

# NOTICE OF PROPOSED RATE CHANGES

## *To Our Customers:*

*Peoples Natural Gas Company (“Peoples” or the “Company”) is filing a request with the Pennsylvania Public Utility Commission (“PUC”) to increase your natural gas distribution rates as of February 27, 2024. This notice describes the Company’s rate request, the PUC’s role, and what actions you can take.*

**Peoples, which includes the Peoples Natural Gas Division and the Peoples Gas Division, has collectively requested an overall net distribution rate increase of \$156.0 million per year. In this filing, Peoples is proposing to unify the distribution rates of the two divisions. This filing also includes a request for the approval of a Weather Normalization Adjustment (WNA) as an alternative rate mechanism in accordance with 66 Pa. C.S. § 1330. The WNA**

**would adjust certain customers’ bills to reflect normalized weather conditions. In addition, Peoples is proposing revisions to existing Riders, including the Tax Repairs Surcredit (“TRS”), the Tax Cuts and Jobs Act Surcharge (“TCJA”) and the Allegheny Valley Capacity Charge (“AVC”). Changes to these existing Riders and application thereof may apply to one or both divisions. Under the Company’s proposal, the WNA, AVC and TRS will apply to both divisions. The TCJA will only apply to Peoples Gas Division customers.**

If you are a **Peoples Natural Gas Division** customer and if the Company’s entire request is approved:

- The total bill for a Peoples Natural Gas Division residential customer using 80 Mcf per year would increase from \$73.16\* to \$88.79 per month or by 21.4%.
- The total bill for a Peoples Natural Gas Division commercial customer using 250 Mcf per year would increase from \$174.25\* to \$212.76 per month or by 22.1%.

- Rates for a Peoples Natural Gas Division industrial customer using 1,750 Mcf per year would increase from \$1,126.15\* to \$1,282.10 per month or by 13.8%.

If you are a **Peoples Gas Division** customer and if the Company’s entire request is approved:

- The total bill for a Peoples Gas Division residential customer using 80 Mcf per year would increase from \$84.00\* to \$90.35 per month or by 7.6%.
- The total bill for a Peoples Gas Division commercial customer using 250 Mcf per year would increase from \$214.03\* to \$214.83 per month or by 0.4%.
- Rates for a Peoples Gas Division industrial customer using 1,750 Mcf per year would decrease from \$1,310.04\* to \$1,297.34 per month or by 1.0%.

To find out which division you are in, your customer class or how the requested increase may affect your natural gas bill, contact Peoples at **1-800-764-0111**. The rates requested by the Company may be found in

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the Company's Proposed Tariff, PA PUC No. 48. 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 Peoples' office. Upon request, the Company will send you the Statement of Reasons for Tariff No. 48, explaining why the rate increase has been requested.

The state agency which 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 or decrease requested by the utility for each division and customer class. As a result, the rate charged to you may be different than the rate requested by the Company and shown above.

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

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 rate increase request. All complaints should be filed with the PUC before February 27, 2024. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.
2. You can send us a letter telling why you object to the requested rate increase. Sometimes there is information in these letters that makes us 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, 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 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. The hearings are held in the service area of the Company.

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

\* Please note that this amount excludes the one-time GCA Refund Credit in effect from Oct-Dec 2023.

