

PEOPLES GAS COMPANY LLC

RATES, RULES AND REGULATIONS
FOR NATURAL GAS SERVICE
IN TERRITORY DESCRIBED HEREIN

ISSUED: _____

EFFECTIVE: _____

1307(f) – 2020 Annual Gas Cost Filing

ISSUED BY:

JOSEPH A. GREGORINI
PRESIDENT
PEOPLES GAS COMPANY LLC
205 NORTH MAIN STREET
BUTLER, PENNSYLVANIA 16001

LIST OF CHANGES MADE BY THIS TARIFF

	<u>Current</u>	<u>Proposed</u>	<u>Increase/ (Decrease)</u>
<u>Rider PGC</u>			
<u>Rate RS, SGS, MGS, LGS, NGPV</u>			
Capacity Charge			
RS	\$0.8650	\$0.8689	\$0.0039
SGS	\$0.8650	\$0.8689	\$0.0039
MGS	\$0.8650	\$0.8689	\$0.0039
LGS	\$0.8650	\$0.8689	\$0.0039
Gas Cost Adjustment Charge	\$0.1959	\$0.0731	(\$0.1228)
Natural Gas Supply Charge	\$2.2553	\$2.3676	\$0.1123
<u>Rider MFC – Merchant Function Charge</u>			
Rate RS	\$0.0663	\$0.0662	(\$0.0001)
<u>Balancing Charges</u>			
SGS	\$0.3443	\$0.3459	\$0.0016
MGS	\$0.3158	\$0.3007	(\$0.0151)
LGS	\$0.1997	\$0.1992	(\$0.0005)
<u>Retainage Rate</u>			
(RS-T, SGS-T, MGS-T, LGS-T)	7.5%	6.8%	(0.7%)

	Rider PGC - Gas Cost Charges			Base Rate Charges	Rider STA	Rider MFC	Rider USP	Rider GPC	Rider ARC Rate Credit	Rider Supplier Choice	Rider DSIC	Rider TCJA	Bill Display Total Rate (13=SUM 1 to 12)
	Demand/Capacity (1)	GCA (2)	Commodity (3)										
Residential - Sales													
Customer Charge				\$ 15.7500					\$ -	\$ (0.0040)	\$ 0.00%	\$ -9.1673%	\$ 14.3022
Demand/Capacity	\$ 0.8689					\$ 0.0174					\$ -		\$ 0.8863
PTC - Commodity Charge		\$ 0.0731	\$ 2.3676			\$ 0.0488	\$ 0.1400				\$ -		\$ 2.6295
Delivery Charge				\$ 6.7743	\$ 0.0027		\$ 0.1120		\$ -		\$ -	\$ (0.6210)	\$ 6.2680
Total per MCF													\$ 9.7838
SGS - Sales													
Customer Charge													
0 to 499 MCF/Yr				\$ 35.0000					\$ -	\$ (0.0040)	\$ -	\$ (3.2086)	\$ 31.7874
500 to 999 MCF/Yr				\$ 65.0000					\$ -	\$ (0.0040)	\$ -	\$ (5.9587)	\$ 59.0373
Demand/Capacity 1/	\$ 0.3459										\$ -	\$ -	\$ 0.3459
Price-to-Compare Charge 1/	\$ 0.5230	\$ 0.0731	\$ 2.3676			\$ 0.0135	\$ 0.1400				\$ -		\$ 3.1172
Delivery Charge				\$ 5.1008	\$ 0.0027				\$ -		\$ -	\$ (0.4676)	\$ 4.6359
Total per MCF													\$ 8.0990
MGS - Sales													
Customer Charge													
1,000 to 2,499 MCF/Yr				\$ 75.0000					\$ -		\$ -	\$ (6.8755)	\$ 68.1245
2,500 to 24,999 MCF/Yr				\$ 175.0000					\$ -		\$ -	\$ (16.0428)	\$ 158.9572
Demand/Capacity 1/	\$ 0.3007					\$ -					\$ -	\$ -	\$ 0.3007
Price-to-Compare Charge 1/	\$ 0.5643	\$ 0.0731	\$ 2.3676			\$ -	\$ 0.1400				\$ -		\$ 3.1450
Delivery Charge				\$ 4.8604	\$ 0.0027				\$ -		\$ -	\$ (0.4456)	\$ 4.4175
Total per MCF													\$ 7.8632
LGS - Sales < 100,000 MCF/yr													
Customer Charge													
25,000 to 49,999 MCF/Yr				\$ 800.0000							\$ -	\$ (73.3384)	\$ 726.6616
50,000 to 99,999 MCF/Yr				\$ 1,500.0000							\$ -	\$ (137.5095)	\$ 1,362.4905
Demand/Capacity 1/	\$ 0.1992					\$ -					\$ -	\$ -	\$ 0.1992
Price-to-Compare Charge 1/	\$ 0.6697	\$ 0.0731	\$ 2.3676			\$ -	\$ 0.1400				\$ -		\$ 3.2504
Delivery Charge				\$ 3.7500	\$ 0.0027						\$ -	\$ (0.3438)	\$ 3.4089
Total per MCF													\$ 6.8585
LGS - Sales > 100,000 MCF/yr													
Customer Charge													
100,000 to 199,999 MCF/Yr				\$ 5,000.0000							\$ -	\$ (458.3650)	\$ 4,541.6350
Over 200,000 MCF/Yr				\$ 7,500.0000							\$ -	\$ (687.5475)	\$ 6,812.4525
Demand/Capacity 1/	\$ 0.1992					\$ -					\$ -	\$ -	\$ 0.1992
Price-to-Compare Charge 1/	\$ 0.6697	\$ 0.0731	\$ 2.3676			\$ -	\$ 0.1400				\$ -		\$ 3.2504
Delivery Charge				\$ 0.9988	\$ 0.0027						\$ -	\$ (0.0916)	\$ 0.9099
Total per MCF													\$ 4.3595

