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March 1, 2023

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Docket No. R-2023-3037928**  
**Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC (1307(f)-2023 Proceeding)**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("Commission"), on behalf of Peoples Natural Gas Company LLC ("Peoples Natural Gas") – Peoples Natural Gas Division ("PNGD") and Peoples Gas Division ("PGD"), are the following materials:

1. The materials that the Commission's regulations at 52 Pa. Code Sections 53.64(c) and 53.65 require to be filed thirty (30) days before the filing of a tariff under 66 Pa. C.S. section 1307(f);
2. The reconciliation statement that the Commission's regulation at 52 Pa. Code Section 53.64(i) requires to be filed at the same time; and
3. In the 2022 1307(f) proceedings at Docket Nos. R-2022-3030661 & R-2022-3030664, Peoples Natural Gas agreed to investigate modifications to its Gas Cost Procurement Strategy, specifically including hedging, that could further mitigate future potential rate volatility. Further, the Company committed to provide an assessment as part of its 2023 PGC pre-filing. The attached document serves as the said assessment.

Peoples Natural Gas & Peoples Gas Company LLC ("Peoples Gas") (collectively, the "Company" or "Peoples") filed an application on December 1, 2021 to merge Peoples Gas into Peoples Natural Gas at Docket Nos. A-2021-3029831 and A-2021-3029833. That application was approved by the Pennsylvania Public Utility Commission ("PUC") by order entered August 25, 2022. Effective October 1, 2022, the PGC ("Purchased Gas Cost") rates of Peoples Natural Gas and Peoples Gas were merged. As a result, with the exception of the Allegheny Valley Connector ("AVC") capacity charge, Peoples charges the same PGC rate components, balancing charges and retainage rates to their respective customers. In addition to the merger of the PGC rates, Peoples combined the Merchant Function Charges ("MFC") and the Gas Procurement Charges ("GPC") in order to have a single consolidated Price-to-Compare ("PTC"), also effective October 1, 2022.

The legal merger of Peoples Natural Gas and Peoples Gas was effectuated January 1, 2023. As such, Peoples Natural Gas became Peoples Natural Gas Company LLC – PNGD and Peoples Gas became Peoples Natural Gas Company LLC – PGD. When referring to both divisions herein, they may be referred to as the Peoples Divisions, Peoples Natural Gas or Peoples.

Peoples Natural Gas will be represented in this proceeding by the following counsel:

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All service on and communication in this proceeding should be addressed to the above-referenced counsel. Further, Peoples Natural Gas requests that copies of all documents served upon the Company in this proceeding also be served on Andrew Wachter via email at [Andrew.Wachter@peoples-gas.com](mailto:Andrew.Wachter@peoples-gas.com) and/or via first class mail using the following address: Peoples Natural Gas Company LLC, 375 North Shore Drive, Pittsburgh, PA 15212-5866.

Copies of this filing will be provided as indicated on the enclosed Certificate of Service. Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,



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Meagan Moore

Enclosures

cc: Bureau of Investigation and Enforcement  
Office of Consumer Advocate  
Office of Small Business Advocate  
PIOGA

## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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Date: March 1, 2023

  
\_\_\_\_\_  
Meagan Moore

Counsel for Peoples Natural Gas  
Company LLC

**Peoples Natural Gas Company LLC**  
**Peoples Natural Gas Division and Peoples Gas Division**  
**Docket No. R-2023-3037928**

1307(f)-2023 Annual Gas Cost Pre-Filing

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**Peoples Natural Gas Company LLC  
Peoples Natural Gas Division and Peoples Gas Division  
Docket No. R-2023-3037928  
1307(f) - 2023**

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Section 53.64(c)(1):

A complete list in schedule format of each spot and each long term source of gas supply, production, transportation and storage, used in the past 12 months, which 12-month period shall end 2 months prior to the date of the tariff filing, separately setting forth on a monthly basis the quantity and price of gas delivered, produced, transported or stored, maximum daily quantity levels, maximum annual quantity levels, a detailed description of warrantee or penalty provisions, including liquidated damages, take or pay provisions or minimum bill or take provisions of the purchases, balancing provisions and copies of Federal tariffs and contract provisions relating to the purchases—including demand and commodity components. With regard to each contemplated future source of supply, production, transportation or storage, during each of the next 20 months for each source, provide the name of the source, the maximum daily quantity, the maximum annual quantity, the minimum take levels, a detailed description of warrantee or penalty provisions, including liquidated damages, take or pay provisions or minimum bill or take provisions of the purchases, balancing provisions and contractual or tariffed terms of the purchases, copies of applicable Federal tariffs, the expiration date of each contract, the date when each contract was most recently negotiated and the details of the negotiation—such as meeting held, offers made, and changes in contractual obligation—and whether current proceedings, negotiations or renegotiations are pending before the Federal Energy Regulatory Commission, and the like, to modify the price, quantity or another condition of purchase, and if so, the details of the proceedings, negotiations or renegotiations. Gas supply sources which individually represent less than 3% of the total system supply may be shown collectively, such as other local gas purchases.

\* \* \* \* \*

Peoples Natural Gas Company LLC (“Peoples Natural Gas”) & Peoples Gas Company LLC (“Peoples Gas”) (the “Peoples Divisions”) filed an application on December 1, 2021 to merge Peoples Gas into Peoples Natural Gas at Docket Nos. A-2021-3029831 and A-2021-3029833. That application was approved by the Pennsylvania Public Utility Commission (“PUC”) by order entered August 25, 2022. Effective October 1, 2022, the PGC (“Purchased Gas Cost”) rates of Peoples Natural Gas and Peoples Gas were merged. As a result, with the exception of the Allegheny Valley Connector (“AVC”) capacity charge, the Peoples Divisions charge the same PGC rate components, balancing charges and retainage rates to their respective customers. In addition to the merger of the PGC rates, the Peoples Divisions combined the Merchant Function Charges (“MFC”) and the Gas Procurement Charges (“GPC”) in order to have a single consolidated Price-to-Compare (“PTC”), also effective October 1, 2022.

Effective January 1, 2023 the legal entities were merged. As such, Peoples Natural Gas Company became Peoples Natural Gas Company LLC – Peoples Natural Gas Division (“PNGD” or “Peoples Natural Gas Division”) and Peoples Gas Company became Peoples Natural Gas Company LLC – Peoples Gas Division (“PGD” or “Peoples Gas Division”). When referring to

both divisions herein, they may be referred to as the Peoples Divisions, Peoples Natural Gas or Peoples.

Actual Purchased Gas Costs for the Peoples Natural Gas Division and Peoples Gas Division for 12 months ended January 31, 2023 (pages 3 & 4)

Combined 20 Month Projection of Purchased Gas Costs for February 1, 2023 through September 30, 2024  
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Description of warrantee or penalty provisions of the purchases (pages 25 - 29)

Pipeline rate tariff sheets (page 30)

Details of contract negotiations (pages 31 - 42)

Summary of Pipeline Contracts (page 43)

Peoples Natural Gas Company LLC - Peoples Natural Gas Division

Actual Purchased Gas Costs

1307(f)-2023

	2022 February ACTUAL	2022 March ACTUAL	2022 April ACTUAL	2022 May ACTUAL	2022 June ACTUAL	2022 July ACTUAL	2022 August ACTUAL	2022 September ACTUAL	2022 October ACTUAL	2022 November ACTUAL	2022 December ACTUAL	2023 January EST	12-Mth Total
<b>Local / Gathered Purchases</b>													
Quantity - Mcf	441,456	344,007	733,558	517,582	520,172	454,100	478,486	465,617	318,935	313,205	295,294	309,000	5,191,412
Rate per Mcf	\$5.6311	\$3.9630	\$4.3707	\$6.3140	\$7.8296	\$5.7284	\$7.5617	\$5.9349	\$4.5976	\$3.8143	\$5.7772	\$3.7443	\$5.5674
Cost	\$2,485,883	\$1,363,302	\$3,206,160	\$3,268,012	\$4,072,755	\$2,601,258	\$3,618,185	\$2,763,398	\$1,466,340	\$1,194,646	\$1,705,966	\$1,157,000	\$ 28,902,904
<b>Interstate Pipeline Purchases</b>													
Quantity - Mcf	4,329,956	2,745,388	5,213,442	4,184,211	3,847,509	3,639,760	4,166,208	4,461,676	6,159,153	4,552,561	6,716,876	3,020,677	53,037,417
Rate per Mcf	\$4.4993	\$4.5842	\$5.1006	\$6.9800	\$8.0605	\$6.1928	\$8.2444	\$8.1051	\$4.7896	\$4.7655	\$5.1850	\$3.3804	\$5.8103
Cost	\$19,481,578	\$12,585,434	\$26,591,628	\$29,205,648	\$31,012,972	\$22,540,357	\$34,347,859	\$36,162,215	\$29,500,021	\$21,695,017	\$34,826,972	\$10,211,215	\$ 308,160,917
<b>Total Commodity Purchases</b>													
Quantity - Mcf	4,771,412	3,089,395	5,947,000	4,701,793	4,367,681	4,093,860	4,644,694	4,927,293	6,478,088	4,865,766	7,012,170	3,329,677	58,228,829
Rate per Mcf	\$4.6040	\$4.5150	\$5.0106	\$6.9067	\$8.0330	\$6.1413	\$8.1741	\$7.9000	\$4.7802	\$4.7042	\$5.2099	\$3.4142	\$5.7886
Cost	\$21,967,461	\$13,948,736	\$29,797,788	\$32,473,659	\$35,085,727	\$25,141,616	\$37,966,044	\$38,925,613	\$30,966,361	\$22,889,663	\$36,532,938	\$11,368,215	\$ 337,063,820
<b>Storage (Injection)/Withdrawals - WACCOG</b>													
Quantity - Mcf	4,186,892	3,188,664	(618,337)	(2,889,350)	(3,300,943)	(3,049,053)	(3,438,235)	(3,121,233)	(2,440,781)	1,466,216	2,567,850	4,464,678	(2,983,632)
WACCOG Rate per Mcf	\$2.8325	\$2.8325	\$5.1007	\$7.0778	\$8.2061	\$6.4530	\$8.3134	\$8.0762	\$4.8208	\$5.9877	\$6.1509	\$6.1509	
Cost	\$11,859,370	\$9,031,894	(\$3,153,963)	(\$20,450,217)	(\$27,087,763)	(\$19,675,680)	(\$28,583,266)	(\$25,207,785)	(\$11,766,512)	\$8,779,275	\$15,794,589	\$27,461,788	\$ (62,998,271)
Injection/Withdrawal Costs	\$36,215	\$21,798	\$19,645	\$37,963	\$46,072	\$38,420	\$42,860	\$32,677	\$30,037	\$24,868	\$45,032	\$52,035	\$ 427,622
Pipeline Transportation Charges	\$539,809	\$399,018	\$609,475	\$413,489	\$453,695	\$355,333	\$451,146	\$392,598	\$657,166	\$397,558	\$642,544	\$1,665,250	\$ 6,977,081
<b>Other Purchased Gas Costs</b>													
Other Gas Costs - Mcf	142,262	96,542	181,142	179,797	(78,707)	365,662	(159,993)	24,337	11,243	375,400	(102,073)	473	1,036,085
Gas Admin Costs	\$11,277	\$11,277	\$11,277	\$11,277	\$11,277	\$11,277	\$11,277	\$11,420	\$10,358	\$12,783	\$11,570	\$0	\$ 125,072
Imbalance Buyback Costs	\$274,200	\$447,437	\$357,738	\$43,253	\$404,515	\$2,046,136	\$414,117	\$40,010	\$3,661	\$77,749	\$1,046,123	\$1,130	\$ 5,156,069
Exchange Costs	\$631,876	\$13,482	\$626,614	\$1,502,184	(\$1,285,539)	\$1,291,703	(\$1,805,776)	\$57,559	\$24,929	\$2,190,824	(\$2,049,704)	\$0	\$ 1,198,152
Compressed Natural Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,454	\$0	\$0	\$0	\$ 2,454
Subtotal	\$917,353	\$472,196	\$995,629	\$1,556,715	(\$869,746)	\$3,349,117	(\$1,380,382)	\$108,989	\$41,401	\$2,281,356	(\$992,010)	\$1,130	\$ 6,481,748
<b>Capacity Costs - Firm Transportation</b>	\$7,385,842	\$7,606,500	\$3,373,458	\$3,354,356	\$3,339,145	\$3,356,354	\$3,356,208	\$3,360,988	\$3,376,279	\$7,457,681	\$7,423,425	\$7,237,218	\$ 60,627,452
<b>Capacity Costs - Firm Storage</b>	\$1,233,812	\$1,233,812	\$1,368,644	\$1,368,644	\$1,368,644	\$1,368,644	\$1,368,644	\$1,368,644	\$1,368,644	\$1,369,421	\$1,369,421	\$1,318,253	\$ 16,105,229
<b>AVC Capacity Costs</b>	<u>\$6,385,822</u>	<u>\$6,563,906</u>	<u>\$2,913,656</u>	<u>\$2,913,656</u>	<u>\$2,913,656</u>	<u>\$2,913,656</u>	<u>\$2,913,656</u>	<u>\$2,913,656</u>	<u>\$2,913,656</u>	<u>\$6,563,906</u>	<u>\$6,563,906</u>	<u>\$6,563,906</u>	<u>\$ 53,037,039</u>
	\$15,005,476	\$15,404,218	\$7,655,758	\$7,636,657	\$7,621,445	\$7,638,654	\$7,638,508	\$7,643,288	\$7,658,579	\$15,391,009	\$15,356,752	\$15,119,377	\$ 129,769,721
<b>Total 1307(f) Gas Costs</b>													
	<u>\$ 50,325,683</u>	<u>\$ 39,277,859</u>	<u>\$ 35,924,332</u>	<u>\$ 21,668,265</u>	<u>\$ 15,249,431</u>	<u>\$ 16,847,460</u>	<u>\$ 16,134,910</u>	<u>\$ 21,895,378</u>	<u>\$ 27,587,032</u>	<u>\$ 49,763,729</u>	<u>\$ 67,379,846</u>	<u>\$ 55,667,794</u>	<u>\$ 417,721,720</u>
Total - w/o AVC	\$ 43,939,861	\$ 32,713,953	\$ 33,010,676	\$ 18,754,609	\$ 12,335,775	\$ 13,933,804	\$ 13,221,254	\$ 18,981,722	\$24,673,376	\$43,199,823	\$60,815,940	\$49,103,888	\$ 364,684,681
Capacity	\$ 8,619,654	\$ 8,840,312	\$ 4,742,102	\$ 4,723,001	\$ 4,707,789	\$ 4,724,998	\$ 4,724,852	\$ 4,729,632	\$4,744,923	\$8,827,103	\$8,792,846	\$8,555,471	\$ 76,732,682
Commodity	\$ 35,320,208	\$ 23,873,641	\$ 28,268,574	\$ 14,031,609	\$ 7,627,986	\$ 9,208,806	\$ 8,496,402	\$ 14,252,090	\$19,928,453	\$34,372,720	\$52,023,094	\$40,548,417	\$ 287,952,000
1307(f) Mcf	9,100,566	6,374,601	5,509,805	1,992,240	988,031	1,410,469	1,046,466	1,830,397	4,048,550	6,707,382	9,477,947	7,794,828	56,281,282

## Peoples Natural Gas Company LLC - Peoples Gas Division

## Actual Purchased Gas Costs

## 1307(f)-2023

	2022 February ACTUAL	2022 March ACTUAL	2022 April ACTUAL	2022 May ACTUAL	2022 June ACTUAL	2022 July ACTUAL	2022 August ACTUAL	2022 September ACTUAL	2022 October ACTUAL	2022 November ACTUAL	2022 December ACTUAL	2023 January EST	TOTAL
<b>Local PA Purchases</b>													
Quantity - Mcf	181,006	228,740	214,238	193,266	237,240	277,765	304,378	311,932	299,948	270,723	179,010	250,000	2,948,246
Rate per Mcf	\$5.3931	\$3.9213	\$4.6055	\$6.4563	\$8.0312	\$5.8153	\$7.8767	\$8.1042	\$4.9511	\$4.0205	\$6.0793	\$3.7440	\$5.8175
Cost	\$976,175	\$896,949	\$986,683	\$1,247,788	\$1,905,318	\$1,615,292	\$2,397,496	\$2,527,949	\$1,485,083	\$1,088,444	\$1,088,255	\$936,000	\$ 17,151,432
<b>Interstate Pipeline Purchases</b>													
Quantity - Mcf	9,652	0	541,002	629,399	571,930	658,499	866,751	703,297	820,799	0	19,361	0	4,820,690
Rate per Mcf	\$5.5209	\$0.0000	\$6.4970	\$7.5285	\$7.1246	\$6.5957	\$8.3349	\$6.7797	\$4.7521	\$0.0000	\$6.3426	\$0.0000	\$6.7916
Cost	\$53,288	\$0	\$3,514,915	\$4,738,416	\$4,074,771	\$4,343,286	\$7,224,243	\$4,768,177	\$3,900,529	\$0	\$122,800	\$0	\$ 32,740,425
<b>Total Commodity Purchases</b>													
Quantity - Mcf	190,658	228,740	755,240	822,665	809,170	936,264	1,171,129	1,015,229	1,120,747	270,723	198,371	250,000	7,768,936
Rate per Mcf	\$5.3995	\$3.9213	\$5.9605	\$7.2766	\$7.3904	\$6.3642	\$8.2158	\$7.1867	\$4.8054	\$4.0205	\$6.1050	\$3.7440	\$6.4220
Cost	\$1,029,463	\$896,949	\$4,501,598	\$5,986,204	\$5,980,089	\$5,958,578	\$9,621,739	\$7,296,126	\$5,385,612	\$1,088,444	\$1,211,055	\$936,000	\$ 49,891,857
<b>Storage (Injection)/Withdrawals</b>													
Quantity - Mcf	912,131	569,830	(68,114)	(461,374)	(571,128)	(814,147)	(787,313)	(684,356)	(461,295)	680,731	1,168,521	815,044	298,530
WACCOG Rate per Mcf	\$2.8745	\$2.8745	\$5.6499	\$6.8208	\$8.0273	\$6.0022	\$8.2233	\$7.8051	\$4.8913	\$6.1922	\$6.1922	\$6.1922	
Cost	\$2,621,921	\$1,637,976	(\$384,836)	(\$3,146,956)	(\$4,584,607)	(\$4,886,639)	(\$6,474,309)	(\$5,341,455)	(\$2,256,323)	\$4,215,208	\$7,235,716	\$5,046,915	\$ (6,317,388)
Injection/Withdrawal Costs	\$15,555	\$8,215	\$9,581	\$15,579	\$16,564	\$21,134	\$21,019	\$18,124	\$11,569	\$14,290	\$23,615	\$16,239	\$ 191,485
Pipeline Transportation Charges	\$109,129	\$107,702	\$149,873	\$152,489	\$162,260	\$176,289	\$181,158	\$171,946	\$186,245	\$177,551	\$197,694	\$173,821	\$ 1,946,157
<b>Other Purchased Gas Costs</b>													
Other Purchased Gas Costs - Mcf	150,515	(8,686)	(140,226)	(28,286)	49,983	44,912	60,653	(276)	98,413	(81,015)	122,350	0	268,337
Gas Administrative Costs	\$1,724	\$1,724	\$1,724	\$1,724	\$1,724	\$1,724	\$1,724	\$1,716	\$1,512	\$1,887	\$1,700	\$0	\$ 18,884
Imbalance Buyback Costs	\$18,949	\$30,416	\$19,187	\$1,946	\$1,094	\$244	\$147	\$261	\$25,362	\$9	\$42	\$0	\$ 97,656
Exchange Costs	<u>\$1,167,214</u>	<u>(\$165,595)</u>	<u>(\$1,287,563)</u>	<u>(\$729,909)</u>	<u>\$1,080,078</u>	<u>(\$251,649)</u>	<u>\$465,939</u>	<u>\$627,561</u>	<u>\$522,909</u>	<u>(\$680,345)</u>	<u>\$852,356</u>	<u>\$0</u>	<u>\$ 1,600,996</u>
Subtotal	\$1,187,887	(\$133,455)	(\$1,266,651)	(\$726,240)	\$1,082,897	(\$249,681)	\$467,810	\$629,537	\$549,783	(\$678,449)	\$854,098	\$0	\$ 1,717,536
<b>Capacity Costs - Firm Transportation</b>	\$126,609	\$20,261	\$134,608	\$148,814	\$134,780	\$134,668	\$132,116	\$131,226	\$132,120	\$134,950	\$141,827	\$136,939	\$ 1,508,916
<b>Capacity Costs - Firm Storage</b>	\$342,407	\$63,901	\$303,502	\$303,502	\$303,502	\$303,502	\$303,502	\$303,502	\$303,502	\$303,186	\$303,186	\$303,186	\$ 3,440,380
<b>Capacity Costs - Firm Storage Transportation</b>	<u>\$247,810</u>	<u>(\$9,400)</u>	<u>\$79,749</u>	<u>\$79,792</u>	<u>\$74,477</u>	<u>\$79,792</u>	<u>\$79,792</u>	<u>\$79,791</u>	<u>\$89,526</u>	<u>\$147,893</u>	<u>\$147,893</u>	<u>\$147,893</u>	<u>\$ 1,245,009</u>
	\$716,826	\$74,762	\$517,859	\$532,108	\$512,760	\$517,962	\$515,410	\$514,519	\$525,148	\$586,029	\$592,906	\$588,018	\$ 6,194,305
<b>Total 1307(f) Gas Costs</b>	<b>\$ 5,680,780</b>	<b>\$ 2,592,150</b>	<b>\$ 3,527,425</b>	<b>\$ 2,813,185</b>	<b>\$ 3,169,962</b>	<b>\$ 1,537,643</b>	<b>\$ 4,332,827</b>	<b>\$ 3,288,797</b>	<b>\$ 4,402,034</b>	<b>\$ 5,403,074</b>	<b>\$ 10,115,083</b>	<b>\$ 6,760,993</b>	<b>\$ 53,623,951</b>
Commodity	\$ 4,963,954	\$ 2,517,388	\$ 3,009,565	\$ 2,281,077	\$ 2,657,203	\$ 1,019,681	\$ 3,817,417	\$ 2,774,278	\$ 3,876,886	\$ 4,817,045	\$ 9,522,177	\$ 6,172,975	\$ 47,429,646
Capacity	\$ 716,826	\$ 74,762	\$ 517,859	\$ 532,108	\$ 512,760	\$ 517,962	\$ 515,410	\$ 514,519	\$ 525,148	\$ 586,029	\$ 592,906	\$ 588,018	\$ 6,194,305
<b>Total 1307(f) Purchases</b>	1,253,304	789,884	546,900	333,005	288,025	167,029	444,469	330,597	757,865	870,439	1,489,242	1,065,044	8,335,803



Peoples Natural Gas Company - Peoples Natural Gas and Peoples Gas Divisions  
Annual 1307(f)-2023  
Interim Period Projected Gas Costs - COMBINED  
**SUMMARY**

	2023 <u>February</u>	2023 <u>March</u>	2023 <u>April</u>	2023 <u>May</u>	2023 <u>June</u>	2023 <u>July</u>	2023 <u>August</u>	2023 <u>September</u>	
<b><u>Local / Gathered Purchases</u></b>									
Quantity - Mcf	543,308	542,519	541,730	540,940	540,151	539,361	538,574	537,784	
Rate per Mcf	\$2.5096	\$1.8957	\$1.9837	\$2.0221	\$2.1951	\$2.3484	\$2.3387	\$1.9685	
Cost	\$1,363,482	\$1,028,428	\$1,074,623	\$1,093,837	\$1,185,687	\$1,266,657	\$1,259,567	\$1,058,621	
<b><u>Interstate Pipeline Purchases</u></b>									
Quantity - Mcf	5,606,479	3,564,125	5,705,096	4,893,119	4,335,558	4,146,294	4,114,619	4,091,767	
Rate per Mcf	\$2.7936	\$2.0706	\$2.1391	\$2.1719	\$2.3478	\$2.5222	\$2.5319	\$2.1217	
Cost	\$15,662,326	\$7,379,954	\$12,203,692	\$10,627,459	\$10,178,948	\$10,457,932	\$10,417,748	\$8,681,480	
<b><u>Total Commodity Purchases</u></b>									
Quantity - Mcf	6,149,787	4,106,645	6,246,826	5,434,059	4,875,709	4,685,655	4,653,192	4,629,551	
Rate per Mcf	\$2.7685	\$2.0475	\$2.1256	\$2.1570	\$2.3309	\$2.5022	\$2.5095	\$2.1039	
Cost	\$17,025,808	\$8,408,382	\$13,278,315	\$11,721,296	\$11,364,635	\$11,724,589	\$11,677,315	\$9,740,100	
<b><u>Storage (Injection)/Withdrawals</u></b>									
Quantity - Mcf	4,606,000	3,974,000	(1,995,000)	(3,067,000)	(3,497,000)	(3,513,000)	(3,485,000)	(3,266,500)	
WACCOG Rate per Mcf	\$6.1584	\$6.1584	\$2.1470	\$2.1912	\$2.3745	\$2.5501	\$2.5569	\$2.1435	
Cost	\$28,365,590	\$24,473,482	(\$4,283,243)	(\$6,720,315)	(\$8,303,715)	(\$8,958,593)	(\$8,910,719)	(\$7,001,840)	
Injection/Withdrawal Costs	\$56,804	\$38,837	\$120,898	\$172,990	\$200,204	\$211,767	\$207,675	\$170,825	
<b><u>Other Purchased Gas Costs</u></b>									
Other Gas Costs - Mcf	0	0	0	0	0	0	0	0	
Risk Mgmt / Gas Admin Costs	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	
Imbalance Buyback Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Exchange Costs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
Subtotal	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	
Capacity Costs - Firm Transportation	\$6,230,848	\$6,449,081	\$2,581,611	\$2,581,611	\$2,581,611	\$2,581,611	\$2,581,611	\$2,581,611	
Capacity Costs - Firm Storage	\$2,900,081	\$2,900,081	\$2,304,436	\$2,304,436	\$2,304,436	\$2,304,436	\$2,304,436	\$2,314,167	
AVC Capacity Costs	<u>\$6,563,906</u>	<u>\$6,591,566</u>	<u>\$2,941,316</u>	<u>\$2,941,316</u>	<u>\$2,941,316</u>	<u>\$2,941,316</u>	<u>\$2,941,316</u>	<u>\$2,941,316</u>	
	\$15,694,836	\$15,940,729	\$7,827,362	\$7,827,362	\$7,827,362	\$7,827,362	\$7,827,362	\$7,837,093	
<b><u>Total 1307(f) Gas Costs</u></b>	<b><u>\$ 61,155,693</u></b>	<b><u>\$ 48,874,084</u></b>	<b><u>\$ 16,955,986</u></b>	<b><u>\$ 13,013,988</u></b>	<b><u>\$ 11,101,142</u></b>	<b><u>\$ 10,817,780</u></b>	<b><u>\$ 10,814,288</u></b>	<b><u>\$ 10,758,833</u></b>	<b><u>\$ 183,491,794</u></b>
Total - no AVC	\$54,591,786	\$42,282,518	\$14,014,670	\$10,072,672	\$8,159,826	\$7,876,464	\$7,872,972	\$7,817,517	\$152,688,425
Commodity	\$45,460,857	\$32,933,355	\$9,128,624	\$5,186,625	\$3,273,779	\$2,990,418	\$2,986,925	\$2,921,740	\$104,882,325
Capacity (excludes AVC)	\$9,130,929	\$9,349,163	\$4,886,046	\$4,886,046	\$4,886,046	\$4,886,046	\$4,886,046	\$4,895,777	\$47,806,101
1307(f) Mcf	10,755,787	8,080,645	4,251,826	2,367,059	1,378,709	1,172,655	1,168,192	1,363,051	

Peoples Natural Gas Company - Peoples Natural Gas and Peoples Gas Divisions

Annual 1307(f)-2023

Interim Period Projected Gas Costs - COMBINED

**Local Purchases**

	2023	2023	2023	2023	2023	2023	2023	2023	
	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
<b><u>Local / Gathered Purchases</u></b>									
Quantity - Mcf	543,308	542,519	541,730	540,940	540,151	539,361	538,574	537,784	4,324,367
Rate per Mcf	\$ 2.510	\$ 1.896	\$ 1.984	\$ 2.022	\$ 2.195	\$ 2.348	\$ 2.339	\$ 1.968	\$ 2.158
Cost	\$ 1,363,482	\$ 1,028,428	\$ 1,074,623	\$ 1,093,837	\$ 1,185,687	\$ 1,266,657	\$ 1,259,567	\$ 1,058,621	\$ 9,330,901

Peoples Natural Gas Company - Peoples Natural Gas and Peoples Gas Divisions

Annual 1307(f)-2023

Interim Period Projected Gas Costs - COMBINED

**Interstate Pipeline Purchases**

	2023 <u>February</u>	2023 <u>March</u>	2023 <u>April</u>	2023 <u>May</u>	2023 <u>June</u>	2023 <u>July</u>	2023 <u>August</u>	2023 <u>September</u>	<u>TOTAL</u>
<b><u>City-Gate Mcf</u></b>									
EQT - NAESB	5,068,579	3,194,525	5,249,596	4,300,619	3,616,558	3,420,194	3,401,519	3,433,267	31,684,857
EGT&S SP	0	0	145,000	381,000	407,000	407,000	397,000	352,000	2,089,000
Tennessee Gas Pipeline	281,600	155,000	30,000	15,500	15,000	15,500	15,500	15,000	543,100
Texas Eastern Transmission	165,000	130,000	120,000	6,000	90,000	90,000	90,000	90,000	781,000
National Fuel Gas Supply	14,500	0	102,000	155,000	168,000	173,600	173,600	168,000	954,700
Columbia Gas Transmission	20,800	24,600	13,500	15,000	19,000	20,000	17,000	13,500	143,400
Tennessee into Columbia	<u>56,000</u>	<u>60,000</u>	<u>45,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>261,000</u>
<b>TOTAL MCF</b>	5,606,479	3,564,125	5,705,096	4,893,119	4,335,558	4,146,294	4,114,619	4,091,767	36,457,057

**Interstate Pricing**

EQT - NAESB	\$2.6811	\$2.0208	\$2.1389	\$2.1800	\$2.3593	\$2.5261	\$2.5397	\$2.1301
EGT&S SP	\$2.6025	\$1.9415	\$2.0361	\$2.0774	\$2.2635	\$2.4285	\$2.4179	\$2.0192
Tennessee Gas Pipeline	\$2.9536	\$2.2620	\$2.1731	\$2.4242	\$2.6047	\$2.7955	\$2.8319	\$2.3618
Texas Eastern Transmission	\$5.7616	\$2.3816	\$2.1939	\$2.1486	\$2.3759	\$2.8969	\$2.8735	\$2.0810
National Fuel Gas Supply	\$2.5946	\$1.9370	\$2.0312	\$2.0722	\$2.2574	\$2.4215	\$2.4110	\$2.0144
Columbia Gas Transmission	\$2.6407	\$1.9998	\$2.1370	\$2.2657	\$2.4601	\$2.6307	\$2.6254	\$2.3663
Tennessee into Columbia	\$2.9536	\$2.2620	\$2.1731	\$2.4242	\$2.6047	\$2.7955	\$2.8319	\$2.3618

**Interstate Purchase Cost**

EQT - NAESB	\$13,589,125	\$6,455,489	\$11,228,410	\$9,375,345	\$8,532,475	\$8,639,678	\$8,638,742	\$7,313,063	\$73,772,327
EGT&S SP	0	0	295,239	791,480	921,255	988,408	959,924	710,760	4,667,066
Tennessee Gas Pipeline	831,734	350,610	65,192	37,576	39,070	43,331	43,895	35,428	1,446,835
Texas Eastern Transmission	950,664	309,608	263,266	12,892	213,829	260,723	258,617	187,294	2,456,892
National Fuel Gas Supply	37,622	0	207,182	321,195	379,243	420,377	418,550	338,413	2,122,581
Columbia Gas Transmission	54,927	49,195	28,849	33,985	46,742	52,613	44,631	31,946	342,888
EQT NOFT Delivery Costs	32,852	79,332	17,766	6,500	(5,759)	(3,107)	(3,249)	17,340	141,675
Tennessee into Columbia	<u>165,402</u>	<u>135,720</u>	<u>97,789</u>	<u>48,485</u>	<u>52,094</u>	<u>55,910</u>	<u>56,638</u>	<u>47,237</u>	<u>659,274</u>
<b>TOTAL COST</b>	\$15,662,326	\$7,379,954	\$12,203,692	\$10,627,459	\$10,178,948	\$10,457,932	\$10,417,748	\$8,681,480	\$85,609,539

Peoples Natural Gas Company  
Annual 1307(f)-2023  
Interim Period Projected Gas Costs - COMBINED  
**WACCOG Storage Inventory Pricing**

	2023 <u>February</u>	2023 <u>March</u>	2023 <u>April</u>	2023 <u>May</u>	2023 <u>June</u>	2023 <u>July</u>	2023 <u>August</u>	2023 <u>September</u>	<u>Total</u>
<b><u>WACCOG Storage Inventory Pricing</u></b>									
(Injection)/Withdrawal Mcf									
60SS/115SS - 863/865	1,820,000	1,750,000	(1,200,000)	(1,210,000)	(1,410,000)	(1,410,000)	(1,410,000)	(1,325,000)	(4,395,000)
EGT&S GSS - 300196	450,000	135,000	(275,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(1,190,000)
EQT AVC GSS	840,000	930,000	(225,000)	(395,000)	(395,000)	(395,000)	(375,000)	(375,000)	(390,000)
EGT&S GSS - PNG	462,000	355,000	(125,000)	(315,000)	(315,000)	(315,000)	(315,000)	(300,000)	(868,000)
NFGS ESS	130,000	110,000	(40,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(300,000)
On-System - PNG	300,000	248,000	125,000	(200,000)	(240,000)	(240,000)	(240,000)	(240,000)	(487,000)
Columbia Gas - PG	15,000	12,000	(5,000)	(13,000)	(17,000)	(18,000)	(15,000)	(11,500)	(52,500)
EGT&S - PG	54,000	44,000	-	(74,000)	(85,000)	(85,000)	(80,000)	(70,000)	(296,000)
EQT - PG	420,000	300,000	(270,000)	(460,000)	(540,000)	(540,000)	(540,000)	(450,000)	(2,080,000)
On-System - PG	115,000	90,000	20,000	-	(95,000)	(110,000)	(110,000)	(95,000)	(185,000)
TOTAL	4,606,000	3,974,000	(1,995,000)	(3,067,000)	(3,497,000)	(3,513,000)	(3,485,000)	(3,266,500)	(10,243,500)

WACCOG Storage Inventory Rate      \$    6.1584    \$    6.1584    \$    2.1470    \$    2.1912    \$    2.3745    \$    2.5501    \$    2.5569    \$    2.1435

WACCOG Storage Inventory Cost      \$ 28,365,590    \$ 24,473,482    \$ (4,283,243)    \$ (6,720,315)    \$ (8,303,715)    \$ (8,958,593)    \$ (8,910,719)    \$ (7,001,840)    \$    8,660,646

	2023 <u>April</u>	2023 <u>May</u>	2023 <u>June</u>	2023 <u>July</u>	2023 <u>August</u>	2023 <u>September</u>	2023 <u>October</u>	
Local Purchases - Mcf	541,730	540,940	540,151	539,361	538,574	537,784	536,993	
Interstate Purchases - Mcf	<u>5,705,096</u>	<u>4,893,119</u>	<u>4,335,558</u>	<u>4,146,294</u>	<u>4,114,619</u>	<u>4,091,767</u>	<u>4,953,562</u>	
	6,246,826	5,434,059	4,875,709	4,685,655	4,653,192	4,629,551	5,490,556	36,015,547
Local Purchases - Cost	\$1,074,623	\$1,093,837	\$1,185,687	\$1,266,657	\$1,259,567	\$1,058,621	\$1,044,197	
Interstate Purchases - Cost	\$12,203,692	\$10,627,459	\$10,178,948	\$10,457,932	\$10,417,748	\$8,681,480	\$10,393,610	
Injection/Withdrawal Costs	\$120,898	\$172,990	\$200,204	\$211,767	\$207,675	\$170,825	\$121,862	
Other Purchased Gas Costs	<u>\$12,655</u>	<u>\$12,655</u>	<u>\$12,655</u>	<u>\$12,655</u>	<u>\$12,655</u>	<u>\$12,655</u>	<u>\$12,655</u>	
	\$13,411,867	\$11,906,941	\$11,577,494	\$11,949,011	\$11,897,645	\$9,923,580	\$11,572,324	\$82,238,862
WACCOG Inventory Pricing	\$    2.1470	\$    2.1912	\$    2.3745	\$    2.5501	\$    2.5569	\$    2.1435	\$    2.1077	\$    2.2834

