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PGW wants to raise rates by 11 percent, to cover cost of new pipes

By [Susan Phillips](#) · April 17, 2020

Philadelphia Gas Works offices on Broad Street in South Philadelphia (Nathaniel Hamilton for WHYY)

Updated 12:50 p.m. April 18

Philadelphia Gas Works wants to increase rates by 11.2%. The utility said the rate hike is needed to help replace old pipes.

The original cast-iron mains, some installed almost 100 years ago, are at risk of leaking. A 92-year-old pipe led to an explosion last year.

The proposal would raise the average customer's bill by \$11.16 each month. That would generate an additional \$70 million a year the utility said is needed to help with pipe replacement.

PGW [announced the proposal](#) at the end of February, and this week the Pennsylvania Public Utility Commission voted to consider the plan.

"Natural gas is the cleanest, most reliable energy choice to affordably meet Philadelphia's energy demands," PGW's CEO Craig White said in a statement. "We continue to invest in upgrading our infrastructure so our customers can continue to rely on us for safe, reliable natural gas service."

Currently, PGW says, it would take about 40 years to replace all its cast-iron mains. The additional funds would cut that time down to 34.6 years.

In December, a 92-year-old cracked gas pipe led to an [explosion in South Philadelphia](#). The accident killed two people, destroyed half a dozen rowhouses, and led to the evacuation of 60 residents.

Natural gas is selling at record low prices both domestically and on the international market. But PGW said warmer weather from climate change, improved insulation, and more efficient appliances have led to less gas usage and lower revenues.

The PUC last approved a rate hike of [6.8%](#) in 2017. PGW had then sought an increase of 11.6%.

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This article was updated to add details about pipes in the PGW system.

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