1/ The Price-to-Compare format as shown is applicable to a Non-Priority One customer; the Price-to-Compare Charge for a Priority One customer would not include the Demand/Capacity charge. See the Residential - Sales section above as an example of Priority One.

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	Base Rate Charges (1)	Rider STA (2)	Rider USR (3)	Rider PGC Capacity (4)	BB&A (5)	Rider ARC Rate Credit (6)	Rider Supplier Choice (7)	Rider DSIC (8)	Rider TCJA (9)	Bill Display Total Rate (10=SUM 1 to 9)	Retainage Charge
Rate RS-T (Transportation Service)											
Customer Charge	\$ 15.7500					\$ -	\$ (0.0040)	\$ 0.00%	\$ (1.4438)	\$ 14.3022	
Demand/Capacity				\$ 0.8689						\$ 0.8689	
Delivery Charge	\$ 6.7743	\$ 0.0027	\$ 0.1120			\$ -		\$ -	\$ (0.6210)	\$ 6.2680	
Total per MCF										\$ 7.1369	6.8%
Rate SGS-T (Transportation Service)											
Customer Charge											
0 to 499 MCF/Yr	\$ 35.0000					\$ -	\$ (0.0040)	\$ -	\$ (3.2086)	\$ 31.7874	
500 to 999 MCF/Yr	\$ 65.0000					\$ -	\$ (0.0040)	\$ -	\$ (5.9587)	\$ 59.0373	
BB&A 1/				\$ 0.3459						\$ 0.3459	
Delivery Charge	\$ 5.1008	\$ 0.0027				\$ -		\$ -	\$ (0.4676)	\$ 4.6359	
Total per MCF										\$ 4.9818	6.8%
Rate MGS-T (Transportation Service)											
Customer Charge											
1,000 to 2,499 MCF/Yr	\$ 75.0000					\$ -		\$ -	\$ (6.8755)	\$ 68.1245	
2,500 to 24,999 MCF/Yr	\$ 175.0000					\$ -		\$ -	\$ (16.0428)	\$ 158.9572	
BB&A 1/				\$ 0.3007						\$ 0.3007	
Delivery Charge	\$ 4.8604	\$ 0.0027				\$ -		\$ -	\$ (0.4456)	\$ 4.4175	
Total per MCF										\$ 4.7182	6.8%
Rate LGS-T (Transportation Service)											
Customer Charge											
25,000 to 49,999 MCF/Yr	\$ 800.0000							\$ -	\$ (73.3384)	\$ 726.6616	
50,000 to 99,999 MCF/Yr	\$ 1,500.0000							\$ -	\$ (137.5095)	\$ 1,362.4905	
BB&A 1/				\$ 0.1992						\$ 0.1992	
Delivery Charge	\$ 3.7500	\$ 0.0027						\$ -	\$ (0.3438)	\$ 3.4089	
Total per MCF										\$ 3.6081	6.8%
Rate LGS-T (Transportation Service)											
Customer Charge											
100,000 to 199,999 MCF/Yr	\$ 5,000.0000							\$ -	\$ (458.3650)	\$ 4,541.6350	
Over 200,000 MCF/Yr	\$ 7,500.0000							\$ -	\$ (687.5475)	\$ 6,812.4525	
BB&A				\$ 0.1992						\$ 0.1992	
Delivery Charge	\$ 0.9988	\$ 0.0027						\$ -	\$ (0.0916)	\$ 0.9099	
Total per MCF										\$ 1.1091	6.8%