		2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	Total
<b><u>Storage Injection/Withdrawal Costs</u></b>										
<b><u>EQT AVC GSS</u></b>										
(Injection)/Withdrawal Mcf		840,000	930,000	(225,000)	(395,000)	(395,000)	(395,000)	(375,000)	(375,000)	(390,000)
Fuel on Injection	5.67%	\$ -	\$ -	\$ 0.1163	\$ 0.1187	\$ 0.1292	\$ 0.1386	\$ 0.1380	\$ 0.1154	
Injection Charge		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Withdrawal Charge		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ 0.1163	\$ 0.1187	\$ 0.1292	\$ 0.1386	\$ 0.1380	\$ 0.1154	
EQT AVC GSS Cost		\$ -	\$ -	\$ 26,174	\$ 46,875	\$ 51,050	\$ 54,750	\$ 51,753	\$ 43,263	\$ 273,865
<b><u>EQT 60SS/115SS</u></b>										
(Injection)/Withdrawal Mcf		1,820,000	1,750,000	(1,200,000)	(1,210,000)	(1,410,000)	(1,410,000)	(1,410,000)	(1,325,000)	(4,395,000)
Fuel on Injection	1.88%	\$ -	\$ -	\$ 0.0411	\$ 0.0419	\$ 0.0454	\$ 0.0485	\$ 0.0483	\$ 0.0408	
Injection Charge		\$ -	\$ -	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	
Withdrawal Charge		\$ 0.0069	\$ 0.0069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 0.0069	\$ 0.0069	\$ 0.0480	\$ 0.0488	\$ 0.0523	\$ 0.0554	\$ 0.0552	\$ 0.0477	
EQT 60SS/115SS Cost		\$ 12,558	\$ 12,075	\$ 57,582	\$ 59,003	\$ 73,706	\$ 78,093	\$ 77,812	\$ 63,158	\$ 433,987
<b><u>EGT&amp;S GSS - PNG</u></b>										
(Injection)/Withdrawal Mcf		462,000	355,000	(125,000)	(315,000)	(315,000)	(315,000)	(315,000)	(300,000)	(868,000)
Fuel on Injection	1.45%	\$ -	\$ -	\$ 0.0295	\$ 0.0301	\$ 0.0328	\$ 0.0352	\$ 0.0351	\$ 0.0293	
Injection Charge		\$ -	\$ -	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	
Withdrawal Charge		\$ 0.0357	\$ 0.0357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 0.0357	\$ 0.0357	\$ 0.0572	\$ 0.0578	\$ 0.0605	\$ 0.0629	\$ 0.0628	\$ 0.0570	
DTI GSS COSTS - PNG		\$ 16,493	\$ 12,674	\$ 7,155	\$ 18,219	\$ 19,069	\$ 19,823	\$ 19,775	\$ 17,098	\$ 130,307
<b><u>EGT&amp;S GSS - EGC</u></b>										
(Injection)/Withdrawal Mcf		450,000	135,000	(275,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(1,190,000)
Fuel on Injection	1.45%	\$ -	\$ -	\$ 0.0295	\$ 0.0301	\$ 0.0328	\$ 0.0352	\$ 0.0351	\$ 0.0293	
Injection Charge		\$ -	\$ -	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	
Withdrawal Charge		\$ 0.0357	\$ 0.0357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 0.0357	\$ 0.0357	\$ 0.0572	\$ 0.0578	\$ 0.0605	\$ 0.0629	\$ 0.0628	\$ 0.0570	
DTI GSS COSTS - EGC		\$ 16,065	\$ 4,820	\$ 15,741	\$ 17,351	\$ 18,161	\$ 18,879	\$ 18,833	\$ 17,098	\$ 126,949
<b><u>NFGS ESS</u></b>										
(Injection)/Withdrawal Mcf		130,000	110,000	(40,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(300,000)
Fuel on Injection	0.46%	\$ -	\$ -	\$ 0.0094	\$ 0.0096	\$ 0.0104	\$ 0.0112	\$ 0.0111	\$ 0.0093	
Injection Charge		\$ -	\$ -	\$ 0.0473	\$ 0.0473	\$ 0.0473	\$ 0.0473	\$ 0.0473	\$ 0.0473	
Withdrawal Charge		\$ 0.0473	\$ 0.0473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ 0.0473	\$ 0.0473	\$ 0.0567	\$ 0.0569	\$ 0.0577	\$ 0.0585	\$ 0.0584	\$ 0.0566	
NFGS ESS Cost		\$ 6,149	\$ 5,203	\$ 2,267	\$ 5,688	\$ 5,773	\$ 5,849	\$ 5,844	\$ 5,661	\$ 42,434
<b>Peoples Gas</b>										
<b><u>Storage Injection/Withdrawal Costs</u></b>										
		2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	
<b><u>Columbia Gas Transmission - FSS</u></b>										
(Injection)/Withdrawal Mcf		15,000	12,000	(5,000)	(13,000)	(17,000)	(18,000)	(15,000)	(11,500)	(52,500)
SST Delivery to FSS Charge		\$0.0129	\$0.0129	\$0.0129	\$0.0129	\$0.0129	\$0.0129	\$0.0129	\$0.0129	
SST Fuel Charge	1.71%	\$0.0465	\$0.0352	\$0.0376	\$0.0399	\$0.0433	\$0.0463	\$0.0462	\$0.0417	
FSS Injection Charge		\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153	
FSS Fuel Charge	0.60%	\$0.0106	\$0.0080	\$0.0086	\$0.0091	\$0.0099	\$0.0105	\$0.0105	\$0.0095	
FSS Withdrawal Charge		\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153	\$0.0153	
SST Fuel Charge to City-Gate	1.71%	\$0.0481	\$0.0366	\$0.0391	\$0.0414	\$0.0449	\$0.0480	\$0.0479	\$0.0432	
SST Delivery to City-Gate		\$0.0129	\$0.0129	\$0.0129	\$0.0129	\$0.0129	\$0.0129	\$0.0129	\$0.0129	
		\$0.0763	\$0.0648	\$0.0744	\$0.0772	\$0.0814	\$0.0850	\$0.0849	\$0.0793	
CGT FSS Cost		\$ 1,145	\$ 777	\$ 372	\$ 1,003	\$ 1,383	\$ 1,531	\$ 1,274	\$ 912	\$ 8,398
<b><u>Eastern Gas Storage and Transmission GSS</u></b>										
(Injection)/Withdrawal Mcf		54,000	44,000	-	(74,000)	(85,000)	(85,000)	(80,000)	(70,000)	(296,000)
Fuel on Injection	1.99%	\$ 0.0355	\$ 0.0265	\$ 0.0278	\$ 0.0283	\$ 0.0309	\$ 0.0332	\$ 0.0330	\$ 0.0275	
Injection Charge		\$ 0.0357	\$ 0.0357	\$ 0.0357	\$ 0.0357	\$ 0.0357	\$ 0.0357	\$ 0.0357	\$ 0.0357	
Withdrawal Charge		\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	\$ 0.0277	
		\$ 0.0277	\$ 0.0277	\$ 0.0635	\$ 0.0640	\$ 0.0666	\$ 0.0689	\$ 0.0687	\$ 0.0632	
DTI GSS Cost		\$ 1,496	\$ 1,219	\$ -	\$ 4,739	\$ 5,660	\$ 5,853	\$ 5,497	\$ 4,427	\$ 28,891
<b><u>Equitrans, LP 60SS</u></b>										
(Injection)/Withdrawal Mcf		420,000	300,000	(270,000)	(460,000)	(540,000)	(540,000)	(540,000)	(450,000)	(2,080,000)
Fuel on Injection	2.63%	\$ 0.0462	\$ 0.0344	\$ 0.0361	\$ 0.0368	\$ 0.0401	\$ 0.0431	\$ 0.0429	\$ 0.0358	
Injection Charge		\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	
Withdrawal Charge		\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	\$ 0.0069	
		\$ 0.0069	\$ 0.0069	\$ 0.0430	\$ 0.0437	\$ 0.0470	\$ 0.0500	\$ 0.0498	\$ 0.0427	
EQT 60SS Cost		\$ 2,898	\$ 2,070	\$ 11,606	\$ 20,112	\$ 25,401	\$ 26,989	\$ 26,887	\$ 19,208	\$ 135,170
TOTAL STORAGE INI/WD COST		\$ 56,804	\$ 38,837	\$ 120,898	\$ 172,990	\$ 200,204	\$ 211,767	\$ 207,675	\$ 170,825	\$ 1,180,001

Peoples Natural Gas Company  
Annual 1307(f)-2023  
Interim Period Projected Gas Costs - COMBINED  
**Other Gas Costs**

[illegible]

Peoples Natural Gas Company  
Annual 1307(f)-2023  
Interim Period Projected Gas Costs - COMBINED  
**Interstate Pipeline Demand and Capacity Costs**

	2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	Total
<b>Interstate Transportation</b>									
<u>Equitrans</u>									
EFT - 1565									
Demand Determinant - Dth	251,700	251,700	62,000	62,000	62,000	62,000	62,000	62,000	
Demand Rate - \$/Dth	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	
Demand Cost - \$	\$ 1,934,315	\$ 1,934,315	\$ 476,470	\$ 476,470	\$ 476,470	\$ 476,470	\$ 476,470	\$ 476,470	\$ 6,727,449
<u>Equitrans</u>									
NOFT - 860									
Demand Determinant - Dth	79,545	79,545	79,545	79,545	79,545	79,545	79,545	79,545	
Demand Rate - \$/Dth	\$ 8.291	\$ 8.291	\$ 7.519	\$ 7.519	\$ 7.519	\$ 7.519	\$ 7.519	\$ 7.519	
Demand Cost - \$	\$ 659,500	\$ 659,500	\$ 598,091	\$ 598,091	\$ 598,091	\$ 598,091	\$ 598,091	\$ 598,091	\$ 4,907,545
<u>Equitrans</u>									
EFT - 1559									
Demand Determinant - Dth	164,935	164,935	164,935	164,935	164,935	164,935	164,935	164,935	
Demand Rate - \$/Dth	\$ 6.121	\$ 6.121	\$ 5.556	\$ 5.556	\$ 5.556	\$ 5.556	\$ 5.556	\$ 5.556	
Demand Cost - \$	\$ 1,009,501	\$ 1,009,501	\$ 916,362	\$ 916,362	\$ 916,362	\$ 916,362	\$ 916,362	\$ 916,362	\$ 7,517,177
<u>Eastern GT&amp;S</u>									
FTNN - 100119									
Demand Determinant - Dth	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Demand Rate - \$/Dth	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	
Demand Cost - \$ 1/	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 2,309,513
<u>Eastern GT&amp;S</u>									
FT - 200654									
Demand Determinant - Dth	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Demand Rate - \$/Dth	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	
Demand Cost - \$	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 2,263,808
<u>Texas Eastern Transmission</u>									
FT-1									
Demand Determinant - Dth	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	
Demand Rate - \$/Dth	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	
Demand Cost - \$	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 2,692,176
<u>National Fuel Gas Supply</u>									
EFT									
Demand Determinant - Dth	15,476	15,476	15,476	15,476	15,476	15,476	15,476	15,476	
Demand Rate - \$/Dth	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	
Demand Cost - \$	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 638,985
<u>Columbia Gas Transmission</u>									
FTS - 133308									
Demand Determinant - Dth	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	
Demand Rate - \$/Dth	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	
Demand Cost - \$	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 315,200
<u>Texas Eastern Transmission</u>									
FT - 911299									
Demand Determinant - Dth	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Demand Rate - \$/Dth	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	
Demand Cost - \$	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 761,824
<u>Eastern GT&amp;S</u>									
Demand Determinant - Dth	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Demand Rate - \$/Dth	\$ 7.7074	\$ 7.7074	\$ 7.7074	\$ 7.7074	\$ 7.7074	\$ 7.7074	\$ 7.7074	\$ 7.7074	
Demand Cost - \$	\$ 77,074	\$ 77,074	\$ 77,074	\$ 77,074	\$ 77,074	\$ 77,074	\$ 77,074	\$ 77,074	\$ 616,592
<u>Equitable Energy - NAESB</u>									
Demand Determinant - Dth	11,665,780	12,915,685	-	-	-	-	-	-	
Demand Rate - \$/Dth	\$ 0.1746	\$ 0.1746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Demand Cost - \$	\$ 2,036,845	\$ 2,255,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,291,924
TGP Winter Reservation - Z4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TETCO Winter Reservation - M3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TETCO - AMA 2/	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (4,872,600)
<u>Total Demand and Capacity Costs</u>									
Demand Determinant - Dth	621,306	621,306	431,606	431,606	431,606	431,606	431,606	431,606	
Demand Cost - \$	\$ 6,230,848	\$ 6,449,081	\$ 2,581,611	\$ 2,581,611	\$ 2,581,611	\$ 2,581,611	\$ 2,581,611	\$ 2,581,611	\$ 28,169,592

1/ EGT&S Contract 100119 Capacity Charges include additional costs for HUB III project.

2/ Reflects 75% of the AMA capacity release revenues.

### Interstate Storage

	2023	2023	2023	2023	2023	2023	2023	2023	
	February	March	April	May	June	July	August	September	Total
<b>Interstate Storage</b>									
<b>Eastern GT&amp;S</b>									
GSS - 300181									
Demand Determinant - Dth	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Demand Rate - \$/Dth	\$ 3.2676	\$ 3.2676	\$ 3.2676	\$ 3.2676	\$ 3.2676	\$ 3.2676	\$ 3.2676	\$ 3.2676	
Demand Cost - \$	\$ 130,704	\$ 130,704	\$ 130,704	\$ 130,704	\$ 130,704	\$ 130,704	\$ 130,704	\$ 130,704	
Capacity Determinant - Dth	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000	4,600,000	
Capacity Rate - \$/Dth	\$ 0.0318	\$ 0.0318	\$ 0.0318	\$ 0.0318	\$ 0.0318	\$ 0.0318	\$ 0.0318	\$ 0.0318	
Capacity Cost - \$	\$ 146,280	\$ 146,280	\$ 146,280	\$ 146,280	\$ 146,280	\$ 146,280	\$ 146,280	\$ 146,280	
<b>Eastern GT&amp;S</b>									
GSS - 300196									
Demand Determinant - Dth	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Demand Rate - \$/Dth	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	
Demand Cost - \$	\$ 204,772	\$ 204,772	\$ 204,772	\$ 204,772	\$ 204,772	\$ 204,772	\$ 204,772	\$ 204,772	
Capacity Determinant - Dth	2,480,000	2,480,000	2,480,000	2,480,000	2,480,000	2,480,000	2,480,000	2,480,000	
Capacity Rate - \$/Dth	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	
Capacity Cost - \$	\$ 208,568	\$ 208,568	\$ 208,568	\$ 208,568	\$ 208,568	\$ 208,568	\$ 208,568	\$ 208,568	
<b>Equitrans</b>									
60SS - 863									
Demand Determinant - Dth	137,010	137,010	137,010	137,010	137,010	137,010	137,010	137,010	
Demand Rate - \$/Dth	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	
Demand Cost - \$	\$ 204,816	\$ 204,816	\$ 204,816	\$ 204,816	\$ 204,816	\$ 204,816	\$ 204,816	\$ 204,816	
Capacity Determinant - Dth	7,473,296	7,473,296	7,473,296	7,473,296	7,473,296	7,473,296	7,473,296	7,473,296	
Capacity Rate - \$/Dth	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	
Capacity Cost - \$	\$ 195,800	\$ 195,800	\$ 195,800	\$ 195,800	\$ 195,800	\$ 195,800	\$ 195,800	\$ 195,800	
<b>Equitrans</b>									
115SS - 865									
Demand Determinant - Dth	50,536	50,536	50,536	50,536	50,536	50,536	50,536	50,536	
Demand Rate - \$/Dth	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	\$ 1.4949	
Demand Cost - \$	\$ 75,546	\$ 75,546	\$ 75,546	\$ 75,546	\$ 75,546	\$ 75,546	\$ 75,546	\$ 75,546	
Capacity Determinant - Dth	5,283,357	5,283,357	5,283,357	5,283,357	5,283,357	5,283,357	5,283,357	5,283,357	
Capacity Rate - \$/Dth	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	\$ 0.0262	
Capacity Cost - \$	\$ 138,424	\$ 138,424	\$ 138,424	\$ 138,424	\$ 138,424	\$ 138,424	\$ 138,424	\$ 138,424	
<b>National Fuel Gas Supply</b>									
ESS									
Demand Determinant - Dth	9,793	9,793	9,793	9,793	9,793	9,793	9,793	9,793	
Demand Rate - \$/Dth	\$ 2.7576	\$ 2.7576	\$ 2.7576	\$ 2.7576	\$ 2.7576	\$ 2.7576	\$ 2.7576	\$ 2.7576	
Demand Cost - \$	\$ 27,005	\$ 27,005	\$ 27,005	\$ 27,005	\$ 27,005	\$ 27,005	\$ 27,005	\$ 27,005	
Capacity Determinant - Dth	748,611	748,611	748,611	748,611	748,611	748,611	748,611	748,611	
Capacity Rate - \$/Dth	\$ 0.0501	\$ 0.0501	\$ 0.0501	\$ 0.0501	\$ 0.0501	\$ 0.0501	\$ 0.0501	\$ 0.0501	
Capacity Cost - \$	\$ 37,505	\$ 37,505	\$ 37,505	\$ 37,505	\$ 37,505	\$ 37,505	\$ 37,505	\$ 37,505	
<b>Columbia Gas Transmission</b>									
FSS - 50112									
Demand Determinant - Dth	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Demand Rate - \$/Dth	\$ 2.5920	\$ 2.5920	\$ 2.5920	\$ 2.5920	\$ 2.5920	\$ 2.5920	\$ 2.5920	\$ 2.5920	
Demand Cost - \$	\$ 5,184	\$ 5,184	\$ 5,184	\$ 5,184	\$ 5,184	\$ 5,184	\$ 5,184	\$ 5,184	
Capacity Determinant - Dth	112,860	112,860	112,860	112,860	112,860	112,860	112,860	112,860	
Capacity Rate - \$/Dth	\$ 0.0467	\$ 0.0467	\$ 0.0467	\$ 0.0467	\$ 0.0467	\$ 0.0467	\$ 0.0467	\$ 0.0467	
Capacity Cost - \$	\$ 5,271	\$ 5,271	\$ 5,271	\$ 5,271	\$ 5,271	\$ 5,271	\$ 5,271	\$ 5,271	
<b>Eastern Gas Transmission and Storage</b>									
GSS - 300091/300098/300104									
Demand Determinant - Dth	-	-	-	-	-	-	-	-	
Demand Rate - \$/Dth	\$ 1.8655	\$ 1.8655	\$ 1.8655	\$ 1.8655	\$ 1.8655	\$ 1.8655	\$ 1.8655	\$ 1.8655	
Demand Cost - \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Capacity Determinant - Dth	-	-	-	-	-	-	-	-	
Capacity Rate - \$/Dth	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	
Capacity Cost - \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Eastern Gas Transmission and Storage</b>									
GSS - 300192									
Demand Determinant - Dth	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Demand Rate - \$/Dth	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	\$ 5.1193	
Demand Cost - \$	\$ 51,193	\$ 51,193	\$ 51,193	\$ 51,193	\$ 51,193	\$ 51,193	\$ 51,193	\$ 51,193	
Capacity Determinant - Dth	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	
Capacity Rate - \$/Dth	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	\$ 0.0841	
Capacity Cost - \$	\$ 50,460	\$ 50,460	\$ 50,460	\$ 50,460	\$ 50,460	\$ 50,460	\$ 50,460	\$ 50,460	
<b>Equitrans</b>									
60SS - 772									
Demand Determinant - Dth	72,417	72,417	72,417	72,417	72,417	72,417	72,417	72,417	
Demand Rate - \$/Dth	\$ 1.8438	\$ 1.8438	\$ 1.8438	\$ 1.8438	\$ 1.8438	\$ 1.8438	\$ 1.8438	\$ 1.8438	
Demand Cost - \$	\$ 133,522	\$ 133,522	\$ 133,522	\$ 133,522	\$ 133,522	\$ 133,522	\$ 133,522	\$ 133,522	
Capacity Determinant - Dth	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	
Capacity Rate - \$/Dth	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	\$ 0.0145	
Capacity Cost - \$	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000	
<b>Total Storage Demand/Capacity Costs</b>									
Demand Determinant - Dth	361,756	361,756	361,756	361,756	361,756	361,756	361,756	361,756	
Capacity Determinant - Dth	25,298,124	25,298,124	25,298,124	25,298,124	25,298,124	25,298,124	25,298,124	25,298,124	
Total Cost - \$	\$ 1,673,051	\$ 1,673,051	\$ 1,673,051	\$ 1,673,051	\$ 1,673,051	\$ 1,673,051	\$ 1,673,051	\$ 1,673,051	\$ 13,384,412



Peoples Natural Gas Company  
Annual 1307(f)-2023  
Interim Period Projected Gas Costs - COMBINED  
Interstate Pipeline Demand and Capacity Costs

	2023 <u>February</u>	2023 <u>March</u>	2023 <u>April</u>	2023 <u>May</u>	2023 <u>June</u>	2023 <u>July</u>	2023 <u>August</u>	2023 <u>September</u>	<u>Total</u>
<u>Interstate Storage Transportation</u>									
<u>Equitrans</u>									
EFT - 1560									
Demand Determinant - Dth	137,010	137,010	74,733	74,733	74,733	74,733	74,733	74,733	
Demand Rate - \$/Dth	\$ 6.1206	\$ 6.1206	\$ 5.5559	\$ 5.5559	\$ 5.5559	\$ 5.5559	\$ 5.5559	\$ 5.5559	
Demand Cost - \$	\$ 838,583	\$ 838,583	\$ 415,209	\$ 415,209	\$ 415,209	\$ 415,209	\$ 415,209	\$ 415,209	\$ 4,168,421
 <u>Equitrans</u>									
EFT - 1561									
Demand Determinant - Dth	50,536	50,536	26,417	26,417	26,417	26,417	26,417	26,417	
Demand Rate - \$/Dth	\$ 6.1206	\$ 6.1206	\$ 5.5559	\$ 5.5559	\$ 5.5559	\$ 5.5559	\$ 5.5559	\$ 5.5559	
Demand Cost - \$	\$ 309,311	\$ 309,311	\$ 146,770	\$ 146,770	\$ 146,770	\$ 146,770	\$ 146,770	\$ 146,770	\$ 1,499,243
 <u>Columbia Gas Transmission</u>									
SST - 38091/50113									
Demand Determinant - Dth	2,000	2,000	1,000	1,000	1,000	1,000	1,000	2,000	
Demand Rate - \$/Dth	\$ 9.7310	\$ 9.7310	\$ 9.7310	\$ 9.7310	\$ 9.7310	\$ 9.7310	\$ 9.7310	\$ 9.7310	
Demand Cost - \$	\$ 19,462	\$ 19,462	\$ 9,731	\$ 9,731	\$ 9,731	\$ 9,731	\$ 9,731	\$ 19,462	
 <u>Eastern Gas Transmission and Storage</u>									
FTGSS - 700037/700039/700042									
Demand Determinant - Dth	-	-	-	-	-	-	-	-	
Demand Rate - \$/Dth	\$ -	\$ -							
Demand Cost - \$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
 <u>Eastern Gas Transmission and Storage</u>									
FT - 200623									
Demand Determinant - Dth	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Demand Rate - \$/Dth	\$ 5.9674	\$ 5.9674	\$ 5.9674	\$ 5.9674	\$ 5.9674	\$ 5.9674	\$ 5.9674	\$ 5.9674	
Demand Cost - \$	\$ 59,674	\$ 59,674	\$ 59,674	\$ 59,674	\$ 59,674	\$ 59,674	\$ 59,674	\$ 59,674	
 <u>Total Demand and Capacity Costs</u>									
Demand Determinant - Dth	199,546	199,546	112,150	112,150	112,150	112,150	112,150	113,150	
Demand Cost - \$	\$ 1,227,030	\$ 1,227,030	\$ 631,384	\$ 631,384	\$ 631,384	\$ 631,384	\$ 631,384	\$ 641,115	\$ 6,252,097

Peoples Natural Gas Company  
Annual 1307(f)-2023  
Interim Period Projected Gas Costs - COMBINED  
**EQT AVC Demand and Capacity Charges**

[illegible]

Annual 1307(f)-2023

Projected Period Gas Costs - COMBINED

**SUMMARY**

	2023 October	2023 November	2023 December	2024 January	2024 February	2024 March	2024 April	2024 May	2024 June	2024 July	2024 August	2024 September	12-Mth Total
<b>Local / Gathered Purchases</b>													
Quantity - Mcf	536,993	536,204	535,415	534,625	533,834	533,047	532,257	531,469	530,679	529,890	529,099	528,312	6,391,824
Rate per Mcf	\$1.9445	\$2.4839	\$2.9235	\$3.2791	\$3.2501	\$2.9031	\$2.6373	\$2.3656	\$2.5031	\$2.5375	\$2.5028	\$2.0586	\$2.6162
Cost	\$1,044,197	\$1,331,850	\$1,565,270	\$1,753,072	\$1,735,019	\$1,547,477	\$1,403,730	\$1,257,218	\$1,328,343	\$1,344,604	\$1,324,220	\$1,087,593	\$16,722,593
<b>Interstate Pipeline Purchases</b>													
Quantity - Mcf	4,953,562	3,560,524	5,817,726	5,543,700	5,092,198	3,359,565	5,689,223	5,035,041	4,491,341	4,350,551	4,345,297	4,356,356	56,595,084
Rate per Mcf	\$2.0982	\$2.6904	\$3.2823	\$3.8174	\$3.6776	\$3.1677	\$2.8334	\$2.5402	\$2.6718	\$2.7118	\$2.6887	\$2.2191	\$2.8917
Cost	\$10,393,610	\$9,579,105	\$19,095,310	\$21,162,739	\$18,726,939	\$10,642,023	\$16,119,811	\$12,789,969	\$11,999,945	\$11,797,648	\$11,683,017	\$9,667,301	\$163,657,416
<b>Total Commodity Purchases</b>													
Quantity - Mcf	5,490,556	4,096,727	6,353,141	6,078,325	5,626,032	3,892,612	6,221,480	5,566,510	5,022,020	4,880,440	4,874,396	4,884,668	62,986,908
Rate per Mcf	\$2.0832	\$2.6633	\$3.2520	\$3.7701	\$3.6370	\$3.1314	\$2.8166	\$2.5235	\$2.6540	\$2.6928	\$2.6685	\$2.2018	\$2.8638
Cost	\$11,437,807	\$10,910,954	\$20,660,580	\$22,915,811	\$20,461,958	\$12,189,500	\$17,523,541	\$14,047,188	\$13,328,288	\$13,142,252	\$13,007,237	\$10,754,894	\$180,380,008
<b>Storage (Injection)/Withdrawals - WACCOG</b>													
Quantity - Mcf	(2,235,000)	2,487,159	4,165,897	5,961,096	5,251,775	4,286,555	(1,981,818)	(3,206,000)	(3,647,000)	(3,711,000)	(3,709,400)	(3,525,500)	136,765
WACCOG Rate per Mcf	\$2.1077	\$2.2834	\$2.2834	\$2.2834	\$2.2834	\$2.2834	\$2.8398	\$2.5639	\$2.7045	\$2.7462	\$2.7214	\$2.2457	
Cost	(\$4,710,661)	\$5,679,245	\$9,512,521	\$13,611,726	\$11,992,043	\$9,788,035	(\$5,628,052)	(\$8,220,002)	(\$9,863,302)	(\$10,191,054)	(\$10,094,620)	(\$7,917,243)	(\$6,041,364)
Injection/Withdrawal Costs	\$121,862	\$32,492	\$61,989	\$80,320	\$58,679	\$37,698	\$131,832	\$212,374	\$241,099	\$247,634	\$245,105	\$201,989	\$1,673,074
Pipeline Transportation Charges													\$0
<b>Other Purchased Gas Costs</b>													
Other Gas Costs - Mcf	-	-	-	-	-	-	-	-	-	-	-	-	0
Risk Mgmt / Gas Admin Costs	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$151,856
Imbalance Buyback Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Exchange Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Compressed Natural Gas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$151,856
Capacity Costs - Firm Transportation	\$2,581,611	\$6,370,007	\$6,442,751	\$6,442,751	\$6,224,518	\$6,442,751	\$2,575,281	\$2,575,281	\$2,575,281	\$2,575,281	\$2,575,281	\$2,575,281	\$49,956,072
Capacity Costs - Firm Storage	\$2,304,436	\$2,900,081	\$2,900,081	\$2,900,081	\$2,900,081	\$2,900,081	\$2,304,436	\$2,304,436	\$2,304,436	\$2,304,436	\$2,304,436	\$2,304,436	\$30,631,457
AVC Capacity Costs	\$2,941,316	\$6,591,566	\$6,591,566	\$6,591,566	\$6,591,566	\$6,591,566	\$2,941,316	\$2,941,316	\$2,941,316	\$2,941,316	\$2,941,316	\$2,941,316	\$53,547,044
	\$7,827,362	\$15,861,655	\$15,934,399	\$15,934,399	\$15,716,166	\$15,934,399	\$7,821,032	\$7,821,032	\$7,821,032	\$7,821,032	\$7,821,032	\$7,821,032	\$134,134,573
<b>Total 1307(f) Gas Costs</b>													
	\$ 14,689,026	\$ 32,497,001	\$ 46,182,144	\$ 52,554,910	\$ 48,241,501	\$ 37,962,287	\$ 19,861,007	\$ 13,873,246	\$ 11,539,772	\$ 11,032,519	\$ 10,991,409	\$ 10,873,327	\$ 310,298,148
Total - w/o AVC	\$ 11,747,710	\$ 25,905,435	\$ 39,590,578	\$ 45,963,344	\$ 41,649,934	\$ 31,370,720	\$ 16,919,691	\$ 10,931,930	\$ 8,598,456	\$ 8,091,203	\$ 8,050,093	\$ 7,932,011	\$ 256,751,104
Capacity (excludes AVC)	\$ 4,886,046	\$ 9,270,088	\$ 9,342,833	\$ 9,342,833	\$ 9,124,599	\$ 9,342,833	\$ 4,879,716	\$ 4,879,716	\$ 4,879,716	\$ 4,879,716	\$ 4,879,716	\$ 4,879,716	\$ 80,587,529
Commodity	\$ 6,861,663	\$ 16,635,347	\$ 30,247,745	\$ 36,620,511	\$ 32,525,335	\$ 22,027,888	\$ 12,039,975	\$ 6,052,214	\$ 3,718,739	\$ 3,211,487	\$ 3,170,377	\$ 3,052,295	\$ 176,163,575
1307(f) Mcf	3,255,556	6,583,886	10,519,039	12,039,421	10,877,807	8,179,167	4,239,662	2,360,510	1,375,020	1,169,440	1,164,996	1,359,168	63,123,673

Peoples Natural Gas Company - Peoples Natural Gas and Peoples Gas Divisions  
Annual 1307(f)-2023  
Projected Period Gas Costs - COMBINED  
**Local Purchases**

	2023	2023	2023	2024	2024	2024	2024	2024	2024	2024	2024	2024	12-Mth
	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Collection</u>
<b><u>Local / Gathered Purchases</u></b>													
Quantity - Mcf	536,993	536,204	535,415	534,625	533,834	533,047	532,257	531,469	530,679	529,890	529,099	528,312	6,391,824
Rate per Mcf	\$ 1.945	\$ 2.484	\$ 2.923	\$ 3.279	\$ 3.250	\$ 2.903	\$ 2.637	\$ 2.366	\$ 2.503	\$ 2.538	\$ 2.503	\$ 2.059	\$ 2.616
Cost	\$ 1,044,197	\$ 1,331,850	\$ 1,565,270	\$ 1,753,072	\$ 1,735,019	\$ 1,547,477	\$ 1,403,730	\$ 1,257,218	\$ 1,328,343	\$ 1,344,604	\$ 1,324,220	\$ 1,087,593	\$ 16,722,593

Peoples Natural Gas Company - Peoples Natural Gas and Peoples Gas Divisions

Annual 1307(f)-2023

Projected Period Gas Costs - COMBINED

**Interstate Pipeline Purchases**

	2023 <u>October</u>	2023 <u>November</u>	2023 <u>December</u>	2024 <u>January</u>	2024 <u>February</u>	2024 <u>March</u>	2024 <u>April</u>	2024 <u>May</u>	2024 <u>June</u>	2024 <u>July</u>	2024 <u>August</u>	2024 <u>September</u>	12-Mth <u>Collection</u>
<b><u>City-Gate Mcf</u></b>													
EQT - NAESB	4,426,062	3,248,524	5,101,726	4,829,200	4,689,898	3,150,965	5,301,723	4,460,041	3,786,341	3,639,951	3,639,697	3,697,356	49,971,484
EGT&S SP	187,000	0	0	0	0	0	100,000	377,000	412,000	412,000	407,000	352,000	2,247,000
Tennessee Gas Pipeline	20,000	22,000	150,000	210,000	150,000	0	0	0	0	0	0	15,000	567,000
Texas Eastern Transmission	90,000	140,000	310,000	317,000	165,000	130,000	120,000	6,000	90,000	90,000	90,000	90,000	1,638,000
National Fuel Gas Supply	186,000	60,000	108,500	77,500	14,500	0	102,000	155,000	168,000	173,600	173,600	168,000	1,386,700
Columbia Gas Transmission	9,500	50,000	72,500	30,000	16,800	18,600	20,500	17,000	15,000	15,000	15,000	14,000	293,900
Tennessee into Columbia	<u>35,000</u>	<u>40,000</u>	<u>75,000</u>	<u>80,000</u>	<u>56,000</u>	<u>60,000</u>	<u>45,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>491,000</u>
<b>TOTAL MCF</b>	4,953,562	3,560,524	5,817,726	5,543,700	5,092,198	3,359,565	5,689,223	5,035,041	4,491,341	4,350,551	4,345,297	4,356,356	56,595,084

**Interstate Pricing**

EQT - NAESB	\$2.0983	\$2.6464	\$3.1232	\$3.5012	\$3.4836	\$3.1196	\$2.8371	\$2.5451	\$2.6813	\$2.7222	\$2.7002	\$2.2174
EGT&S SP	\$1.9933	\$2.5739	\$3.0478	\$3.4307	\$3.3995	\$3.0256	\$2.7389	\$2.4460	\$2.5940	\$2.6311	\$2.5935	\$2.1149
Tennessee Gas Pipeline	\$2.3624	\$2.9567	\$3.4408	\$3.7939	\$3.7294	\$3.4008	\$3.0800	\$3.0155	\$2.9427	\$3.0025	\$2.9968	\$2.5834
Texas Eastern Transmission	\$2.0582	\$2.9983	\$5.7730	\$9.3397	\$9.1036	\$3.7856	\$2.7732	\$2.5761	\$2.6905	\$2.7997	\$2.8070	\$2.4898
National Fuel Gas Supply	\$1.9886	\$2.5662	\$3.0375	\$3.4184	\$3.3874	\$3.0154	\$2.7303	\$2.4389	\$2.5862	\$2.6230	\$2.5857	\$2.1096
Columbia Gas Transmission	\$2.2954	\$2.8028	\$3.3569	\$3.7722	\$3.6773	\$3.2631	\$2.8462	\$2.6693	\$2.7223	\$2.6322	\$2.6556	\$2.4834
Tennessee into Columbia	\$2.3624	\$2.9567	\$3.4408	\$3.7939	\$3.7294	\$3.4008	\$3.0800	\$3.0155	\$2.9427	\$3.0025	\$2.9968	\$2.5834

**Interstate Purchase Cost**

EQT - NAESB	\$9,287,195	\$8,596,906	\$15,933,752	\$16,907,899	\$16,337,720	\$9,829,715	\$15,041,447	\$11,351,171	\$10,152,385	\$9,908,696	\$9,827,905	\$8,198,654	\$141,373,444
EGT&S SP	372,746	0	0	0	0	0	273,894	922,132	1,068,747	1,083,998	1,055,561	744,453	5,521,530
Tennessee Gas Pipeline	47,247	65,048	516,126	796,723	559,416	0	0	0	0	0	0	38,750	2,023,311
Texas Eastern Transmission	185,234	419,765	1,789,642	2,775,843	1,502,101	492,128	332,779	15,456	242,143	251,971	252,626	224,078	8,483,768
National Fuel Gas Supply	369,877	153,971	329,572	264,925	49,117	0	278,492	378,027	434,478	455,353	448,869	354,409	3,517,090
Columbia Gas Transmission	21,806	140,140	243,373	113,165	61,779	60,694	58,348	45,379	40,834	39,484	39,833	34,768	899,604
EQT NOFT Delivery Costs	26,823	85,006	24,781	670	7,958	55,438	(3,749)	17,495	2,505	(1,904)	(1,714)	20,521	233,830
Tennessee into Columbia	<u>82,683</u>	<u>118,269</u>	<u>258,063</u>	<u>303,514</u>	<u>208,849</u>	<u>204,048</u>	<u>138,598</u>	<u>60,310</u>	<u>58,854</u>	<u>60,050</u>	<u>59,935</u>	<u>51,667</u>	<u>1,604,838</u>
<b>TOTAL COST</b>	\$10,393,610	\$9,579,105	\$19,095,310	\$21,162,739	\$18,726,939	\$10,642,023	\$16,119,811	\$12,789,969	\$11,999,945	\$11,797,648	\$11,683,017	\$9,667,301	\$163,657,416

