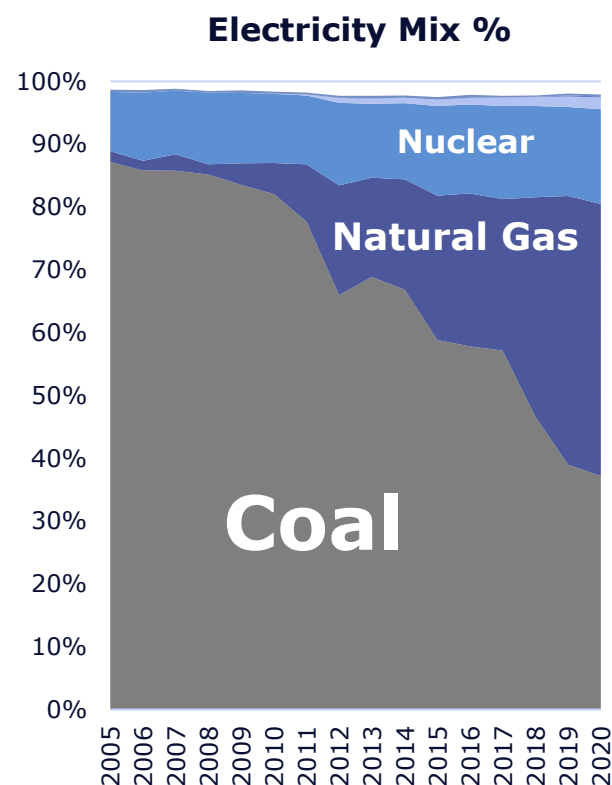
Pennsylvania and Ohio: The Power of Coal-to-Gas Switching

Demonstrating the Impact of Providing a Natural Gas Solution to Coal-Reliant Regions

With <5% renewables, Ohio and Pennsylvania led the U.S. in emissions reduction over the last 15 years