1/ The Demand/Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the BB&A charge.

ISSUED: _____

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RULES AND REGULATIONS (Continued)

M. Balancing and Reconciliation

1) Priority One Pooling

All Pool Operators serving Customers through a Priority One Pool shall be subject to daily balancing procedures. Each NGS shall have a Daily Available Volume to meet the Aggregate Daily Consumption Volume required by the Company. The Company will provide the NGS with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption, subject to Rule 18.I, of all the ratepayers in the pool (Aggregate Daily Consumption Volume) at least two days in advance of when the NGS must deliver volumes to the Company. The Company may issue Alerts consistent with the terms of Rule 18.X. and, as a result, may provide the NGS with daily projections less than two days in advance. The Company reserves the right to adjust the Aggregate Daily Consumption Volume due to weather or large known consumption variations

Cash-out for Under-Delivery

If the Daily Available Volume is less than the Aggregate Daily Consumption Volume, then an Under-Delivery results. In the event such Under-Delivery occurs, the Company shall sell gas volumes to the Customer sufficient to increase the Daily Available Volume to one hundred percent (100%) of the Aggregate Daily Consumption Volume. Any volumes sold to the Customer by the Company during which no OFOs have been issued shall be purchased at a price equal to the Midpoint price of gas for the day using the Gas Daily index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachian South Point as published in Platts, Gas Daily, multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

(C)

RULES AND REGULATIONS (Continued)

Cash-out for Under-Delivery

In the event an Under-Delivery exceeds four percent (4%) of the Pool or Customer's actual usage for the Month, the Company shall sell gas volumes to the NGS or Customer sufficient to increase the actual volume of gas received for such Month to ninety-six percent (96%) of the actual usage for the same Month. Any volumes sold to the NGS or Customer by the Company shall be purchased at price equal to the highest Midpoint price for gas published in Platts, Gas Daily publication, under Appalachia Dominion Transmission Inc. South Point for the month, multiplied by 120%.

(C)

Cash-out for Over-Delivery

In the event an Over-Delivery exceeds four percent (4%) of the Pool or Customer's actual usage for the Month, the Company shall purchase gas volumes delivered sufficient to decrease the actual volume of gas received for such Month to one-hundred four percent (104%) of the actual usage for the same Month. Any volumes sold to the Company by the NGS or Customer shall be purchased at a price equal to the lowest Midpoint price for gas published in Platts, Gas Daily publication, under Appalachia Dominion Transmission, Inc. South Point for the month multiplied by 85%.