### WACCOG Storage Inventory Pricing

	2023	2023	2023	2024	2024	2024	2024	2024	2024	2024	2024	2024	12-Mth
	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Collection</u>
<b><u>WACCOG Storage Inventory Pricing</u></b>													
(Injection)/Withdrawal Mcf													
60SS/115SS - 863/865	(1,065,000)	1,400,000	2,000,000	2,670,000	1,495,000	1,465,000	(1,200,000)	(1,210,000)	(1,410,000)	(1,410,000)	(1,410,000)	(1,375,000)	(50,000)
EGT&S GSS - 300196	(275,000)	250,000	460,000	715,000	495,000	130,000	(275,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	-
EQT AVC GSS	(225,000)	-	-	550,000	1,500,000	1,420,000	(151,818)	(595,000)	(595,000)	(595,000)	(595,000)	(595,000)	118,182
EGT&S GSS - PNG	(205,000)	150,000	450,000	500,000	450,000	340,000	(125,000)	(315,000)	(315,000)	(315,000)	(315,000)	(300,000)	-
NFGS ESS	(80,000)	64,000	146,000	165,000	135,000	110,000	(40,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	-
On-System - PNG	(40,000)	150,000	265,000	325,000	214,000	150,000	125,000	(200,000)	(235,000)	(250,000)	(250,000)	(250,000)	4,000
Columbia Gas - PG	(5,000)	13,500	20,000	20,000	16,800	12,400	(5,000)	(12,000)	(17,000)	(18,000)	(15,000)	(10,500)	200
EGT&S - PG	(60,000)	70,000	90,000	125,000	95,000	62,000	20,000	(74,000)	(85,000)	(87,000)	(87,000)	(70,000)	(1,000)
EQT - PG	(240,000)	364,659	654,897	771,096	735,975	507,155	(350,000)	(400,000)	(500,000)	(500,000)	(500,000)	(430,000)	113,783
On-System - PG	(40,000)	25,000	80,000	120,000	115,000	90,000	20,000	-	(90,000)	(136,000)	(137,400)	(95,000)	(48,400)
TOTAL	(2,235,000)	2,487,159	4,165,897	5,961,096	5,251,775	4,286,555	(1,981,818)	(3,206,000)	(3,647,000)	(3,711,000)	(3,709,400)	(3,525,500)	136,765
WACCOG Storage Inventory Rate	\$ 2.1077	\$ 2.2834	\$ 2.2834	\$ 2.2834	\$ 2.2834	\$ 2.2834	\$ 2.8398	\$ 2.5639	\$ 2.7045	\$ 2.7462	\$ 2.7214	\$ 2.2457	
WACCOG Storage Inventory Cost	\$ (4,710,661)	\$ 5,679,245	\$ 9,512,521	\$ 13,611,726	\$ 11,992,043	\$ 9,788,035	\$ (5,628,052)	\$ (8,220,002)	\$ (9,863,302)	\$ (10,191,054)	\$ (10,094,620)	\$ (7,917,243)	\$ (6,041,364)
	2024	2024	2024	2024	2024	2024							
	April	May	June	July	August	September							
Local Purchases - Mcf	532,257	531,469	530,679	529,890	529,099	528,312							
Interstate Purchases - Mcf	5,689,223	5,035,041	4,491,341	4,350,551	4,345,297	4,356,356							
	6,221,480	5,566,510	5,022,020	4,880,440	4,874,396	4,884,668							
Local Purchases - Cost	\$1,403,730	\$1,257,218	\$1,328,343	\$1,344,604	\$1,324,220	\$1,087,593							
Interstate Purchases - Cost	\$16,119,811	\$12,789,969	\$11,999,945	\$11,797,648	\$11,683,017	\$9,667,301							
Injection/Withdrawal Costs	\$131,832	\$212,374	\$241,099	\$247,634	\$245,105	\$201,989							
Other Purchased Gas Costs	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655	\$12,655							
	\$17,668,027	\$14,272,216	\$13,582,041	\$13,402,540	\$13,264,997	\$10,969,538							
WACCOG Inventory Pricing	\$ 2.8398	\$ 2.5639	\$ 2.7045	\$ 2.7462	\$ 2.7214	\$ 2.2457							



Peoples Natural Gas Company  
Annual 1307(f)-2023  
Projected Period Gas Costs - COMBINED  
**Other Gas Costs**

[illegible]



Peoples Natural Gas Company  
Annual 1307(f)-2023  
Projected Period Gas Costs - COMBINED  
**Interstate Pipeline Demand and Capacity Costs**

	2023 October	2023 November	2023 December	2024 January	2024 February	2024 March	2024 April	2024 May	2024 June	2024 July	2024 August	2024 September	12-Mth Collection
<b>Interstate Transportation</b>													
<u>Equitrans</u>													
EFT - 1565													
Demand Determinant - Dth	62,000	251,700	251,700	251,700	251,700	251,700	62,000	62,000	62,000	62,000	62,000	62,000	
Demand Rate - \$/Dth	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	\$ 7.685	
Demand Cost - \$	\$ 476,470	\$ 1,934,315	\$ 1,934,315	\$ 1,934,315	\$ 1,934,315	\$ 1,934,315	\$ 476,470	\$ 476,470	\$ 476,470	\$ 476,470	\$ 476,470	\$ 476,470	\$ 13,006,863
<u>Equitrans</u>													
NOFT - 860													
Demand Determinant - Dth	79,545	79,545	79,545	79,545	79,545	79,545	79,545	79,545	79,545	79,545	79,545	79,545	
Demand Rate - \$/Dth	\$ 7.519	\$ 8.291	\$ 8.291	\$ 8.291	\$ 8.291	\$ 8.291	\$ 7.519	\$ 7.519	\$ 7.519	\$ 7.519	\$ 7.519	\$ 7.519	
Demand Cost - \$	\$ 598,091	\$ 659,500	\$ 659,500	\$ 659,500	\$ 659,500	\$ 659,500	\$ 598,091	\$ 598,091	\$ 598,091	\$ 598,091	\$ 598,091	\$ 598,091	\$ 7,484,135
<u>Equitrans</u>													
EFT - 1559													
Demand Determinant - Dth	164,935	164,935	164,935	164,935	164,935	164,935	164,935	164,935	164,935	164,935	164,935	164,935	
Demand Rate - \$/Dth	\$ 5.556	\$ 6.121	\$ 6.121	\$ 6.121	\$ 6.121	\$ 6.121	\$ 5.556	\$ 5.556	\$ 5.556	\$ 5.556	\$ 5.556	\$ 5.556	
Demand Cost - \$	\$ 916,362	\$ 1,009,501	\$ 1,009,501	\$ 1,009,501	\$ 1,009,501	\$ 1,009,501	\$ 916,362	\$ 916,362	\$ 916,362	\$ 916,362	\$ 916,362	\$ 916,362	\$ 11,462,042
<u>Eastern GT&amp;S</u>													
FTNN - 100119													
Demand Determinant - Dth	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Demand Rate - \$/Dth	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	
Demand Cost - \$	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 288,689	\$ 3,464,270
<u>Eastern GT&amp;S</u>													
FT - 200654													
Demand Determinant - Dth	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	
Demand Rate - \$/Dth	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	
Demand Cost - \$	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 282,976	\$ 3,395,712
<u>Texas Eastern Transmission</u>													
FT-1													
Demand Determinant - Dth	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	15,650	
Demand Rate - \$/Dth	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	\$ 21.503	
Demand Cost - \$	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 336,522	\$ 4,038,263
<u>National Fuel Gas Supply</u>													
EFT													
Demand Determinant - Dth	15,476	15,476	15,476	15,476	15,476	15,476	15,476	15,476	15,476	15,476	15,476	15,476	
Demand Rate - \$/Dth	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	\$ 5.161	
Demand Cost - \$	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 79,873	\$ 958,478
<u>Columbia Gas Transmission</u>													
FTS - 133308													
Demand Determinant - Dth	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	
Demand Rate - \$/Dth	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	\$ 9.8500	
Demand Cost - \$	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400	\$ 472,800
<u>Texas Eastern Transmission</u>													
FT - 911299													
Demand Determinant - Dth	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Demand Rate - \$/Dth	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	\$ 9.5228	
Demand Cost - \$	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 95,228	\$ 1,142,736
<u>Eastern GT&amp;S</u>													
Demand Determinant - Dth	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Demand Rate - \$/Dth	\$ 7.707	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	\$ 7.074	
Demand Cost - \$	\$ 77,074	\$ 70,744	\$ 70,744	\$ 70,744	\$ 70,744	\$ 70,744	\$ 70,744	\$ 70,744	\$ 70,744	\$ 70,744	\$ 70,744	\$ 70,744	\$ 855,258
Equitable Energy - NAESB													
Demand Determinant - Dth	-	12,499,050	12,915,685	12,915,685	11,665,780	12,915,685	-	-	-	-	-	-	
Demand Rate - \$/Dth	\$ -	\$ 0.1746	\$ 0.1746	\$ 0.1746	\$ 0.1746	\$ 0.1746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Demand Cost - \$	\$ -	\$ 2,182,334	\$ 2,255,079	\$ 2,255,079	\$ 2,036,845	\$ 2,255,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,984,415
TGP Winter Reservation - Z4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TETCO Winter Reservation - M3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TETCO - AMA 2/	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (609,075)	\$ (7,308,900)
<u>Total Demand and Capacity Costs</u>													
Demand Determinant - Dth	441,606	631,306	631,306	631,306	631,306	631,306	441,606	441,606	441,606	441,606	441,606	441,606	
Demand Cost - \$	\$ 2,581,611	\$ 6,370,007	\$ 6,442,751	\$ 6,442,751	\$ 6,224,518	\$ 6,442,751	\$ 2,575,281	\$ 2,575,281	\$ 2,575,281	\$ 2,575,281	\$ 2,575,281	\$ 2,575,281	\$ 49,956,072

1/ EGT&S Contract 100119 Capacity Charges include additional costs for HUB III project  
2/ Reflects 75% of the AMA capacity release revenues.



[illegible]

Peoples Natural Gas Company  
Annual 1307(f)-2023  
Projected Period Gas Costs - COMBINED  
**EQT AVC Demand and Capacity Charges**

[illegible]

**Peoples Natural Gas Company LLC**  
**Peoples Natural Gas Division and Peoples Gas Division**  
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Section 53.64 (c)(1):

A detailed description of warrantee or penalty provisions, including liquidated damages, take or pay provisions or minimum bill or take provisions of the purchases, balancing provisions.

\* \* \* \* \*

Examples of such provisions for the Peoples Divisions' current gas supply contracts are as follows:

**I. GISB Standard Form Base Contract For The Short-Term Sale And Purchase Of Natural Gas 1**

**Penalty Provisions:**

Cover Standard: In addition to any liability for Imbalance Charges, which shall not be recovered twice by the following remedy, the exclusive and sole remedy of the parties in the event of a breach of a Performance Obligation, other than the delivery and receipt of Gas on an Interruptible basis, shall be the recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard for replacement Gas or alternative fuels and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the exclusive and sole remedy of the non-breaching party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the

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1 The GISB form contract was the first standard gas sales and purchase contract form for use in the spot market, and it became the prevalent form for purchases of interstate gas in the mid-1990s. In December of 2001, the North American Energy Standards Board (NAESB) was formed and took the place of GISB in the market. The NAESB form contract was introduced in 2002 and has largely replaced the GISB form agreement. Still, Peoples Natural Gas makes some purchases under GISB form contracts.

difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s).

(or)

Spot Price Standard: In addition to any liability for Imbalance Charges, which shall not be recovered twice by the following remedy, the exclusive and sole remedy of the parties in the event of a breach of a Performance Obligation, other than the delivery and receipt of Gas on an Interruptible basis, shall be the recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price.

**Warranty Provisions:**

Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims.

**Balancing Provisions:**

The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's actions or inactions (which shall include, but shall not be limited to, Buyer's failure to accept quantities of Gas equal to the Scheduled Gas), then Buyer shall pay for such Imbalance Charges, or reimburse Seller for such Imbalance Charges paid by Seller to the Transporter. If the Imbalance Charges were incurred as a result of Seller's actions or inactions (which shall include, but shall not be limited to, Seller's failure to deliver quantities of Gas equal to the Scheduled Gas), then Seller shall pay for such Imbalance Charges, or reimburse Buyer for such Imbalance Charges paid by Buyer to the Transporter.

**II. NAESB Standard Form Base Contract For the Sale And Purchase Of Natural Gas**

**Penalty Provisions:**

(a) Cover Standard: The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal

to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

(or)

(b) Spot Price Standard: The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

### **Warranty Provisions:**

Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

### **Balancing Provisions:**

The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

### **III. Local Gas Standard Form Base Contract For The Sale And Purchase of Natural Gas**

#### **Penalty Provisions:**

Suspension: If Producer fails to comply with any of the covenants contained in this Master Agreement, or any other gas supply and/or delivery agreement between Producer and Peoples' direct natural gas affiliates, Peoples may refuse to allow Gas to flow through the Interconnect until, in Peoples' sole opinion, Producer is fully complying with all of the terms and conditions of this Master Agreement. Peoples, in its sole judgment, shall have the right to shut-in the Interconnect immediately if equipment is not operating properly, an overpressure condition exists, design limitations are exceeded, or safe operating conditions are compromised. Furthermore, Peoples has the right to keep the Interconnect shut-in until the Producer makes the necessary provisions to rectify the situation. If the abnormal conditions repeatedly arise, Peoples has the right to shut-in the Interconnect indefinitely and/or to terminate this Master Agreement.

Producer shall reimburse Peoples for any damages caused by Producer failing to comply with any of the covenants contained in this Master Agreement, including payments made by Peoples to other affected customers in settlement of claims arising out of such service if Producer was notified that Peoples was invoking indemnification under Section 13.03 and Producer was given the opportunity to defend against the claim prior to such settlement agreement. To the extent any damages required to be paid hereunder are liquidated, the parties acknowledge that the damages are difficult or impossible to determine, otherwise obtaining an adequate remedy is inconvenient and the liquidated damages constitute a reasonable approximation of the harm or loss.

If litigation results from any dispute between Producer and Peoples, Peoples may pay any money withheld under this Master Agreement to a court of competent jurisdiction without any further liability, or may interplead all claimants, including Producer. The prevailing party in a litigated dispute between Peoples and Producer shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Agreement.

#### **From EXHIBIT A-02 to Master Interconnect and Measurement Agreement - Additional Terms and Conditions Governing the Purchase of Gas**



1. **Sale and Purchase Obligations.** Producer shall produce and sell to Peoples, and Peoples shall take and pay for, quantities of Gas delivered to the Receipt Point(s) set forth below. Peoples shall have no obligation to pay for any Gas until such time as it has been produced and delivered to the designated Receipt Point(s). Except in instances where Peoples and Producer agree otherwise, Producer's sale shall be a full requirements sale where all Gas produced shall be delivered to Peoples. Notwithstanding the foregoing, Peoples may reduce or suspend its purchases under this Master Agreement in the event that Peoples has insufficient pipeline capacity or insufficient market demand to facilitate the sale and/or use of Producer's Gas. Upon notice to Producer, Producer shall promptly comply with Peoples' reduction or suspension request. In the event Peoples should ever cease, in whole or in part, to sell Gas directly to end-use customers (otherwise known as providing merchant or sales service), then Peoples may, in its sole discretion, terminate this Master Agreement upon at least sixty (60) days written notice to Producer.

**Peoples Natural Gas Company LLC  
Peoples Natural Gas Division and Peoples Gas Division  
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Section 53.64(c)(1) Federal tariffs

Details of current tariff provisions and currently effective rates can be found by accessing the following websites.

**National Fuel**

<https://informationalpostings.natfuel.com/supply/infopost/RateSchedules.htm>

**Equitrans**

<https://customers.eqm-midstreampartners.com/IPWS-Equitrans/Home>

**Columbia Gas Transmission**

<http://www.columbiapipelineinfo.com/cpginfopost>

**Eastern Gas Transmission and Storage**

[https://dekaflow.com/jsp/info\\_post.jsp?&company=egts#](https://dekaflow.com/jsp/info_post.jsp?&company=egts#)

**Texas Eastern Transmission**

<https://infopost.enbridge.com/infopost/TEHome.asp?Pipe=TE>

**Tennessee Gas Pipeline**

<https://pipeportal.kindermorgan.com/Portal UI/DefaultKM.aspz?TSP=TGPD>

**Peoples Natural Gas Company LLC**  
**Peoples Natural Gas Division and Peoples Gas Division**  
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Section 53.64(c)(1) Details of contract negotiations for gas supply, production, transportation and storage.

1. Local Producers

Locally produced, Appalachian Gas has always been a significant source of gas on the Peoples Divisions' systems for both system supply and the transport market. Local gas is produced and fed into the Peoples' system from approximately 5,946 supply meters. Each meter may have multiple wells tied to the supply meter. The gas is produced primarily from conventional shallow gas wells but an increasing amount of local gas is available from Marcellus Shale wells. This supply provides a steady, year-round base load gas supply produced directly into the Company's pipeline system. Peoples Divisions purchased local supplies from approximately 269 producers as of January 2023.

With the implementation of Rate Appalachian Gathering Service as part of the settlement approved in resolution of Peoples Natural Gas Division's ("PNGD") general rate case at Docket No. R-2018-3006818, PNGD has replaced and/or amended nearly all existing contracts to implement approved terms and conditions. Among these replacements and/or amendments is a requirement that any party desiring to transport gas through PNGD's gathering system, as well as to deliver gas directly into PNGD's distribution and transmission system, must execute a Master Interconnect and Measurement Agreement ("MIMA"). The MIMA supersedes and terminates any previously executed agreement(s) between the parties for the transport and/or purchase of gas. The terms of the MIMA include PNGD's standard purchase price terms, as follows:

A price based on the Inside F.E.R.C.'s Gas Market Report, "Price of Spot Gas Delivered to Pipelines," for deliveries of Appalachian production into Eastern Gas Transmission and Storage's (EGTS) dry transmission system for first of the month (a.k.a. Eastern South Point Index) was first used as a pricing option in 1999 and has become the standard, local gas, purchase price for PNGD. These contracts are for 1-year terms with a price at either 100% or 103% of the index. Unless terminated upon at least thirty (30) days' advance notice by either party prior to the end of the term, the agreement shall renew automatically for successive additional one-month production period terms.

Peoples Gas Division ("PGD") has purchased Pennsylvania gas supply under "Dedicated" (formally known as "life-of-the-well") contracts, "Vintage" contracts and "Non-Dedicated" (formally known as "year-to-year") contracts. Any new purchased Pennsylvania gas supply will be purchased under a Non-Dedicated contract as well as the execution of a MIMA.

Dedicated Agreement - Dedicated contracts for gas purchases from local Pennsylvania producers are made pursuant to several forms of "standard" gas purchase agreements that have been used by PGD from time to time over the years. As noted above, almost all of those agreements have provided for a term equal to the productive life of the covered gas wells.

The purchase price for these Dedicated Agreements was revised on March 1, 2014, to better reflect current market pricing for such production. It was revised to be Inside F.E.R.C.'s Gas Market Report, "Price of Spot Gas Delivered to Pipelines," for deliveries of Appalachian production into EGTS's dry transmission system for first of the month (a.k.a. FOM Eastern South Point Index). The revisions were approved as part of the settlement of PGD's 1307(f)-2014 proceeding at Docket No. R-2014-2399598.

**Vintage Agreement** – The two types of vintage contracts that PGD has utilized are fixed price contracts and percent of market contracts. The fixed price Vintage Agreements currently represent only 1% of PGD's total local purchases and were entered into many decades ago with a fixed price by which all gas would be purchased under the contract for the life of the well. The percent of market contracts also represent only 1% of PGD total local purchases and were formerly fixed price vintage contracts that were amended to become market-based contracts upon completion of certain commitments made by the producers and approved in prior PGC settlements. There are two tiers of these contracts. The first tier is for producers with volumes between 10,000 Mcf/year and 250,000 Mcf/year and the second tier is for producers with volumes in excess of 250,000 Mcf/year.

**Non-Dedicated Agreement** - PGD also offers Pennsylvania producers the option of selling new supplies of Pennsylvania natural gas pursuant to a gas purchase agreement having an initial one-year term, and incorporates a month-to-month evergreen clause giving either party the option to terminate effective on the anniversary date upon specified prior written notice. The purchase price under the Non-Dedicated agreement is identical to the revised purchase price calculated under the Dedicated gas purchase agreement described above, which is FOM Eastern South Point Index. Eighty two percent (82%) of the Local Gas purchased by PGD is priced at this Index Price.

A proposal was approved as part of the settlement of PGD's 1307(f)-2014 proceeding at Docket No. R-2014-2399598 to re-price and eventually release meters with continuous production of less than 10 Mcf/day from dedication to the utility. This change was made effective August 1, 2014.

Where practicable and reasonable, the Company will also attempt to convert non-standard price contracts to standard pricing. This will assist with standardizing the Company's local gas purchase agreements and requiring legacy producers to execute the Company's current Master Interconnect and Measurement Agreement.

## 2. Columbia Gas Transmission (TCO)

PGD has purchased from Columbia both stand-alone firm transportation service (under Rate FTS) and firm transportation service (under Rate SST) associated with storage service (under Rate FSS) in a number of amounts and combinations going back to the early 1990's.

In August 2017, PGD analyzed the cost effectiveness of renewing its TCO storage and related transport contracts against purchasing delivered supplies along with an operational assessment of the daily and peak day supply requirements of that portion of the system currently served by these agreements. PGD determined that renewing the current TCO agreements was the

most prudent option, particularly with regard to maintaining firm deliverability where operationally necessary. Therefore, PGD executed extensions of all of its TCO contracts through March 31, 2022.

PGD's capacity portfolio experienced a significant increase in its Equitrans capacity effective April 2022. This led to the determination that some TCO capacity was no longer needed. Peoples Gas subsequently decided to let the capacity associated with contracts 53012, 50112, 38091, 50113 and 133308 expire on March 31, 2022 and replaced them with contracts 50112, 50113 and 133308 expiring March 2025 with new capacities, as shown below:

Firm Storage & Related Transportation Service	Contract Number	Contract Maximum Daily Quantity (Dth)	Contract Maximum Daily Quantity (Dth)	Expiration Date	Rate Type
FSS (Market Area Storage)	53012	4,918	256,467	3/31/2022	Max Tariff
FSS (Market Area Storage)	50112	5,889	353,360	3/31/2022	Max Tariff
SST (Storage Transportation)	38091	4,918		3/31/2022	Max Tariff
SST (Storage Transportation)	50113	5,889		3/31/2022	Max Tariff
FTS (Firm Transportation)	133308	3,257		3/31/2022	Max Tariff
FSS (Market Area Storage)	50112	2,000	112,860	3/31/2025	Max Tariff
SST (Storage Transportation)	50113	2,000		3/31/2025	Max Tariff
FTS (Firm Transportation)	133308	4,000		3/31/2025	Max Tariff

### 3. Eastern Gas Transmission and Storage ("EGTS," Formerly Dominion Transmission)

PGD purchases firm transportation service from EGTS under Rate FT-GSS and firm storage service under Rate GSS under two different vintages of contracts.

By letters dated March 29, 2010 and April 14, 2010, respectively, PGD received written notices of termination from Dominion, pursuant to the advance notice requirements specified in various GSS Agreements (firm daily capacity of 5,000 Dth, 10,000 Dth, and 10,000 Dth and storage capacity of 300,000 Dth, 600,000 Dth and 600,000 Dth) and the related FT-GSS Agreements (firm daily capacities of 5,000 Dth, 10,000 Dth and 10,000 Dth), which provided that the GSS agreements would terminate as of April 30, 2011 and the FT-GSS Agreements would terminate March 31, 2012. Such notices also stated that PGD had until May 31, 2010 to advise Dominion whether it intended to reserve its ROFR rights under these agreements, which PGD did by letter on April 28, 2010. After numerous negotiation sessions, PGD and Dominion agreed to a ten-year extension of the agreements. PGD requested and obtained PUC approval to renew these agreements by the Commission's Order entered July 21, 2010 at Docket No. P-2010-2181827. These agreements expired March 31, 2022.

PGD purchases additional firm transportation (Rate FT) and firm storage service (Rate GSS) from EGTS under a different group of contracts. On September 27, 2007, Peoples Gas entered into a Precedent Agreement with Dominion for 10,000 Dth/day of Firm Transportation and 600,000 Dth of Firm Storage Services, which agreement was amended on October 15, 2008 and May 15, 2011. On December 20, 2012, the FERC approved Dominion's application for a

certificate of public convenience and necessity to provide the storage and related transportation services.

By letter dated March 12, 2012, Dominion notified Peoples Gas Division that it had satisfied the conditions precedent to execution of the service agreements. On January 24, 2013, the PGD executed an agreement for storage service under Rate Schedule GSS and a related agreement for transportation service under Rate Schedule FT. The storage agreement was effective on April 1, 2014, and the transportation agreement started November 1, 2014. PGD requested and obtained PUC approval for these agreements in 1307(f)-2013. PGD began injecting gas into storage under this agreement on April 1, 2014, and began withdrawing gas from storage in November 2014. These agreements are scheduled to expire March 31, 2029.

Similar to TCO, and also related to scheduled increases in Equitrans capacity, Peoples Gas Division decided to let its EGTS GSS contracts 300091, 300098, 300104 and FGTSS contracts 700037, 700039 and 700042 expire March 31, 2022. GSS contract 300192 and FT contract 200623 will remain in force into 2029, as shown below:

Firm Storage & Related Transportation Service	Contract Number	Contract	Contract	Expiration Date	Rate Type
		Maximum Daily Quantity (Dth)	Maximum Daily Quantity (Dth)		
GSS (Market Area Storage)	300091	5,000	300,000	3/31/2022	Max Tariff
GSS (Market Area Storage)	300098	10,000	600,000	3/31/2022	Max Tariff
GSS (Market Area Storage)	300104	10,000	600,000	3/31/2022	Max Tariff
GSS (Market Area Storage)	300192	10,000	600,000	3/31/2029	Negotiated
FTGSS (Storage Transportation)	700037	5,000		3/31/2022	Max Tariff
FTGSS (Storage Transportation)	700039	10,000		3/31/2022	Max Tariff
FTGSS (Storage Transportation)	700042	10,000		3/31/2022	Max Tariff
GSS (Market Area Storage)	300192	10,000	600,000	3/31/2029	Negotiated
FT (Firm Transportation)	200623	10,000		10/31/2029	Negotiated

PGD also acquired 10,000 Dth/day of Firm Transportation (Rate Schedule FT) without storage for November 2022 through October 2023 to ensure Design Day deliverability into the Butler area. PGD requested and obtained PUC approval for these agreements in its 2022 1307(f) proceeding at Docket Nos. R-2022-3030663, *et al.*

PNGD also purchases interstate natural gas transportation service and natural gas storage service from EGTS. On February 20, 2014, PNGD entered into FTNN and GSS service agreements with EGTS effective April 1, 2014 through March 31, 2034. The service agreements provide for year-round FTNN service at 40,000 Dth/day and GSS service at 40,000 Dth/day and capacity of 4.6 MMDth. The FTNN and GSS service agreements bolster gas deliveries to critical city-gate points located on the western portion of PNGD's system. PNGD requested and obtained PUC approval for these agreements in 1307(f)-2014.

Also, in February 2014, Peoples Natural Gas Division executed FT and GSS contracts with EGTS effective April 1, 2014 through March 31, 2034 to address cold weather supply restrictions on Equitrans in the northern part of the Peoples Natural Gas – Equitable Division system. These

Rate Schedule GSS and Rate Schedule FT contracts ensure firm deliveries into Equitrans of 20,000 Dth/day and directly into Peoples Natural Gas Division of 20,000 Dth/day, with related seasonal storage capacity of 2,480,000 Dth. These agreements extend through March 31, 2034, and were approved in the 2014 1307(f) case.

4. Equitrans, L.P. (“Equitrans”) and EQT Energy, LLC (“EQT Energy”)

The following is for Peoples Gas Division:

Peoples Gas Division purchases firm no-notice transportation service under Equitrans’ Rate NOFT and firm storage service under Rate 60SS.

In December 2013, as set forth in the Joint Application proceeding at Docket Nos. A-2013-2353647, A-2013-2353649 and A-2013-2353651, Peoples Gas Division and Equitrans entered into a storage agreement under Equitrans Rate 60SS and a related no-notice transportation contract under rate NOFT. These storage and transportation agreements were approved by Order entered November 14, 2013. These contracts provide firm daily deliverability of 27,500 Dth during the winter and storage capacity of 1,500,000 Dth for the storage withdrawal period of November 1 through March 31 of the following year. Both agreements have a 20-year term commencing April 1, 2014. As discussed below, the storage agreement and related no-notice transportation agreement are structured to increase daily deliverability and total capacity as of April 1, 2015, April 1, 2018, and April 1, 2022, to correspond with the projected expiration dates of various other service agreements with Columbia and EGTS (formerly Dominion).

The storage agreement commencing April 1, 2014, for withdrawals commencing November 1, 2014, replaced the storage service agreements with Columbia that had an aggregate peak demand period deliverability of 25,668 Dth and expired March 31, 2014. The negotiated rates for both the storage and firm transportation services resulted in lower costs than either the cost of the Columbia services that were replaced or the cost for such Equitrans services under tariff recourse rates. The Beautiful Lookout and Egry interconnects with Equitrans were completed prior to November 1, 2014, and Peoples Gas Division subsequently began utilizing this storage.

As contemplated in the original agreements and as previously approved, the peak demand period daily deliverability and storage capacity under these contracts increased to 33,917 Dth/day and 1,850,000 Dth, respectively, effective April 1, 2015. Effective April 1, 2018, this storage capacity increased to 2,450,000 Dth and deliverability increased to 44,917 Dth/day. On April 1, 2022, storage capacity increased to 4,000,000 Dth and deliverability increased to 72,417 Dth/Day. These increases correspond to decreased service levels under various EGTS and Columbia service agreements as those agreements reach their expiration dates.

On June 1, 2019, Peoples Gas Division and Equitrans entered into new agreements that effectively converted the no-notice transportation contract under Rate NOFT to a negotiated rate agreement. This was done pursuant to a settlement approved in FERC Docket No. RP18-1167-000, et al.

The following is for Peoples Natural Gas Division:

On March 19, 2013, Peoples Natural Gas, Peoples Gas, and Equitable Gas Company, LLC (“Equitable”) filed a Joint Application with the Commission requesting all necessary approvals pursuant to Sections 1102(a)(3), 1317(d), 2102(a), and 2204(e)(4) of the Public Utility Code

("Code"), 66 Pa.C.S. §§ 1102(a)(3), 1317(d), 2102(a), and 2204(e)(4), authorizing and approving: (1) the transfer of 100% of the issued and outstanding limited liability company membership interests in Equitable, an indirect subsidiary of EQT Corporation ("EQT"), to PNG Companies LLC ("PNG"), an indirect subsidiary of SteelRiver Infrastructure Fund North America LP ("SRIFNA"); (2) the merger of Equitable with Peoples Natural Gas, a wholly-owned subsidiary of PNG, and the operation of Equitable as an operating division of PNG; (3) the transfer of certain storage and transmission assets of Peoples Natural Gas to EQT; (4) the transfer of certain assets and/or the exchange of certain services between EQT and Equitable; (5) certain PNG ownership changes associated with the Transaction; (6) the associated gas capacity, storage, interconnects, leases, and supply service agreements among Peoples Natural Gas, Peoples Gas, Equitable, and/or EQT set forth in the Joint Application; and (7) certain changes in Peoples Natural Gas' tariff necessary to carry out the transactions. On November, 14, 2013, the Commission entered an Order at Docket Nos. A-2013-2353647, A-2013-2353649, and A-2013-2353651, approving a Joint Petition for Settlement of all issues in the above-captioned proceeding. By this Order, the Commission approved the transfer of certain storage and transmission assets of Peoples Natural Gas to affiliates of EQT Corporation and approved certain gas supply contracts between Peoples Natural Gas, Equitrans and EQT Energy. These approved gas supply contracts are described in the sections immediately below.

a. Equitrans - Allegheny Valley Connector ("AVC") Services - On December 10, 2013, Peoples Natural Gas and Equitrans entered into transportation service agreements under Rate Schedule FTS and FTSS, and a storage service agreement under Rate Schedule GSS. Under these service agreements, Equitrans provides year-round firm transportation and storage services to Peoples Natural Gas using the storage and transmission assets transferred by Peoples Natural Gas to EQT Corporation. These agreements provide Peoples Natural Gas with access to the capacity on the transferred assets needed to serve its customers. The transferred assets are referred to as the AVC system and are operated by Equitrans. The FTSS and GSS service agreements provide Peoples Natural Gas and its customers with access to AVC storage capacity of 200,000 Dth/day and 8.6 MMDth annually. The FTS service agreement provides Peoples Natural Gas and its customers with access to transportation capacity on the AVC system of 251,700 Dth/day. These service agreements provide for a total of 451,700 Dth/day of winter season, firm capacity on the AVC system.

b. Equitrans – Firm Transportation Service - On December 10, 2013, Peoples Natural Gas and Equitrans entered into an agreement under Equitrans Rate Schedule FTS for firm transportation services of 251,700 Dth/day. This agreement, which became effective April 1, 2014, replaced 251,700 Dth/day of firm transportation and storage capacity under the DTI storage and transportation agreements that expired March 31, 2014. Gas transported under this agreement is delivered to Ginger Hill, which is the point of interconnection between the Equitrans Mainline and AVC systems. This agreement provides for a maximum daily quantity of 251,700 Dth/day for the winter months of November through March and 62,000 Dth/day for the summer months of April through October.

Also, on December 10, 2013, Peoples Natural Gas and Equitrans entered into an extension of existing agreements under Equitrans Rate Schedule FTS for services of 352,481 Dth/day of firm transportation and storage capacity previously available under the Equitrans storage and transportation agreements existing prior to the Peoples Natural Gas acquisition of Equitable. Gas



transported under these agreements is delivered to various interconnections between the Equitrans Mainline and Peoples Natural Gas (into what was formerly the Equitable Division). These agreements provide for a maximum daily quantity of 352,481 Dth/day for the winter months of November through March and 267,992 Dth/day for the summer months of April through October. These contracts expire on March 31, 2034.

Peoples Natural Gas also holds a contract under Rate Schedule NOFT allowing No-Notice delivery of 79,545 Dth/day to its Equitrans interconnects. This contract replaced a contract previously held by Equitable, changing only the effective dates, effective April 1, 2014 and expiring on March 31, 2034.

c. Equitrans – Firm Storage Service - The Company has held two forms of storage service with Equitrans over the years. The first is a 60-day storage service under Rate Schedule 60SS, and the other is a 115 day storage service under Rate Schedule 115SS. The 60SS service provides for a Maximum Daily Withdrawal Quantity (“MDWQ”) of 137,010 Dth with related storage capacity of 7,473,296 Dth, and the 115SS service provides for an MDWQ of 50,536 Dth and related storage capacity of 5,283,357 Dth. These storage contracts expire on March 31, 2034. The Company also holds sufficient Firm Transportation contracts to support these storage services.

On June 1, 2019, the Company and Equitrans entered into new agreements that effectively converted all of the firm transportation services listed in paragraphs a. through c., above, to enhanced firm transportation services provided under Equitrans Rate Schedule EFT, Enhanced Firm Transportation Service. This was done pursuant to a settlement approved in FERC Docket No. RP18-1167-000, et al.

## 5. National Fuel Gas Supply Corporation (NFG)

Peoples Natural Gas Division purchases interstate natural gas transportation service and natural gas storage service from NFG. In 1993, Peoples Natural Gas Division entered into Rate Schedule EFT transportation contracts with NFG of 15,476 Dth/day and Rate Schedule ESS storage service at a demand level of 9,793 Dth/day and a capacity level of 748,611 Dth. The primary term of these service agreements expired March 31, 2003; however, the terms were extended each year for additional one-year periods under applicable provisions in the agreements so that the contracts now expire March 31, 2024 subject to notice of termination being provided no later than March 31, 2023. If notice of termination is not provided by March 31, 2023, the contracts will extend for another one-year period. Peoples Natural Gas requires this capacity to meet the needs of its customers in an operationally isolated portion of its service area and thus does not intend to provide such notice of termination.

## 6. Peoples Natural Gas Division and Peoples Gas Division Exchange Agreements

Previously, the Peoples Natural Gas Division and the Peoples Gas Division entered into exchange agreements to move gas between the two divisions for various operations reasons. However, as a result of the PAPUC approval of the merger of these two companies (Docket Nos. A-2021-3029831 and A-2021-3029833), the metering of the exchanges between these now two Divisions of the same company is no longer necessary.

7. Texas Eastern Transmission, LP (Texas Eastern or TETCO)

Peoples Natural Gas Division purchases interstate, natural gas transportation service from Texas Eastern. The Company entered into an agreement effective April 1, 2007 through March 31, 2019 for 15,650 Dth/day of Market Zone 3 (M3) firm transportation capacity under Rate Schedule FT-1. The primary term of this service agreement expired April 30, 2019; however, the agreement automatically extends for another one-year term if notice of termination is not provided at least one year prior to the termination date. Since no notice of termination has been given, the agreement has automatically extended for two additional one-year periods so that the contract now expires April 30, 2024 if notice of termination is provided no later than April 30, 2023. If notice of termination is not provided by April 30, 2023, the contract will extend for another one-year period. Peoples Natural Gas Division requires this capacity to meet the needs of its customers on the eastern most side of its system and thus does not intend to provide such notice of termination.

Peoples Gas Division purchases firm transportation service from TETCO under TETCO's Rate FT-1. Following a review of its pipeline transportation portfolio and the receipt points into its system, in 2015, Peoples Gas Division sent an RFP to DETI, TCO and TETCO for up to 20,000 Dth per day of firm capacity and for construction of an interconnect meter station with Peoples Gas Division. Each pipeline submitted a proposal, and Peoples Gas Division chose to negotiate with TETCO for firm transportation capacity and construction of a new interconnection at Delmont, primarily because of the historical liquidity and reliability of purchasing supply on TETCO, particularly in its market zone 2 (M2).

Peoples Gas Division and TETCO then negotiated and entered into a firm transportation agreement for 10,000 Dth per day and construction of a new meter station and improved interconnection facilities, effective November 1, 2015, and extending for a 15-year term. Peoples Gas Division requested Pennsylvania Public Utility Commission ("PUC" or "Commission") approval to enter into this agreement in Docket No. P-2015-2505558, which was received by Order entered November 5, 2015.

