

PEOPLES NATURAL GAS COMPANY LLC

RATES AND RULES GOVERNING THE FURNISHING OF NATURAL GAS SERVICE TO RETAIL GAS CUSTOMERS

Annual 1307(f)-2020 Gas Cost Filing

ISSUED: _____

EFFECTIVE: _____

BY: **Joseph A. Gregorini**
President
375 North Shore Drive
Pittsburgh, PA 15212

NOTICE

This tariff makes changes to existing rates.
(See page 2)

LIST OF CHANGES

	<u>Current</u>	<u>Proposed</u>	<u>Increase/ (Decrease)</u>
<u>Rate GS-SB</u>			
Rate RS, SGS, MGS, LGS	\$1.0475	\$1.0730	\$0.0255
<u>Rider B</u>			
<u>Rate RS, SGS, MGS, LGS, NGPV</u>			
Capacity Charge	\$1.0475	\$1.0730	\$0.0255
Gas Cost Adjustment Charge	(\$0.0514)	(\$0.2061)	(\$0.1547)
Natural Gas Supply Charge	\$2.3895	\$2.2146	(\$0.1749)
Rate RS, GS-T (Residential) AVC Capacity Charge	\$0.6141	\$0.6759	\$0.0618
Rate SGS, GS-T (SGS) AVC Capacity Charge	\$0.6263	\$0.7128	\$0.0865
Rate MGS, GS-T (MGS) AVC Capacity Charge	\$0.4059	\$0.3894	(\$0.0165)
Rate LGS, GS-T (LGS) AVC Capacity Charge	\$0.2031	\$0.2029	(\$0.0002)
<u>Rider E – Merchant Function Charge</u>			
Rate RS	\$0.0843	\$0.0767	(\$0.0076)
Rate SGS, MGS, LGS	\$0.0071	\$0.0066	(\$0.0005)
<u>Balancing Charges</u>			
SGS, MGS	\$0.4062	\$0.3921	(\$0.0141)
LGS	\$0.0886	\$0.0996	\$0.0110
<u>Retainage Rates</u>			
Rate GS-T	5.2%	5.4%	0.2%
Rate AGS	2.0%	2.3%	0.3%