RULES AND REGULATIONS (Continued)

3. Non-Priority One Pooling – Provisions Applicable 4/1/17

All Pool Operators serving Customers through a Non-Priority One Pool shall be subject to daily balancing procedures. Each NGS shall have a Daily Available Volume to meet the Aggregate Daily Consumption Volume required by the Company. The Company will provide the NGS with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption, subject to Rule 18.I, of all the customers in the pool (Aggregate Daily Consumption Volume) at least two days in advance of when the NGS must deliver volumes to the Company. The Company may issue Alerts consistent with the terms of Rule 18.X. and, as a result, may provide the NGS with daily projections less than two days in advance. The Company reserves the right to adjust the Aggregate Daily Consumption Volume due to weather or large known consumption variations.

Cash-out for Under-Delivery

If the Daily Available Volume is less than the Aggregate Daily Consumption Volume, then an Under-Delivery results. In the event such Under-Delivery occurs, the Company shall sell gas volumes to the Customer sufficient to increase the Daily Available Volume to one hundred percent (100%) of the Aggregate Daily Consumption Volume. Any volumes sold to the Customer during periods in which no OFOs have been issued by the Company shall be purchased at a price equal to the Midpoint price of gas for the day published in Platts, Gas Daily publication using the index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachia South Point multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

(C)

Cash-out for Over-Delivery

If the Daily Available Volume exceeds the Aggregate Daily Consumption Volume, then an Over-Delivery results. In the event such Over-Delivery occurs, the Company shall purchase gas volumes delivered sufficient to decrease the Daily Available Volume to one-hundred percent (100%) of the Aggregate Daily Consumption Volume. Any volumes sold to the Company by the NGS shall be purchased at a price equal to the Midpoint price of gas for the day published in Platts, Gas Daily publication using the index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachia South Point multiplied by 85%.

Monthly Reconciliation

The Company will prepare a monthly reconciliation between Calendar Month Pool Supply and Calendar Month Pool Sendout, as adjusted for any prior month billing corrections. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's Daily Available Volume of each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

4. Local Gas Aggregation Service ("LGA")

The total volumes nominated into the Local Gas Aggregation ("LGA") Pool shall equal the total volume of gas delivered out of the Local Gas Aggregation Pool. If the gas supplies nominated into the LGA Pool during a given Month exceed the volume of gas delivered out of the LGA Pool for that Month, then an Over-Delivery results. These volumes shall be sold to the Company at a price equal to the first of the month IFERC Dominion Transmission, Inc. Appalachia Index multiplied by 85%.

RULES AND REGULATIONS (Continued)Y. Nomination Procedures

1) Nomination of Gas Supplies Delivered on Interstate Pipelines

- a. With respect to FT and FS capacity that is assigned to an NGS by the Company to serve Priority Customers, the NGS shall nominate gas volumes to the Interstate Delivery Point(s) on the subject interstate pipeline in accordance with the applicable rules of nomination of the affected interstate pipeline(s). Upon receipt of notice of such nomination, the Company will confirm or reject said nominations, as described below, and, if confirmed, nominate corresponding volumes to the Receipt Point(s) at an appropriate interstate pipeline interconnection with the Company's system.
- b. With respect to all other interstate pipeline transportation service capacity that any Customer which schedules its own supplies may acquire or that an NGS may acquire and use to deliver gas supplies to the Company to serve its Customers, such Customer or NGS shall nominate the gas volumes to the Receipt Point(s) at an appropriate interstate pipeline interconnection with the Company's system.
- c. Nominations must conform, in content and format, with the Company's specifications for local gas volume nominations, which shall include, at a minimum: the NGS or Customer's name; the requested daily local gas volume to be received at the applicable Receipt Points, and the name of the NGS or Customer's nominations contract.
- d. Nominations shall be transmitted to the Company by the Company's EBB or other media as directed by the Company and shall be received by the Company by the dates and times specified by the Company.
Subject to the limits of the Company's operating conditions and facilities, previously confirmed nominations and timely confirmation by interstate pipelines, the Company will either confirm, in whole or in part, or reject the nomination. Confirmed nominations will be posted on the Company's EBB or made available on other media at the Company's discretion.
- f. Confirmed nominations will become effective on the date specified in the nomination.