In July 2021, Peoples Natural Gas Division solicited third parties for an AMA of its TETCO capacity for the periods of November 2021 through March 2022 or November 2021 through October 2022. The AMA stipulated that the awarded supplier would provide supply to Peoples Natural Gas Division with the same operational capacity as if Peoples Natural Gas retained control of the TETCO capacity. The AMA was awarded for the entire period of November 2021 through October 2022. Peoples Natural Gas Division's TETCO capacity was then released at zero cost per month for the same period to the AMA manager. The AMA specifies that quantities may be called on at specific points at monthly baseload or daily levels, or some combination. For monthly baseload requested quantities, pricing is INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts plus TETCO variable costs to the requested meter in effect for the period. For daily requested quantities, pricing is Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts for the day of flow plus TETCO variable costs to the requested meter in effect for the period. For the November 2021 through October 2022 period, Peoples Natural Gas Division rejected two less competitive offers related to its TETCO AMA RFP.

In July 2022, Peoples Natural Gas Division solicited third parties for an AMA of its TETCO capacity for the periods of November 2022 through October 2023. The AMA stipulated that the

awarded supplier would provide supply to Peoples Natural Gas Division with the same operational capacity as if Peoples Natural Gas Division retained control of the TETCO capacity. The AMA was awarded for the entire period of November 2022 through October 2023. Peoples Natural Gas Division's TETCO capacity was then released at zero cost per month for the same period to the AMA manager. The AMA specifies that quantities may be called on at specific points at monthly baseload or daily levels, or some combination. For monthly baseload requested quantities, pricing is INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts plus TETCO variable costs to the requested meter in effect for the period. For daily requested quantities, pricing is Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts for the day of flow plus TETCO variable costs to the requested meter in effect for the period. For the November 2022 through October 2023 period, Peoples Natural Gas Division rejected three less competitive offers related to its TETCO AMA RFP.

Peoples Natural Gas Division also needs firm deliveries of natural gas to other parts of its system adjacent to Texas Eastern's system in both Market Zone 2 (M2) and Market Zone 3 (M3). Previously, PNGD supplied this need with Texas Eastern firm transportation service, but more recently, PNGD has contracted for the purchase of natural gas delivered all the way to PNGD's city-gate by the Supplier.

In July 2021, Peoples Natural Gas Division issued an RFP for firm deliveries of up to 3,000 Dth/day at TETCO M2 Rockwood for the period of November 2021 through March 2022. Approximately twenty potential suppliers were solicited, and two proposals were received. Peoples Natural Gas Division accepted an offer for up to 3,000 Dth/day at Rockwood. The other offer was rejected. The accepted Rockwood proposal included no reservation charge for the deal term. The deal allowed for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts for that month plus \$0.15 per Dth. Daily supply would be priced Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus \$0.15 per Dth. There was no minimum call provision for baseload or daily supply to Rockwood.

In July 2021, Peoples Natural Gas Division issued an RFP for firm deliveries of up to 25,000 Dth/day at TETCO M3 Ebensburg for the period of November 2021 through March 2022. Peoples Natural Gas Division received only one proposal for Ebensburg supply. Peoples accepted the Ebensburg proposal which included a reservation charge of \$0.05 per Dth, or \$188,750 for the term of the deal. The deal allows for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-3 Receipts for that month plus \$0.00 per Dth. Daily supply would be priced Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus \$0.25 per Dth. However, on any day when Texas Eastern would restrict any portion of secondary in path nominations, not to a primary delivery point, pricing for daily supply would be GDA TETCO M3 plus \$0.00. There was no minimum call provision for baseload or daily supply to Ebensburg.

In June 2022, Peoples Natural Gas Division issued an RFP for firm deliveries of up to 3,000 Dth/day at TETCO M2 Rockwood for the period of November 2022 through March 2023. Approximately twenty potential suppliers were solicited, and two proposals were received.

Peoples Natural Gas Division accepted an offer for up to 3,000 Dth/day at Rockwood. The other offer was rejected. The accepted Rockwood proposal included no reservation charge for the deal term. The deal allowed for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts for that month plus \$0.20 per Dth. Daily supply would be priced Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus \$0.20 per Dth. There was no minimum call provision for baseload or daily supply to Rockwood.

In June 2022, Peoples Natural Gas Division issued an RFP for firm deliveries of up to 25,000 Dth/day at TETCO M3 Ebensburg for the period of November 2022 through March 2023. Peoples Natural Gas Division received two proposals for Ebensburg supply. Peoples accepted the Ebensburg proposal which included a reservation charge of \$22,000 per month, or \$110,000 for the term of the deal. The deal allows for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-3 Receipts for that month plus TETCO M2-M3 transportation charges, per Dth. Daily supply would be priced Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus TETCO M2-M3 transportation charges, per Dth. There was no minimum call provision for baseload or daily supply to Ebensburg.

At the time of filing, Peoples Natural Gas Division had not entered into negotiations for replacement agreements for delivered gas that expire at the end of March 2023. Peoples Natural Gas Division intends to issue another RFP.

#### 8. Tennessee Gas Pipeline Company, LLC (Tennessee or TGP)

Both Peoples Natural Gas Division and Peoples Gas Division need firm deliveries of natural gas to parts of its system adjacent to TGP's system. Previously, the Company supplied this need with TGP firm transportation service, but more recently, the Company has contracted for the purchase of natural gas delivered all the way to the Company's city-gate by the Supplier.

In July 2021, Peoples Natural Gas Division issued an RFP for deliveries to its TGP meters at Pitt Terminal, Pulaski and New Castle, for the period of November 2021 through March 2022. Approximately twenty potential suppliers were solicited and one offer was received. Peoples Natural Gas Division entered into an agreement with the supplier to make deliveries ranging from zero Dth/day to 26,000 Dth/day. The agreement included no reservation fee for the deal term. The agreement specified baseload supply pricing at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for that month plus \$0.08 per Dth. For daily requested quantities, the proposal specified pricing at Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus \$0.08 per Dth. There was no minimum call provision of baseload or daily supply associated with the deal.

In July 2021, Peoples Gas issued an RFP for deliveries to its TGP meter at Pitt Terminal from November 2021 through March 2022. Approximately twenty potential suppliers were solicited and one proposal was received. Peoples Gas entered into an agreement with a supplier to make deliveries ranging from zero Dth/day to 5,000 Dth/day. The agreement included no reservation fee. The agreement specified baseload supply pricing at the INSIDE FERC's Gas

Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for that month plus \$0.08 per Dth. For daily requested quantities, the proposal specified a premium related to Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus \$0.08 per Dth. The proposal included no minimum call provision for monthly or daily supply.

In August 2022, Peoples Natural Gas Division issued an RFP for deliveries to its TGP meters at Pitt Terminal, Pulaski and New Castle, for the period of November 2022 through March 2023. Approximately twenty potential suppliers were solicited and one offer was received. PNGD entered into an agreement with the supplier to make deliveries ranging from zero Dth/day to 26,000 Dth/day. The agreement included no reservation fee for the deal term. The agreement specified baseload supply pricing at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for that month plus \$0.105 plus TGP Zone 4 to Zone 4 fuel and variables per Dth. For daily requested quantities, the proposal specified pricing at Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus \$0.105 plus TGP Zone 4 to Zone 4 fuel and variables per Dth. There was no minimum call provision of baseload or daily supply associated with either of the deals.

In July 2021, Peoples Gas Division issued an RFP for deliveries to its TGP meter at Pitt Terminal from November 2021 through March 2022. Approximately twenty potential suppliers were solicited and one proposal was received. PGD entered into an agreement with a supplier to make deliveries ranging from zero Dth/day to 5,000 Dth/day. The agreement included no reservation fee. The agreement specified baseload supply pricing at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for that month plus \$0.08 per Dth. For daily requested quantities, the proposal specified a premium related to Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus \$0.08 per Dth. The proposal included no minimum call provision for monthly or daily supply.

In August 2022, Peoples Gas Division issued an RFP for deliveries to its TGP meter at Pitt Terminal from November 2022 through March 2023. Approximately twenty potential suppliers were solicited and one proposal was received. PGD entered into an agreement with a supplier to make deliveries ranging from zero Dth/day to 5,000 Dth/day. The agreement included no reservation fee. The agreement specified baseload supply pricing at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for that month plus \$0.105 per Dth plus TGP Zone 4 to Zone 4 variable charges. For daily requested quantities, the proposal specified a premium related to Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus \$0.105 per Dth plus TGP Zone 4 to Zone 4 variable charges. The proposal included no minimum call provision for monthly or daily supply.

The Company has evaluated its needs and plans to issue in the second quarter of 2023 another RFP for deliveries to its TGP meters for the winter of 2023 – 2024.

## 9. Term Gas Supply Contracts

"Term" gas supply contracts are gas purchase agreements with duration greater than one month for a firm amount. Peoples Natural Gas has long-term supply arrangements with EQT Energy with monthly and daily volume options.

- a. EQT Energy – NAESB Gas Supply Agreement - On December 19, 2012, Equitable and EQT Energy entered into a base contract for the sale of natural gas by EQT Energy to Equitable. On December 17, 2013, Equitable and EQT Energy executed a transaction confirmation under the December 19, 2012 base contract with an effective date of December 17, 2013 and terminates December 16, 2033. Under this agreement, EQT Energy will deliver an annual volume of not less than 20 MMDth to Equitrans for redelivery to Peoples Natural Gas (into what was formerly the Equitable Division), with a maximum daily quantity (“MDQ”) of 164,935 Dth/day. This agreement also provides for a first-of-the-month nomination of a fixed daily quantity with a winter intra-month call option that allows Peoples Natural Gas to change the daily quantity and call on supplies up to its MDQ on 24 hours’ notice.
- b. EQT Energy – NAESB Gas Supply Agreement - On December 19, 2012, Peoples Natural Gas and EQT Energy entered into a base contract for the sale of natural gas by EQT Energy to Peoples Natural Gas. On December 17, 2013, Peoples Natural Gas and EQT Energy executed a transaction confirmation under the December 19, 2012 base contract with an effective date of April 1, 2014 and terminates March 31, 2034. Under this agreement, EQT Energy will deliver to Equitrans for redelivery to Peoples Natural Gas an annual volume of not less than 15 MMDth, with an MDQ of 251,700 Dth/day. This agreement also provides for a first-of-the-month nomination of a fixed daily quantity with a winter intra-month call option that allows Peoples Natural Gas to change the daily quantity and call on supplies of up to its MDQ on 24 hours’ notice.

#### 10. Spot-Gas Contracts

Peoples Natural Gas enters into numerous spot-market gas purchase contracts with various entities. By their very nature, spot-market contracts are negotiated on a monthly or daily basis.

Peoples Natural Gas Company  
Section 53.64(c)(1) Pipeline Contract Summary  
1307(f)-2023

Pipeline	Firm Storage & Transportation Rate Schedule	Contract Number	Winter Contract Qty (MDQ-Dth)	Summer Contract Qty (MDQ-Dth)	Storage Contract Qty (Capacity-Dth)	Expiration Date
Columbia Gas Transmission	FSS	50112	2,000		112,860	3/31/2025
	SST	50113	2,000	1,000		3/31/2025
	FTS	133308	4,000			3/31/2025
Eastern Gas Transmisson and Storage	GSS	300192	10,000		600,000	3/31/2029
	GSS	300181	40,000		4,600,000	3/31/2034
	GSS	300196	40,000		2,480,000	3/31/2034
	FT	200623	10,000			10/31/2029
	FT	200654	40,000			3/31/2034
	FTNN	100119	40,000			3/31/2034
	FT	200782	10,000			10/31/2023
Texas Eastern	FT-1	910089	15,650			4/30/2024
	FT-1	911299	10,000			10/31/2030
Equitrans	60SS	772	72,417		4,000,000	3/31/2034
	GSS-AVC	775	200,000		8,600,000	12/31/2033
	60SS	863	137,010		7,473,296	3/31/2034
	115SS	865	50,536		5,283,357	3/31/2034
	NOFT	771	72,417	39,500		3/31/2034
	FTS-AVC	774	200,000	62,000		12/31/2033
	EFT	1560	137,010	76,142		3/31/2034
	EFT	1561	50,536	26,915		3/31/2034
	EFT	1559	164,935			3/31/2034
	EFT	1565	251,700	62,000		3/31/2034
	EFT - AVC	1576	251,700	62,000		12/31/2033
	NOFT	860	79,545			3/31/2034
National Fuel Gas Supply	EFT	E00532	15,476			3/31/2024
	ESS	G00543	9,793		748,611	3/31/2024

**Peoples Natural Gas Company LLC**  
**Peoples Natural Gas Division and Peoples Gas Division**  
**Docket No. R-2023-3037928**  
**1307(f) - 2023**

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Section 53.64(c)(2):

Notwithstanding paragraph (1), requests for confidential treatment of a submission required to be filed under § § 53.61—53.63, this section and § § 53.65—53.68 shall be made at the time the supporting information is submitted to the Commission. The information need not be served on another person until the request for nondisclosure is decided by the administrative law judge assigned to the proceeding and will be served under separate cover. The Commission will restrict access to this information pending its determination. The administrative law judge will make the determination within 15 days of the date the administrative law judge is assigned to the proceeding.

\* \* \* \* \*

Response:

The Peoples Divisions do not request confidential treatment of any submission made as part of this original pre-filing information, with the exception of the detailed pipeline system map referred to in response to 53.64(c)(10). The Company reserves the right to seek confidential treatment of any subsequent submissions made in the context of discovery or during the course of this proceeding and is willing to make confidential information available to certain parties pending receipt of the presiding ALJ's Order on nondisclosure, but only subject to confidentiality agreements acceptable to the Company.



**Peoples Natural Gas Company LLC**  
**Peoples Natural Gas Division and Peoples Gas Division**  
**Docket No. R-2023-3037928**  
**1307(f) - 2023**

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Section 53.64(c)(3):

A complete listing of sources of gas supply transportation or storage and their costs, including shut-in and curtailed sources of supply, both inside and outside this Commonwealth considered by or offered to the utility but not chosen for use during the past 12 months, which 12-month period shall end two months prior to the date of the tariff filing, and the reasons why the gas, transportation or storage was not selected for use as a part of the utility's supply mix. A similar listing of gas sources, transportation or storage and associated projected costs offered or considered but not chosen to meet supply for the next 20 months, along with reasons for nonselection.

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The natural gas spot market has evolved to the point where suppliers are no longer providing formal "bids" for gas supplies on a monthly basis to the Peoples Divisions as was done in the past. Once it is determined how much spot gas supplies the Peoples Divisions' retail customers will need on the interstate systems for the upcoming month or portion of a month, buyers begin the process of contacting suppliers and negotiating price for those supplies. This process of negotiation is done primarily via Instant Messaging and telephone. The economics of the supply alternatives are continuously updated throughout the period during which supplies are sought to determine, at the particular point in time purchases are made, the least costly combination of gas supply and transportation alternatives then available for delivery of supplies to the Peoples Divisions' city-gates. At the time of the negotiation, both buyer and seller have available to them the instant NYMEX screen price and general basis differentials from the NYMEX reference point to the receipt points where supplies are needed and other price discovery mechanisms. If buyer and seller can come to acceptable terms, a deal for supply is then completed.

In July 2021, Peoples Natural Gas Division ("PNGD") issued a Request for Proposal ("RFP") for deliveries to its TGP meters at Pitt Terminal, Pulaski and New Castle, for the period of November 2021 through March 2022. Approximately twenty potential suppliers were solicited and one offer was received. PNGD entered into an agreement with the supplier to make deliveries ranging from zero Dth/day to 26,000 Dth/day. The agreement included no reservation fee for the deal term. The agreement specified baseload supply pricing at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for that month plus \$0.08 per Dth. For daily requested quantities, the proposal specified pricing at Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus \$0.08 per Dth. There was no minimum call provision of baseload or daily supply associated with the deal.

In July 2021, Peoples Gas Division ("PGD") issued an RFP for deliveries to its TGP meter at Pitt Terminal from November 2021 through March 2022. Approximately twenty potential suppliers

were solicited and one proposal was received. PGD entered into an agreement with a supplier to make deliveries ranging from zero Dth/day to 5,000 Dth/day. The agreement included no reservation fee. The agreement specified baseload supply pricing at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for that month plus \$0.08 per Dth. For daily requested quantities, the proposal specified a premium related to Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus \$0.08 per Dth. The proposal included no minimum call provision for monthly or daily supply.

In July 2021, PNGD issued an RFP for firm deliveries of up to 3,000 Dth/day at TETCO M2 Rockwood for the period of November 2021 through March 2022. Approximately twenty potential suppliers were solicited, and two proposals were received. PNGD accepted an offer for up to 3,000 Dth/day at Rockwood. The other offer was rejected. The accepted Rockwood proposal included no reservation charge for the deal term. The deal allowed for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts for that month plus \$0.15 per Dth. Daily supply would be priced at Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus \$0.15 per Dth. There was no minimum call provision for baseload or daily supply to Rockwood.

In July 2021, PNGD issued an RFP for firm deliveries of up to 25,000 Dth/day at TETCO M3 Ebensburg for the period of November 2021 through March 2022. PNGD received only one proposal for Ebensburg supply. PNGD accepted the Ebensburg proposal which included a reservation charge of \$0.05 per Dth, or \$188,750 for the term of the deal. The deal allows for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-3 Receipts for that month plus \$0.00 per Dth. Daily supply would be priced Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus \$0.25 per Dth. However, on any day when Texas Eastern would restrict any portion of secondary in path nominations, not to a primary delivery point, pricing for daily supply would be GDA TETCO M3 plus \$0.00. There was no minimum call provision for baseload or daily supply to Ebensburg.

In July 2021, PNGD solicited third parties for an AMA of its TETCO capacity for the periods of November 2021 through March 2022 or November 2021 through October 2022. The AMA stipulated that the awarded supplier would provide supply to PNGD with the same operational capacity as if PNGD retained control of the TETCO capacity. The AMA was awarded for the entire period of November 2021 through October 2022. PNGD's TETCO capacity was then released at zero cost per month for the same period to the AMA manager. The AMA specifies that quantities may be called on at specific points at monthly baseload or daily levels, or some combination. For monthly baseload requested quantities, pricing is INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts plus TETCO variable costs to the requested meter in effect for the period. For daily requested quantities, pricing is Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts for the day of flow plus TETCO variable costs to the requested meter in effect for the period. For the November 2021 through October 2022 period, PNGD rejected two less competitive offers related to its TETCO AMA RFP.

In July 2022, PNGD solicited third parties for an AMA of its TETCO capacity for the periods of November 2022 through October 2023. The AMA stipulated that the awarded supplier would provide supply to PNGD with the same operational capacity as if PNGD retained control of the TETCO capacity. The AMA was awarded for the entire period of November 2022 through October 2023. PNGD's TETCO capacity was then released at zero cost per month for the same period to the AMA manager. The AMA specifies that quantities may be called on at specific points at monthly baseload or daily levels, or some combination. For monthly baseload requested quantities, pricing is INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts plus TETCO variable costs to the requested meter in effect for the period. For daily requested quantities, pricing is Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts for the day of flow plus TETCO variable costs to the requested meter in effect for the period. For the November 2022 through October 2023 period, PNGD rejected three less competitive offers related to its TETCO AMA RFP.

In June 2022, PNGD issued an RFP for firm deliveries of up to 3,000 Dth/day at TETCO M2 Rockwood for the period of November 2022 through March 2023. Approximately twenty potential suppliers were solicited, and two proposals were received. PNGD accepted an offer for up to 3,000 Dth/day at Rockwood. The other offer was rejected. The accepted Rockwood proposal included no reservation charge for the deal term. The deal allowed for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts for that month plus \$0.20 per Dth. Daily supply would be priced at Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus \$0.20 per Dth. There was no minimum call provision for baseload or daily supply to Rockwood.

In June 2022, PNGD issued an RFP for firm deliveries of up to 25,000 Dth/day at TETCO M3 Ebensburg for the period of November 2022 through March 2023. PNGD received two proposals for Ebensburg supply. PNGD accepted the Ebensburg proposal which included a reservation charge of \$22,000 per month, or \$110,000 for the term of the deal. The deal allows for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-3 Receipts for that month plus TETCO M2-M3 transportation charges, per Dth. Daily supply would be priced at Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus TETCO M2-M3 transportation charges, per Dth. There was no minimum call provision for baseload or daily supply to Ebensburg.

In August 2022, the Peoples Divisions issued an RFP for deliveries to its TGP meters at Pitt Terminal, Pulaski and New Castle, for the period of November 2022 through March 2023. Approximately twenty potential suppliers were solicited and one offer was received for each of the divisions. The Peoples Divisions entered into an agreement with the supplier to make deliveries ranging from zero Dth/day to 26,000 Dth/day. The agreement included no reservation fee for the deal term. The agreement specified baseload supply pricing at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for that month plus \$0.105 plus TGP Zone 4 to Zone 4 fuel and variables per Dth. For daily requested quantities, the proposal specified pricing at Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus \$0.105 plus TGP Zone 4 to Zone 4 fuel and

variables per Dth. There was no minimum call provision of baseload or daily supply associated with either of the deals.

The Peoples Divisions have evaluated their needs and plan to issue, in the second quarter of 2023, another RFP for deliveries to the TGP meters for the winter of 2023 – 2024.

No other sources of gas supply, transportation, or storage were considered by or offered to the utility but not chosen for use during the 12-month period ending January 31, 2023.

Any other capacity or supply arrangements offered or considered but not chosen to meet supply for the next 20 months will be discussed in the testimony of Steven Kolich (Peoples Natural Gas Statement No. 2).

**Peoples Natural Gas Company LLC**  
**Peoples Natural Gas Division and Peoples Gas Division**  
**Docket No. R-2023- 3037928**  
**1307(f)-2023**

For the Twelve Months Ending December 31, 2022

Section 53.64(c)(4):

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An annotated listing of Federal Energy Regulatory Commission or other relevant non-Commission proceedings, including legal action necessary to relieve the utility from existing contract terms which are or may be adverse to the interests of its ratepayers, which affect the cost of the utility's gas supply, transportation, or storage or which might have an impact on the utility's efforts to provide its customers with reasonable gas service at the lowest price possible. This list shall include docket numbers and shall summarize what has transpired in the cases, and the degree of participation, if any, which the utility has had in the cases. The initial list filed under this paragraph shall include cases for the past three years. Subsequent lists need only update prior lists and add new cases.

\* \* \* \* \*

**Overview**

Peoples Natural Gas Company LLC ("Peoples Natural Gas") and Peoples Gas Company LLC ("Peoples Gas") (collectively, "the Peoples LDCs"<sup>1</sup>), monitored proceedings before the Federal Energy Regulatory Commission ("FERC") and undertook legal action as necessary to protect the interests of the ratepayers of the Peoples LDCs during calendar year 2022. The Peoples LDCs continually assessed strategic and cost-effective means of tracking the rate, tariff, and certificate filings of the interstate pipelines by which they are served, as well as significant generic FERC proceedings which may affect the cost of gas supplies purchased on the interstate system or otherwise affect the services that the Peoples LDCs provided to their customers. On August 25, 2022, the Pennsylvania Public Utility Commission ("Commission") entered an Order approving the merger of Peoples Gas with and into Peoples Natural Gas at Docket Nos. A-2021-3029831 and A-2021-3029833. The merger of Peoples Natural Gas and Peoples Gas into the single surviving entity, Peoples Natural Gas, was effectuated on January 1, 2023. The merged entity operates two separate rate divisions: Peoples Natural Gas Company LLC – Peoples Natural Gas Division and Peoples Natural Gas Company LLC – Peoples Gas Division.

For the purposes of calendar year 2022, the Peoples LDCs jointly monitored proceedings before the FERC. Due to the merger of the Peoples LDCs, involvement in FERC proceedings in calendar year 2023 and beyond will be pursued as a single entity, Peoples Natural Gas, and not by each of the Peoples LDCs individually. However, the Peoples LDCs' combined efforts to monitor and participate in FERC proceedings throughout 2022 promotes the use of a combined annotated listing to satisfy the filing requirement of Section 53.64(c)(4). To this end, the FERC rulemakings and interstate pipeline cases affecting one or both of the Peoples LDCs are combined to generate the

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<sup>1</sup>The Peoples LDCs also monitored FERC proceedings on behalf of affiliate Peoples Gas WV LLC ("Peoples WV" or "PWV") and the term "the Peoples LDCs" may include Peoples WV with regard to the proceedings of Equitrans, L.P.

annotated listing of FERC cases set forth herein. This Exhibit contains an annotated listing of FERC rulemakings and interstate pipeline cases affecting one or both of the Peoples LDCs for the period January 1, 2022 through December 31, 2022, including what has transpired in each case, and the degree of the Peoples LDCs' participation, if any.

Representatives for Peoples Natural Gas will continue to participate in pertinent customer meetings, conference calls, webcasts and seminars sponsored by the interstate pipeline companies through which they are served. Prior to 2023, participation in these meetings and seminars and other industry programs has helped the Peoples LDCs to remain informed about pending cases and current issues that could affect the cost and availability of their gas supplies on the interstate system. Since the merger of the Peoples LDCs was effectuated on January 1, 2023, Peoples Natural Gas has been monitoring interstate pipeline filings on behalf of both rate divisions.

## **PIPELINE PROCEEDINGS**

### **Participation**

From time to time, the Peoples LDCs have intervened in, monitored the progress of and occasionally submitted written comments in FERC proceedings. Currently, Peoples Natural Gas monitors Eastern Gas Transmission and Storage Company ("EGTS")<sup>2</sup>, Equitrans ("Equitrans" or "ETRN"), National Fuel Gas Supply Corporation ("National Fuel" or "NFG") and Texas Eastern Transmission, LP ("Texas Eastern") because the outcome of the FERC proceedings of these interstate pipelines may directly affect the services that Peoples Natural Gas provides to its customers. Similarly, Peoples Gas monitored EGTS, Equitrans and Columbia Gas Transmission, LLC ("Columbia"), the three interstate pipelines from which Peoples Gas receives service, through calendar year 2022.

Typically, the Peoples LDCs did not intervene in the FERC proceedings of an interstate pipeline when they were not a customer of that pipeline or do not have a significant or direct interest in the outcome of that proceeding. Nonetheless, from time to time the Peoples LDCs also monitored the rates and, on a more limited basis, reviewed the FERC proceedings of other interstate pipelines where they had a continuing interest due to historical relationships or potential interest in receiving service in the future (e.g., Tennessee Gas Pipeline Company, LLC ("Tennessee" or "TGP")). In addition, the Peoples LDCs reviewed FERC orders on non-supplier pipelines that may have precedential value.

### **Annotated Listings of Proceedings**

Schedule A includes an annotated listing of pipeline proceedings, including docket numbers, a summary of what has transpired in the case and its status, and the degree of participation for Peoples Natural Gas Company and/or Peoples Gas Company. The listing covers pipeline filings submitted during the period January 1, 2022, through December 31, 2022.

Historically, the Peoples LDCs have included a Schedule B, which contained a separate listing of pipeline proceedings monitored and reviewed by Peoples LDCs representatives during the same

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<sup>2</sup> EGTS was formerly known as Dominion Energy Transmission, Inc. ("DETI"). DETI changed its name to EGTS in late 2020.

period but which no further action was required beyond, in some cases, an intervention. For the purposes of this year's filing, the Peoples LDCs consolidated Schedule B with and into Schedule A.

## FERC RULEMAKINGS AND OTHER INQUIRIES

### **Participation**

From time to time, the FERC issues a notice of proposed rulemaking (“NOPR”), a notice of inquiry (“NOI”), or a policy statement on topics of interest to the natural gas industry. These notices are reviewed, and an assessment is made of the Peoples LDCs’ interest in the subject matter. The Peoples LDCs monitor the progress of all such proceedings of interest and will participate in a significant generic FERC proceeding if their interests are not covered by others.

In addition, Peoples LDCs’ personnel participate in certain industry organizations, which were formed to advance the collective interest of their members. These organizations often offer members access to full-time consultants without payroll expenses. Given the short lead times allowed for preparation of comments, associations can channel resources, information, and ideas into the federal rulemaking process with efficiency and at little cost.

The American Gas Association (“AGA”) is a group representing more than 200 local energy companies that deliver clean natural gas throughout the United States. The AGA reports that there are more than 74 million residential, commercial, and industrial natural gas customers in the U.S., of which 95 percent – more than 71 million customers – receive their gas from AGA members. The AGA acts as an advocate for local natural gas utility companies who take service from virtually every interstate natural gas pipeline regulated by the FERC under the Natural Gas Act and participates in rulemakings and other generic policy dockets that affect its members’ interests. The AGA also monitors and participates from time to time in issues at other agencies and commissions (e.g., the Commodities Futures Trading Commission and the Pipeline and Hazardous Materials Safety Administration (“PHMSA”)) that impact gas utilities and energy consumers. Generally, with the active participation of the AGA FERC Regulatory Committee as an advocate for local natural gas utility companies, the need for individual local distribution companies to participate directly in rulemaking proceedings is minimized. Peoples LDCs’ representatives participate on AGA committees.

From time to time the AGA also files comments with regard to the FERC’s proposals to incorporate into its regulations business practice and electronic communications standards developed by the North American Energy Standards Board (“NAESB”). The NAESB holds itself out as an industry forum for the development and promotion of standards that will lead to a seamless marketplace for wholesale and retail natural gas and electricity. Formed in January 2002, the NAESB is an independent and voluntary organization that develops and promotes the use of business practices and electronic communications standards for the wholesale and retail natural gas and electricity industries.



### **Annotated Listings of Rulemakings and Other FERC Proceedings**

Historically, a Schedule C has been submitted that provides a listing of a number of “FERC Rulemakings” in which the AGA participated during the period January 1, 2022, through December 31, 2022, including a description of the status and what has transpired in each proceeding. In addition to those rulemakings listed, the AGA intervenes, participates, and files comments from time to time in proceedings that may not directly or significantly impact the Peoples LDCs or their interstate pipeline service providers. Schedule C is omitted this year because any such proceedings that had direct impacts on pipelines that service Peoples LDCs are described in Schedule A.

## **SCHEDULE A**

### **PIPELINE PROCEEDINGS**

#### **Columbia Gas Transmission, LLC (Peoples Gas Only)**

##### **Base Rate Case**

**RP20-1060**

##### **Summary:**

On July 31, 2020, Columbia filed for a Section 4 base rate increase. In addition to the increase, Columbia proposed rolling in its current Capital Cost Recovery Mechanism (“CCRM”) costs to base rates, initiating a new CCRM tracker, and proposed a preferred case in which its system would have an East and West rate zone, though rates were also proposed using the existing structure. Columbia asserted that the proposed rate zones stemmed from increasing difficulty in reaching east coast delivery points on peak days because most storage is located in Ohio, the far western portion of the system.

Protests varied depending on each shipper’s position on the system and their view on certain Columbia rate constructs. While all shippers protested the very large rate increase, only some protested the Operational Transaction Rate Adjustment (“OTRA”), with others arguing it should remain as is. Continuation of the CCRM tracker was opposed by a number of shippers as well, citing FERC policy that rates should be reviewed *before* introducing such a tracker. Columbia’s new tariff language outlining hourly takes as 1/24<sup>th</sup> of daily allowances, in addition to other operational limitations, was also protested. Finally, some parties argued that Columbia filed earlier than permitted by its Modernization II settlement with shippers, which provided a longer stayout unless legislation not contemplated at the time of the settlement was enacted affecting Columbia’s costs.

On August 12, 2020, Peoples Gas filed a protest focused on the reasonableness of the rates, seeking full statutory suspension and a hearing, with the opportunity for negotiation. Additional filings, including an answer filed by Columbia, were submitted.

On August 31, 2020, FERC accepted and suspended Columbia's rate increase for the maximum term of five months.

Discovery commenced, and settlement negotiations continued through the remainder of 2020 and into 2021. A "Stipulation and Agreement of Partial Settlement" was filed in Docket No. RP20-1060-000 on July 1, 2021 ("Partial Settlement"), in which the intervenors agreed to give up the arguments regarding the inconsistency of the rate filing with the Mod II Settlement, and Columbia agreed to withdraw its tariff language limiting customer flexibility to 1/24 of hourly takes, and other operational restrictions. The Partial Settlement was approved by the Commission on September 7, 2021, and the settlement tariffs were implemented by Columbia in a filing dated October 22, 2021.

On October 29, 2021, a Proposed Settlement resolving all remaining issues relating to the Docket No. RP20-1060 was filed with the FERC ("Settlement"), with Peoples Gas listed as a Settling Party. This filing consisted of: (1) a transmittal letter; (2) an explanatory statement; (3) a Stipulation and Agreement of Settlement; (4) several appendices; and (5) a certificate of service. On December 17, 2021, the hearing ALJ certified the settlement to the FERC as uncontested. That Settlement was approved, as modified, on February 25, 2022.

### **Penalty Revenue Crediting Report**

#### **RP22-449**

##### **Summary:**

On December 30, 2021, Columbia filed its annual Penalty Revenue Crediting Report for calendar year 2021. The report showed penalty revenues collected by Columbia, eligible incurred costs netted against those penalty revenues, if any, and the resulting penalty revenue credits for each month of the twelve-month period ending October 31, 2021.

On January 11, 2022, Peoples Gas intervened.

To date, no resolution in this proceeding has been reached. Peoples Gas will continue to participate as necessary to protect the interests of its customers.

### **Advance Notification of Natural Gas Facilities Replacement**

#### **CP22-36**

##### **Summary:**

On January 4, 2022, Columbia filed an advance notification with the FERC proposing to replace five existing Clark TRA-6 units at the Terra Alta Compression station totaling 5,500 horsepower with three (3) 2,250 horsepower Siemens Electric Motor Drives with Ariel KBT-6 reciprocating compressor units. Columbia noted that the estimated cost of the replacement was approximately \$65 million.

On January 24, 2022, Peoples Gas intervened.

To date, no resolution in this proceeding has been reached. Peoples Gas will continue to participate as necessary to protect the interests of its customers.

### **Electric Power Costs Adjustment**

#### **RP22-630**

##### **Summary:**

On March 1, 2022, Columbia made its annual tariff filing for its annual adjustment to its electric power costs adjustment (“EPCA”) rates. For the twelve-month period commencing April 1, 2022, Columbia proposed to collect \$27,953,763 in annual electricity costs, compared to \$34,038,114 in annual Electric Power Costs that were proposed to be collected in Columbia’s 2021 EPCA filing.

On March 9, 2022, Peoples Gas intervened.

On March 24, 2022, the FERC accepted the filing via Letter Order.

### **Transportation Cost Rate Adjustment**

#### **RP22-631**

##### **Summary:**

On March 1, 2022, Columbia submitted its annual Transportation Cost Rate Adjustment (“TCRA”) for the annual period beginning April 1, 2022. The filing, submitted pursuant to Section 36.25 of Columbia’s Tariff, was comprised of Columbia’s annual filing to adjust its TCRA rates to reflect estimated prospective Operational 858 Costs for the 12-month period commencing April 1, 2022, in addition to unrecovered past Operational 858 Costs for the period of January 1, 2021, through December 31, 2021.

On March 9, 2022, Peoples Gas intervened.

On March 24, 2022, the FERC accepted the filing via Letter Order.

### **Retainage Adjustment Mechanism**

**RP22-633**

#### **Summary:**

On March 1, 2022, Columbia made its annual tariff filing for its Retainage Adjustment Mechanism (“RAM”).

On March 9, 2022, Peoples Gas intervened.

By Letter Order on March 24, 2022, Columbia’s RAM filing was accepted, in part, by the FERC.

### **Tariff Filing - Non-Conforming Service Agreements**

**RP22-647**

#### **Summary:**

On March 1, 2022, Columbia filed updates to its non-conforming service agreements under rate schedules SST and FSS with the city of Richmond, Virginia.

On March 9, 2022, Peoples Gas intervened.

On March 28, 2022, the FERC accepted the filing via Letter Order.

### **Modernization Cost Recovery Mechanism**

**RP22-654**

#### **Summary:**

On March 1, 2022, Columbia submitted its modernization cost recovery mechanism (“MCRM”) filing, seeking to establish MCRM-T Daily Rates between \$0.0111 and \$0.030.

On March 9, 2022, Peoples Gas intervened.

On March 24, 2022, the FERC accepted the filing, in part, via Letter Order.

### **Operational Transaction Rate Adjustment**

**RP23-126**

**Summary:**

On November 1, 2022, Columbia submitted its tariff filing to adjust its Operational Transaction Rate Adjustment (“OTRA”) for the 2022-2023 winter season. Through this filing, Columbia proposed an OTRA monthly reservation rate for Rate Schedules FTS/NTS, TPS, and SST service for the 2022 winter season of \$.206 per dekatherm.

On November 14, 2022, Peoples Gas intervened.

On November 16, 2022, the FERC accepted the filing via Letter Order.

**Prior Notice Request – Facilities Replacement****CP23-8****Summary:**

On October 31, 2022, Columbia submitted a prior notice request requesting authorization to replace a segment of its existing Line 1360 and related facilities, located in Beaver County, Pennsylvania.

On January 12, 2023, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

**Notification of Replacement****CP23-9****Summary:**

On November 2, 2022, Columbia submitted information relating to the replacement of natural gas compressor facilities at its Artemas Compressor Station (“Station”) located in Bedford County, Pennsylvania.

On January 13, 2023, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

**Prior Notice Request Authorization****CP23-10**

**Summary:**

On November 3, 2022, Columbia submitted a prior notice request, requesting authorization to install facilities and appurtenances, to abandon a storage pipeline, and to make other modifications to its existing Pavonia Storage Field, located in Ashland County, Ohio, in order to create compression for counter storage at the Pavonia Storage Field.

On January 13, 2023, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

**Prior Notice Request Authorization****CP23-13****Summary:**

On November 7, 2022, Columbia submitted a prior notice request, requesting authorization to replace approximately 1.2 miles of 18-inch steel pipeline and related facilities in Lawrence County, Ohio for the Line R300 Replacement Project.