ISSUED: _____

EFFECTIVE: _____

	Rider Purchased Gas Costs				Base Rate Charges (5)	Rider STAS (6)	Rider MFC (7)	Rider Supplier Choice (8)	Rider USR (9)	Rider GPC (10)	Rider DSIC Charge (11)	Rider TCJA (12)	Total Rate (13=SUM 1 to 12)
	Capacity (1)	AVC Capacity (2)	GCA (3)	Commodity (4)									
Residential Sales													
Customer Charge					\$ 14.5000	0.00%		\$ 0.0026			\$ -	\$ -	\$ 14.5026
Capacity	\$ 1.0730	\$ 0.6759					\$ 0.0267						\$ 1.7756
Price to Compare - PTC			\$ (0.2061)	\$ 2.2146			\$ 0.0500			\$ 0.0801			\$ 2.1386
Commodity Credit													
Delivery Charge					\$ 3.9608			\$ 0.2570			\$ -	\$ -	\$ 4.2178
State Tax Surcharge						\$ -							\$ -
Total per MCF				\$ 2.2146			\$ 0.0767						\$ 8.1320
Small General Service (SGS)													
Customer Charge													
0 to 499 MCF/Yr					\$ 20.0000		\$ 0.0026				\$ -	\$ -	\$ 20.0026
500 to 999 MCF/Yr					\$ 40.0000		\$ 0.0026				\$ -	\$ -	\$ 40.0026
1/ Capacity	\$ 0.3921	\$ 0.7128					\$ 0.0066			\$ 0.0801			\$ 1.1049
Price to Compare - PTC	\$ 0.6809		\$ (0.2061)	\$ 2.2146			\$ 0.0066			\$ 0.0801			\$ 2.7761
Commodity Credit													
Delivery Charge					\$ 2.7000						\$ -	\$ -	\$ 2.7000
State Tax Surcharge						\$ -							\$ -
Total per MCF	\$ 1.0730			\$ 2.2146			\$ 0.0066						\$ 6.5810
Medium General Service (MGS)													
Customer Charge													
1,000 to 2,499 MCF/Yr					\$ 85.0000						\$ -	\$ -	\$ 85.0000
2,500 to 24,999 MCF/Yr					\$ 130.0000						\$ -	\$ -	\$ 130.0000
1/ Capacity	\$ 0.3921	\$ 0.3894					\$ 0.0066			\$ 0.0801			\$ 0.7815
Price to Compare - PTC	\$ 0.6809		\$ (0.2061)	\$ 2.2146			\$ 0.0066			\$ 0.0801			\$ 2.7761
Commodity Credit													
Delivery Charge					\$ 2.6914						\$ -	\$ -	\$ 2.6914
State Tax Surcharge						\$ -							\$ -
Total per MCF	\$ 1.0730			\$ 2.2146			\$ 0.0066						\$ 6.2490
Large General Service (LGS)													
Customer Charge													
25,000 to 49,999 MCF/Yr					\$ 575.0000						\$ -	\$ -	\$ 575.0000
50,000 to 99,999 MCF/Yr					\$ 750.0000						\$ -	\$ -	\$ 750.0000
100,000 to 199,999 MCF/Yr					\$ 1,400.0000						\$ -	\$ -	\$ 1,400.0000
Over 200,000 MCF/Yr					\$ 1,600.0000						\$ -	\$ -	\$ 1,600.0000
1/ Capacity	\$ 0.0996	\$ 0.2029					\$ 0.0066			\$ 0.0801			\$ 0.3025
Price to Compare - PTC	\$ 0.9734		\$ (0.2061)	\$ 2.2146			\$ 0.0066			\$ 0.0801			\$ 3.0686
Commodity Credit													
Delivery Charge					\$ 2.6411	\$ -					\$ -	\$ -	\$ 2.6411
25,000 - 49,999 MCF/Yr					\$ 2.5773	\$ -					\$ -	\$ -	\$ 2.5773
50,000 - 99,999 MCF/Yr					\$ 2.5694	\$ -					\$ -	\$ -	\$ 2.5694
100,000 - 199,999 MCF/Yr					\$ 2.4999	\$ -					\$ -	\$ -	\$ 2.4999
200,000 to 749,999 MCF/Yr					\$ 2.1327	\$ -					\$ -	\$ -	\$ 2.1327
750,000 to 1,999,999 MCF/Yr					\$ 1.6445	\$ -					\$ -	\$ -	\$ 1.6445
Over 2,000,000 MCF/Yr					\$ 1.6445	\$ -					\$ -	\$ -	\$ 1.6445
2/ Total per MCF	\$ 1.0730			\$ 2.2146			\$ 0.0066						\$ 6.0122

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 Capacity Charge. See the Residential - Sales section above as an example of Priority One.

2/ The Total per MCF displayed for Retail LGS is representative of the 25,000 - 49,999 MCF/Yr delivery charge tier only.

3/ The above rates are for non-transitional customers. For transitional customer rates, refer to the corresponding rate schedule found in the Company's retail tariff.

