

NOTICE OF PROPOSED DISTRIBUTION SYSTEM IMPROVEMENT CHARGE

Pike County Light and Power Company's (PCL&P) Gas Division has filed a request with the Pennsylvania Public Utility Commission (PUC) to implement a Distribution System Improvement Charge (DSIC) to recover reasonable costs incurred to accelerate the improvement and replacement of infrastructure that the Company uses to deliver natural gas to its customers.

A DSIC allows natural gas, electric, water and wastewater companies to accelerate the replacement of aging facilities. DSIC charges reduce the frequency and the associated costs of base rate cases while maintaining a high level of customer protection. DSIC charges are designed to provide customers with improved service quality, greater rate stability, increased safety and lower levels of system losses.

PCL&P's request is subject to review by the PUC, and the PUC may approve, modify, or reject the request. The PUC will examine the requested DSIC and may delay the implementation of a DSIC until it investigates and/or holds hearings on the request. You may examine the material filed with the PUC, which explains the requested DSIC and the reasons for it. A copy of this material is also kept at Pike's office.

If the PUC approves the DSIC, it must be updated on a quarterly basis to reflect eligible infrastructure that PCL&P places in service. The DSIC charge is limited to 5 percent of billed revenues.

The proposed effective date for the initial DSIC is January 1, 2023. The actual effective date will depend on when the DSIC is approved by the PUC. The initial DSIC rate will be set at 5.0%.

There are three ways to challenge the Company's request to implement a DSIC:

- 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 any hearing about the DSIC request. All complaints should be filed as soon as possible. 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 DSIC. Information in these letters can be helpful when the PUC investigates the DSIC 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 DSIC request and if there are 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 as well as to the company representatives. All testimony given "under oath" becomes part of the official record. These hearings are held either telephonically or in the Company's service area.

For more information, call the PUC at 1-800-692-7380. You may leave your name and address so that you can be notified of any hearings that may be scheduled in this case.