On January 13, 2023, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

**Eastern Gas Transmission and Storage Company (Peoples Natural Gas and Peoples Gas)****Tariff Filing - Operational Gas Sales Report****RP22-1001****Summary:**

On June 30, 2022, EGTS submitted its annual report of operational sales of gas.

On July 8, 2022, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

## **Tariff Filing – Overrun and Penalty Revenue Distribution**

**RP22-1026**

### **Summary:**

On July 1, 2022, EGTS submitted its annual overrun and penalty distribution report for the 12-month period ended March 31, 2022. A net revenue distribution of \$664,988.62 was made on June 30, 2022.

On July 8, 2022, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

## **Base Rate Case**

**RP21-1187-000**

### **Summary:**

On September 30, 2021, EGTS filed for a Section 4 base rate increase. Through the filing, EGTS proposed a cost-of-service of \$1,119,909,797, representing a substantial increase. Peoples Gas and Peoples Natural Gas filed a joint Motion to Intervene and a Protest on October 12, 2021. Various other parties filed protests to EGTS's base rate increase.

On October 29, 2021, the FERC issued an Order accepting and suspending EGTS's tariff records, subject to refund and conditions, and establishing hearing procedures. On November 4, 2021, the Administrative Law Judge ("ALJ") assigned to the proceeding issued an Order Notifying Participants of Presiding Judge's Intention to Certify a Question to the Commission. In sum, the ALJ asked whether it is the burden of EGTS to prove in its rate case that existing procedures for reservation charge crediting as reflecting in EGTS's Tariff's General Terms and Conditions, are just and reasonable and not unduly discriminatory or preferential or, alternatively, whether it is the burden of the FERC and supporting participants to provide that the procedures outlined in EGTS's General Terms and Conditions are unjust or unreasonable, or unduly discriminatory or preferential, and that a proposed replacement provision is just and reasonable, not unduly discriminatory, and not preferential.

On November 15, 2021, EGTS submitted a response to the November 4, 2021, Order Notifying Participants of Presiding Administrative Law Judge's Intention to Certify A Question to the Commission. In that response, EGTS argued that the proponent to any change to the existing procedures for reservation charge crediting set forth in EGTS's General Terms and Conditions bears the burden of proving that (1) the existing tariff procedures are unjust and unreasonable, or

unduly discriminatory or preferential and (2) whatever replacement procedures they may propose are just and reasonable and not unduly discriminatory or preferential.

For litigation, Peoples Gas and Peoples Natural Gas joined an informal customer group composed of local distribution and other customers with similar interests, the Distribution Customer Group, to participate in the litigation cooperatively and jointly with the goal of achieving reasonable rates and terms in the proceeding. The informal customer group retained an expert consultant to review and analyze specific customer impacts for each member of the group and to assist in settlement negotiations.

On September 30, 2022, EGTS filed a stipulation and agreement (Settlement) which resolved any and all outstanding issues in the rate case proceeding. The settlement reflected a substantial decrease in the proposed rates made through the initial filing. On November 2, 2022, the Settlement Judge certified the Settlement as uncontested. On November 30, 2022, the FERC approved the settlement. On December 15, 2022, EGTS made a compliance filing with the FERC, reflecting the settled rates and updated tariff, pursuant to the approved settlement. On December 27, 2022, Peoples Natural Gas intervened at the compliance filing's sub-docket. On January 10, 2023, the FERC issued a letter order accepting EGTS's tariff compliance filing, thereby approving the updated tariff, the settled rates, and various other settlement conditions.

### **Equitrans, L.P. (Peoples Natural Gas and Peoples Gas)**

#### **Abandonment Application – Gathering System**

##### **CP20-312**

##### **Summary:**

On April 30, 2020, Equitrans filed to abandon, either by sale or in place, gathering assets that it alleged were no longer economically practical. Unusually, Equitrans requested approval for abandonment in one year's time after FERC approval. The proposed abandonment would affect customers of several utilities in West Virginia (including Peoples Gas WV) and Peoples Natural Gas Company in Pennsylvania.

On May 19, 2020, the Public Service Commission of West Virginia ("PSCWV") filed a motion for extension of time, stating that it required an additional 30 days to file comments. The PSCWV noted that 3,500 utility customers were affected in West Virginia and FERC staff was not equipped to evaluate the filing by the May 28, 2020, deadline due to the Covid-19 related "Stay-At-Home" Order. Equitrans responded on May 20, 2020, asking that FERC grant only a 14-day extension.

On May 22, 2020, the WV Consumer Advocate Division ("CAD") filed comments focused on the Crawford Affidavit, agreed to by Equitable Resources in the 2008 Base Rate Gas of Equitable Gas Company (predecessor of Peoples Gas WV). Equitable Resources was, at that time, the parent company of Equitable and Equitrans. The affidavit acknowledges authority over abandonment of gathering systems to the PSCWV when utility customers are affected.



On May 28, 2020, Peoples Natural Gas and Peoples Gas WV filed a protest. The service to 2,500 Peoples Gas WV customers and 1,000 Peoples Natural Gas customers would be affected by the proposed abandonment, with many customers potentially losing service altogether. Peoples argued that Equitrans has provided service to these customers for decades, by both local supplies and interstate flows on the gathering system, and cannot simply abandon that obligation. Peoples further argued that the issue of Equitrans' obligation to serve customers was already under review in a PSCWV proceeding and Equitrans should be subject to that proceeding rather than undermining it by seeking FERC approval.

On June 12, 2020, Equitrans argued that it had given ample time to find a solution, including an offer for Peoples LDCs or other utilities to acquire the assets, despite their poor condition, to continue to serve customers. Equitrans argued that, to avoid taking responsibility for its customers, Peoples was using delay tactics. Equitrans also argued that the Crawford Affidavit did not apply once the Company reorganized and that the act of reorganization voided the Crawford Affidavit.

On June 29, 2020, Peoples LDCs clarified that rather than delaying, it believed that the PSCWV holds jurisdiction in West Virginia and that the FERC cannot issue a filing prior to an order from the state regulatory body. Peoples LDCs further argued that Equitrans' claim that the FERC does not have jurisdiction over gathering assets was not germane to the situation and that the FERC cannot supersede the PSCWV when it doesn't have jurisdiction.

The PSCWV argued on June 29, 2020, that the PSCWV jurisdiction rested in the Crawford Affidavit and did not accept Equitrans' argument that it was invalidated by the Equitrans' reorganization.

The Peoples LDCs filed a number of other pleadings in this proceeding, including an Answer filed on December 9, 2020, to Equitrans, L.P.'s December 7, 2020 Request For Expedited Consideration, where the Peoples LDCs filed with the FERC to state that, in the PSCWV case, the PSCWV ruled that Equitrans does need approval by the state authority to abandon facilities that affect customers and asked the FERC not to give Equitrans fuel to challenge the PSCWV order by continuing to use jurisdictional uncertainty.

On August 19, 2020, the PSCWV issued an order in the pending Peoples Gas WV proceeding discussed at length in the Peoples LDCs protest in this proceeding.

Additionally, on June 14, 2021, the Peoples LDCs filed an Answer to the June 1 pleading of Equitrans LP, noting their support of abandonment of the M-73 Line, but argued that the sale of such system does not support expedited issuance of an order approving the entire Equitrans application.

The Peoples LDCs filed six (6) Motions to Lodge that Order into the record in this proceeding.

On June 17, 2022, the FERC issued an Order granting the requested abandonment, in part, and accepting notice of termination of non-jurisdictional gathering service.

On August 2, 2022, Peoples Gas WV and Peoples Natural Gas filed a Motion for Leave to File an Answer and Answer to the request of Equitrans for Rehearing and Clarification.

On December 16, 2022, the FERC issued an Order granting Equitrans permission and approval to abandon its Taylor County Field facilities by sale to Big Dog Midstream, LLC or another holder of a limited jurisdiction certificate for ancillary interstate transportation service on the facilities. As part of that Order, Big Dog Midstream, LLC was issued a limited jurisdiction certificate under section 7(c) of the Natural Gas Act and Part 157 of the FERC's regulations to operate the Taylor County Field facilities. As such, the Peoples LDCs consider their participation in this matter concluded.

### **Termination of Gathering Service**

#### **RP21-882**

##### **Summary:**

On June 1, 2021, Equitrans filed notice of its intent to terminate gathering service on several non-certificated gathering facilities located in Wetzel County, West Virginia, citing long-wall mining impacts in the area of the affected lines. Peoples Natural Gas and Peoples Gas West Virginia filed a Joint Motion to intervene on June 11, 2021. On June 14, 2021, Peoples Gas West Virginia submitted a formal protest to the filing, citing the disputed matters already at issue for these facilities in the Docket No. CP20-312 proceeding. On June 17, 2022, the FERC issued an order granting the requested abandonment, in part, and accepting notice of termination of non-jurisdictional gathering service. On August 2, 2022, Peoples Gas West Virginia filed a Motion for Leave to File an Answer and Answer to the request for rehearing and clarification under RP-22-882.

On August 18, 2022, the FERC issued a Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration. On December 16, 2022, the FERC issued an Order Addressing Arguments Raised on Rehearing and Setting Aside Prior Order, In Part, Granting Abandonment, and Issuing Limited Jurisdiction Certificate.

Peoples Gas West Virginia continues to actively participate in this proceeding as necessary to protect the interest of its customers.

### **Application for Certificate of Public Convenience**

#### **CP22-24**

##### **Summary:**

On December 2, 2021, Equitrans submitted an Application for Public Convenience and Necessity for authorization to convert two observation wells to injection/withdrawal wells in the existing

Truittsburg Storage Field. In this filing, Equitrans also requested authority to sell the excess cushion gas resulting from the conversion. The filing proposed to add approximately 1,119 feet of well lines to convert Truittsburg wells 2483 and 2484 from observation wells to injection/withdrawal wells. Aboveground facilities would include the installation of Argus pigging valves at the wellhead and associated piping.

On December 9, 2021, the Peoples LDCs jointly intervened.

On December 13, 2022, Equitrans filed a letter requesting that it be authorized to commence construction in the well conversion project.

On January 6, 2023, the FERC issued a Letter Order granting Equitrans's request.

On January 17, 2023, Equitrans submitted a notification of Beginning of Construction for the project.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

### **Application for Certificate of Public Convenience**

#### **CP22-44**

##### **Summary:**

On January 28, 2022, Equitrans submitted an Application for Certificate of Public Convenience and Necessary for authorization to acquire the existing non-jurisdictional Cygrymus Compressor Station in Greene County, Pennsylvania and to construct, own, and operate (i) two Taurus 70 turbines at the Cygrymus Compressor Station; (ii) one additional Mars 100 compressor unit at the existing Corona Compressor Station Wetzel County, West Virginia; (iii) one additional Titan 130 compressor unit at the existing Plasma Compressor Station in Monroe County, Ohio; (iv) approximately 5.5 miles of pipeline in different locations related to the compressor stations; (v) one deep anode groundbed and rectifier for cathodic protection in Greene County, Pennsylvania; and (vi) ancillary facilities. The authorizations requested would, according to Equitrans, allow it to create approximately 350,000 dekatherms per day of incremental firm deliverability on its Mainline System and new transportation paths, as well as enhance long-term reliability on Equitrans's Mainline System.

On February 14, 2022, the Peoples LDCs jointly intervened.

Various parties have also intervened and submitted comments. On January 20, 2023, the FERC issued its Final Environmental Impact Statement for the project.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

## **Tariff Filing – Negotiated Rate Form of Service Agreements**

### **RP22-1216**

#### **Summary:**

On September 15, 2022, Equitrans submitted several tariff sections including updates to various negotiated rate agreements with its customers. Additionally, the filing proposed to clarify that, in addition to paying negotiated rates, the FERC annual charge adjustment charge would be assessed for transmission service agreements.

On September 23, 2022, the Peoples LDCs jointly intervened.

By Letter Order dated October 12, 2022, the FERC accepted the filing.

## **Operational Purchases and Sales Report**

### **RP23-102**

#### **Summary:**

On October 31, 2022, Equitrans submitted its annual Operational Purchases and Sales Report for 2022.

On November 8, 2022, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

## **Formula Based Negotiated Rates**

### **RP22-545**

#### **Summary:**

On February 11, 2022, Equitrans submitted a tariff section to Original Tariff Volume No. 1A, which set forth the negotiated rate for the period commencing March 1, 2022, under the formula contained in rate agreements that Equitrans has with Peoples Natural Gas.

On February 22, 2022, the Peoples LDCs jointly intervened.

On February 24, 2022, the FERC issued a Letter Order accepting the filing.

## **Allegheny Valley Connector Storage Loss Retainage Factor Update**

**RP22-564**

### **Summary:**

On February 18, 2022, Equitrans submitted an update for the actual fuel and unaccounted for gas experienced to operate the storage facilities on the Allegheny Valley Connector system. The revised retainage factor was calculated to be 5.37% for 2021 for the purposes of calculating the Storage Retention Rate True-up volumes.

On March 2, 2022, the Peoples LDCs jointly intervened.

On March 17, 2022, the FERC issued a Letter Order accepting the filing.

## **Prior Notice Request**

**CP21-455**

### **Summary:**

On June 2, 2021, Equitrans filed a Prior Notice Request for authorization to plug and abandon the Pratt 3660 injection/withdrawal storage well, remove an associated valve, and abandon in place approximately 635 feet of six-inch diameter natural gas pipeline.

Peoples Gas, Peoples Natural Gas, and Peoples Gas West Virginia filed a Joint doc-less Motion to Intervene on June 28, 2021. Further, on August 9, 2021, Peoples Gas, Peoples Natural Gas, and Peoples Gas West Virginia filed a formal protest to the Prior Notice request. Since Peoples Gas West Virginia's protest, comments have been filed by another party.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

## **Operational Purchases and Sales Report**

**RP22-157**

### **Summary:**

On November 1, 2021, Equitrans submitted for filing a report of its Operational Purchases and Sales for the twelve-month period ending August 31, 2021. This filing was made pursuant to Section 6.45 of the General Terms and Conditions in Equitrans' tariff.

On November 4, 2021, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

**Texas Eastern Transmission, LP (Peoples Natural Gas & Peoples Gas)**

**Base Rate Case**

**RP21-1001 and RP21-1188**

**Summary:**

On July 30, 2021, Texas Eastern filed for a general rate increase at Docket No. RP21-1001. Various parties filed Motions to Intervene, and/or Protests. Peoples Gas and Peoples Natural Gas filed a Joint Motion to Intervene and Protest on September 12, 2021.

On August 31, 2021, the FERC rejected Texas Eastern's filed tariff records, and issued an order directing Texas Eastern to show cause under RP21-1001. Through that order, the FERC determined that (1) Texas Eastern's proposed income tax allowance violates FERC policy and rejected its rates accordingly, and (2) direct Texas Eastern through a Natural Gas Act section 5 action to show cause as to why its reservation charge crediting procedures are in compliance with FERC policy.

On September 30, 2021, Texas Eastern filed for a general rate increase at Docket No. RP21-1188. This filing was made following the FERC's rejection of Texas Eastern's base rate filing at Docket No. RP21-1001. This rate filing, the proposed rates were designed to increase revenues by \$392,647,958.

On October 12, 2021, Peoples Gas and Peoples Natural Gas filed a Joint Motion to Intervene at Docket No. RP21-1188. Various other parties have intervened and/or protested.

On October 29, 2021, FERC issued an order accepting the rate filing at Docket No. R-2021-1188 and suspending the rates for five months, to become effective on April 1, 2022. For litigation, Peoples Gas and Peoples Natural Gas joined an informal customer group composed of local distribution and other customers with similar interests, the Texas Eastern Customer Group, to cooperatively and jointly participate in the litigation with the goal of achieving reasonable rates and terms in the proceeding. The Peoples LDCs participated in and monitored the proceeding as necessary.

At Docket No. RP21-1001, on January 20, 2022, the FERC issued an Order Addressing Arguments Raised on Rehearing and Setting Aside Prior Order, in Part. In the January 20, 2022, order, the FERC agreed with Texas Eastern that it erred in rejecting the entire tariff filing based on its assessment of one component without evaluating the remainder of the filing. As such, the FERC set aside its prior order rejecting Texas Eastern's rate filing, directed Texas Eastern to remove its proposed income tax adjustment of 25% and include the actual tax rate in the computation of its

rates when Texas Eastern files to motion the suspended rates into effect. Additionally, the FERC consolidated the respective Dockets at RP21-1001 and RP21-1188 on February 14, 2022.

On September 8, 2022, Texas Eastern submitted a Stipulation and Agreement, comprising of an uncontested settlement. The Peoples LDCs were listed as settling parties. The settlement constituted a significant decrease to the as-filed rate increase requested by TETCO. The Settlement represented a significant decrease in the applied-for rates requested by Texas Eastern.

On November 30, 2022, the FERC issued a Letter Order approving Texas Eastern's Stipulation in Settlement.

### **Abbreviated Application for Certificate of Public Convenience**

#### **CP22-486**

##### **Summary:**

On July 7, 2022, Texas Eastern submitted an Abbreviated Application for a Certificate of Public Convenience and Necessity and Related Authorizations and Order Approving Abandonment for its proposed Appalachia to Market II Project and Armagh and Enriken HP Replacement Project. The project was designed to provide up to 55,000 dekatherms per day of additional firm natural gas transportation service from the Appalachia supply basin in Southwest Pennsylvania to existing local distribution customers in New Jersey. Additionally, the project was designed to improve reliability to the Texas Eastern system by replacing a gas-driven compressor unit with an electric motor driven compressor unit at each of the two compressor stations.

On July 22, 2022, the Peoples LDCs jointly intervened.

To date, no resolution in this proceeding has been reached. The Peoples LDCs will continue to participate as necessary to protect the interests of their customers.

### **Electric Power Cost Adjustment Filing**

#### **RP22-466**

##### **Summary:**

On January 3, 2022, Texas Eastern Transmission, LP, submitted its Electric Power Cost Adjustment filing to be effective on February 1, 2022. Pursuant to GT&C Section 15.1, Electric Power Cost Adjustment, Texas Eastern files revised rates on a semi-annual basis, effective each February 1 and August 1, for each applicable zone, rate schedule, and incremental service, based upon the projected annual Electric Power Cost required for the operation of transmission compressor stations with electric motor prime movers, and on an annual basis, effective each February 1, to reflect the Electric Power Cost Surcharge for each applicable zone, rate schedule

and incremental service, which is designed to clear the balance in the Deferred Electric Power Cost Account and any sub-account.

On January 18, 2022, the Peoples LDCs jointly intervened.

By Letter Order on January 31, 2022, the filing was accepted by the FERC.

### **Annual Shrinkage Adjustment**

#### **RP22-540**

##### **Summary:**

On February 7, 2022, Texas Eastern filed its Applicable Shrinkage Adjustment (“ASA”) filing with the FERC. The filing proposed changes in ASA percentages for customers on Texas Eastern’s system. TETCO argued that, in light of the August 31, 2021 Order (relating to rejected rate case at RP21-1001) and the timing of the January 20, 2022 Order (also relating to the rejected rate case at RP21-1001), the earliest feasible effective date for Texas Eastern to make this filing results in a proposed effective date of March 1, 2022, which is 6 months following the effective date of the RP21-1001 Rate Case Filing rates.

On February 14, 2022, the Peoples LDCs jointly intervened.

By Letter Order dated February 18, 2022, the filing was accepted by the FERC.

### **Incremental Rates Filing**

#### **RP22-539**

##### **Summary:**

On February 4, 2022, Texas Eastern filed a revised tariff record, pursuant to the order issued at Docket No. RP21-1001, to reflect the incremental rates for the Middlesex Extension Project being placed into service.

On February 16, 2022, the Peoples LDCs jointly intervened.

By Letter Order dated March 1, 2022, the filing was accepted by the FERC.

### **Abbreviated Application for a Certificate of Public Convenience**

#### **CP21-463**



**Summary:**

On June 17, 2021, Texas Eastern submitted an Abbreviated Application for a Certificate of Public Convenience and Necessary and Related Authorizations for the Proposed Holbrook Compressor Units Replacement Project under CP21-463 (“Application”). Through the Application, Texas Eastern requested authorization to abandon twelve existing reciprocating compressor units at the Holbrook Compressor station, located in Richhill Township, Greene County, Pennsylvania. Texas Eastern argued in the Application that the purpose of the Project is to ensure the continued safe and reliable operation of the Station, at its certificated capacity, while meeting all current air emissions requirements, by replacing the existing reciprocating units at the Station.

On July 1, 2021, the Peoples LDCs intervened. Various other parties have also intervened. On January 28, 2022, the FERC issued a Notice of Schedule for the Preparation of an Environmental Assessment for the Holbrook Compressor Units Replacement Project, outlining the schedule for environmental review.

On October 31, 2022, the FERC issued a Letter Order granting Texas Eastern’s request to proceed with abandonment and construction activities for the Holbrook compressor units’ replacement project under CP21-463.

**Penalty Disbursement Report****RP22-1144****Summary:**

On August 24, 2022, Texas Eastern submitted its penalty disbursement report.

On September 2, 2022, the Peoples LDCs jointly intervened.

On September 19, 2022, the FERC approved the filing via Letter Order.

**Polychlorinated Biphenyl Compliance Filing****RP23-100****Summary:**

On October 28, 2023, Texas Eastern filed its annual polychlorinated biphenyl (“PCB”) filing to reflect Texas Eastern’s estimate of costs for eligible PCB related expenditures.

On November 8, 2022, the Peoples LDCs jointly intervened.

On November 18, 2022, the FERC issued a Letter Order approving the filing.

## **Annual Shrinkage Adjustment**

**RP23-119**

### **Summary:**

On October 31, 2022, Texas Eastern filed its Annual Shrinkage Adjustment (“ASA”). The filing implemented a decrease in the annual average ASA percentage of 0.35% and a decrease in the ASA Surcharge of 0.0170 cents per dekatherm delivered.

On November 14, 2022, the Peoples LDCs jointly intervened.

On November 30, 2022, the FERC issued a Letter Order approving the filing.

## **Semi-Annual Electric Power Cost Adjustment**

**RP22-466**

### **Summary:**

On January 3, 2022, Texas Eastern made its semi-annual Electric Power Cost (“EPC”) Adjustment Filing. Through the filing, Texas Eastern estimated its electric power cost projections on the twelve-months of electric power costs, as well as the then-latest actual twelve months of throughput quantities.

On January 18, 2022, the Peoples LDCs jointly intervened.

On January 31, 2022, the FERC issued a Letter Order approving the filing.

## **Penalty Disbursement Report**

**RP23-25**

### **Summary:**

On October 14, 2022, Texas Eastern submitted its penalty disbursement report. The report detailed three operational flow order penalty revenue streams for June and July, 2022.

On October 21, 2022, the Peoples LDCs jointly intervened.

On October 28, 2022, the FERC issued a Letter Order approving the filing.

**National Fuel Gas Supply Corporation (Peoples Natural Gas Only)**

**Tariff Filing – Period 2 Settlement Rates from Docket No. RP19-1426**

**RP19-1426-008**

Summary:

On February 22, 2022, National Fuel Gas Supply Corporation submitted tariff records to be effective April 1, 2022, pursuant to the FERC’s June 1, 2020, Settlement Order at Docket No. RP19-1426. The February 22, 2022 filing proposed to place the period 2 settlement rates into effect, which were identical to those reflect in the *pro forma* tariff records from the June 1, 2020 settlement, but were revised to include the 2022 Annual Retainage Adjustment.

On August 13, 2019, Peoples Natural Gas intervened at the primary docket. On February 28, 2022, Peoples Natural Gas intervened at the sub-docket.

On March 11, 2022, the FERC issued a Letter Order approving the filing.

**Transportation and Storage Cost Adjustment (“TSCA”) Filing**

**RP23-194**

Summary:

On November 17, 2022, National Fuel Gas Supply Corporation submitted a filing showing the calculations of its Transportation and Storage Cost Adjustment (“TSCA”), rendering a TSCA surcharge of \$0.0000.

On November 28, 2022, Peoples Natural Gas Company intervened.

On December 1, 2022, the FERC issued a Letter Order approving the filing.

**Tennessee Gas Pipeline Company, LLC (Peoples Natural Gas Only)**

**Producer Certified Gas Pooling Option – Tariff Adjustment**

**RP22-417**

Summary:

On December 15, 2021, Tennessee made a tariff filing seeking to implement a producer certified gas (“PCG”) pooling service option on Tennessee’s system. The Peoples LDCs jointly intervened on December 16, 2021.

Several parties filed protests and/or submitted comments to Tennessee's proposed PCG pooling service option.

On March 31, 2022, Tennessee filed revised tariff records to implement a PCG pooling service option on its system.

On April 29, 2022, the FERC issued an Order rejecting the proposed tariff records without prejudice.

On May 31, 2022, Antero Resources Corporation, MU Marketing LLC, and Coterra Energy Inc. filed a Request for Rehearing.

On June 30, 2022, the FERC issued an Order Granting Clarification and Denying Rehearing.

### **Fuel Adjustment Mechanism - Electric Power Cost**

#### **RP22-599**

##### **Summary:**

On February 25, 2022, Tennessee filed its electric power cost filing to recover its fuel and electric power costs through a fuel adjustment mechanism. This filing reflected higher rate of fuel lost and retention percentages, as well as higher electric power costs rates, which were applicable to the Company's general system transportation and storage services.

On March 9, 2022, Peoples Natural Gas intervened.

On March 31, 2022, the FERC issued an Order Accepting and Suspending Tariff Records, Establishing Hearing Procedures, and Holding the Hearing in Abeyance.

To date, no resolution in this proceeding has been reached. Peoples Natural Gas will continue to participate as necessary to protect the interests of its customers.

### **Pipeline Safety and Greenhouse Gas Cost Adjustment Mechanism**

#### **RP22-1245**

##### **Summary:**

On September 27, 2022, Tennessee submitted a tariff filing proposing to implement an updated pipeline safety and greenhouse gas cost adjustment mechanism. The filing reflected Tennessee's proposed recovery of certain costs for the period of November 1, 2022, through October 31, 2023, as well as costs incurred through October 31, 2021, excluding any amounts related to the deferred surcharge accounts, which were capped at \$10 million and \$5 million, respectively.

On October 12, 2022, Peoples Natural Gas intervened.

On October 20, 2022, the FERC issued a Letter Order accepting Tennessee's filing.

### **2022 Cashout Report**

**RP23-210**

#### **Summary:**

On November 29, 2022, Tennessee submitted its annual cashout report for the twelve-month period ending August 31, 2022. On November 30, 2021, in Docket No. RP22-363-000, Tennessee submitted its cashout report for the twelve-month period ending August 31, 2021 ("2021 Cashout Report"). That report reflected that Tennessee's cashout operations for this period experienced a loss of \$2,754,204, resulting in a cumulative loss as of August 31, 2021 of \$33,700,094. Tennessee stated that this cumulative loss would be rolled-forward into its next annual cashout period in accordance with the cashout provisions of Rate Schedules LMS-MA and LMS-PA of Tennessee's Tariff. In the 2022 cashout report, Tennessee's cashout operations experienced a gain of \$8,094,367. Resulting in a cumulative loss as of August 31, 2022, of \$25,605,727. In accordance with its tariff, Tennessee once again proposed to roll forward this cumulative loss into the next annual cashout period.

On December 12, 2022, Peoples Natural Gas intervened.

To date, no resolution in this proceeding has been reached. Peoples Natural Gas will continue to participate as necessary to protect the interests of its customers.

### **Substitution of Amended Exhibit to Service Package No. 77253**

**RP23-287**

#### **Summary:**

On December 15, 2022, Tennessee submitted for filing an Amendment to Service Package No. 77253 with EQT Energy LLC. The Amendment to the Service Package reflected primary receipt point amendments pursuant to Section 4.7 of Rate Schedule FT-a and Article XXVI, Section 5.7 of the General Terms and conditions of Tennessee's Tariff.

On December 27, 2022, Peoples Natural Gas intervened.

On January 5, 2023, the FERC issued a Letter Order accepting the filing.

**Peoples Natural Gas Company LLC  
Peoples Natural Gas Division and Peoples Gas Division  
Docket No. R-2023-3037928  
1307(f) - 2023**

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Section 53.64(c)(5):

A listing and updating, if necessary, of projections of gas supply and demand provided to the Commission for any purpose --see § 59.67 (relating to formats). In addition, provide an accounting of the difference between reported gas supply available and gas supply deliverable -- including storage-- from the utility to its customers under various circumstances and time periods.

\* \* \* \* \*

Attached are Forms-IRP-GAS filed in March and May 2022 pursuant to the Commission's regulations at 52 Pa. Code § 59.81 for Peoples Natural Gas Division and Peoples Gas Division.



375 North Shore Drive  
Pittsburgh, Pennsylvania 15212

**Carol Scanlon**  
Manager, Rates

**PNG Companies LLC**  
Phone: 412-208-6931  
Email: Carol.Scanlon@peoples-gas.com

March 1, 2022

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, Room N201  
400 North Street  
Harrisburg, Pennsylvania 17120

**Re: 2022 INTEGRATED RESOURCE PLANNING – Peoples Natural Gas Company LLC**  
**M-2022-3030280**

Dear Secretary Chiavetta:

Enclosed is the original of the Peoples Natural Gas Company LLC's Integrated Resource Planning (IRP) Forms 1A, 2A – Table 1 and 2A – Table 2 to be filed with the Pennsylvania Public Utility Commission ("Commission").

If you have any questions about these reports, please contact me.

Sincerely,

Carol Scanlon

**Enclosures**

**CC:** Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Bureau of Technical Utility Services  
Office of Consumer Advocate  
Office of Small Business Advocate

FORM-IRP-GAS-1A: ANNUAL GAS REQUIREMENTS  
REPORTING UTILITY: Peoples Natural Gas Company LLC  
(Volumes in MMcf)

Combined	Historical Data		Current Year	Three Year Forecast		
Index Year Actual Year	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Firm Sales:						
Retail Residential	40,159	41,895	42,956	42,797	42,797	42,797
Retail Commercial	7,879	8,502	9,732	9,693	9,693	9,693
Retail Industrial	270	234	385	385	385	385
Electric Power Generation						
Exchange with Other Utilities						
Unaccounted For Gas 1/	5,497	5,264	5,805	5,787	5,787	5,787
Company Use 1/	700	701	701	701	701	701
Other (Unbilled Estimate)	-	-	-	-	-	-
Subtotal Firm Sales	54,504	56,596	59,579	59,363	59,363	59,363
Interruptible Sales:						
Retail	-	-	-	-	-	-
Electric Power Generation	-	-	-	-	-	-
Company's Own Plant	-	-	-	-	-	-
Subtotal Interruptible Sales	-	-	-	-	-	-
SUBTOTAL FIRM AND INTERRUPTIBLE SALES:	54,504	56,596	59,579	59,363	59,363	59,363
Transportation:						
Firm Residential 2/	8,686	8,973	8,187	8,156	8,156	8,156
Firm Commercial	20,882	22,372	21,306	21,213	21,213	21,213
Firm Industrial	34,624	33,792	33,684	33,684	33,684	33,684
Interruptible Residential						
Interruptible Commercial	-	-	-	-	-	-
Interruptible Industrial	-	-	-	-	-	-
Electric Power Generation	-	-	-	-	-	-
Other - Off-System Transport	555	-	-	-	-	-
Subtotal Transportation	64,747	65,137	63,177	63,053	63,053	63,053
TOTAL GAS REQUIREMENTS	119,251	121,732	122,755	122,416	122,416	122,416
Increase (Decrease)		2,481	1,023	(340)	-	-
Percent Change (%)		2.1%	0.8%	-0.3%	0.0%	0.0%

1/ Reflects total system unaccounted for gas and company use. Because the historical UFG shown in this report is based on a calendar period calculation it does not accurately reflect actual UFG levels, which should be calculated on a summer-to-summer period.

2/ Includes unbilled residential & commercial volumes.



## FORM-IRP-GAS-2A: NATURAL GAS SUPPLY

## TABLE 1: ANNUAL SUPPLY

REPORTING UTILITY: Peoples Natural Gas Company LLC

(Volumes in MMcf)

	Historical Data		Current Year	Three Year Forecast		
Index Year Actual Year	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Gas Supply for Sales Service						
Supply Contracts (Other)	24,725	23,701	27,974	27,754	27,754	27,754
Spot Purchases	24,020	30,719	24,702	24,826	24,826	24,826
Storage Withdrawals	22,059	20,597	18,574	18,550	18,550	18,550
LNG/SNG/Propane Purchases	-	-	-	-	-	-
Company Production	-	-	-	-	-	-
Local Purchases	4,803	4,451	4,014	3,991	3,991	3,991
Exchanges with other LDCs	-	1,037	-	-	-	-
Other	-	-	-	-	-	-
Total Gas Supply for Sales	75,607	80,506	75,263	75,121	75,121	75,121
Total Transportation Service	67,894	63,229	65,997	65,866	65,866	65,866
TOTAL SALES GAS SUPPLY AND TRANSPORTATION SERVICE	143,501	143,735	141,261	140,987	140,987	140,987
Deductions						
Curtailments	-	-	-	-	-	-
Underground Storage Injections	(23,118)	(21,520)	(18,505)	(18,571)	(18,571)	(18,571)
LNG Liquefaction	-	-	-	-	-	-
Sales to other LDCs	(577)	(483)	-	-	-	-
Off-System Transport	(555)	-	-	-	-	-
Total Deductions	-	-	-	-	-	-
NET GAS SUPPLY	119,251	121,733	122,755	122,416	122,416	122,416

## FORM-IRP-GAS-2A: NATURAL GAS SUPPLY

## TABLE 2: PEAK DAY SUPPLY

REPORTING UTILITY: Peoples Natural Gas Company LLC

(Volumes in MMcf)

	Historical Data		Current Year	Three Year Forecast		
Index Year	-2	-1	0	1	2	3
Actual Year	2020	2021	2022	2023	2024	2025
Gas Supply for Sales Service						
No - Notice	11	12	77	77	77	77
Supply Contracts (Other)	0	0	468	469	469	469
Spot Purchases	133	228	52	52	52	52
Storage Withdrawals	332	279	421	421	421	421
LNG/SNG/Propane Purchases	0		0	0	0	0
Company Production	0		0	0	0	0
Local Purchases	13	16	18	17	17	17
Exchanges with other LDCs	-15	0	0	0	0	0
Other	0		0	0	0	0
Total Gas Supply for Sales	475	535	1035	1035	1035	1035
Total Transportation Service	359	315	266	255	255	255
TOTAL SALES GAS SUPPLY AND TRANSPORTATION SERVICE	834	850	1302	1291	1291	1291
Deductions						
Curtailments	0	0	0	0	0	0
Underground Storage Injections	0	0	0	0	0	0
LNG Liquefaction	0	0	0	0	0	0
Sales to other LDCs	0	0	0	0	0	0
Off-System Sales	0	0	0	0	0	0
Total Deductions	0	0	0	0	0	0
NET GAS SUPPLY	834	850	1302	1291	1291	1291

1/ Current and Forecast years represent system design day rather than historic peak day.



**Carol Scanlon**  
Manager, Rates

**PNG Companies LLC**  
Phone: 412-208-6931  
Email: Carol.Scanlon@peoples-gas.com

May 31, 2022

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, Room N201  
400 North Street  
Harrisburg, Pennsylvania 17120

**Re: 2022 INTEGRATED RESOURCE PLANNING – Peoples Natural Gas Company LLC**  
**M-2022-3030280**

Dear Secretary Chiavetta:

Enclosed is the original of the Peoples Natural Gas Company LLC's Integrated Resource Planning (IRP) Forms 1B, 2B, 2C, 3, 4A and 4B.

If you have any questions about these reports, please contact me.

Sincerely,

Carol Scanlon

Served Via Email

CC:

Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement – Richard Kanaskie [rkanaskie@pa.gov](mailto:rkanaskie@pa.gov)  
Pennsylvania Public Utility Commission, Bureau of Technical Utility Services – Paul Diskin [pdiskin@pa.gov](mailto:pdiskin@pa.gov)  
Office of Consumer Advocate – Aron Beatty [abeatty@paoca.org](mailto:abeatty@paoca.org) and Christy Appleby [cappleby@paoca.org](mailto:cappleby@paoca.org)  
Office of Small Business Advocate – Steven Gray [sgray@pa.gov](mailto:sgray@pa.gov)

FORM-IRP-GAS-1B: PEAK DAY GAS REQUIREMENTS  
REPORTING UTILITY: Peoples Natural Gas Company LLC  
(Volumes in MMcf)

	Historical Data		Current Year	Three Year Forecast		
Index Year Actual Year	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Firm Sales:						
Retail Residential	343	362	571	596	596	596
Retail Commercial	67	80	114	130	130	130
Retail Industrial	2	2	2	2	2	2
Electric Power Generation					-	-
Exchange with Other Utilities						
Unaccounted For Gas 1/	35	36	61	61	61	61
Company Use 1/	7	7	8	8	8	8
Other (Off-System/Unbilled Estimate)					-	-
Subtotal Firm Sales	454	486	756	798	798	798
Interruptible Sales:						
Retail						
Electric Power Generation						
Company's Own Plant						
Subtotal Interruptible Sales	-		-		-	-
SUBTOTAL FIRM AND INTERRUPTIBLE SALES:	454	486	756	798	798	798
Transportation:						
Firm Residential	77	62	128	102	102	102
Firm Commercial	114	120	251	235	235	235
Firm Industrial	188	181	162	156	156	156
Interruptible Residential						
Interruptible Commercial	-	-	-	-	-	-
Interruptible Industrial	-	-	-	-	-	-
Electric Power Generation	-	-	-	-	-	-
Subtotal Transportation	379	364	541	493	493	493
TOTAL GAS REQUIREMENTS	834	850	1,297	1,291	1,291	1,291
Increase (Decrease)		16	447	(6)	-	-
Percent Change (%)		2%	53%	0%	0%	0%

1/ Reflects total system unaccounted for gas and company use.