	Base Rate Charges (1)	Rider STAS (2)	Rider MFC (3)	Rider USR (4)	Rider Purchased Gas Costs Capacity (5) AVC Capacity (6)		BB&A (7)	Rider Supplier Choice (8)	Rider DSIC Charge (9)	Rider TCJA (10)	Total Rate (11=SUM 1 to 10)
Rate GS-T Residential		0.00%							0.00%	0.0000%	
Customer Charge	\$ 14.5000							\$ 0.0026	\$ -	\$ -	\$ 14.5026
Capacity			\$ 0.0267		\$ 1.0730	\$ 0.6759					\$ 1.7756
Delivery Charge	\$ 3.9608			\$ 0.2570					\$ -	\$ -	\$ 4.2178
State Tax Surcharge		\$ -									\$ -
Total per MCF											\$ 5.9934
Rate GS-Transportation SGS											
Customer Charge											
0 to 499 MCF/Yr	\$ 20.0000							\$ 0.0026	\$ -	\$ -	\$ 20.0026
500 to 999 MCF/Yr	\$ 40.0000							\$ 0.0026	\$ -	\$ -	\$ 40.0026
1/ Capacity/BB&A					\$ 0.7128	\$ 0.3921					\$ 1.1049
Delivery Charge	\$ 2.7000								\$ -	\$ -	\$ 2.7000
State Tax Surcharge		\$ -									\$ -
Total per MCF											\$ 3.8049
Rate GS-Transportation MGS											
Customer Charge											
1,000 to 2,499 MCF/Yr	\$ 85.0000								\$ -	\$ -	\$ 85.0000
2,500 to 24,999 MCF/Yr	\$ 130.0000								\$ -	\$ -	\$ 130.0000
1/ Capacity/BB&A					\$ 0.3894	\$ 0.3921					\$ 0.7815
Delivery Charge	\$ 2.6914								\$ -	\$ -	\$ 2.6914
State Tax Surcharge		\$ -									\$ -
Total per MCF											\$ 3.4729
Rate GS-Transportation LGS											
Customer Charge											
25,000 to 49,999 MCF/Yr	\$ 575.0000								\$ -	\$ -	\$ 575.0000
50,000 to 99,999 MCF/Yr	\$ 750.0000								\$ -	\$ -	\$ 750.0000
100,000 to 199,999 MCF/Yr	\$ 1,400.0000								\$ -	\$ -	\$ 1,400.0000
Over 200,000 MCF/Yr	\$ 1,600.0000								\$ -	\$ -	\$ 1,600.0000
1/ Capacity/BB&A					\$ 0.2029	\$ 0.0996					\$ 0.3025
Delivery Charge											
25,000 - 49,999 MCF/Yr	\$ 2.6411	\$ -							\$ -	\$ -	\$ 2.6411
50,000 - 99,999 MCF/Yr	\$ 2.5773	\$ -							\$ -	\$ -	\$ 2.5773
100,000 - 199,999 MCF/Yr	\$ 2.5694	\$ -							\$ -	\$ -	\$ 2.5694
200,000 to 749,999 MCF/Yr	\$ 2.4999	\$ -							\$ -	\$ -	\$ 2.4999
750,000 to 1,999,999 MCF/Yr	\$ 2.1327	\$ -							\$ -	\$ -	\$ 2.1327
Over 2,000,000 MCF/Yr	\$ 1.6445	\$ -							\$ -	\$ -	\$ 1.6445
2/ Total per MCF											\$ 2.9436

1/ The Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the BB&A charge.
 2/ The Total per MCF displayed for Transport LGS is representative of the 25,000 - 49,999 MCF/Yr delivery charge tier only.
 3/ The above rates are for non-transitional customers. For transitional customer rates, refer to the corresponding rate schedule found in the Company's retail tariff.

ISSUED: _____

EFFECTIVE: _____

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

- 2) All standby volumes contracted for the month by the customer.

Transportation customers whose nominated daily volume are received in whole by the Company shall not be affected by the provisions in this subparagraph No. 8.

At least six hours prior to the beginning of an "upset day," the utility will provide notice to any one of three persons designated by the customer. After contact is attempted by the Company with the three persons designated by the customer, the Company will be deemed to have satisfied its notice obligations.