OHIO
#1 State in Reducing CO2

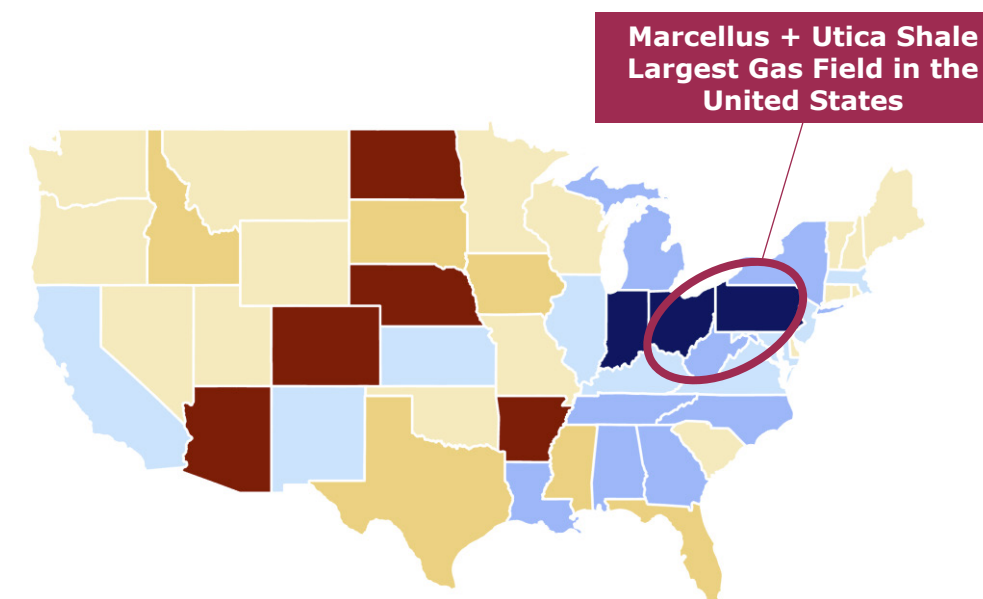
PENNSYLVANIA
#2 State in Reducing CO2



2000-2019 Change in Annual CO2 Emissions

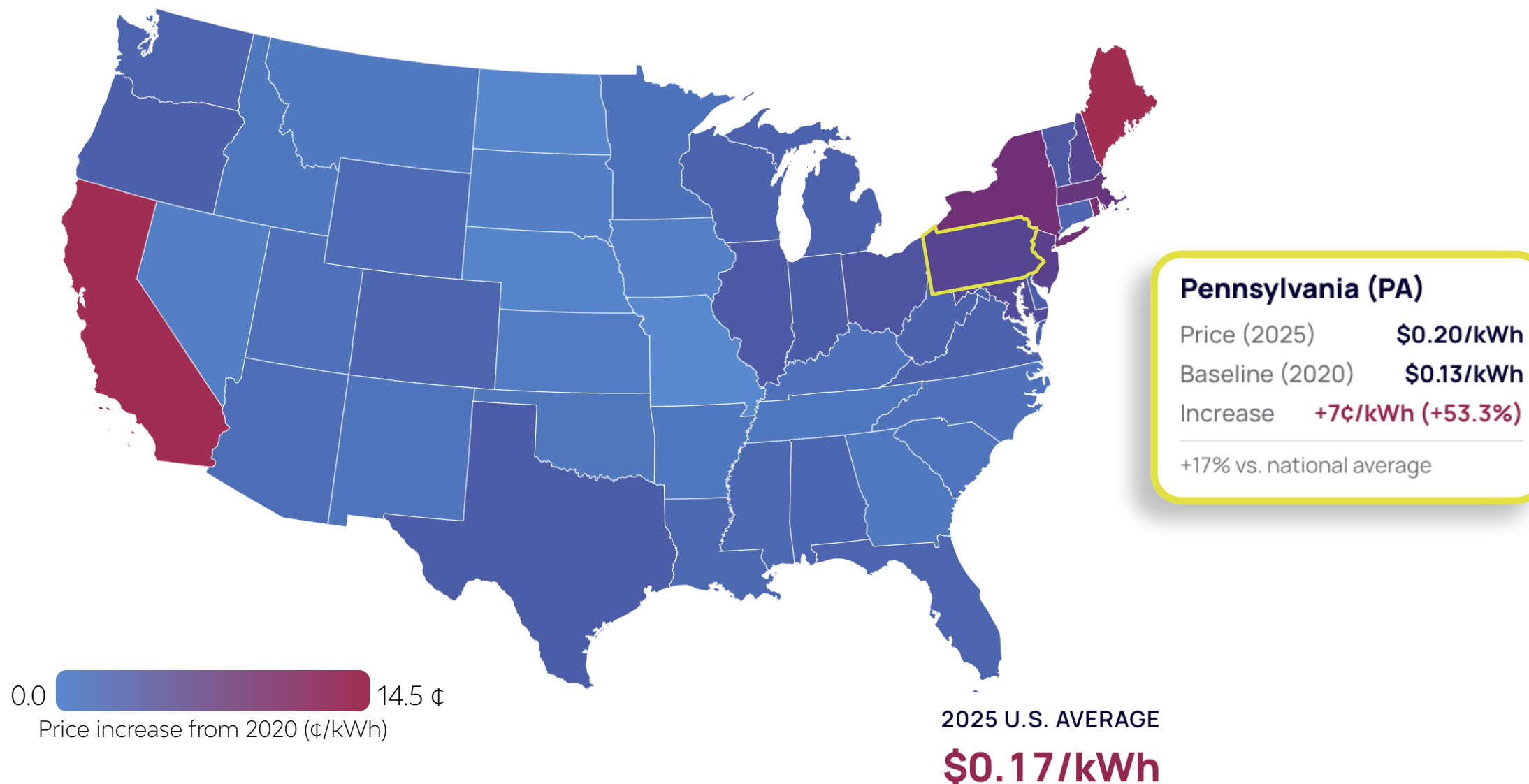
Led by Pennsylvania and Ohio

Moderate CO2 Reduction
 CO2 Addition [Dark Red] [Light Yellow] [Light Blue] [Medium Blue] [Dark Blue] Largest CO2 Reduction



Source: EIA Electricity (<https://www.eia.gov/electricity/data/state/>); EQT Analysis of electricity usage by state and year

Electricity Price Increases Since 2020



Fueling Strong Communities



- More than one new residential customer signs up for natural gas service every minute on average, and approximately 60 businesses begin new natural gas service every day in the United States.
- More than 189 million Americans and 5.8 million businesses in the United States use natural gas.
- Natural gas is 3.5 times more affordable than electricity and significantly more affordable than several other residential energy sources for the same amount of energy delivered.
- Emissions from the power sector have declined 61% due to increased use of natural gas for electricity generation.

UPCOMING TRANSACTION*

Fall 2026 PGW Revenue Bond Refunding
Estimated \$135 million

Disclaimer

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The background of the slide is a blue-tinted photograph of a city skyline, likely New York City, viewed from across a river. The skyline includes several prominent skyscrapers, with the Freedom Tower being the most prominent on the left. The foreground shows a river with a bridge and dense trees on both banks. The sky is overcast with soft clouds.

THANK YOU