

**PLAIN LANGUAGE - STATEMENT OF REASONS**

**PEOPLES NATURAL GAS COMPANY LLC**  
**2026 Base Rate Case**  
**Docket No. R-2026-3060855**

**PLAIN LANGUAGE STATEMENT OF REASONS**

Peoples Natural Gas Company LLC (“Peoples” or “Company”) has asked the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) to increase its annual jurisdictional revenues by approximately \$163.2 million, or by 13.8%. The percentage rate increase will vary by rate class. The main reasons for this proceeding are:

- Peoples continues to invest in replacing its aging infrastructure. Upgrading and modernizing the distribution system facilitates the provision of safe and reliable service to customers.
- Without substantial rate relief, the Company will not be able to earn a fair return on its investment used to serve the public and, if not addressed, this could adversely affect the integrity of its financial ratings and its ability to provide safe and reliable service to its customers.
- Peoples is proposing to increase the fixed monthly customer charges for the residential, certain commercial and large industrial classes.

The Company designed the proposed rates for each customer class to recover its total required revenue. In allocating the revenue increase to the residential and non-residential customer classes, Peoples was guided by detailed studies of each rate class’s cost of service. The Company also considered and balanced other principles of rate design consistent with the Commission’s approach to ratemaking.

Peoples is also proposing to continue its successful Weather Normalization Adjustment Program.

Along with its rate increase, Peoples has filed all supporting data required by the

Commission's regulations, as well as the written statements of 17 witnesses and numerous exhibits prepared by those witnesses. The data, testimony, and exhibits submitted by the Company comply with the Commission's filing requirements. The proposed distribution revenue increase is the minimum increase necessary for Peoples to continue providing safe and reliable service to the public within its service territory.