- (9) Unless otherwise agreed under paragraph (17) below, the Company will arrange its utilization of available capacity by endeavoring to fairly accommodate, to the extent practicable, the interests of its retail and transportation customers.
- a. Available System Capacity for Transportation Service: Capacity for the transportation of customer-owned gas is available on the Company's system to the same extent as capacity is available for the general system supplies that the Company acquires for its retail customers, except where operational constraints may require otherwise. Those operational constraints can include the safety of persons or property and the displacement of locally produced or purchased retail gas supplies.
 - b. Actual Unavailability of or Restrictions on Capacity: In the event that capacity on the Company's system either is unavailable for the transportation of customer-owned gas or is available but restricted, the Company will provide its transportation customer or the customer's designated representative with a written explanation of why capacity is unavailable or restricted and the steps examined by the Company to alleviate the unavailability or restriction. Where capacity is restricted, the Company will allocate capacity to its transportation customers without regard to the sources of the customers' natural gas supplies.
 - c. Anticipated Unavailability of or Restrictions on Capacity: Whenever the Company anticipates that an extraordinary activity or occurrence will make capacity either unavailable or available but restricted, the Company will provide written notice to Pennsylvania producers, as early as possible, of the specific portions of the Company's system on which capacity may be unavailable or available but restricted and of the length of time that the unavailability or restriction likely will last.
- (10) As soon as practical after the customer learns of any disruption or interruption in its supply of gas, the customer shall notify the Company.
- (11) The measurements at the point of receipt and delivery shall be the responsibility of the Company. All quantities of gas received, transported, and delivered shall be expressed in terms of "Mcf." A customer's gas received by the Company in Btus will be converted to Mcf using the current applicable conversion factor as determined annually in the Company's 1307(f) proceeding.
- (12) The Company shall retain 5.4 percent of the total volume of gas received into its system on behalf of all **(I)** customers as gas used in Company operations and for unaccounted-for gas under Transportation Agreements that have been or are entered into pursuant to this rate, except in the following circumstances, where the Company may exercise its discretion to waive retainage in conjunction with a positive cost/benefit analysis:

(I) Indicates Increase
(D) Indicates Decrease

ISSUED: _____

EFFECTIVE: _____

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

A balancing charge will be assessed against each Mcf of gas transported at \$0.3921 per Mcf for small and (D) medium general service customers and \$0.0996 per Mcf for large general service customers. This rate will be (I) recalculated in each of the Company's annual 1307(f) gas cost proceedings.

The balancing charge will not be assessed if (1) the customer is already paying the standby charge under Rate Schedule GS-SB on the same volumes or (2) if the customer or pool can match its supply and actual consumption on a daily basis in a manner satisfactory to the Company.

- (15) Backup service is available to customers under this rate schedule only under Rate GS-SB, unless the customer qualifies for service under Rate CER or unless otherwise agreed under paragraph (17) below.
- (16) The Company reserves the right, as a condition of service under this rate schedule, to require any customer requesting service under this rate schedule to install and bear the costs of enhanced metering capability. The Company also reserves the right to require installation of such metering capability, at the customer's expense, as a condition of continuation of service under this rate schedule.
- (17) When the customer purchasing service under this rate is using natural gas for generating power or steam for use by third parties, customer and the Company may require a separate (operating) agreement by which the customer and the Company will agree to, among other things, set limits on hourly or daily consumption; require provision of notice of customer's specific plans concerning intent to consume natural gas, the volume that will be used, the time period of which such consumption will occur, and when usage will end; establish criteria for interruption of all or part of customer's planned consumption, whether through transportation or retail service; establish penalties for failure of customer to adhere to agreed-upon usage levels or to interrupt consumption as agreed upon by the parties; agree upon the availability of retail service; and establish and impose any other rules or restrictions necessary to ensure reliable service for all customers.
- (18) The Company will from time to time make pipeline capacity available for release to transportation customers. Each release transaction will be made in accordance with and subject to applicable pipeline tariff requirements and necessary regulatory requirements.

(I) Indicates Increase
(D) Indicates Decrease

ISSUED: _____

EFFECTIVE: _____

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

SURCHARGES

All applicable riders to this tariff.