2) Nomination of Local Gas Supplies

- a. No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month for the metering stations identified in the agreement or other point of interconnection into the Company's System. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided (within two days) by the NGS or Local Gas Aggregator and confirmed by the Company. The confirmed volumes will be used for reconciling local gas nominations and actual production. (C)
- b. The NGS or Local Gas Aggregator may request to change its GPP nomination during the month in accordance with the Company's Operating Rules for Local Gas Aggregation Service. The Company may, at its discretion, ask for additional justification for any nomination, which may result in an adjustment to the nomination. (C)
- c. Confirmed GPP nominations will be credited to NGS's or Local Gas Aggregator's account on the date specified in the GPP nomination. When actual local gas aggregation volumes delivered into the Company are known, any discrepancies between actual and GPP nominations volumes will be reconciled, in the first full calendar month following the determination of actual local gas aggregation volumes (the "Adjustment Month").
All local gas volumes received for the NGS's or Customer's account at Receipt Points on the Company's system, as specified in the applicable Transportation Service Agreement, shall be nominated by the NGS or the Customer to the Company by the Company's EBB or other media as the Company directs by the dates and times specified by the Company. (C)
- d. The volumetric discrepancy between the actual local gas aggregation volumes and the local gas aggregation nominations will be reconciled in the Adjustment Month by adjusting the NGS's or Local Gas Aggregator's monthly available volume or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer. (C)

- e. In the event that a pool ceases its existence and due to this, a negative imbalance results, the pool will be cashed out at the first of the month IFERC DTI Appalachia Index. (C)
- f. Unless otherwise agreed upon by the Company, monthly volumes delivered out of the pool must be baseloaded proportionately with regard to the number of days in the month. (C)

RATE SCHEDULE FTS – FIELD TRANSPORTATION SERVICE

AVAILABILITY – This service is available to any Pennsylvania gas producer or Supply Aggregator (hereinafter referred to as “FTS User”) which has executed a Field Transportation Service Agreement (the “Service Agreement”) for the field transportation of a minimum monthly volume of 9,000 Mcf of natural gas production to be injected from gas wells directly into the Company’s gathering or transmission system at points designated by the Company for delivery to specified points of interconnection between the Company’s gathering or transmission system and an interstate pipeline or another local distribution company, provided that the FTS User shall be subject to, and shall comply with, the other applicable provisions of this Rate Schedule. Any additional facilities needed to provide service to a Customer under this Rate Schedule will be paid for by the Customer receiving such service.

CHARACTER OF SERVICE – Transportation service under this Rate Schedule and Customer classification shall be considered interruptible service on the Company’s system.

RATES – **Maximum Volumetric Delivery Rate:** \$ 0.4777 per Mcf

Retainage Charge – The currently effective Retainage Charge is 6.8%. (D)

SPECIAL PROVISION – The Volumetric Delivery Rate may be discounted on an individual contract basis but in no case will the negotiated rate exceed the Maximum Volumetric Delivery Rate under this Rate Schedule.

FINANCE CHARGE – If payment of bill has not been received within fifteen (15) days from date of mailing, a finance charge of 1.50 percent per month will be added to the unpaid balance each month until the entire bill is paid.

ADJUSTMENTS – The above rate shall be subject to Rider DSIC – Distribution System Improvement Charge as set forth in this Tariff.

RULES AND REGULATIONS – The Rules and Regulations set forth in this Tariff shall govern, where applicable, the transportation service under this Rate Schedule.

(D) Indicates Decrease.

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