FORM-IRP-GAS-2B: NATURAL GAS TRANSPORTATION  
REPORTING UTILITY: Peoples Natural Gas Company LLC  
(Volumes in MMcf)

Index Year Actual Year	Historical Data				Current Year		Three Year Forecast					
	-2		-1		0		1		2		3	
	2020 2/		2021 2/		2022 2/		2023 2/		2024 2/		2025 2/	
<u>City Gate Transportation Contracts:</u>	Annual	Peak	Annual	Peak	Annual	Peak	Annual	Peak	Annual	Peak	Annual	Peak
Dominion Transmission - FTNN	-	-	-	-	-	-	-	-	-	-	-	-
Tennessee Gas Pipeline 4/	1,211	19	939	22	9,125	25	9,125	25	9,125	25	9,125	25
Texas Eastern Transmission 4/	2,025	22	1,845	24	5,110	41	5,110	41	5,110	41	5,110	41
National Fuel Gas Supply	486	2	573	12	2,190	6	2,190	6	2,190	6	2,190	6
Equitrans Allegheny Valley Connector	21,780	134	25,079	107	67,130	194	67,130	194	67,130	194	67,130	194
Equitrans Mainline Contract	16,908	127	20,680	149	81,041	130	81,041	130	81,041	130	81,041	130
<b>TOTAL</b>	<b>42,410</b>	<b>304</b>	<b>49,116</b>	<b>314</b>	<b>164,595</b>	<b>396</b>	<b>164,595</b>	<b>396</b>	<b>164,595</b>	<b>396</b>	<b>164,595</b>	<b>396</b>
<u>Upstream Transportation Contracts:</u>												
Equitrans	15,768	58	19,354	172	37,673	192	37,673	192	37,673	192	37,673	192
<b>TOTAL</b>	<b>15,768</b>	<b>58</b>	<b>19,354</b>	<b>172</b>	<b>37,673</b>	<b>192</b>	<b>37,673</b>	<b>192</b>	<b>37,673</b>	<b>192</b>	<b>37,673</b>	<b>192</b>
<u>Storage-Related Transportation Contracts:</u>												
Dominion Transmission - FTNN/GSS 3/	1,516	13	1,763	18	1,053	18	1,053	18	1,053	18	1,053	18
Dominion Transmission - GSS	1,634	38	2,171	38	2,384	38	2,384	38	2,384	38	2,384	38
National Fuel Gas Supply	493	7	633	5	716	9	716	9	716	9	716	9
Equitrans Allegheny Valley Connector	6,592	98	5,519	169	7,344	170	7,344	170	7,344	170	7,344	170
Equitrans Mainline Storage	7,002	157	7,009	155	10,801	159	10,801	159	10,801	159	10,801	159
<b>TOTAL</b>	<b>17,237</b>	<b>313</b>	<b>17,095</b>	<b>385</b>	<b>22,298</b>	<b>394</b>	<b>22,298</b>	<b>394</b>	<b>22,298</b>	<b>394</b>	<b>22,298</b>	<b>394</b>

1/ For each group of contracts, rank entries in order of magnitude for the current year and include a sheet noting the transportation provider and termination date for each contract reported.

Reporting should proceed along rank ordering until 75% of total is accounted for, or until ten contracts have been listed, whichever occurs first.

2/ The volumes shown for Dominion Transmission, Tennessee Gas Pipeline, Texas Eastern and AVC are net of the assignment of some capacity rights to Priority One transportation customers.

3/ Reflects firm transporation of gas withdrawn from DTI GSS storage under DTI FTNN/GSS contract.

4/ Not all Firm Contract - Includes Delivered Supply

FORM-IRP-GAS-2C: NATURAL GAS STORAGE  
REPORTING UTILITY: Peoples Natural Gas Company LLC  
(volumes in MMcf)

Index Year Actual Year	Historical Data				Current Year		Three Year Forecast					
	-2		-1		0		1		2		3	
	2020 2/		2021 2/		2022 2/		2023 2/		2024 2/		2025 2/	
Storage Contracts:1/	Winter	Peak	Winter	Peak	Winter	Peak	Winter	Peak	Winter	Peak	Winter	Peak
EQT ML Storage	10,259	155	9,520	128	10,801	159	10,801	159	10,801	159	10,801	159
EQT - Allegheny Valley Connector	5,960	98	4,718	94	7,350	170	7,350	170	7,350	170	7,350	170
Dominion Transmission GSS	2,443	38	2,336	20	2,380	38	2,380	38	2,380	38	2,380	38
Peoples Natural Gas	987	18	688	16	1,471	32	1,471	32	1,471	32	1,471	32
Dominion Transmission FTNN/GSS	1,424	13	1,356	14	2,190	18	2,190	18	2,190	18	2,190	18
National Fuel Gas Supply	642	7	622	7	718	9	718	9	718	9	718	9
Other												
TOTAL	21,714	329	19,240	278	24,909	426	24,909	426	24,909	426	24,909	426

- 1/ Rank entries in order of magnitude for the current year and include a sheet noting the storage provider and termination date for each contract period. Reporting should proceed along rank ordering until 75% of total is accounted for, or until ten contracts have been listed, whichever occurs first.
- 2/ The volumes shown for Dominion Transmission, EQT AVC and Peoples' on-system storage exclude the assignment of some capacity rights to Priority One transportation customers.

FORM-IRP-GAS-3: NUMBER OF CUSTOMERS (YEAR END)  
REPORTING UTILITY: Peoples Natural Gas Company LLC

	Historical Data		Current Year	Three Year Forecast		
Index Year	-2	-1	0	1	2	3
Actual Year	2020	2021	2022	2023	2024	2025
Sales Service:						
Retail Residential	491,218	494,813	494,813	494,813	494,813	494,813
Retail Commercial	33,163	33,474	33,474	33,474	33,474	33,474
Retail Industrial	93	87	87	87	87	87
Other	-	-	-	-	-	-
Subtotal Sales Service	524,474	528,374	528,374	528,374	528,374	528,374
Electric Power Generation	-	-	-	-	-	-
Transportation Service	111,742	108,363	108,363	108,363	108,363	108,363
CUSTOMER TOTAL	636,216	636,737	636,737	636,737	636,737	636,737
Increase (Decrease)		521	-	-	-	-
Percent Change (%)		0.1%	0.0%	0.0%	0.0%	0.0%

FORM-IRP-GAS-4A: ANNUAL SUPPLY AND REQUIREMENTS SUMMARY  
REPORTING UTILITY: Peoples Natural Gas Company LLC  
(Volumes in MMcf)

Index Year Actual Year	Historical Data		Current Year	Three Year Forecast		
	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Gas Supply:						
Supply Contracts      1/	28,469	27,230	32,056	31,723	31,723	31,723
Spot Purchases	24,020	30,236	24,702	24,826	24,826	24,826
Subtotal Gas Supply	52,489	57,466	56,758	56,549	56,549	56,549
Transportation	67,339	63,229	65,997	65,866	65,866	65,866
TOTAL GAS SUPPLY	119,828	120,695	122,755	122,416	122,416	122,416
Requirements:						
Firm Requirements	54,504	56,596	59,579	59,363	59,363	59,363
Interruptible Requirements	-	-	-	-	-	-
Subtotal Firm & Interruptible	54,504	56,596	59,579	59,363	59,363	59,363
Transportation	64,747	65,137	63,177	63,053	63,053	63,053
Load Reductions	-	-	-	-	-	-
TOTAL GAS REQUIREMENTS	119,251	121,732	122,755	122,416	122,416	122,416
Surplus (Deficiency)	577	(1,037)	(0)	(0)	(0)	(0)

1/ Includes the following other categories of supply: Pipeline Deliveries, Storage Withdrawals, Storage Injections, Local Purchases, and Exchanges with Other LDC's. Refer to IRP Form 2a - Table 1 for specific supply volumes.



FORM-IRP-GAS-4B: PEAK DAY SUPPLY & REQUIREMENTS SUMMARY  
REPORTING UTILITY: Peoples Natural Gas Company LLC  
(Volumes in MMcf)

Index Year Actual Year	Historical Data		Current Year	Three Year Forecast		
	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Gas Supply:						
Supply Contracts 1/	341	307	984	983	983	983
Spot Purchases	133	228	52	52	52	52
Subtotal Gas Supply	475	535	1,035	1,035	1,035	1,035
Transportation	359	315	266	255	255	255
TOTAL GAS SUPPLY	834	850	1,302	1,291	1,291	1,291
Requirements:						
Firm Requirements	454	486	756	798	798	798
Interruptible Requirements	-	-	-	-	-	-
Subtotal Firm & Interruptible	454	486	756	798	798	798
Transportation	379	364	541	493	493	493
Load Reductions	-	-	-	-	-	-
TOTAL GAS REQUIREMENTS	834	850	1,297	1,291	1,291	1,291
Surplus (Deficiency)	(0)	(0)	5	(0)	(0)	(0)

1/ Includes the following other categories of supply: Storage Withdrawals, Storage Injections, Local Purchases, and Exchanges with Other LDC's. Refer to IRP Form 2a - Table 2 for specific supply volumes.



375 North Shore Drive  
Pittsburgh, Pennsylvania 15212

**Carol Scanlon**  
Manager, Rates

**PNG Companies LLC**  
Phone: 412-208-6931  
Email: Carol.Scanlon@peoples-gas.com

March 1, 2022

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, Room N201  
400 North Street  
Harrisburg, Pennsylvania 17120

**Re: 2022 INTEGRATED RESOURCE PLANNING – Peoples Gas Company LLC**  
**M-2022-3030280**

Dear Secretary Chiavetta:

Enclosed is the original of the Peoples Gas Company LLC's Integrated Resource Planning (IRP) Forms 1A, 2A – Table 1 and 2A – Table 2 to be filed with the Pennsylvania Public Utility Commission ("Commission").

If you have any questions about these reports, please contact me.

Sincerely,

Carol Scanlon

**Enclosures**

**CC:** Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Bureau of Technical Utility Services  
Office of Consumer Advocate  
Office of Small Business Advocate

FORM-IRP-GAS-1A: ANNUAL GAS REQUIREMENTS  
REPORTING UTILITY: **Peoples Gas LLC**

	Historical Data		Current Year	Three Year Forecast		
Index Year: Actual Year:	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Firm Sales:						
Retail Residential	4,705	4,959	4,949	4,956	4,956	4,956
Retail Commercial	1,229	1,386	1,339	1,337	1,337	1,337
Retail Industrial	5	0	0	0	0	0
Electric power generation	0	0	0	0	0	0
Exchange w/ other utilities	0	0	0	0	0	0
Unaccounted for	1,123	1,264	1,041	1,041	1,041	1,041
Company Use	107	103	103	103	103	103
Other (Off-system/Unbilled estimate)	0	0	0	0	0	0
Subtotal Firm Sales	7,170	7,713	7,432	7,436	7,436	7,436
Interruptible Sales:						
Retail	0	0	0	0	0	0
Electric Power Generation	0	0	0	0	0	0
Company's Own plant	0	0	0	0	0	0
Subtotal Interruptible Sales	0	0	0	0	0	0
Subtotal Firm and Interruptible Sales	7,170	7,713	7,432	7,436	7,436	7,436
Transportation:						
Firm Residential	45	50	33	33	33	33
Firm Commercial	1,229	1,294	1,371	1,367	1,367	1,367
Firm Industrial	9,865	8,985	9,503	9,480	9,480	9,480
Interruptible Residential	0	0	0	0	0	0
Interruptible Commercial	0	0	0	0	0	0
Interruptible Industrial	0	0	0	0	0	0
Electric power generation	0	0	0	0	0	0
Other - Off System Transport	731	699	699	699	699	699
Subtotal Transportation	11,870	11,029	11,607	11,580	11,580	11,580
Total Gas Requirements	19,041	18,741	19,039	19,016	19,016	19,016
Increase (Decrease)		-299	298	-23	0	0
Percent Change (%)		-2%	2%	0%	0%	0%

FORM-IRP-GAS-2A: NATURAL GAS SUPPLY  
TABLE 1: ANNUAL SUPPLY  
REPORTING UTILITY: **Peoples Gas LLC**  
(Volumes in MMcf)

	Historical Data		Current Year	Three Year Forecast		
Index Year: Actual Year:	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Gas Supply for Sales Service						
Supply Contracts (Other)	0	0	0	0	0	0
Spot Purchases	3,849	3,861	4,958	5,426	5,426	5,426
Storage Withdrawals	3,543	4,120	4,309	4,078	4,078	4,078
LNG/SNG/Propane Purchases	0	0	0	0	0	0
Company Production	0	0	0	0	0	0
Local Purchases	3,390	2,832	2,219	2,112	2,112	2,112
Exchanges with other LDCs	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Gas Supplies for Sales	10,781	10,812	11,486	11,615	11,615	11,616
Total Transportation Service	12,104	11,996	11,458	11,425	11,425	11,425
TOTAL SALES GAS SUPPLY AND TRANSPORTATION SERVICE	22,885	22,807	22,944	23,040	23,040	23,040
Deductions						
Curtailments	0	0	0	0	0	0
Underground Storage Injections	3,845	4,066	3,905	4,024	4,024	4,024
LNG Liquefaction	0	0	0	0	0	0
Sales to other LDCs	0	0	0	0	0	0
Total Deductions	3,845	4,066	3,905	4,024	4,024	4,024
NET GAS SUPPLY	19,041	18,741	19,039	19,016	19,016	19,016

FORM-IRP-GAS-2A: NATURAL GAS SUPPLY

TABLE 2: PEAK DAY SUPPLY

REPORTING UTILITY: **Peoples Gas LLC**

(Volumes in MMcf)

	Historical Data		Current Year	Three Year Forecast		
Index Year: Actual Year:	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Gas Supply for Sales Service						
Supply Contracts (List)	0	0	0	0		
Supply Contracts (Other)	0	0	3	4	4	4
Spot Purchases	0	0	14	19	19	19
Storage Withdrawals	62	65	109	104	104	104
LNG/SNG/Propane Purchases	0	0	0	0	0	0
Company Production	0	0	0	0	0	0
Local Purchases	10	8	7	5	5	5
Exchanges with other LDCs	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Gas Supplies for Sales	72	73	133	131	131	131
Total Transportation Service	43	34	39	39	39	39
TOTAL SALES GAS SUPPLY AND TRANSPORTATION SERVICE	116	106	172	169	169	169
Deductions						
Curtailments	0	0	0	0	0	0
Underground Storage Injections	0	0	0	0	0	0
LNG Liquefaction	0	0	0	0	0	0
Sales to other LDCs	4	0	0	0	0	0
Total Deductions	4	0	0	0	0	0
NET GAS SUPPLY	112	106	172	169	169	169

1/ Current and Forecast years represent a system design day rather than historic peak day.



**Carol Scanlon**  
Manager, Rates

**PNG Companies LLC**  
Phone: 412-208-6931  
Email: Carol.Scanlon@peoples-gas.com

May 31, 2022

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, Room N201  
400 North Street  
Harrisburg, Pennsylvania 17120

**Re: 2021 INTEGRATED RESOURCE PLANNING – Peoples Gas Company LLC**  
**M-2022-3030280**

Dear Secretary Chiavetta:

Enclosed is the original of the Peoples Gas Company LLC's Integrated Resource Planning (IRP) Forms 1B, 2B, 2C, 3, 4A and 4B.

If you have any questions about these reports, please contact me.

Sincerely,

Carol Scanlon

Served Via Email

CC:

Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement – Richard Kanaskie [kanaskie@pa.gov](mailto:kanaskie@pa.gov)  
Pennsylvania Public Utility Commission, Bureau of Technical Utility Services – Paul Diskin [pdiskin@pa.gov](mailto:pdiskin@pa.gov)  
Office of Consumer Advocate – Aron Beatty [abeatty@paoca.org](mailto:abeatty@paoca.org) and Christy Appleby [cappleby@paoca.org](mailto:cappleby@paoca.org)  
Office of Small Business Advocate – Steven Gray [sgray@pa.gov](mailto:sgray@pa.gov)

## FORM-IRP-GAS-1B: PEAK DAY GAS REQUIREMENTS

REPORTING UTILITY: **Peoples Gas LLC**

(Volumes in MMcf)

	Historical Data		Current Year	Three Year Forecast		
Index Year: Actual Year:	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Firm Sales:						
Retail Residential	44	42	74	74	74	74
Retail Commercial	12	12	20	20	20	20
Retail Industrial	0	0	0	0	0	0
Electric power generation						
Exchange w/ other utilities						
Unaccounted for	8	7	12	12	12	12
Company Use	0	0	0	0	0	0
Other (Off-system/Unbilled estimate)						
Subtotal Firm Sales	64	61	106	107	107	107
Interruptible Sales:						
Retail	0	0	0	0	0	0
Electric Power Generation	0	0	0	0	0	0
Company's Own plant	0	0	0	0	0	0
Subtotal Interruptible Sales	0	0	0	0	0	0
Subtotal Firm and Interruptible Sales	64	61	106	107	107	107
Transportation:						
Firm Residential	0	0	1	1	1	1
Firm Commercial	5	6	13	13	13	13
Firm Industrial	42	39	51	50	50	50
Interruptible Residential						
Interruptible Commercial						
Interruptible Industrial						
Electric power generation						
Subtotal Transportation	48	45	64	63	63	63
Total Gas Requirements	112	106	171	170	170	170
Increase (Decrease)		-6	64	-1	0	0
Percent Change (%)		-5%	60%	0%	0%	0%

## FORM-IRP-GAS-2B: NATURAL GAS TRANSPORTATION

REPORTING UTILITY: **Peoples Gas LLC**

(Volumes in MMcf)

	Historical Data				Current Year		Three Year Forecast					
Index Year: Actual Year:	-2 2020		-1 2021		0 2022		2023		2 2024		3 2025	
City Gate Transportation Contracts:	Annual	Peak	Annual	Peak	Annual	Peak	Annual	Peak	Annual	Peak	Annual	Peak
Columbia (133308) 3/31/22	30.4	0.0	32.4	0.0	1,136.5	3.1	1,395.8	3.8	1,395.8	3.8	1,395.8	3.8
Texas Eastern (911299) 10/31/30	0.0	0.0	0.0	0.0	3,489.5	9.4	3,489.5	9.4	3,489.5	9.4	3,489.5	9.4
Tennessee Gas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dominion	486	0	13	0.0	3,489.5	9.4	3,489.5	9.4	3,489.5	9.4	3,489.5	9.4
Other	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	516	0	45	0	8,115	22	8,375	23	8,375	23	8,375	23
Upstream Transportation Contracts:												
_____												
_____												
_____												
_____												
_____												
_____												
Other	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0
Storage-Related Transportation Contracts:												
Columbia 3/31/22	191.1	4.4	152.0	0.0	990.7	4.9	0.0	0.0	0.0	0.0	0.0	0.0
Columbia 3/31/25	144.2	0.0	151.5	5.0	1,186.5	5.4	402.9	1.9	402.9	1.9	402.9	1.9
Equitrans 3/31/34	1,644.2	27.6	1,615.7	32.6	13,776.3	42.7	18,535.3	68.9	18,535.3	68.9	18,535.3	68.9
Dominion 3/31/22	182.1	4.2	148.1	1.9	721.8	4.5	0.0	0.0	0.0	0.0	0.0	0.0
Dominion 3/31/22	385.5	4.2	413.2	5.3	1,443.6	9.4	0.0	0.0	0.0	0.0	0.0	0.0
Dominion 3/31/22	389.0	4.2	419.4	6.7	1,443.6	9.4	0.0	0.0	0.0	0.0	0.0	0.0
Dominion 3/31/29	357.8	4.7	385.2	6.7	1,443.6	9.0	1,443.6	9.4	1,443.6	9.4	1,443.6	9.4
TOTAL	3,294	49	3,285	58	21,006	85	20,382	80	20,382	80	20,382	80

<sup>1</sup> Rank contracts in order of magnitude for the current year, noting the transportation provider and termination date for each contract reported. Reporting should proceed along rank ordering until 75% of total is accounted for, or until ten contracts have been listed, whichever occurs first.



## FORM-IRP-GAS-2C: NATURAL GAS STORAGE

REPORTING UTILITY: **Peoples Gas LLC**

(Volumes in MMcf)

	Historical Data				Current Year		Three Year Forecast					
Index Year: Actual Year:	-2 2020		-1 2021		0 2022		1 2023		2 2024		3 2025	
Storage Contracts:	Winter	Peak	Winter	Peak	Winter	Peak	Winter	Peak	Winter	Peak	Winter	Peak
Equitrans (772) 3/31/34	1,393.4	<b>27.6</b>	1,778.9	32.6	2,342.3	42.7	3,824.1	68.9	3,824.1	68.9	3,824.1	68.9
Dominion (300091) 3/31/22	189.9	<b>4.2</b>	236.5	1.9	286.8	4.5	0.0	0.0	0.0	0.0	0.0	0.0
Dominion (300098) 3/31/22	352.0	<b>4.2</b>	366.8	5.3	573.6	9.4	0.0	0.0	0.0	0.0	0.0	0.0
Dominion (300104) 3/31/22	347.2	<b>4.2</b>	366.5	6.7	573.6	9.4	0.0	0.0	0.0	0.0	0.0	0.0
Dominion (300192) 3/31/29	310.2	<b>4.7</b>	342.5	6.7	573.6	9.0	573.6	9.4	573.6	9.4	573.6	9.4
Columbia (50112) 3/31/25	299.7	<b>4.4</b>	332.8	5.0	337.8	5.7	107.9	1.9	107.9	1.9	107.9	1.9
Columbia (53012) 3/31/22	122.4	<b>0.0</b>	135.2	0.0	245.2	4.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>3,015</b>	<b>49</b>	<b>3,559</b>	<b>58</b>	<b>4,933</b>	<b>85</b>	<b>4,506</b>	<b>80</b>	<b>4,506</b>	<b>80</b>	<b>4,506</b>	<b>80</b>

<sup>1</sup> Rank contracts in order of magnitude for the current year, noting the storage provider and termination date for each contract reported. Reporting should proceed along rank ordering until 75% of total is accounted for, or until ten contracts have been listed, whichever occurs first.

## FORM-IRP-GAS-3: NUMBER OF CUSTOMERS (YEAR END)

REPORTING UTILITY: **Peoples Gas LLC**

	Historical Data		Current Year	Three Year Forecast		
Index Year: Actual Year:	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Sales Service:						
Retail Residential	58,332	58,177	58,177	58,177	58,177	58,177
Retail Commercial	3,822	4,148	4,148	4,148	4,148	4,148
Retail Industrial	1	1	1	1	1	1
Other	0	0	0	0	0	0
Subtotal Sales Service	62,155	62,326	62,326	62,326	62,326	62,326
Electric Power Generation	0	0	0	0	0	0
Transportation Service	956	888	888	888	888	888
CUSTOMER TOTAL	63,111	63,214	63,214	63,214	63,214	63,214
Increase (Decrease)		103	0	0	0	0
Percent Change (%)		0.16%	0.00%	0.00%	0.00%	0.00%

## FORM-IRP-GAS-4A: ANNUAL SUPPLY AND REQUIREMENTS SUMMARY

REPORTING UTILITY: **Peoples Gas LLC**

(Volumes in MMcf)

	Historical Data		Current Year	Three Year Forecast		
Index Year: Actual Year:	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Gas Supply:						
Supply Contracts	3,088	2,885	2,624	2,165	2,165	2,165
Spot Purchases	3,849	3,861	4,958	5,426	5,426	5,426
Subtotal Gas Supply	6,937	6,746	7,582	7,591	7,591	7,591
Transportation	12,104	11,996	11,458	11,425	11,425	11,425
TOTAL GAS SUPPLY	19,041	18,741	19,039	19,016	19,016	19,016
Requirements:						
Firm Requirements	7,170	7,713	7,432	7,436	7,436	7,436
Interruptible Requirements	0	0	0	0	0	0
Subtotal Firm & Interruptible	7,170	7,713	7,432	7,436	7,436	7,436
Transportation	11,870	11,029	11,607	11,580	11,580	11,580
Load Reductions	0	0	0	0	0	0
TOTAL GAS REQUIREMENTS	19,041	18,741	19,039	19,016	19,016	19,016
Surplus (Deficiency)	(0)	0	(0)	(0)	(0)	0

## FORM-IRP-GAS-4B: PEAK DAY SUPPLY AND REQUIREMENTS SUMMARY

REPORTING UTILITY: **Peoples Gas LLC**

(Volumes in MMcf)

	Historical Data		Current Year	Three Year Forecast		
Index Year: Actual Year:	-2 2020	-1 2021	0 2022	1 2023	2 2024	3 2025
Gas Supply:						
Supply Contracts	68	73	119	112	112	112
Spot Purchases	0	0	14	19	19	19
Subtotal Gas Supply	68	73	133	131	131	131
Transportation	43	34	39	39	39	39
TOTAL GAS SUPPLY	112	106	172	169	169	169
Requirements:						
Firm Requirements	64	61	106	107	107	107
Interruptible Requirements	0	0	0	0	0	0
Subtotal Firm & Interruptible	64	61	106	107	107	107
Transportation	48	45	64	63	63	63
Load Reductions	0	0	0	0	0	0
TOTAL GAS REQUIREMENTS	112	106	171	170	170	170
Surplus (Deficiency)	(0)	(0)	1	(1)	(1)	(1)

**Peoples Natural Gas Company LLC**  
**Peoples Natural Gas Division and Peoples Gas Division**  
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**1307(f) – 2023**

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Section 53.64(c)(6):

Each Section 1307(f) utility shall file with the Commission a statement of its current fuel procurement practices, detailed information concerning the staffing and expertise of its fuel procurement personnel, a discussion of its methodology for obtaining a least cost and reliable source of gas supply, including a discussion of any methodologies, assumptions, models or rules of thumb employed in selecting its gas supply, transportation and storage mix, its loss prevention strategy in the event of fraud, nonperformance or interruption of performance, its participation in capacity release and reallocation programs, the impact, if any, upon least cost fuel procurement by constraints imposed by local transportation end users, interruptible service, balancing, storage and dispatching options, and its strategy for improving its fuel procurement practices in the future and timetable for implementing those changes.

\* \* \* \* \*

The Peoples Divisions' current fuel procurement practices can best be summarized as follows: it is Peoples' policy to manage its procurement practices to obtain the lowest overall gas cost consistent with Peoples' need to provide reliable service to its customers in the long term while maintaining peak day deliverability. Peoples pursues this policy within the limitations of its facilities and existing contracts. Specifically, the policy allows for making prudent investments to enhance Peoples' facilities where practicable and securing greater flexibility in contracts where possible on an ongoing basis. Therefore, Peoples' supply portfolio includes Pennsylvania supplies under long-term contracts and interstate index-based supplies. This portfolio is further enhanced through the use of storage by Peoples both on the interstate system and on Peoples' own system.

Refer to the Peoples Divisions' response to 53.64(c)(1) for an analysis and discussion of Peoples' firm interstate storage and transportation service agreements, interstate gas supply acquisitions, and local Pennsylvania gas purchase arrangements.

Gas supplies acquired by Peoples on the interstate pipeline system are an essential part of the overall gas supply portfolio, particularly during peak demand periods. These supplies are used to meet the peak extra demand system requirements that cannot be served by local Pennsylvania gas supplies and to boost pressures at key market area locations to alleviate the deliverability problems inherent in Peoples' pipeline system. In fact, Peoples' interstate pipeline services (i.e., firm storage and transportation capacity on Equitrans, Columbia, TETCO and Eastern Gas) are critically important during periods of peak demand, particularly for the residential and commercial customers with substantial weather-sensitive load. Furthermore, supply delivered at higher pressure at Peoples' Tennessee and TETCO interconnects through a firm delivered supply deals will be available if and when it is needed.

1. Firm Storage Service

Firm interstate storage capacity is an essential ingredient in Peoples' ability to meet the peak requirements of its weather-sensitive customers during the winter months. In addition to the critical winter season peaking role, firm storage capacity also provides daily system balancing capacity.

2. Interstate Pipeline Firm Transportation Service

Year-round firm transportation service, together with the firm gas supply agreements discussed in detail later in this Response, gives Peoples a reliable source of gas supply that is critical during peak demand periods. During non-peak demand periods, this year-round firm transportation capacity can be used to deliver gas for injection into interstate pipeline storage facilities. Peoples' interstate pipeline firm transportation and storage services are described in detail in response to Section 53.64(c)(1), above.

3. Firm Interstate Gas Supply Arrangements

Peoples' firm interstate gas supply arrangements are generally limited to its subscribed firm transportation and storage capacity on interstate pipelines. This allows it to purchase supply and deliver the gas to its gates as required for its demand and for storage injection. The Company usually purchases supply for its capacity on a daily basis. Peoples rarely commits to supply purchases longer than one month. From time to time, Peoples may enter into delivered deal arrangements. For these types of deals, supply is agreed to be purchased at pre-negotiated variable and demand rates, for delivery to specific Peoples gates, during specific periods of the year. Such arrangements normally utilize interstate pipeline capacity held by parties other than Peoples. These deals provide additional deliverability beyond what is available from Peoples' subscribed interstate capacity. The need to enter into such deals, and their applicable terms, is determined during the annual planning process.

4. Role of the Interstate Spot Market

Interstate spot market supplies are the primary method to fill Peoples' interstate storage inventory but are also utilized to balance its system throughout the year. Peoples will continue to consider acquiring such spot market gas supplies, when they are available at competitive prices, for immediate use as general system supply and for storage injection purposes.

Peoples' Purchased Gas Supply Strategy — The Role of Local Gas

Peoples and its customers continue to purchase a substantial amount of their gas supply from Pennsylvania and Appalachian producers. Year-round base load gas supply is purchased from approximately 126 local Pennsylvania producers at approximately 1,947 supply meters. The majority of this gas is produced from conventional gas wells drilled into shallow upper Devonian formations (approximately 4,000 ft.). Over the last 100 years, Peoples' pipeline system has been designed and operated to accommodate this economic source of local supply, which must be delivered at varying pressures.

The deliverability of Pennsylvania gas has historically declined as the gas wells age. Such decline is characteristic of these small volume local wells and thus, over time, deliverability of existing wells will continue to fall as these wells are depleted. Over the last several years, the decline in new shallow well development resulted in production from the new gas wells failing to offset the production deliverability declines of the existing Pennsylvania gas wells. Production from Marcellus wells has accounted for roughly 21.2% of the total local production into Peoples' system but adding new Marcellus gas is limited due to the lower operating pressures of the gathering system. If this current trend continues, other supply sources such as additional interstate supplies will be required to meet the system's requirements.

Pennsylvania-sourced gas supplies on Peoples' system continue to provide a substantial, year-round base load gas supply.

Peoples has historically maintained reasonable Purchased Gas Cost rates while at the same time providing highly reliable service. Consequently, Peoples will continue to follow its present gas procurement policies and practices set forth in this filing.

Peoples' Gas Supply Department is adequately staffed with qualified and well-trained personnel who receive regular updates on conforming to the Company's least cost purchasing policy. The experience level ranges from significant experience to developing new experience to take control in the future. In addition to their industry experience, personnel responsible for gas supply and planning attend seminars, conferences, and short courses that address supply strategies and methodologies. Additionally, they communicate continuously with gas suppliers, producers, marketers, and interstate pipeline representatives in matters pertaining to Peoples' fuel procurement policy. These personnel receive frequent updates of current trends and new developments within the natural gas industry.

**Peoples Natural Gas Company LLC**  
**Peoples Natural Gas Division and Peoples Gas Division**  
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Section 53.64(c)(7)

A list of off-system sales, including transportation, storage, or capacity releases by the utility at less than the weighted average price of gas, or at less than the original contract cost of transportation, storage or capacity supplied to the utility for its own customers.

\* \* \* \* \*

Peoples Natural Gas Division made the following off-system sales. Peoples Gas Division did not make any off-system sales during the historic period.

		Dth
February	2022	1,295,729
March		535,685
April		108,690
May		18,476
June		21,330
July		7,192
August		12,369
September		18,720
October		24,149
November		606,828
December		1,167,809
January	2023	<u>1,315,719</u>
		5,132,696

Peoples Natural Gas Division and Peoples Gas Division made the following capacity releases during the historic periods. Note that the capacity releases in the table below do not include capacity released at zero cost to marketers under Peoples Natural Gas' Energy Choice program.

Capacity Releases 1/, 2/				3/	
		<b>Peoples Natural Gas Division</b>		<b>Peoples Gas Division</b>	
		Dth	\$	Dth	\$
February	2022	23,102	250,846	0	0
March		20,790	247,614	0	0
April		23,470	251,644	0	0
May		31,886	254,812	0	0
June		30,450	249,640	0	0
July		28,350	252,148	3,000	150
August		34,697	252,698	0	0
September		19,587	249,924	0	0
October		23,927	253,057	0	0
November		21,150	818,700	10,000	12,180
December		23,731	821,561	8,548	7,950
January	2023	22,966	821,952	10,000	1,000
			\$ 4,724,596		\$ 21,280
1/ All dollars are presented in total, before sharing.					
2/ Releases on EQT, EGTS and TETCO.					
3/ Releases on EGTS.					



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Section 53.64(c)(8)

A list of agreements to transport gas by the utility through its system, for other utilities, pipelines, or jurisdictional customers including the quantity and price of the transportation.

\* \* \* \* \*

The Peoples Divisions had 98,010 transportation agreements in place at year-end 2022. During 2022, the Peoples Divisions transported 74,593,771 Mcf resulting in \$192,499,564 in transportation revenues.

**Peoples Natural Gas Company LLC**  
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Section 53.64(c)(9)

A schedule depicting historic monthly end-user transportation throughput by customer. Each customer or account shall be identified solely by a unique alphanumeric code, the key to which may be provided subject to the provisions of 52 Pa. Code 5.423 (relating to orders to limit availability of proprietary information).

\* \* \* \* \*

The table below depicts monthly end-user transportation throughput for the twelve months ended December 31, 2022 for the Peoples Divisions. An individualized list of these customers is not attached due to the large number of transportation customers. Customer specific information can be made available upon request and the execution of a confidentiality agreement.

<b>Peoples Natural Gas Company Combined</b>					
	Total Number	MCF			
	<u>of Accounts</u>	<u>RS</u>	<u>CS</u>	<u>IS</u>	<u>Total</u>
Jan 2022	109,101	1,800,767	4,354,356	4,902,839	11,057,961
Feb 2022	108,727	1,345,894	3,372,660	4,121,278	8,839,832
Mar 2022	107,878	976,202	2,675,951	4,100,439	7,752,592
Apr 2022	107,175	691,679	2,082,529	3,557,356	6,331,564
May 2022	106,414	285,192	1,170,739	3,495,873	4,951,803
Jun 2022	105,628	140,779	798,181	3,251,717	4,190,677
Jul 2022	103,833	128,971	754,050	3,197,534	4,080,555
Aug 2022	100,829	122,723	749,457	3,182,600	4,054,780
Sep 2022	98,393	161,454	854,124	2,659,201	3,674,779
Oct 2022	97,756	481,953	1,632,720	2,873,574	4,988,247
Nov 2022	97,528	769,080	2,251,065	3,163,382	6,183,527
Dec 2022	98,010	1,311,334	3,419,725	3,756,393	8,487,452
		8,216,028	24,115,557	42,262,185	74,593,771

**Peoples Natural Gas Company LLC**  
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Section 53.64(c)(10):

A schematic system map, locating and identifying by name, the pressure and capacity of all interstate or intrastate transmission pipeline connections, compressor stations, utility transmission or distribution mains 6" or larger in size, storage facilities, including maximum daily injection and withdrawal rates, production fields, and each individual supply or transportation customer which represents 5% or more of total system throughput in a month. Each such customer or account shall be identified solely by a unique alphanumeric code, the key to which may be provided subject to the provisions of 52 Pa. Code 5.423.

\* \* \* \* \*

For security reasons Peoples has requested Highly Confidential treatment of the system map requested in this filing requirement. The Company's system map will be made available for inspection upon request and the execution of a confidentiality agreement.

Refer to the two attachments for the Peoples Divisions' storage facility maximum daily injection and withdrawal rates and interstate and intrastate connections.

The Peoples Divisions have one transportation customer that represent 5% or more of the total system throughput in a month.

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Storage Facilities

FACILITY	MAXIMUM <sup>1</sup> WITHDRAWAL RATE - Mcf/Day	DESIGN DAY WITHDRAWAL RATE - Mcf/Day	MAXIMUM <sup>1</sup> INJECTION RATE - Mcf/Day	MAXIMUM <sup>2</sup> CAPACITY - Mcf	MAXIMUM POOL PRESSURE - Psig
Murrysville	40,000	32,000	18,000	984,124	950
Hughes	6,500	4,200	300	24,000	800
Kinter	12,000	9,100	2,500	400,000	330
Portman	15,000	6,700	2,500	94,000	425
Vardy	10,000	3,300	1,000	73,000	500

Storage Services

FACILITY	MAXIMUM WITHDRAWAL RATE Dth/Day	MAXIMUM INJECTION RATE Dth/Day	MAXIMUM CAPACITY Dth	EXPIRATION
NFGS-ESS	9,793	4,404	748,611	3/31/2024
EGTS-GSS	40,000	25,200	4,600,000	3/31/2034
EGTS-GSS	40,000	15,845	2,480,000	3/31/2034
EGTS-GSS	10,000	3,833	600,000	3/31/2029
TCO-SST	2,000	1,000	112,860	3/31/2025
ETRN-115SS	50,536	26,417	5,283,357	3/31/2034
ETRN-60SS	209,427	114,733	11,473,296	3/31/2034
ETRN AVC-GSS	200,000	62,000	8,600,000	12/31/2033

<sup>1</sup> Maximum withdrawal and injection rates are dependent on the “working” gas inventory and pool pressure at specific times of the season. For example, the maximum withdrawal rates shown above would be under ideal operating conditions when the storage pools are 100% full. As the winter season progresses, lower inventory would result in lower pool pressures, and therefore the maximum withdrawal rate would not be probable.