CURTAILMENT

Service under this rate may be curtailed when gas supply shortages force the Company to invoke emergency curtailment provisions pursuant to Tariff Rule No. 17 because gas supply to Priority-One customers is threatened. Under this circumstance, the transportation customer must agree to sell its gas supply to the Company at either the customer's city gate price or at the Company's average gas cost contained in the prevailing 1307(f) rate applicable to that class of customer, whichever is greater, to be used to supply the needs of Priority-One customers.

LIABILITY

1. The Company shall not be liable for disruption of service under this rate or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate, or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.
2. Gas shall be and remain the property of the customer while transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.
3. The Company shall not be liable for any loss to the customer arising from or out of service under this rate, including loss of gas in the possession of the Company or any other cause, except upon gross negligence or willful misconduct of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with that of other suppliers and customers.
4. The Company will not be liable for disruption along upstream pipelines, or disruption caused by the Company's inability to physically receive the gas.
5. If service furnished pursuant to this rate is disrupted, the Company will notify the customer as soon as it is reasonably practicable. If delivery of volumes is disrupted for any of the above reasons, the Company shall not be liable for delivering said volumes at a later date.

ARRANGEMENT OF INTERSTATE TRANSPORTATION

At the request of a customer, other than an NGDC, the Company will act as its agent for arranging transportation of customer-owned gas by an interstate pipeline(s). The Company will bill the customer the applicable pipeline tariff rate(s) for any interstate transportation billed to the Company in its role as customer's agent for arranging interstate transportation.

ACCESS TO STORAGE SERVICE**(C)**

The Company shall provide Non-Priority One customers and suppliers with access to storage capacity held by the Company on the Allegheny Valley Connector ("AVC") system, an interstate pipeline system subject to the regulation of the FERC, that was previously provided under Rate ST and ST-SW. Non-Priority One customers and suppliers shall have the annual option to accept all or a portion of such access to storage capacity offered by the Company. Unless Company and customer agree otherwise, Company shall not release more than 1/12th of the customer's annual usage. Company's release of such capacity shall, in all respects, be in accordance with the FERC Gas Tariff governing service on the AVC system and the applicable rules and regulations of FERC regarding the release of capacity, including FERC's posting and bidding requirements. The Non-Priority One customer or supplier is responsible for paying the pipeline for the capacity assigned under these provisions, which payments shall include all applicable surcharges for service on the AVC system. The Company shall not reimburse the Non-Priority One customer or supplier for these pipeline capacity charges.

(C) Indicates Change

ISSUED: _____

EFFECTIVE: _____

RATE GS-SB
GENERAL SERVICE - STANDBY

AVAILABILITY

This service is available to transportation service customers served under Rate GS-T and/or customers who need or use the Company as backup service to service from an alternate supplier.

RULES AND DELIVERY TERMS**Priority-One Transportation Customers**

Priority One customers must pay for standby service through a transportation standby charge applicable to all volumes transported under Rate Schedule GS-T. Backup service for Priority-One customers shall be provided pursuant to the applicable retail rate schedules.

Non-Priority-One Transportation Customers

The customer may execute a Standby Contract for a specified monthly volume. The term of the Standby Contract will be a minimum period of not less than one year. Customers that execute a Standby Contract will pay for standby service through a capacity charge applicable to contracted for monthly volumes and through a standby commodity charge applicable to all standby volumes actually purchased under Rate Schedule GS-SB.

Back-up Standby Service

If a customer is using the Company as back-up service to service from an alternative supplier, the Company shall charge the customer the standby service fees set forth in the rate table below. The Company reserves the right to determine when and the level to which a customer is using the Company as a backup supplier. In situations where the alternative supply is from local well production and before the Company provides backup standby service under the terms of this rate schedule, the Company shall have the right to inspect the pipeline and related facilities of the customer and require that the customer install, at its own expense, any necessary equipment to protect the integrity and safe operation of the Company's system.

