

NOTICE OF PROPOSED RATE CHANGES

To Our Customers:

Equitable Gas Company (Company) is required to make its annual purchased gas cost rate (PGC Rate) filing with the Pennsylvania Public Utility Commission (PUC). The filing proposes a decrease in your PGC Rate as of October 1, 2009. This notice describes the Company's PGC Rate request, the PUC's role, and what actions you can take.

The PGC Rate filing requests an overall rate decrease of approximately \$78 million per year due to decreases in the Company's purchased gas costs. If the Company's entire PGC rate request is approved, the total monthly bill for the average residential customer using 90 Mcf per year would decrease from \$146.25 to \$123.59 per month or by 15.5 percent.

The total bill for an average commercial customer using 163 Mcf per year would decrease from \$231.36 to \$190.34 per month or by 17.7 percent.

The total bill for an average industrial customer using 1,076 Mcf per year would decrease from \$1,555.08 to \$1,284.28 per month or by 17.4 percent.

To find out how the requested PGC Rate decrease may affect your gas bill, contact the Company at 1-800-654-6335. You may examine the material the Company is filing with the PUC which contains the rates requested by the Company, explains the requested PGC Rate decrease and the reasons for it. A copy of this material is kept at the Company's office.

Upon request, the Company will send you a Statement of Reasons explaining why the PGC Rate decrease has been requested.

The state agency which approves rates for public utilities is the PUC. The PUC will examine the requested PGC Rate decrease 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.

The PUC may change the amount of the PGC Rate decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company and shown on the reverse side.

The Company is permitted to change the purchased gas cost portion of its rates on a quarterly basis if the recalculated rate differs from the rate that is finally determined in this case by more than 2 percent.

There are three ways to challenge a Company's request to change its PGC Rate:

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 PGC Rate decrease request. All complaints should be filed with the PUC as soon as possible. The Commission may grant all, some, or none of the request.

2. You can send the PUC a letter telling why you object to the requested PGC Rate decrease. 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 investigating the PGC Rate request. Send your request for a formal complaint form or your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's PGC Rate decrease 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 service area of the Company.

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