<sup>2</sup> Total November through March “working” gas capacity (excludes base gas).

PEOPLES NATURAL GAS COMPANY LLC  
PEOPLES NATURAL GAS DIVISION and PEOPLES GAS DIVISION

INTERSTATE OR INTRASTATE CONNECTIONS

		Peoples' Maximum Pressure <u>Psig</u>	Operating Capacity Range of Connection <u>Mcf/Day</u>
<b><u>EGTS (DTI)</u></b>			
Midland		274	0 - 30,000
Stull		600	0 - 60,000
Seven Fields		275	100 - 1,000
Gibsonia	coming thru DTI Ln-35	125	0 - 20,000
Coxcomb		400	0 - 35,000
Oakford		640	0 - 120,000
Elliot		960	0 - 25,000
Limestone Discharge		500	0-6,000
Butler		100	0-35,000
Springdale		60	0-10,000
Rubright		188	0 -10,000
<b><u>TCO</u></b>			
Hickory Corners		250	0 - 12,000
Fairview		100	0 - 9,500
<b><u>TENNESSEE</u></b>			
Pitt Terminal		274	4,000 - 34,000
Pulaski XS-294		50	0 - 3,000
Bradford Woods		285	0 - 10,000
<b><u>TEXAS EASTERN</u></b>			
Rockwood		210	0 - 10,000
Ebensburg		401	0 - 30,000
Claysburg		200	100 - 1,000
Beaver Run (Delmont)		250	0 - 25,000
<b><u>NFG</u></b>			
Slippery Rock		400	100 - 6,000
Grove City		180	1,000 - 7,000
Stoneboro Medium		80	100 - 1,500
Stoneboro Low		1	10 - 100
Bullion		18	20 - 100
<b><u>COLUMBIA OF PA</u></b>			
McKee	Into PNG	18	10 - 150
McKinley	Into PNG	18	10 - 150
Harlansburg	Into PNG	10	10 - 150
East Brook Rd.	Into PNG	33	100 - 900
Chandler	Into PNG	40	300 - 633
New Wilmington	Into PNG	50	1,500 - 4,000
Nilan	Into PNG	50	1 - 100
Mapletown	Into PNG	50	150 - 1,500
Point Marion	Into PNG - Emergency	50	0 - 360
Prospect	Into PNG - Backup	44	0 - 600
Portersville	Into PNG - Backup	44	0 - 500
SouthPointe	Into PNG - Emergency	60	0 - 4,000
Fairchance	Into CPA - Backup	60	0-1560
Mapletown -Sub(Greensboro)	Into CPA	20	0-360
Cliff Mine Road	Into CPA	10	0-240
North Boundary	Into CPA	26	0-3200
North park	Into CPA	60	0-3200

PEOPLES NATURAL GAS COMPANY LLC  
PEOPLES NATURAL GAS DIVISION and PEOPLES GAS DIVISION

INTERSTATE OR INTRASTATE CONNECTIONS

		Peoples' Maximum Pressure <u>Psig</u>	Operating Capacity Range of Connection <u>Mcf/Day</u>
<b><u>Peoples Natural Gas/Peoples Gas</u></b>			
Burtner Road	Backup - into PNG	20	0 - 81
Hannahstown	Backup - into PNG	20	0 - 281
Knoch High School	Backup - into PNG	20	0 - 734
Rebecca Street	Backup - into PNG	81	0 - 1,900
Roenigk Property	Backup - into PNG	81	0 - 3,700
Moorehead Rd.	Backup - into PNG	20	0 - 960
Beaver Street - Mars	Into PG	60	0 - 8,000
Blairsville	Into PNG	180	0 - 5,000
Stoney Run	Bi-directional	80/188	1 - 5,000
White Township	Into PG	130	0 - 1,000
Tanoma	Backup - into PG	188	0 - 5,000
Fyock Road	Into PG	60	0 - 3,000
ACME	Into PG	44	0 - 1,000
Alcoa	Into PNG	100	0 - 3,000
Chickasaw	Into PNG	40	0 - 6,000
McCullough (Into Shoemaker Comp Sta)	Into PNG	40	0-3,000
Natrona Heights #1 (Into the M-67)	Into PNG	100	0-6,000
Natrona Heights #2 (Into the D-101)	Into PNG	30	0-6,000
Slease (Into Crooked Creek Comp Sta)	Into PNG	60	0-8,000
Oak St Station	Into PNG	1	0-250
Uzmack Station	Into PNG	35	0-500
Poplar Street	Into PNG	1	0-500
Adams Point	Into PNG	60	0 - 1,000
MS-1000097	Into PG	1	0 - 100
Marburger Dairy	Into PNG	60	0-1000

**EQUITRANS**

ADAMS ST RD 8	50	0 - 1,950
AMERICAN STEEL RD 63	10	3,562
ASHBAUGH PNG IC	100	0-2,000
BALL FARM RD 37	25	143
BEATTYS RD RD 129	25	2,818
Beautiful Lookout	120	0-25,000
BELLE VERNON RD 189	40	386
Blonski - TP7575	274	0 - 20,000
BRENNAN ROAD (RB 105)	25	10,633
BRUSH RUN RD 100	25	3,282
BUCAR REGULATION AND METERING	400	44,720
BUNOLA RD 183	60	3,760
CAMPBELLS RUN RD RA 166	25	143
CECIL INDUSTRIAL PARK PNG IC	12	1,582
CHESTNUT RIDGE RD 134	15	283
CHURCH HILL RD 266	5	5,189
CLEVER ROAD A RUN RA 111	500	15,000
CLEVER ROAD B RUN RA 111	500	35,000
CLYDE NR 2 (R D 27)	1	0 - 500
COAL BLUFF RD RD 93	60	10,241
COAL PIT RD RA 99	25	583
COKEBURG NR 1 (R D 118)	60	6,537
CONEMAUGH PNG IC	401	0 - 50,000
COURTNEY NR 1 RD 106	1	0 - 500

PEOPLES NATURAL GAS COMPANY LLC  
PEOPLES NATURAL GAS DIVISION and PEOPLES GAS DIVISION

INTERSTATE OR INTRASTATE CONNECTIONS

	Peoples' Maximum Pressure <u>Psig</u>	Operating Capacity Range of Connection <u>Mcf/Day</u>
COYLE CURTAIN RD RD 135	20	13,252
CRAVEN HILLS RD 65	12	0 - 500
CROOKHAM RD 47	25	3,562
CROSBY PNG IC FROM TP-4555	401	0 - 5,000
DEAN ROAD (RB 108)	60	6,372
DILLON PNG IC	160	0-3,500
DROUET PNG IC	82	0-13,000
Egry	188	0-25,000
ELLSWORTH/BLOCKINLIN RD 120	25	5,712
EMERALD MINE BATH HOUSE	14"WC	5,130
ENGLISH ROAD (RB 106)	15	5,471
EVERGREEN RD - 133	1	0 -500
FAWCETT RD 91	15	2,808
FLAUGHERTY RUN PNG IC	40	0 - 5,000
FREEPORT ROAD (RB 109)	25	8,608
GALLERY SHOPPES PNG IC	60	0-300
GAMBLE FARM PNG IC	60	0 - 2,500
GASTONVILLE D120 A CARNEGIE	25	14,037
GASTONVILLE D120 B CARNEGIE	25	12,281
GASTONVILLE D147 A MARLAND ST	25	15,210
GASTONVILLE D147 B MARLAND ST	15	15,210
GIBSON PNG IC	135	0 - 15,000
GIRTY PNG IC USM FROM TP-371	203	1 - 15,000
GREENFIELD RA 14 (BRUMAGE RD)	15	0 - 1,000
GREENGATE MALL PNG IC	50	0-600
GREENLEE RD 132	25	3,760
HARMONY RD (TO PERRYMONT) A RUN	60	3,229
HARMONY RD (TO PERRYMONT) B RUN	25	16,934
HAWKEN FARM RD 188	25	26,232
HAWS PIKE PNG IC	43	1,500
HEATH ROAD PNG IC	25	0-500
HILL TOP RD RA 102	25	6,683
HOLLIDAY PROPERTY PNG IC	80	0-4,800
HUNDRED GARRISON M S	40	0 - 2,500
HUNDRED GARRISON MS	28	0 - 2,500
HUPP FARM RD 31	25	10,347
INGRAM FARM RD 187	25	10,347
JOHNSON ST RD 116	60	8,530
Jones Farm USM A Run	400	0 - 50,000
Jones Farm USM B Run	400	0 - 50,000
KEARNS FARM RD 3	12	386
LIGGET RD 57	60	7,335
LONG FARM RD 43	60	7,348
LYTLE RD RD 182	30	32,213
MADEY EAST 2ND AVENUE PNG IC	1	0-100
MAYAK FARM RD 122	25	0 - 2,500
MAYVIEW CUSTODY	30	4,176
MCCREERY FARM PNG IC	60	0 - 1,000
MCKEESPORT STATION	274	0 -115,000
MITCHELL FARM RD 125	30	4,142
MONONGAHELA RD 12 WALNUT ST MON	30	2,070
MOON RUN RA 105	30	0-8,000
MOREDOCK	25	0-500

PEOPLES NATURAL GAS COMPANY LLC  
PEOPLES NATURAL GAS DIVISION and PEOPLES GAS DIVISION

INTERSTATE OR INTRASTATE CONNECTIONS

	Peoples' Maximum Pressure <u>Psig</u>	Operating Capacity Range of Connection <u>Mcf/Day</u>
MOTYCKI RD 222	60	31,646
N ALLEGHENY A RUN RB 92	25	0 - 7,000
NEELY SCHOOL RD RB 39	25	0 - 3,000
NELSON FARM RD 139	60	0 -1,000
OAK RIDGE	99	0-5000
ORNDOFF FARM RD 169 RUN A	60	0 - 2,500
PARDUS PNG IC	80	0 - 10,000
PNG - HIMSEL	400	0 - 50,000
PNG- SMAIL	400	0 - 25,000
PNG VINCO INTERCONNECT RUN 1	401	0 - 132,000
PRATT TRANS TO FIELD (GOODWIN)	40	0 -2,500
QUAKER SALES PNG IC	50	80
RADEBAUGH PNG IC	30	4,800
REED PNG IC	80	11,000
REIS RUN B RUN RB 55	60	4,462
RITKO PNG IC	335	0 - 5,000
ROBERTS FARM	50	0 - 5,000
ROBIN STATION ROAD PNG IC	80	2,500
ROLLING MEADOW RD 190	25	14,730
ROOSEVELT RD RB 104 A RUN	25	3,295
ROOSEVELT RD RB 104 B RUN	14"WC	5,842
ROUTE 837 RD 64	25	3,236
RUSSELL INDUSTRIES PRESTLEY RD	25	305
SELLERS	60	3,699
SEVEN SPRINGS PNG IC	401	0-15,000
SIENNA WOODS PNG IC	60	0-10,000
SPRINGER ROAD PNG IC	40	6,500
ST VINCENT GROVE PNG IC	80	17,500
STATE CORRECTIONAL INSTITUTE	60	1,397
STILLEY HEIGHTS RD 133	60	1,065
STONEBRIDGE PNG IC	60	720
SWEENEY STATION TURBINE	44	3,300
Tepe Distribution A Run	140	120,000
Tepe Distribution B Run	100	14,400
Tepe Distribution C Run	100	24,000
THISTLEWAITE	40	2,200
THOMAS ROAD CHURCH PNG IC	60	0 - 2,500
TOMBAUGH	99	0 - 5,000
WARRENDALE ROAD (RB 107)	140	14,400
WHERRY FARM RD 185	5	283
WHYSONG PROPERTY PNG IC	15	200
WINDSHEIMER PNG IC	40	750



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Section 53.64(c)(11)

If any rate structure or rate allocation changes are to be proposed, a detailed explanation of each proposal, reasons therefore, number of customers affected, net effect on each customer class, and how the change relates to or is justified by changes in gas costs proposed in the Section 1307(f) tariff filing. Explain how gas supply, transportation and storage capacity costs are allocated to customers that are primarily non-heating, interruptible or transportation customers.

\* \* \* \* \*

At this time, the detailed need for any rate structure or rate allocation changes is still being evaluated. If any changes are made in the final filing, they will be fully explained and justified through testimony.

Peoples Natural Gas does not have any interruptible sales services and does not differentiate between heating and non-heating customers.

Transportation customers pay a balancing or standby charge that recovers interstate storage and/or capacity costs. These costs are allocated to transportation customers based on their balancing requirements on peak day.

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Section 53.64(c)(12):

A schedule depicting the most recent 5-year consecutive 3-day peak data by customer class (or other historic peak day data used for system planning), daily volumetric throughput by customer class (including end-user transportation throughput), gas interruptions and high, low and average temperature during each day.

\* \* \* \* \*

Refer to the attached schedule. Peoples did not interrupt any customers during these peak periods.

Peoples Natural Gas Company LLC  
Peoples Natural Gas Division and Peoples Gas Division  
HISTORICAL CONSECUTIVE THREE-DAY PEAK DATA  
(All Volumes in Mcf)

HEATING SEASON	CONSECUTIVE THREE-DAY PEAK	TEMPERATURE DEGREES (F)			VOLUMES								CU & UFG	TOTAL
					Retail				Transportation					
		HIGH	AVG.	LOW	RS	SGS	MGS	LGS	RS	SGS	MGS	LGS		
2021-2022	Jan. 20	23	17	10	391,656	56,110	29,526	1,589	64,402	30,555	97,974	219,408	56,382	947,602
	Jan. 21	20	9	-2	422,014	60,459	31,815	1,713	69,394	32,923	105,568	236,415	60,753	1,021,051
	Jan. 22	25	17	9	361,042	51,724	27,218	1,465	59,368	28,166	90,315	202,258	51,975	873,532
2020-2021	Jan. 27	30	25	20	334,126	48,253	27,484	1,368	52,083	25,387	78,737	180,026	47,288	794,753
	Jan. 28	24	21	18	389,728	56,283	32,058	1,596	60,750	29,611	91,840	209,985	55,157	927,010
	Jan. 29	25	17	8	383,187	55,338	31,520	1,569	59,731	29,114	90,299	206,460	54,231	911,449
2019-2020	Jan. 19	22	18	13	374,548	51,995	26,599	546	75,322	32,787	96,827	210,999	47,842	917,465
	Jan. 20	25	21	16	367,660	51,035	26,094	537	73,995	32,206	95,086	207,784	47,005	901,401
	Jan. 21	32	21	10	387,191	53,762	27,542	563	77,699	33,834	99,984	215,692	49,295	945,562
2018-2019	Jan. 30	2	-2	-5	523,398	67,692	40,926	1,240	97,909	42,164	139,611	329,689	66,796	1,309,425
	Jan. 31	9	4	-1	471,703	61,138	37,217	1,101	87,031	37,566	124,879	295,290	60,198	1,176,125
	Feb. 1	17	12	6	434,695	56,247	34,058	1,026	81,070	34,930	115,758	279,506	55,911	1,093,201
2017-2018	Jan. 4	14	7	-1	477,001	57,855	34,914	1,994	90,382	34,148	115,074	262,041	57,648	1,131,058
	Jan. 5	9	4	-1	525,818	63,824	38,548	2,211	99,436	37,575	126,724	284,055	63,209	1,241,401
	Jan. 6	11	3	-5	519,859	63,131	38,144	2,193	98,213	37,121	125,240	282,690	62,666	1,229,257

**Peoples Natural Gas Company LLC**  
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Section 53.64(c)(13)

Identification and support for any peak day methodology used to project future gas demands and studies supporting the validity of such methodology.

\* \* \* \* \*

Peoples' design day demand computational methodology utilizes a regression model based on daily send-out data for the most recent 48-month time period.

Peoples used total daily sendout as the dependent variable and found a suitable fit using the independent variables as used in last year's PGC case for both divisions. The independent variables are temperature, winter month of the year, type of day (weekday/weekend) and a binary cold weather variable for the two previous days at above 46 HDDs. Trend and wind speed were not examined in this case because the regression results from previous filings indicate that when the variables show correlation, they are not predictive. Using the regression model, the Company calculated total design day requirements using an average daily temperature of minus 9 degrees Fahrenheit. This temperature has been used as the design day temperature in many prior Peoples Natural Gas 1307(f) proceedings where gas costs based on this design day were approved by the Commission.

The calculated total design day requirements are then allocated to rate classes (RS, SGS, MGS and LGS) based on historical normalized usage factors for base load and heat load. In addition, the daily metered customers are added based on historical non-coincidental peak day throughput.

Refer to Peoples Natural Gas Exhibit No. 1 for the Company's currently calculated design day and Peoples Natural Gas Statement No. 4 - the Direct Testimony of Dawn Folks, for further explanation of the Company's approach.

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Section 53.64(c)(14)

Analysis and data demonstrating, on a historic and projected future basis, the minimum gas entitlements needed to provide reliable and uninterrupted service to priority one customers during peak periods.

\* \* \* \* \*

Response:

Peoples Natural Gas' response to 53.64(c)(12) provides the most recent five-year history of consecutive three-day peak demand experienced on the combined system, as broken down by customer class. Projected design peak usage by customer class is presented as part of Peoples Natural Gas Exhibit No. 1 along with the supply assets used to meet those needs.

Peak demand period interstate gas supply and the corresponding firm transportation and storage capacity available to Peoples Natural Gas on the interstate pipeline system, the details of which are set forth in the Peoples Natural Gas' responses to 53.64(c)(1) and (6), are needed to meet the peak demand requirements of the Company's weather-sensitive customer base. In addition, volumes withdrawn from on-system storage facilities are used to supplement the interstate-sourced gas supplies during periods of peak demand. For description of how these assets are used, refer to Peoples Natural Gas' Statement No. 2.

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Section 53.64(i)(1):

(i) Utilities shall comply with the following:

(1) Thirty days prior to the filing of a tariff reflecting increases or decreases in purchased gas expenses, gas utilities under 66 Pa.C.S. § 1307(f) recovering expenses under that section shall file a statement for the 12-month period ending 2 months prior to the filing date under 66 Pa.C.S. § 1307(f) as published in accordance with subsection (b) which shall specify:

- (i) The total revenues received under 66 Pa.C.S. § 1307(a), (b) or (f), including fuel revenues received, whether shown on the bill as 66 Pa.C.S. § 1307(a), (b) or (f) charges or rolled in as base rates.
- (ii) The total gas expenses incurred.
- (iii) The difference between the amounts in subparagraphs (i) and (ii).
- (iv) Evidence explaining how actual costs incurred differ from the costs allowed under subparagraph (ii).
- (v) How these costs are consistent with a least cost fuel procurement policy, as required under 66 Pa.C.S. § 1318 (relating to determination of just and reasonable gas cost rates).

\* \* \* \* \*

Response:

(i), (ii), (iii). Refer to the attachment.

(iv) The actual purchased gas costs incurred differ from the projected gas costs because of the fluctuating prices for gas supplies and interstate pipeline services. As the gas supply prices change, the volumes purchased from each source of supply also change. Differences are also affected by the actual volumes of gas consumed by customers as compared to projected consumption.

(v) All purchased gas costs incurred during the Historical Period are pursuant to the least cost procurement policy approved by the Commission in Peoples Natural Gas' 1307(f)-2022 proceeding. Also refer to the response to 53.64(c)(6) in this proceeding.

PEOPLES NATURAL GAS DIVISION  
Gas Cost Revenues and Expenses  
February 2022 through January 2023

		<u>Purchased Gas Revenues 2/</u>	<u>Purchased Gas Expenses 2/</u>	<u>Over / (Under) Collections</u>
February	2022	\$54,020,972	\$50,325,683	\$3,695,289
March		\$40,861,673	\$39,277,859	\$1,583,814
April		\$29,905,266	\$35,924,332	(\$6,019,066)
May		\$14,277,633	\$21,668,265	(\$7,390,632)
June		\$8,752,309	\$15,249,431	(\$6,497,122)
July		\$10,403,734	\$16,847,460	(\$6,443,726)
August		\$10,419,417	\$16,134,910	(\$5,715,493)
September		\$13,674,487	\$21,895,378	(\$8,220,891)
October		\$34,756,541	\$27,587,032	\$7,169,509
November		\$54,825,985	\$49,763,729	\$5,062,257
December		\$92,730,928	\$67,379,846	\$25,351,082
January	2023 1/	<u>\$71,497,676</u>	<u>\$55,667,794</u>	<u>\$15,829,882</u>
		<b><u>\$436,126,622</u></b>	<b><u>\$417,721,720</u></b>	<b><u>\$18,404,902</u></b>

PEOPLES GAS DIVISION  
Gas Cost Revenues and Expenses  
February 2022 through January 2023

		<u>Purchased Gas Revenues 2/</u>	<u>Purchased Gas Expenses</u>	<u>Over / (Under) Collections</u>
February	2022	\$5,047,784	\$5,680,780	(\$632,996)
March		\$3,773,933	\$2,592,150	\$1,181,783
April		\$2,828,429	\$3,527,425	(\$698,996)
May		\$1,374,339	\$2,813,185	(\$1,438,847)
June		\$817,072	\$3,169,962	(\$2,352,890)
July		\$1,096,585	\$1,537,643	(\$441,057)
August		\$1,180,135	\$4,332,827	(\$3,152,692)
September		\$1,448,314	\$3,288,797	(\$1,840,483)
October		\$3,561,476	\$4,402,034	(\$840,558)
November		\$5,641,783	\$5,403,074	\$238,709
December		\$9,685,808	\$10,115,083	(\$429,275)
January	2023 1/	<u>\$7,234,343</u>	<u>\$6,760,993</u>	<u>\$473,350</u>
		<b><u>\$43,690,001</u></b>	<b><u>\$53,623,951</u></b>	<b><u>(\$9,933,950)</u></b>

1/ January 2023 revenues and expenses are estimates.

2/ Purchased gas revenues include AVC revenues (PNG) and do not include GCA or Capacity "E" factor revenues; purchased gas expenses include AVC expenses.

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Section 53.65 Special Provisions Relating to Section 1307(f) Gas Utilities with Affiliated Interests

Whenever a gas utility under 66 Pa.C.S. § 1307(f) (relating to sliding scale of rates; adjustments) purchases gas, transportation or storage from an affiliated interest, as defined at 66 Pa.C.S. § 2101 (relating to definitions of affiliated interest), it shall, in addition to the normal submission expected of a gas utility under 66 Pa.C.S. § 1307(f) file evidence to meet its burden under 66 Pa.C.S. § 1317(b) (relating to regulation of natural gas costs). The evidence, to be filed 60 days prior to the filing of a tariff under 66 Pa.C.S. § 1307(f), shall include statements regarding:

(1) The costs of the affiliated gas, transportation or storage as compared to the average market price of other gas, transportation or storage and the price of other sources of gas, transportation or storage.

(2) Estimates of the quantity of gas, transportation or storage available to the utility from all sources.

(3) Efforts made by the utility to obtain gas, transportation or storage from nonaffiliated interests.

(4) The specific reasons why the utility has purchased gas, transportation or storage from an affiliated interest and demonstration that the purchases are consistent with a least cost fuel procurement policy.

(5) The sources and amounts of gas, transportation or storage which have been withheld from the market by the utility or affiliated interest and the reasons why the gas, transportation or storage has been withheld.

(6) To the extent that the information required in this section has been submitted under § 53.64 (relating to filing requirements for natural gas distributors with gross intrastate annual operating revenues in excess of \$40 million), the utility need only designate information which applies to affiliated interests.

**Response:**

Peoples Natural Gas Company LLC (“Peoples Natural Gas”) & Peoples Gas Company LLC (“Peoples Gas”) (the “Peoples Divisions”) filed an application on December 1, 2021 to merge Peoples Gas into Peoples Natural Gas at Docket Nos. A-2021-3029831 and A-2021-3029833. That application was approved by the Pennsylvania Public Utility Commission (“PUC”) by order entered August 25, 2022. Effective October 1, 2022, the PGC (“Purchased Gas Cost”) rates of Peoples Natural Gas and Peoples Gas were merged. As a result, with the exception of the Allegheny Valley Connector (“AVC”) capacity charge, the Peoples Divisions



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charge the same PGC rate components, balancing charges and retainage rates to their respective customers. In addition to the merger of the PGC rates, the Peoples Divisions combined the Merchant Function Charges (“MFC”) and the Gas Procurement Charges (“GPC”) in order to have a single consolidated Price-to-Compare (“PTC”), also effective October 1, 2022.

Effective January 1, 2023 the legal entities were merged. As such, Peoples Natural Gas became Peoples Natural Gas Company LLC – Peoples Natural Gas Division (“PNGD” or “Peoples Natural Gas Division”) and Peoples Gas Company became Peoples Natural Gas Company LLC – Peoples Gas Division (“PGD” or “Peoples Gas Division”).

The Joint Settlement in the merger proceeding which was approved by the Commission’s August 25, 2022 Order, states that:

Following the close of the Proposed Merger, Peoples Gas as a division of Peoples Natural Gas will be subject to Peoples Natural Gas’ affiliated interest agreements. Although arrangements between the two divisions will no longer require affiliate approvals, the merged Company will utilize the same allocation factors of the existing affiliated interest agreements between Peoples Natural Gas and Peoples Gas to allocate costs between the Peoples Gas and Peoples Natural Gas Divisions. No changes to these allocations are anticipated as a result of the proposed transaction. Services provided by PNG Companies or other affiliated interests will be provided pursuant to existing, Commission-approved affiliate interest agreements. Any other agreement between affiliated interests for sharing of services or employees will be separately filed with the Commission pursuant to Section 2102 of the Public Utility Code. (Settlement *at* Par. 34)

Therefore, the arrangements between PGD and PNGD no longer require affiliate approvals.

**Peoples Natural Gas Company LLC  
Peoples Natural Gas Division and Peoples Gas Division  
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**PRICE VOLATILITY MITIGATION STUDY**

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## INTRODUCTION

Pursuant to the 2022 1307(f) proceedings, both Peoples Natural Gas Company LLC (“Peoples Natural Gas”) and Peoples Gas Company LLC (“Peoples Gas”) (collectively the “Company” or “Peoples”)<sup>1</sup> committed to investigate modifications to its Gas Cost Procurement Strategy, specifically including hedging, that could further mitigate future potential rate volatility. This report satisfies the Company’s obligation in Paragraph 31 of Peoples Natural Gas’s and Paragraph 30 of Peoples Gas’s approved Joint Settlement from the Company’s 2022 1307(f) proceedings and provides a summary of the analysis performed by the Company along with an explanation of the Company’s position that a hedging program is not appropriate at this time.

## BACKGROUND

### SUMMARY OF OCA’S POSITION IN PEOPLES’ 2022-1307(F)PROCEEDING

In the 2022 1307(f) proceedings at Dockets Nos. R-2022-3030661 & R-2022-3030664, the OCA noted that Peoples does not currently engage in price hedging activity to mitigate the volatility of their Purchased Gas Cost (“PGC”) rates. OCA analyzed the Company’s data from the previous two years and asserts there was a significant increase in both the natural gas commodity prices and in the volatility of those prices. OCA stated that adopting a formal and structured hedging program would position the Company to address the recent price increases and future potential volatility. OCA asserted that rate stability and predictability with a minimum of unexpected changes, or

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<sup>1</sup> Peoples Natural Gas Company LLC (“Peoples Natural Gas”) & Peoples Gas Company LLC (“Peoples Gas”) (the “Peoples Divisions”) filed an application on December 1, 2021 to merge Peoples Gas into Peoples Natural Gas at Docket Nos. A-2021-3029831 and A-2021-3029833. Approval was received and thus effective January 1, 2023 the legal entities were merged. As such, Peoples Natural Gas became Peoples Natural Gas Company LLC – Peoples Natural Gas Division (“PNGD” or “Peoples Natural Gas Division”) and Peoples Gas Company became Peoples Natural Gas Company LLC – Peoples Gas Division (“PGD” or “Peoples Gas Division”).

gradualism, is one of the principles of a sound rate design. Accordingly, OCA recommended the Company should provide a description of its hedging program to the parties for written comment within six months of the Commission's issuance of an order herein and present a hedging program in its 2023 PGC prefiling.

#### SUMMARY OF PEOPLES' POSITION IN THE 2022 1307(f) PROCEEDING(S)

Although Peoples recognized that recent factors affecting the entire global economy had driven commodity prices to levels not realized in a number of years, the Company asserted that it did not believe that the recent increase in natural gas prices warranted the initiation of a hedging program. This was especially true because certain economic and global factors were contributing to price volatility, such as the economy normalizing due to the pandemic subsiding, the corresponding supply chain shortages, and the war in Ukraine. Further, Peoples noted that its procurement strategy includes numerous components that reduce price volatility and the customer has additional options, such as the budget billing program and Natural Gas Suppliers ("NGS") offerings, to further reduce price volatility if they so choose.

#### SETTLEMENT REQUIREMENT IN 1307(F)-2022

Peoples agreed to investigate modifications to its Gas Cost Procurement Strategy, specifically including hedging, that could further mitigate future potential rate volatility. Further, the Company committed to provide an assessment as part of its 2023 PGC pre-filing. All parties reserved the right to propose any changes to Peoples' Procurement Strategy as a result of this review. This document serves as the said assessment.

## OVERVIEW

The objective of this study is to evaluate the recent increased commodity prices further and explore opportunities to mitigate future potential rate volatility. This can be accomplished in various ways including: 1) budget billing; 2) changes to the rate-setting process; 3) use of both on-system and third-party interstate storage service; 4) fixed price options through NGS; and 5) commodity hedging.

## INCREASED COMMODITY PRICES

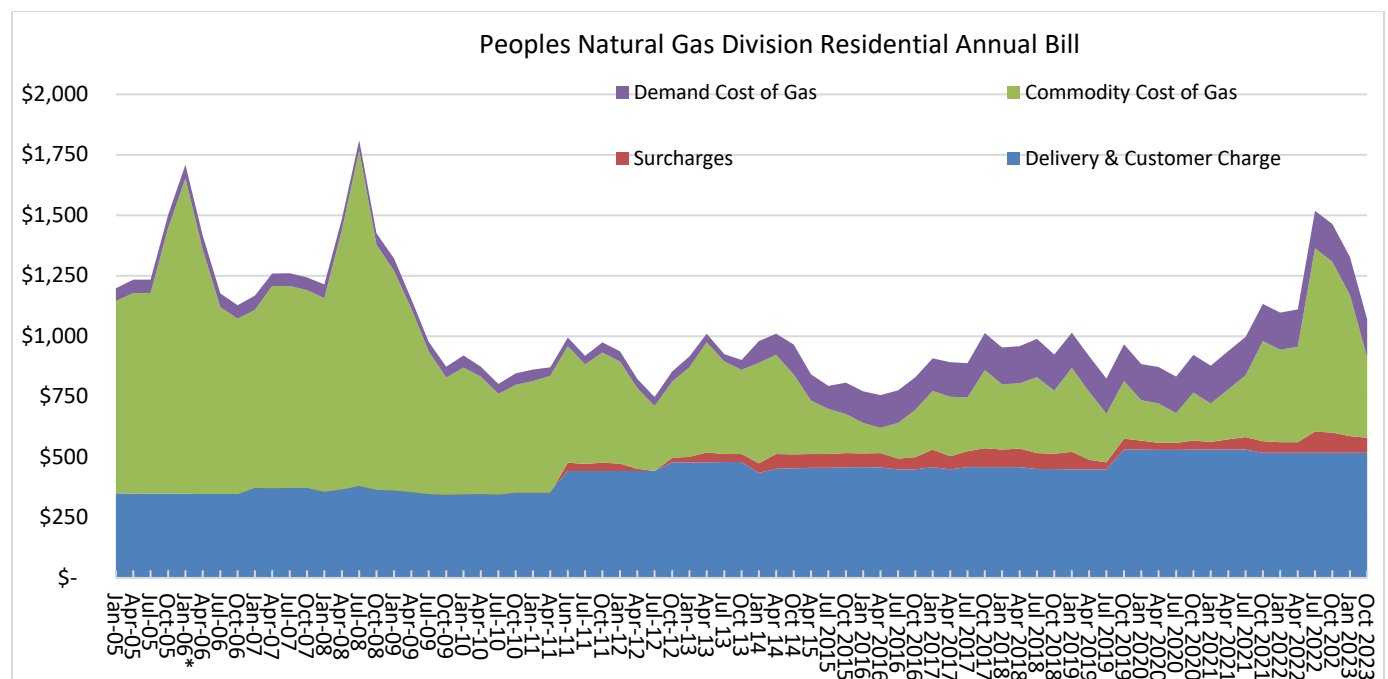
### REASONS FOR RECENT INCREASED COMMODITY PRICES

Peoples recognizes that recent factors affecting the entire global economy have impacted commodity prices. However, commodity prices have moderated in recent months. Various economic and global factors that contributed to American and international natural gas price volatility include:

1. The ongoing COVID-19 pandemic, which has led to changes in demand for natural gas as well as disruptions to supply chains. However, this situation seems to be ameliorating world-wide as energy production and demand return to pre-pandemic levels.
2. The war in Ukraine, which has disrupted natural gas supplies to Europe. However, Europeans have more recently sourced new supply and energy sources reducing the need for potential American natural gas supplies.
3. A slowing American economy may result in reduced demand for natural gas as businesses and industries adjust to economic cycles.
4. The increase of renewable energy sources may decrease fossil fuels use and result in lower fossil fuel demand and lower prices.

5. A relatively mild 2022-23 winter in the northern hemisphere has resulted in falling energy prices worldwide. (<https://www.eia.gov/todayinenergy/detail.php?id=55539>)
6. Storage inventory levels were below historical levels coming out of the winter of 21-22 and never recovered due to increased demand from natural gas powered generation stations and a warmer than normal summer.

## RECENT VOLATILITY IN PGC RATES



The graph above shows the annual bill amount, updated each quarter, for an average Peoples Natural Gas Division residential customer. The graph shows 3 distinct sections with respect to commodity purchased gas costs: 1) high purchased gas costs prior to the advent of the Marcellus Shale gas formation production; 2) low stable purchased gas costs from about October 2009 through the present (with Marcellus Shale production); and 3) a short term price spike

beginning in the summer of 2021, with a 2023 fall back to more normal Marcellus production area pricing.

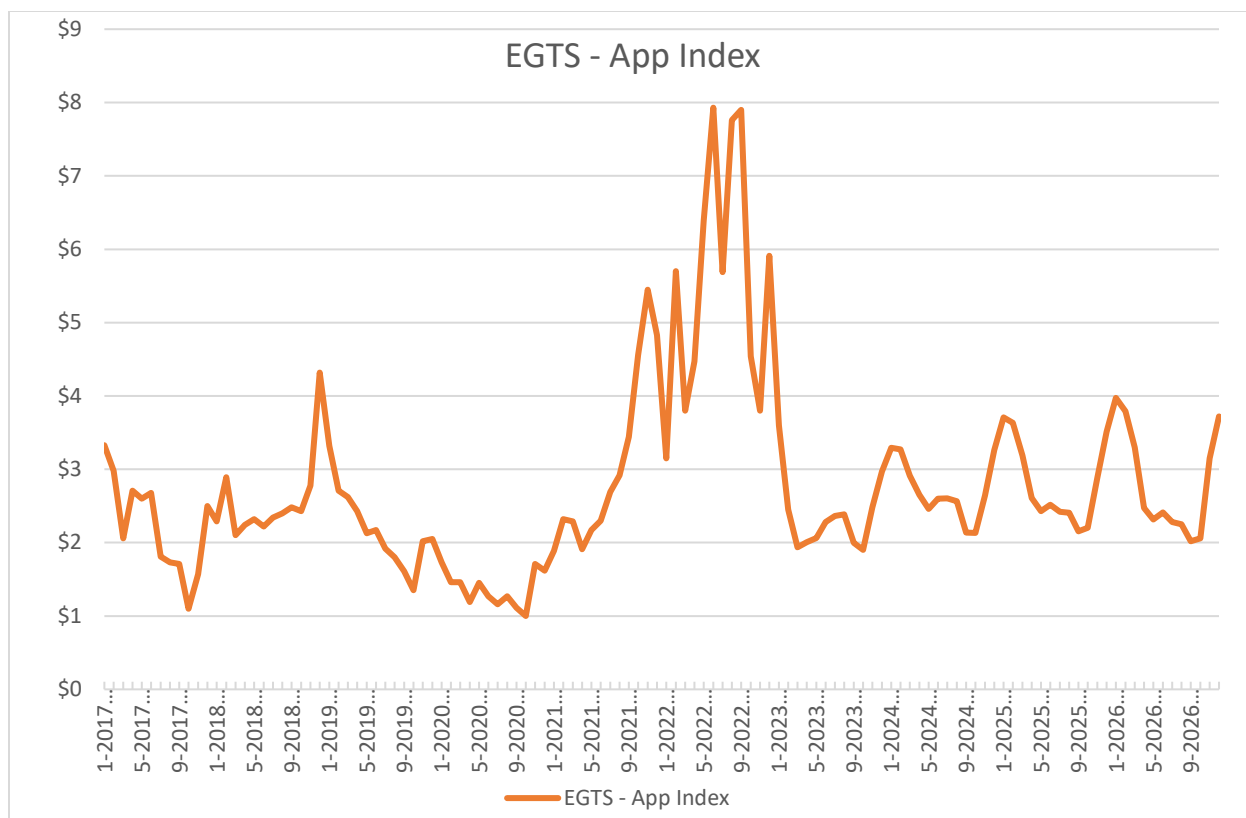
## FUTURE COMMODITY RATE PROJECTIONS

The U.S. Energy Information Administration (“EIA”) issued their February 2023 Short-Term Energy Outlook report at [https://www.eia.gov/outlooks/steo/pdf/steo\\_full.pdf](https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf). In this report, EIA notes that natural gas prices remain very volatile due to potential extreme weather events and production freeze-offs, however, they highlight that they significantly changed their forecast for natural gas markets in the coming months and that natural gas production growth has been outpacing demand growth the past several months, helping reduce natural gas prices. EIA is currently forecasting that the Henry Hub natural gas spot price will average \$3.40 per million British thermal units (MMBtu) in 2023, down almost 50% from last year and about 30% from their January Short-Term Energy Outlook (“STEO”) forecast.