RATE TABLE**Capacity Charges Applicable under the Rate Schedule:**

RS Capacity Charge per Mcf	\$1.0730 (I)
SGS Capacity Charge per Mcf	\$1.0730 (I)
MGS Capacity Charge per Mcf	\$1.0730 (I)
LGS Capacity Charge per Mcf	\$1.0730 (I)

Standby Charges for Priority One Transportation Customers

For customers that pay the capacity charge, the Company may release pipeline capacity, the terms of which will be pursuant to the capacity-release terms of the Company's Supplier tariff and this rate schedule.

Priority-One customers who take service under this rate schedule, or their agents, must take assignment of a pro-rata or other agreed upon share of the pipeline and storage capacity and Pennsylvania produced gas supplies ("assigned capacity") that would otherwise be utilized by the Company to meet the customer's service requirements. Assigned capacity shall be subject to recall pursuant to the conditions described in the Company's Supplier Tariff, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of this rate schedule. More specific terms with respect to capacity assignment requirements may be set forth in the Company's Supplier Tariff and in its contracts with Priority One NGSSs. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

(C) Indicates Change, (I) Indicates Increase, (D) Indicates Decrease

ISSUED: _____

EFFECTIVE: _____

RATE APPALACHIAN GATHERING SERVICE**AVAILABILITY**

Service under this rate schedule is available to any party desiring to transport gas through the gathering system, as well as to deliver gas directly into the Company's distribution and transmission system, provided that:

(1) a Master Interconnect and Measurement Agreement ("MIMA") has been executed between the Company and the party; and

(2) the party is in compliance the MIMA, the provisions of this Rate Schedule and with all other provisions of this Tariff.

RATES

The gathering rate is \$0.26 per Mcf, plus applicable retainage*.

If a conventional producer adds incremental conventional production to the Peoples' system, that producer's incremental production shall qualify for a reduced Rate AGS fee equal to 50% of the effective monthly Rate AGS fee.

Incremental conventional production is any conventional production that is not connected to the Company's facilities as of June 15, 2019 and shall not include any existing production delivered to Peoples' system and subsequently acquired by the producer from any other producer. Incremental conventional production shall also include increased production volumes from existing conventional wells as a result of well stimulation or similar actions. The level of incremental production volumes from existing wells shall be determined by the Company based on supporting information provided to the Company by the producer.

Gathering of natural gas from unconventional sources, including but not limited to, horizontally drilled Marcellus and Utica shale gas and landfill gas, shall be negotiated and agreed to within the MIMA.

TERM

The terms for gathering service shall be a set forth in the MIMA.

CHARACTER OF SERVICE

The Company's only obligation under this Rate Schedule shall be to receive gas from any gathering receipt point and to permit that gas to flow against the existing pressure in the Company's facilities. Peoples shall not be obligated to lower such line pressure by compression or otherwise to accommodate receipts from local Appalachian producers under this Rate Schedule.

Service under this Rate Schedule shall be subject to Operational Flow Orders pursuant to Item 24 of the Rules and Regulations of this Tariff. Nothing in this Rate Schedule shall limit the Company's right to interrupt service or to take other action as may be required to alleviate conditions, which threaten the integrity of its system.

(C),(I)

* The current applicable retainage rate is 2.3% for all conventional production and is negotiable for unconventional production.

(C) Indicates Change, (I) Indicates Increase, (D) Indicates Decrease.

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RIDER
PURCHASED GAS COST (1307(f) RATES)

COMPUTATION OF PURCHASED GAS COSTS

The purchased gas cost rates for Residential, Commercial, and Industrial Service customers shall be computed to the nearest one-hundredth cent (0.01¢) in accordance with the formula set forth below:

$$\begin{aligned} \text{Demand} &= \frac{\text{DC} - \text{B} - \text{R} - \text{DOU}}{\text{S} + \text{P1AC} + \text{SBC}} && \text{(C)} \\ \text{Commodity} &= \frac{\text{CC}}{\text{S} + \text{SBR}} && \text{(C)} \\ \text{Over/Under Collection} &= \frac{\text{E}}{\text{S} + \text{SBR}} && \text{(C)} \\ \text{AVC Capacity} &= \frac{\text{AVC} - \text{AVCOU}}{\text{S} + \text{P1AC} + \text{NP1}} && \text{(C)} \end{aligned}$$

(For definitions of "DC", "CC", "E", "S", "AVC", "AVCOU", "SBC", "SBR", "NP1", "P1AC", "R", "B", and "DOU" refer to Section below this rider).

