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March 31, 2026

Via Electronic Filing

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor
Harrisburg, PA 17120

RE: Philadelphia Gas Works – Quarterly Financial Report – Fourth Quarter 2025;
Docket No. M-2026-3059582

Dear Secretary Homsher

On behalf of Philadelphia Gas Works (“PGW”) attached for electronic filing are PGW’s financial reports due March 31, 2026.

If you have any questions or require additional information, please contact us at your convenience.

Sincerely,

Bryce R. Beard

Bryce R. Beard

BRB/jls

cc: Paul Diskin, TUS (pdiskin@pa.gov)
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Philadelphia Gas Works
Condensed Statements of Revenues and Expenses
January 1, 2025 - December 31, 2025
(Thousands of U.S. dollars)

| | 31-Dec-25 |
|---------------------------------------------|------------------|
| Operating revenues | |
| Total gas revenues | \$ 735,626 |
| Other revenues | 56,005 |
| Total operating revenues | 791,631 |
| Operating expenses | |
| Fuel expense | 237,204 |
| All other operating expenses | 346,239 |
| Total operating expenses | 583,443 |
| Operating income | 208,188 |
| Investments gain (loss) and other income | 31,444 |
| Total interest expense | (47,323) |
| Distribution to the City of Philadelphia | (18,000) |
| Net earnings after distribution to the City | \$ 174,309 |

PHILADELPHIA GAS WORKS
ANALYSIS OF FUNDS AVAILABLE
TO COVER DEBT SERVICE
FISCAL YEAR 2025
(Dollars in Thousands)

| | <u>ACTUAL</u> <u>2024-25</u> |
|--------------------------------------------------------------------------|-----------------------------------------------|
| Funds Provided by Operating Revenue, Other Income, & Interest | |
| Operating Revenue | \$ 729,993 |
| Other Income | 13,726 |
| AFUDC (Interest) | - |
| Total Funds Provided by Revenue, Other Income, & Interest | <u>743,719</u> |
| Less: Funds Applied to Operating Expenses | |
| Operating Expenses (Net) | 551,996 |
| Less: Operating Expenditures Not Requiring Expenditures of Funds | 29,987 |
| Funds Applied to Operating Expenses | <u>522,009</u> |
| Funds Available to Cover Debt Service | 221,710 |
| Revenue Bonds Debt Service (1998 Ordinance Bonds) | 110,077 |
| Debt Service Coverage Rate - 1998 Ordinance Bonds | 2.01x |
| Net Available After Prior Debt Service | \$ 111,633 |

**PHILADELPHIA GAS WORKS
STATEMENT OF CASHFLOW
TWELVE MONTHS ENDING December 31, 2025
(Millions of Dollars)**

| | | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | |
|----------|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | TOTAL |
| LINE NO. | OPENING BALANCE | 32.2 | 63.7 | 69.5 | 83.5 | 116.6 | 146.1 | 165.0 | 164.9 | 82.6 | 109.0 | 64.1 | 81.2 | 32.2 |
| | RECEIPTS | | | | | | | | | | | | | |
| 1. | Gas | 76.8 | 96.1 | 106.0 | 113.4 | 70.9 | 48.0 | 43.7 | 37.3 | 36.0 | 38.3 | 33.9 | 61.6 | 762.0 |
| 2. | Other | 1.7 | 6.0 | 0.6 | 1.5 | 1.7 | 0.8 | 3.4 | 3.0 | 6.3 | 0.7 | 3.1 | 2.3 | 31.1 |
| 3. | PHMSA Grant | 0.0 | 0.0 | 0.0 | 0.1 | 2.0 | 0.7 | 1.0 | 0.7 | 0.9 | 1.9 | 0.2 | 0.4 | 7.9 |
| 4. | Drawn from Capital TXCP | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 5. | Drawn from Capital Funds - Principal | 25.0 | 0.0 | 0.0 | 0.0 | 22.0 | 20.0 | 13.0 | 0.0 | 45.0 | 0.0 | 35.0 | 0.0 | 160.0 |
| 6. | Drawn from Capital Funds - Interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 7. | Drawn from Sinking Fund - Principal | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 8. | Drawn from Sinking Fund - Interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 9. | Pension Draw | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 10. | TOTAL RECEIPTS | 103.5 | 102.1 | 106.6 | 115.0 | 96.6 | 69.5 | 61.1 | 41.0 | 88.2 | 41.0 | 72.2 | 64.3 | 961.0 |
| 11. | TOTAL | 135.8 | 165.8 | 176.1 | 198.5 | 213.2 | 215.6 | 226.1 | 205.9 | 170.8 | 149.9 | 136.3 | 145.4 | 993.2 |
| 12. | DISBURSEMENTS | | | | | | | | | | | | | |
| 13. | Labor & Payroll Taxes | 15.7 | 13.2 | 13.4 | 14.8 | 14.3 | 13.1 | 16.5 | 13.2 | 13.1 | 16.5 | 12.6 | 18.6 | 175.0 |
| 14. | Natural Gas | 22.9 | 30.1 | 25.3 | 23.5 | 16.2 | 12.0 | 10.6 | 10.1 | 11.6 | 11.4 | 12.4 | 22.0 | 208.1 |
| 15. | LT Debt Service Payment | 0.3 | 20.0 | 0.2 | 4.2 | 0.3 | 0.2 | 0.2 | 67.8 | 0.2 | 16.2 | 0.2 | 0.2 | 110.0 |
| 16. | TXCP Debt Service Payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 17. | Letters of Credit & TXCP Fees | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 18. | Swap Termination Payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 19. | City Fee | 0.0 | 4.4 | 4.5 | 4.5 | 4.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 17.9 |
| 20. | Other Disbursements | 33.1 | 28.6 | 49.2 | 34.9 | 31.8 | 25.3 | 33.9 | 32.2 | 36.9 | 41.7 | 29.9 | 34.1 | 411.6 |
| 21. | TOTAL DISBURSEMENTS | 72.0 | 96.3 | 92.6 | 81.9 | 67.1 | 50.6 | 61.2 | 123.3 | 61.8 | 85.8 | 55.1 | 74.8 | 922.6 |
| 22. | MONTHLY CASH FLOW | 31.5 | 5.8 | 14.0 | 33.1 | 29.5 | 18.9 | (0.1) | (82.3) | 26.4 | (44.9) | 17.1 | (10.6) | 38.4 |
| 23. | CUMULATIVE CASH FLOW | 31.5 | 37.3 | 51.3 | 84.4 | 113.9 | 132.8 | 132.7 | 50.4 | 76.8 | 31.9 | 49.0 | 38.4 | |
| 24. | OPENING TXCP - OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25. | TXCP ISSUED DURING MONTH | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 26. | TXCP PAID DOWN DURING MONTH | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 27. | ENDING TXCP - OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 28. | OPENING BALANCE - CASH | 32.2 | 63.7 | 69.5 | 83.5 | 116.6 | 146.1 | 165.0 | 164.9 | 82.6 | 109.0 | 64.1 | 81.2 | 32.2 |
| 29. | MONTHLY CASH FLOW | 31.5 | 5.8 | 14.0 | 33.1 | 29.5 | 18.9 | (0.1) | (82.3) | 26.4 | (44.9) | 17.1 | (10.6) | 38.4 |
| 30. | NET TXCP - CAPITAL ACTIVITY MONTHLY | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 31. | ENDING BALANCE - CASH | 63.7 | 69.5 | 83.5 | 116.6 | 146.1 | 165.0 | 164.9 | 82.6 | 109.0 | 64.1 | 81.2 | 70.6 | 70.6 |