

NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

Equitable Gas Company (Equitable) has filed a request with the Pennsylvania Public Utility Commission (PUC) for an increase in your natural gas distribution rates as of August 29, 2008. This notice describes the company's rate request, the PUC's role, and what actions you can take.

Equitable has requested an overall rate increase of \$51.9 million per year. If the company's entire request is approved, the total bill for a residential customer who purchases 7.5 Mcf of gas from Equitable per month would increase from \$142.63 to \$157.14 per month, or by 10 percent.

The total bill for a commercial customer using 13.6 Mcf of gas from Equitable per month would increase from \$246.32 to \$253.47 per month, or by 2.9 percent.

Rates for an industrial customer using 90 Mcf of gas from Equitable per month would increase from \$1,574.85 to \$1,659.57 per month, or by 5.4 percent.

To find out your customer class or how the requested increase might affect your gas bill, call Equitable at 1-800-654-6335. The rates requested by the company may be found in Equitable Gas Service Tariff No. 22 - Supplement No. 60. 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 Equitable's office. Upon request, the company will send you a statement of reasons for Supplement No. 60, explaining why the rate increase has been requested.

The state agency that approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request, or may reduce existing rates. The PUC may change the amount of the rate increase requested by the utility for each customer class. As a result, the rate charged to you might be different than the rate requested by the company as shown above.

There are three ways to challenge a company's request to change its rates:

1. You may 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 as soon as possible. If no formal complaints are filed, the PUC may grant all, some, or none of the request without holding a hearing before a judge
2. You may 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 with the company's service or management. This information can be helpful when the PUC investigates the rate request. Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, PA 17105-3265.
3. You may be a witness at a public input hearing. Public input hearings are held if the PUC opens an investigation of the company's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the company's service area.

For more information, call the PUC at 1-800-782-1110. You may leave your name and address so that you can be notified of any hearings that may be scheduled in this case.

EQUITABLE
GAS

Delivering Everyday Excellence SM

July 2008