The purchased gas cost rates are as follows:

SALES Rate Schedule	Capacity Charge – Demand	Gas Cost Adjustment Charge – (Over)/Under Collection	Natural Gas Supply Charge – Commodity	AVC Capacity Charge 1/
Rate RS	\$1.0730 (I)	(\$0.2061) (D)	\$2.2146 (D)	\$0.6759 (I)
Rate SGS	\$1.0730 (I)	(\$0.2061) (D)	\$2.2146 (D)	\$0.7128 (I)
Rate MGS	\$1.0730 (I)	(\$0.2061) (D)	\$2.2146 (D)	\$0.3894 (D)
Rate LGS	\$1.0730 (I)	(\$0.2061) (D)	\$2.2146 (D)	\$0.2029 (D)

TRANSPORTATION P1 Rate Schedule	Capacity Charge	AVC Capacity Charge 1/
GS-T Residential	\$1.0730 (I)	\$0.6759 (I)
GS-T Commercial SGS	\$1.0730 (I)	\$0.7128 (I)
GS-T Commercial MGS	\$1.0730 (I)	\$0.3894 (D)
GS-T Commercial LGS	\$1.0730 (I)	\$0.2029 (D)

TRANSPORTATION NP1 Rate Schedule	AVC Capacity Charge 1/
GS-T Commercial SGS	\$0.7128 (I)
GS-T Industrial SGS	\$0.7128 (I)
GS-T Commercial MGS	\$0.3894 (D)
GS-T Industrial MGS	\$0.3894 (D)
GS-T Commercial LGS	\$0.2029 (D)
GS-T Industrial LGS	\$0.2029 (D)

1/ The AVC Capacity Charge will be subject to adjustment through the ongoing 1307(f) mechanism as a result of a modernization and compliance tracker for system improvements on the AVC system.

(C) Indicates Change, (I) Indicates Increase, (D) Indicates Decrease

ISSUED: _____

EFFECTIVE: _____

RIDER
MERCHANT FUNCTION CHARGE (MFC)

The Merchant Function Charge (MFC) shall be added to the gas cost charges applicable under rate schedules Rate RS, Rate SGS, Rate MGS, LGS and GS-T. The gas costs charges include the Capacity Charge, Gas Cost Adjustment Charge and Commodity Charge.

The MFC shall be updated quarterly effective with each 1307(f) rate change. The write-off factor used to calculate the quarterly MFC shall only be determined in a base rate case filing.

For residential customers receiving service under Rate RS and Rate GS-T, the MFC shall equal the write-off factor of 2.49% times the gas cost charges as set forth in Peoples' Rider Purchase Gas Cost. The current MFC applicable to Rate RS customers is:

Capacity Charge per Mcf	\$0.0267	(I)
Gas Cost Adjustment Charge per Mcf	\$(0.0051)	(D)
Commodity Charge per Mcf	\$0.0551	(D)
Total MFC per Mcf	\$0.0767	(D)

For Small, Medium, and Large General Service customers receiving service under Rate SGS, MGS, LGS and Rate GS-T, the MFC shall equal the write-off factor of 0.21% times the gas cost charges as set forth in Peoples' Rider Purchase Gas Cost. The current MFC applicable to these customers is:

SGS, MGS, LGS		
Capacity Charge per Mcf	\$0.0023	(I)
Gas Cost Adjustment Charge per Mcf	\$(0.0004)	(D)
Commodity Charge per Mcf	\$0.0047	(D)
Total MFC per Mcf	\$0.0066	(D)

(I) Indicates Increase
(D) Indicates Decrease

ISSUED: _____

EFFECTIVE: _____