Additionally, as discussed later in this report, a large portion of the Company’s gas is purchased at the Eastern Gas Transmission and Storage (“EGTS”) – Appalachia index. The below chart depicts the EGTS – Appalachia Index price from January 2017, projected through September 2026. As the chart provides, the projected pricing from May 2023 through September 2026 is far below the spikes in price experienced in 2022.

The EIA February outlook, as well as the EGTS -Appalachian index projections suggest that moderation in natural gas prices is likely to continue.





## RATE DESIGN PRINCIPLES

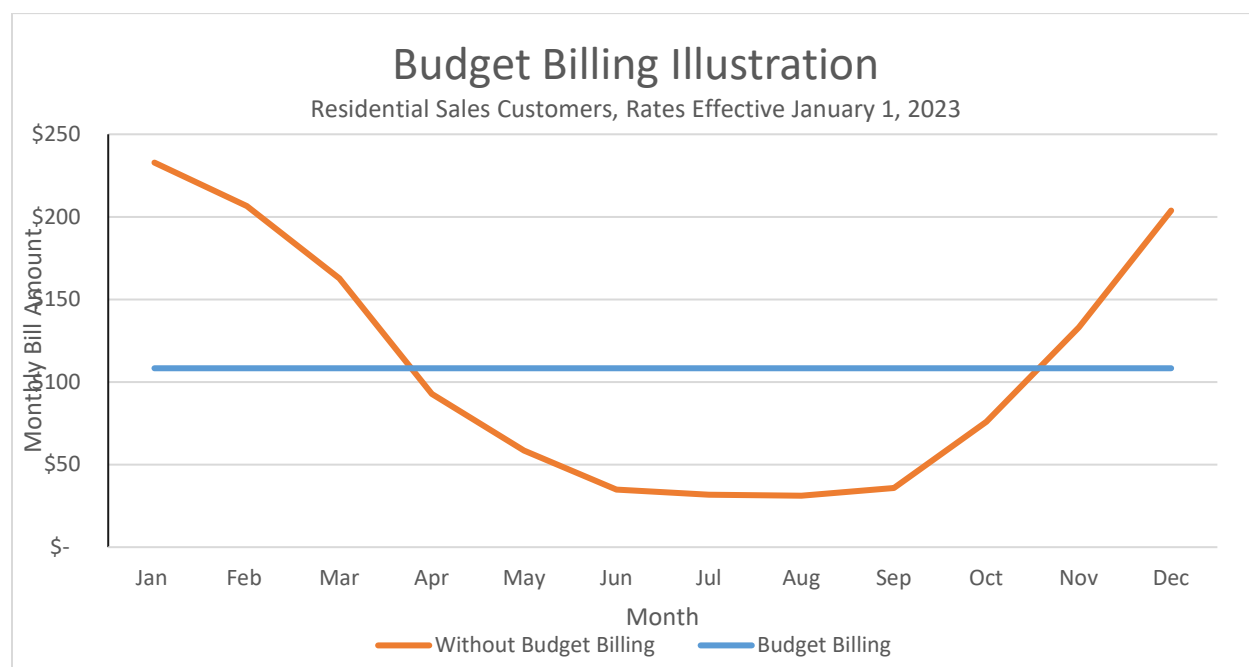
In the Company’s 2022 1307(f) cases, the Office of Consumer Advocate (“OCA”) asserted that rate stability and predictability with a minimum of unexpected changes, or gradualism, is one of the principles of a sound rate design. The Company’s position is that gradualism is generally a concept used in reference to changes in base rates, and not automatic adjustment mechanisms. With that said, Peoples supports cost-effective approaches to smoothing changes in customers’ rates, with proper consideration of the statutory requirement for the Company to pursue a least cost gas procurement approach. This study has been expanded not only to explore options to mitigate price volatility, but also to explore opportunities to mitigate fluctuations in customer bills.

## PRICE MITIGATION OPTIONS

There are various options to mitigate volatility in customer bills including: 1) budget billing; 2) changes to the rate-setting process; 3) use of both on-system and third-party interstate storage service; 4) fixed price options through NGS; and 5) commodity hedging.

### OPTION 1: BUDGET BILLING

A major option that exists today for customers to reduce the variability of their monthly gas bill is to enroll in the voluntary Budget Billing Plan. This program allows customers to spread out the cost of their annual usage over a 12-month period so they pay a similar amount each month. Below is an illustration of how this works for customers:



As of year-end 2022, 30.5% of the Company's Pennsylvania customers participated in a Budget Billing Plan, accounting for approximately 19.5 Bcf of annual volume. Of that amount,

21%, or approximately 4.1 Bcf of volume, is represented by customers also participating in the Customer Choice Program. Budget Billing enrollment is down from 31.2% in 2021 and 32.1% in 2020.

Further, over 32,000 or 5% of Residential customers participated in the Company's Customer Assistance Program ("CAP") as of December 31, 2022. As part of this program, participants pay a percentage of their income (from 4% to 6%) each month regardless of usage or gas commodity prices. This eliminates price volatility for these customers absent a change in income.

In total over 33% of total customers participate in these voluntary programs.

Peoples promotes budget billing in monthly bill inserts throughout the winter months each year (September – January), through social media posts, and in conversations with the customer as appropriate. Additionally, in February 2023, Peoples expanded its communication program to assist customers with winter heating bills. This expanded program consists of an email campaign, a Company website article, and additional social media posts that promote budget billing as one of the ways that customers can ease the burden of winter bills. A similar campaign was conducted in 2018 and resulted in increased budget billing.

## OPTION 2: CHANGES TO THE RATE-SETTING PROCESS

The Company evaluated its rate structure to determine if there were any items that contribute to price volatility. There were two items identified: 1) the recovery of demand capacity charges; and 2) the projection periods for the quarterly gas rates.

## DEMAND CAPACITY CHARGE RECOVERY

Currently, demand capacity charges for storage and pipeline capacity costs are recovered via a volumetric charge to customers (the “Capacity” charge) despite these costs mostly being fixed month to month. Below is a chart of the projected monthly capacity charges to the Company.

<b>Month</b>	<b>Total Capacity Charges</b>
October 2022	\$5,227,644
November 2022	\$9,261,020
December 2022	\$9,333,764
January 2023	\$9,333,764
February 2023	\$9,115,531
March 2023	\$9,333,764
April 2023	\$4,800,444
May 2023	\$4,800,444
June 2023	\$4,800,444
July 2023	\$4,800,444
August 2023	\$4,800,444
September 2023	\$4,800,444
Total	\$80,408,151

As you can see, the costs are relatively fixed in the winter and non-winter months. By recovering these as a volumetric charge rather than a monthly fixed charge, there is greater potential to over or under recover such costs as a result of colder and warmer than normal weather.

An alternative to this current rate recovery methodology would be to recover these charges via a fixed monthly capacity charge rather than a volumetric based rate. The below tables outlines the design of a fixed capacity charge amount. First, similar to the volumetric calculation, the total projected capacity charges (as shown above) would be reduced by the balancing revenue credits amount. The balancing revenue credits amount is the projected amount of revenue that the Company anticipates from customers that pay the balancing charge for capacity used to balance the Company’s

distribution system on their behalf. Next, the prior period over/(under) collection amount is included in the calculation. In the below example, it is an under-recovery of (\$1,301,231), so this amount is added to the capacity amount to be recovered. On Line 4 of the below table, the total amount of capacity to recover after factoring in the balancing revenue credits and the prior period over/(under) collection is \$71,800,502. The current volumetric methodology would then divide this total dollar amount by the projected throughput of customers that are subject to capacity, as shown on Line 5 and Line 6 below.

In order to design the capacity charge as a fixed monthly amount, the next step would be to allocate the capacity costs by Residential versus Non-Residential customers based upon the projected usage for each classification. This is because the average usage for each of these customer classifications varies by a moderate amount. Therefore, if the costs are not allocated by usage between the classifications before designing the fixed monthly rate, it could result in shifting dollars that should be recovered from one classification to the other. As an example, see box 10 (A) below. If the costs are not allocated by usage first, the fixed monthly demand cost per customer would be \$8.64. However, as will be shown in the next paragraph, the Company calculates the appropriate fixed monthly charge amount for Residential customers to be \$7.38 per month.

Line 8 of the calculation allocates the appropriate cost by customer classification by multiplying the projected usage for the customer classification, shown on Line 7, by the volumetric cost per Mcf as shown on Line 6. The result is \$57,396,160 of capacity costs to be recovered by Residential customers and \$14,404,342 of capacity costs to be recovered by Non- Residential customers. The final step of the calculation is to divide the capacity cost per customer classification by the number of customers and then divide this by 12 months. By doing this, the monthly fixed

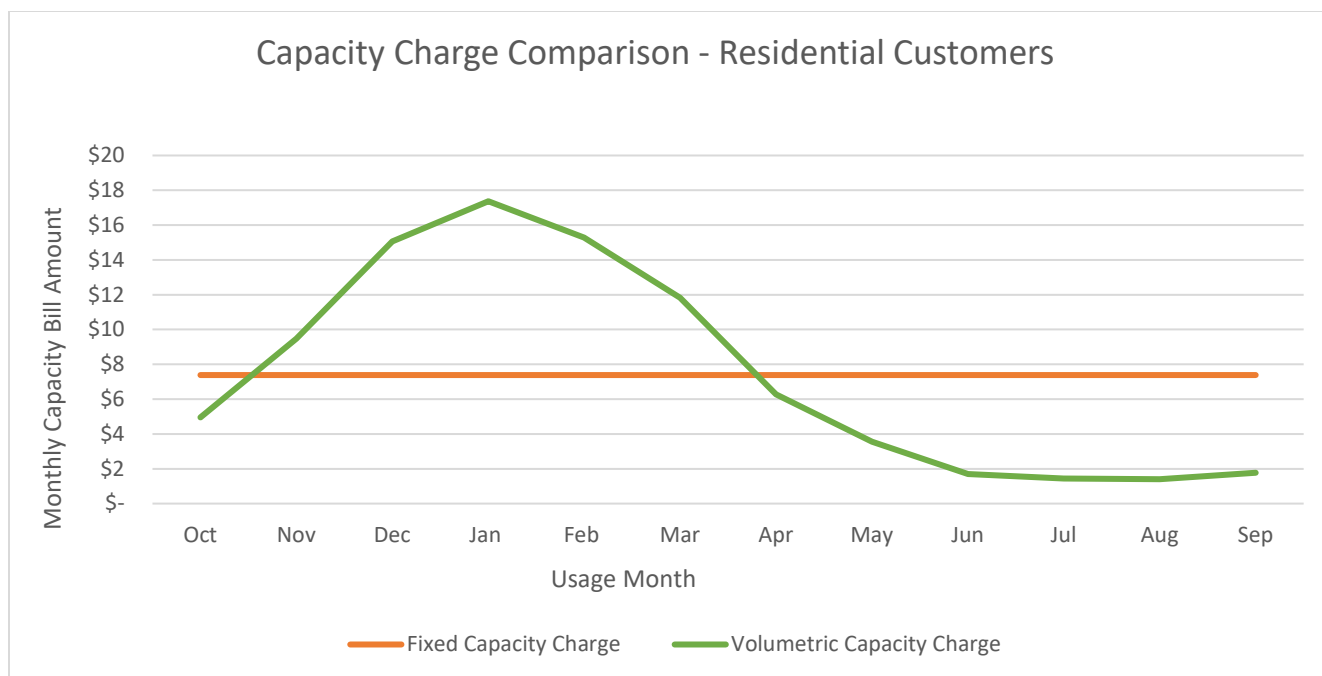
charge amount for Residential customers is \$7.38 per month and \$27.00 per month for Non-Residential customers, as shown below.

#### **FIXED CAPACITY CHARGE DESIGN**

1	Projected Annual Capacity Costs (excluding AVC Capacity)	\$	\$80,408,151
2	Less Projected Balancing Revenue Credits	\$	9,908,880
3	Capacity Over/(Under) "E-Factor" Collection	\$	(1,301,231)
4	Total Projected Annual Capacity Costs (Line 1 - Line 2 - Line 3)	\$	71,800,502
5	Total Projected Sales Volume – Mcf		70,031,632
6	Cost of Capacity per Mcf (Line 4 / Line5)	\$	\$1.0253

		<b>Total (A)</b>	<b>Residential Customers (B)</b>	<b>Non-Residential Customers (C)</b>
1	Projected Sales Volume	70,031,632	55,982,154	14,049,478
2	Cost to be Recovered (Line 7 x Line 6)	\$71,800,502	\$ 57,396,160	\$14,404,342
3	Average Number of Customers	692,166	647,711	44,455
4	Monthly Fixed Demand Cost (Line 8 / Line 9 / 12 Months)	\$8.64	\$7.38	\$27.00

Below is an illustration of the impact this change would have on the average Residential customer's capacity charges over a one year purchased gas cost period.



#### QUARTERLY RATE CHANGES

The Company also evaluated the impact that the requirements in Title 52, Chapter 53, of the Pennsylvania Code (52 Pa Code § 53.64) have on price volatility. Two items associated with the quarterly PGC mechanism that Peoples uses contribute to volatility in pricing. First, the requirement to change rates quarterly as a result of changes in projected rates greater than 2%. Second, the methodology used to project gas costs.

Due to the normal fluctuations in gas costs (i.e. higher commodity rates in the winter than in the summer), gas bills can swing. If the Company only adjusted rates bi-annually, it would provide longer periods of stable pricing. Further, more stable pricing could result from changing the 2% threshold, such that the Company might not need to adjust rates quarterly.

Regarding the methodology used to project gas costs, currently the Company sets the quarterly rates as follows:

<b>Quarterly Rate Change Date</b>	<b>Gas Cost Months Projected</b>
October 1, 2022	October 1, 2022 to September 30, 2023
January 2023	December 1, 2023 to September 30, 2023
April 2023	March 1, 2023 to September 30, 2023
July 2023	June 1, 2023 to September 30, 2023

Using actual data from October 2018 through September 2024 projected data, the Company assessed the impact of adjusting rates based on a continuous twelve month projection period for gas costs instead of the varying intervals shown above. As an example, for the April 2023 quarterly rate adjustment, the above table shows that gas cost projections from March 1, 2023 through September 30, 2023 (seven months) are factored to set the rate. The Company considered using a twelve month period of projected costs, in this example, March 1, 2023 through February 29, 2024, for each of the quarterly rate adjustments. While the increases and decreases in rates may not be as sharp by using this methodology, it does not prevent volatility in the rates either. Specifically, in a rising market, the alternative rate approach also resulted in spikes of higher rates, and sooner than the current rate calculation methodology. Likewise, a similar outcome was evident in a falling market. Finally, the alternative rate methodology results in much larger under and over collections for the period studied, which could, in turn, also cause the rate to change substantially when included to recover or refund the prior period collections. For these reasons, the Company does not propose a change to the current rate methodology but has evaluated this aspect as another means of reducing price volatility for customers.

### OPTION 3: USE OF BOTH ON-SYSTEM AND THIRD-PARTY INTERSTATE STORAGE SERVICE AND THE MARCELLUS SHALE

Peoples uses assets that have the effect of reducing price volatility by “fixing” a future price in the way that a futures contract does. The Company purchases gas in the summer months, when the price



generally is lower and less volatile, injects the gas into on-system and interstate storage, and then withdraws it for use in winter months, when the price generally is higher and more volatile. Because Peoples' storage withdrawals account for roughly 46% of its normal winter supply needs, and because of the traditional winter/summer gas cost differential, storage has acted as a significant hedging tool for Peoples. In a warmer than normal winter, Peoples' storage withdrawals could increase considerably. Additionally, the Marcellus Shale gas within the Company's service territory provides a natural, physical hedge, and there are minimal projects underway to move this low-cost source of supply out of this market. This helps to mitigate the impact of any fluctuations in the mid-Atlantic natural gas market and provides stability to the prices of natural gas within our service territory. As mentioned earlier, a large portion of Peoples' gas is purchased at the EGTS- Appalachia index which historically has traded below national and even regional prices. For example, as of February 2023, this index is expected to trade on average about \$0.75 below the NYMEX pricing for calendar year 2023.

An option Peoples evaluated to further mitigate prices would be to increase the amount of storage the Company utilizes. However, that is not always feasible because during a warmer than normal winter the Company may not be able to withdraw storage inventory down to the must turn levels mandated by the upstream pipelines, which could result in penalties or gas confiscation. Additionally, another reason why it is difficult for the Company to increase storage gas is due to the fact that Peoples has a significant amount of base load local production that still flows at the same rate during a warmer than normal winter.

#### OPTION 4: FIXED PRICE OPTIONS THROUGH NATURAL GAS SUPPLIERS

Currently, customers have access to hedged and fixed pricing at any time they wish through the Company's well-established customer-choice marketplace. Customers can voluntarily achieve fixed

pricing and avoid price volatility by contracting with a choice supplier who offers them what they consider the best product for their personal and unique circumstances. Reinstating the financial hedging program would likely distort pricing in the choice marketplace and would present a challenge to retail NGSs. NGSs may have difficulty competing with the pricing of hedged quantities that were executed at a time of low natural gas prices. Conversely, hedges that result in unfavorable settlements for default customers could give marketers an avenue to acquire those customers. In both instances, disadvantages and advantages for NGSs would not be due to their ability to effectively acquire gas supplies, but due to the Company purchasing gas that is not reflective of current market conditions at the time of delivery.

Based upon a review of the PA Power Switch website<sup>2</sup> (the official PAPUC website for energy shopping) as of January 26, 2023, the Company determined that at least six NGSs offer fixed-price options for multiple time periods. As mentioned above, customers could take advantage of a fixed price option, as shown below:

<b>P1 Choice Suppliers</b>						
	<b>IGS Energy</b>	<b>SouthStar Energy</b>	<b>Reliant Energy</b>	<b>Energy Harbor</b>	<b>Tomorrow Energy</b>	<b>XOOM Energy</b>
<b>3 months - Fixed</b>			7.99/mcf			
<b>6 months - Fixed</b>		\$6.990/mcf				
<b>12 months - Fixed</b>	\$5.99/mcf	\$6.590/mcf			\$14.2695/mcf	\$6.99/mcf
<b>24 months - Fixed</b>		\$5.190/mcf		\$6.59/mcf		\$6.49/mcf
<b>36 months - Fixed</b>	\$6.99/mcf	\$5.590/mcf		\$6.59/mcf		
<b>48 months - Fixed</b>				\$6.59/mcf		

*As of January 26, 2023*

## OPTION 5: COMMODITY HEDGING

<sup>2</sup> [www.papowerswitch.com](http://www.papowerswitch.com)

Another option to mitigate price fluctuations is to utilize commodity hedging for a portion of the natural gas that the Company purchases. The Company's evaluation of hedging will be explored further in this section.

#### WHAT IS HEDGING?

Commodity hedging is a strategy that seeks to reduce the risk related to future price fluctuations by fixing future commodity purchases based upon current projections of those prices. Hedging can reduce price volatility but doing so may have other unintended consequences. Natural gas commodity prices can be fixed through the purchase of financial derivative products such as futures, swaps and options. Prices can also be hedged physically by directly contracting for specific supply at a predetermined price to be delivered at a predetermined time. However, all types of hedging involve the risk of unfavorable pricing, that is, paying more for supply than if hedges had not been in place.

#### THEORY UNDERLYING THE USE OF A HEDGING PROGRAM

One purpose of a hedging program is to reduce the exposure of the Company's customers to gas price volatility. However, hedging will not necessarily result in lower cost gas purchases for Peoples' customers. If the Company displaces gas purchases at changing market prices with purchases at a fixed price, it will necessarily reduce the extent to which the prices at which the Company sells vary over the period of the fixed price purchase contract. Once Peoples agrees to a fixed price for a portion of its gas supplies, the Company would have to live with that price regardless of whether the market price of gas drops below the fixed price during the term of the contract. So, gas price stability may come at a higher cost of gas than what the Company would pay under its current market purchasing practices. Conversely, the market price of gas over the

term of the contract could go higher than the hedged fixed contract price and the hedges then would produce overall lower gas supply costs than our current market purchasing practices.

#### CURRENT AND PRIOR PEOPLES HEDGING PROGRAM

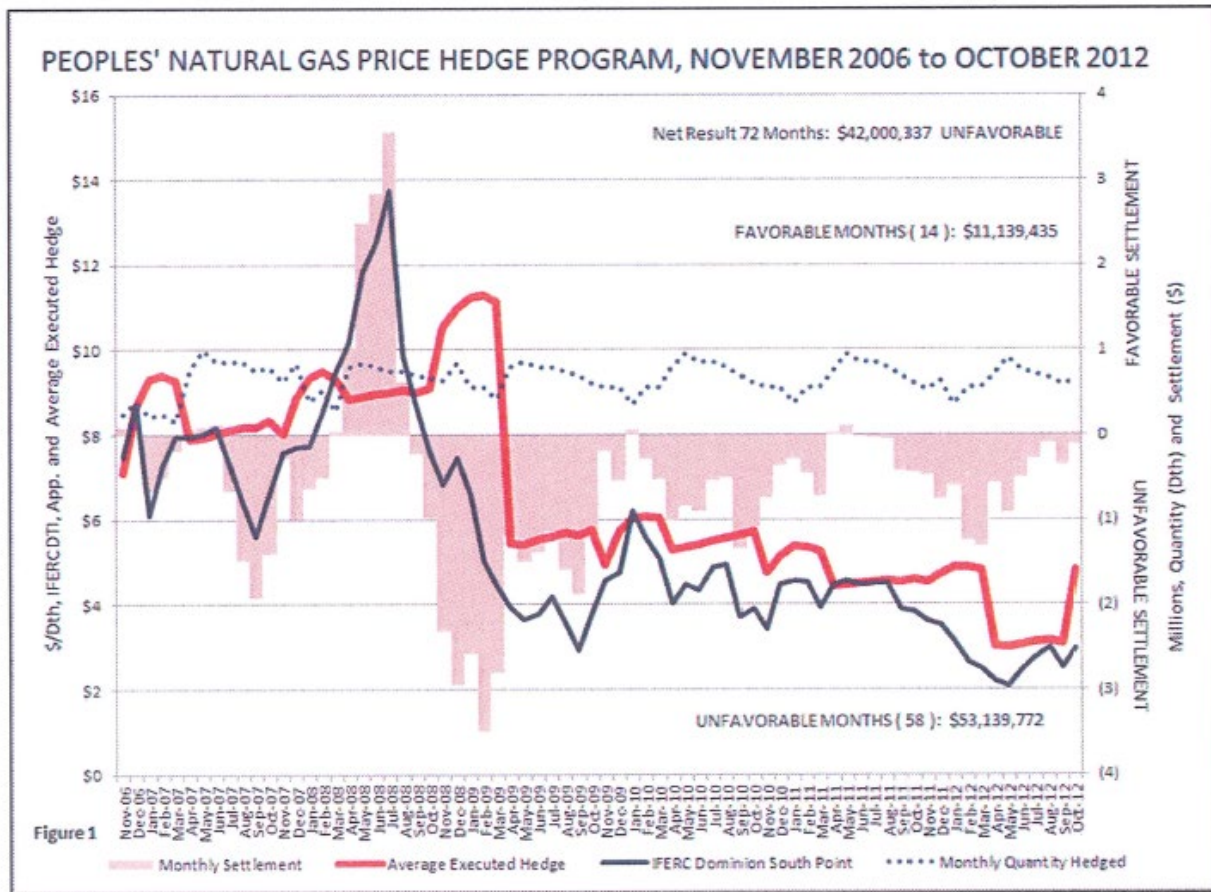
Peoples does not currently have a formal hedging program in place. However, the Company has a procurement strategy that has certain components which mitigate price volatility and customers have options available to further reduce volatility if they so choose, as previously discussed. However, the Peoples Natural Gas Division did previously have a hedging program whereas the Peoples Gas Division did not.

The Peoples Natural Gas Division began a two-year summer pilot program for financial gas price hedging in 2004. That program was in place for the 2005 and 2006 summer periods and the effect of the hedges executed under that program was experienced during the 2007-1307(f) reconciliation period. In the 2006-1307(f) proceeding, the Company agreed to an expanded program requiring the hedging of both summer and winter period gas supplies, and the effect of some of the hedges undertaken pursuant to that program were experienced in the 2008-1307(f) reconciliation period. Pursuant to the Settlement Agreement approved by the Commission in the 2007-1307(f) proceeding, Peoples Natural Gas Division implemented additional changes concerning the frequency of the hedging activity and the effect of those changes was experienced in the 2009-1307(f) reconciliation period. In the 1307(f)-2008 and 1307(f)-2009 cases, Peoples Natural Gas Division agreed to continue the same hedging plan that was in place as of April 1, 2008 and continued that hedging program until it was agreed upon in the 2013-1307(f) proceeding that the program be discontinued.

## THE PEOPLES NATURAL GAS DIVISION'S HEDGING PROGRAM WAS DISSOLVED IN ITS 2013-1307(F) PROCEEDING

In the Settlement of the 2012-1307(f) proceeding, Peoples Natural Gas Division agreed to examine its hedging program and to report on the status of its examination in its direct testimony filed in conjunction with its 2013-1307(f) proceeding. Jon Skoog, the Vice President of Gas Supply at that time, included with his testimony as Peoples Exhibit No. 15, a report on the examination of the hedging program. The report examined the results of the Peoples' hedging program since November 2006, concluding that it satisfied its goal of mitigating price risk but at the same time doing so resulted in higher costs than unhedged purchases due to the market's declining price environment during this period. Based on the report and a continuing industry forecast of stable gas prices, all parties, including the OCA, agreed that Peoples should terminate hedging program. As noted in the report, marketers who were active on Peoples Natural Gas Division's system were also well positioned to offer fixed (i.e., hedged) prices to customers who desired price stability, so the termination of Peoples Natural Gas Division's hedging program did not deny any of its customers the option of fixed pricing.

The following chart, from Exhibit No. 15 in Peoples' 2013-1307(f) proceeding, illustrates the results of the Company's hedging program from November 2006 to October 2012. The red bars illustrate the monthly settlement value above or below an unhedged market. This shows that there were 14 months where the settlement was favorable providing a benefit of \$11,139,435. However, there were 58 months in which the settlement was unfavorable thus costing customers \$53,139,772. This chart clearly demonstrates the pros and cons of a hedging program over an extended period of time.



## RECENT ANALYSIS OF HEDGING

The Company analyzed more recent natural gas commodity data to further evaluate hedging. Peoples analyzed the effect, hypothetically, of hedging 25% of its expected monthly natural gas purchases from April 2013 through October 2023. This means that from April through October, Peoples would have hedged 25% of its next monthly winter season expected purchases over thirteen days in the summer, generally the first and 15th day of each month. From November through March, over 10 days, again, generally the first and 15th day of each month, Peoples would have hedged 25% of its next monthly summer season expected purchases. This means that hedges for summers months would have been executed from a period of one to twelve months, depending on the particular summer month, before becoming effective (November through March hedging for April through October effectiveness), and winter hedges would have been executed from a

period of one to twelve months, depending on the particular winter month, before becoming effective (April through October hedging for November through March effectiveness).

Peoples' analysis shows that its 1307f customers would have experienced unfavorable costs of \$19.852 million for hedges in years 2013 through 2020. This was a period of increasing supply, and declining prices, from North America's shale basins for oil and natural gas production. This trend would have likely continued into 2021. However, the crash of energy markets in 2020, along with lingering effects of the COVID pandemic, did not lead to a robust resumption of North American oil drilling, and the production of associated natural gas. This, along with fears of energy disruption in Europe from the war in Ukraine, led to price spikes on the perception of reduced supply into mid-2021 and early 2022. Hypothetical hedges for 2021 purchases, which would have been mostly executed during the low prices in 2020, would have had a favorable effect of \$13.430 million, according to the Company's analysis. This would have the effect of reducing the total hypothetical hedging since April 2013 to an unfavorable \$6.422 million.

Had Peoples hedged 25% of its natural gas purchases for 2022, Peoples' analysis indicates that the Company's 1307f customers would have had a favorable result of \$27.785 million for the year, and changed the April 2013 through December 2022 cumulative effect from hedging to a favorable \$21.364 million. The results of 2022 would have been from hedging during lower price periods in 2021. However, the 2022 price environment that made hedges executed in 2021 favorable would also be the conditions under which 2023 hedges were executed. The North American natural gas market has seen steep declines since its highs in the mid-2022, when many of 2023 hedges would have been placed, as European supply concerns have mitigated and US oil and natural gas production continues to grow. This abrupt decline in prices has largely erased the favorable hedging effects of 2022, so that the Company projects, based on its hypothetical hedging,

as of January 30, 2023, that 2023 would have an unfavorable position of \$21.412 million from hedging.

Peoples concludes from its analysis of hypothetical hedging that the cost of a hedging program is likely to exceed its benefits. The North American natural gas market is well-supplied and is subject to international pressure in only extreme circumstances that are not likely to be repeated or be experienced for long periods of time. This means that, over time, prices in North America will mostly revert to the historical levels, as can be seen for the 2021 – 2023 period. Hedging in such conditions has limited benefits, with costs that may be hard to justify. Peoples' Budget Billing and Customer Choice programs give customers the agency to make their own decisions regarding pricing and volatility in customer bills. The Company cannot conclude that years of potential unfavorable results from hedging, as shown in its analysis, which means cash flowing out of customer accounts, is offset by the few times a large shock to the energy market may make hedging beneficial.

Values									Cumulative (Fav)/Unfavorable
Effective Year	Total Dth Scheduled for Hedging	Executed Hedged Dths	Remaining for Hedging	IFERC - EGTS App	NYMEX NG Settle	Actual Basis - Est Basis	Executed Hedge Price	Total Executed Hedge Value (Favorable)/Unfavorable	
2013	5,460,000	5,460,000	0	\$3.2750	\$3.6575	-\$0.3825	\$1.7920	\$865,742	\$865,742
2014	31,754,000	31,754,000	0	\$3.3166	\$4.4303	-\$1.1138	\$1.5431	(\$2,725,997)	(\$1,860,255)
2015	31,754,000	31,754,000	0	\$1.4678	\$2.6617	-\$1.1939	\$1.1210	\$10,860,480	\$9,000,225
2016	31,754,000	31,754,000	0	\$1.3790	\$2.4488	-\$1.0699	\$0.8096	\$2,325,352	\$11,325,577
2017	31,754,000	31,754,000	0	\$2.2568	\$3.1129	-\$0.8561	\$1.1903	\$2,360,746	\$13,686,323
2018	31,754,000	31,754,000	0	\$2.6045	\$3.1218	-\$0.5173	\$1.2428	(\$1,843,358)	\$11,842,965
2019	31,754,000	31,754,000	0	\$2.2166	\$2.6582	-\$0.4416	\$1.1949	\$3,557,786	\$15,400,750
2020	31,754,000	31,754,000	0	\$1.3959	\$2.1110	-\$0.7151	\$0.8502	\$4,451,081	\$19,851,831
2021	31,754,000	31,754,000	0	\$3.1054	\$3.8625	-\$0.7570	\$1.1620	(\$13,429,854)	\$6,421,978
2022	32,378,000	32,378,000	0	\$5.4702	\$6.5088	-\$1.0386	\$2.0073	(\$27,785,542)	(\$21,363,564)
2023 (blank)	26,892,000	17,312,000	9,580,000	\$2.3314	\$3.1197	-\$0.5353	\$2.5728	\$21,412,088	\$48,524
<b>Grand Total</b>	<b>318,762,000</b>	<b>309,182,000</b>	<b>9,580,000</b>	<b>\$2.5727</b>	<b>\$3.4140</b>	<b>-\$0.8209</b>	<b>\$1.3225</b>	<b>\$48,524</b>	



## HEDGING OPTIONS

There are numerous options to hedge natural gas commodities. They include: 1) swaps; 2) call options; 3) zero premium collar; and 4) physical hedges. An explanation of these as well as the related advantages and disadvantages are provided below.

### *Swaps*

A swap of natural gas commodity is typically a financial instrument where a company locks in a price for commodity. If the price is above the fixed price the third party pays the company. If the price is below the fixed price the company pays the third party. This protects companies from increases in price that exceed a set market price but there is no benefit if the market is lower than the price. These typically do not include an upfront premium but rather include a premium on the fixed price that may range between \$0.03 and \$0.07 per Mcf. This type of hedging requires a company to extend credit for potential exposure under the hedge. Peoples Natural Gas's prior hedging program utilized this type of hedging.

The advantages of this are that a company is protected from exposure to prices above the swapped rate and there is no upfront premium paid. The disadvantages are that you pay a higher price for natural gas than market and there are credit requirements related to this product.

### *Call Options*

A natural gas commodity call option is a financial instrument whereby a company pays an upfront premium to a third party to protect against going above a certain strike price. If the actual price of gas is above the strike price then the third party pays the difference to the company. However, the company pays the third party if the actual price of gas is lower than the strike price as this is covered by the upfront premium. As such, the company benefits from lower prices if they exceed

the premium paid upfront. This premium is based upon the difference between current markets and the strike price (i.e. implied volatility) as well as the quantity.

The advantages of this are that a company only pays a premium upfront and has no further payments. Further, 100% of the lower market prices, less the upfront premium, are retained by the company and this is not credit intensive. The main disadvantage of this is you pay a premium for gas and prices stay below the call strike.

#### *Zero Premium Collar*

A zero premium collar is a financial instrument whereby you purchase a call option (described above) and sell a put option (set a put price). In this situation, if the actual price of gas is above the call strike price then the third party pays the difference to the company. If the price is below the put strike price then the company pays the third party. If the price is between the call strike price and the put strike price then no payments are made by the company or the third party. There are no upfront premiums paid by a company to the third party. However, there is a premium on each of the strike prices that could range between \$0.03 and \$0.07 per Mcf.

The advantages of this are that no upfront premiums are paid, the exposure of price is limited, a portion of the lower gas prices is realized up to the put strike price and that this is not credit intensive. The main disadvantage is that a company does not benefit from prices below the put strike and is exposed to prices up to the call strike.

The various financial hedges described above (where the Company enters into non-physical arrangements to fix prices with a financial institution) pose other risks and potential costs in addition to those discussed above. Namely, there is risk related to the performance of the counterparty, legal compliance risk, and associated costs to comply with laws such as the Dodd Frank Act and the various Generally Accepted Accounting Principles.

### *Physical Hedges*

A physical hedge is where a company fixes the price of gas supply purchases directly with a natural gas producer. In this situation, a company commits to take physical delivery of the commodity at a fixed price.

The advantages of this are that you do not have to enter into a financial arrangement with a third party, just a new arrangement with an existing natural gas producer. Further, this eliminates the disconnect between actual purchases and price paid. The main disadvantage is that it commits a company to take physical delivery of the commodity at a fixed price. This comes with various risks, with the main risk being if the company was unable to take the supply due to large amounts of customers switching to the transportation program or significantly warmer than normal weather.

### ASSESSMENT OF HEDGING

The Company believes that with the development of fracking technologies and the proliferation of Marcellus Shale and other shale gas formations in the region, natural gas prices should stabilize, consistent with what has been experienced since 2011. If Peoples initiates a hedging program after this 1307(f) proceeding and the market continues to correct itself, then Peoples will find itself in a very similar situation to the last time it operated a hedging program, when hedging resulted in higher costs than unhedged purchases. Further, as discussed above, the Company already has a procurement strategy which has certain components that mitigate price volatility. Further, the Company's customers have options available to further reduce volatility (budget billing, CAP, NGS offerings, etc.).

Natural gas financial hedges would force customers who elected not to participate in the choice marketplace to accept commodity prices as influenced by Peoples, instead of an unbiased

wholesale market price. Financial hedging by Peoples would put such customers at risk of poor performance of a particular hedging regimen that they did not choose. Most would regard a successful hedging program as one that reduced effective price, not just reduced volatility. However, it is unreasonable to expect financial hedging to deliver an effective price that is always lower than the market. Financial hedging may reduce price volatility for Peoples customers that did not elect to lock in their commodity price from the choice marketplace, but it could easily result in a prolonged period of the Company's effective price being higher than the current wholesale natural gas price. This effect could lead to customers switching to a natural gas energy choice supplier, thereby leaving the potentially above market hedged supply to the remaining utility customers.

## CONCLUSION

Peoples does not dispute that a hedging program could reduce price volatility. However, Peoples believes that a hedging program is unnecessary at this time. Although Peoples recognizes that recent factors affecting the entire global economy have impacted commodity prices, the Company does not believe that the summer 2022 increases in natural gas prices warrant the initiation of a hedging program. This is especially true because unique economic and global factors were contributing to price volatility, such as the economy normalizing due to the pandemic subsiding, the corresponding supply chain shortages, and the war in Ukraine. Further, as discussed above, Peoples' procurement strategy includes numerous components that reduce price volatility and the customer has additional options such as the budget billing program and NGS offerings to further reduce price volatility if they so choose.