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March 31, 2023

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd 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 on behalf of Peoples Natural Gas Company LLC ("Peoples Natural Gas" or the "Company") in the above-referenced proceeding pursuant to Section 1307(f)(1) of the Public Utility Code, 66 Pa. C.S. § 1307(f)(1), is the Company's direct testimony, exhibits, and Pro Forma Tariff Supplement.

Please note that effective January 1, 2023 Peoples Natural Gas Company LLC and Peoples Gas Company LLC were legally merged into one entity as Peoples Natural Gas Company LLC. As such, Peoples Natural Gas Company LLC 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"). Accordingly, the enclosed filing reflects the direct testimony, exhibits and Pro Forma Tariff Supplement for both Divisions.

The Pro Forma Tariff Supplement contains proposed changes to the Peoples Natural Gas Division's Retail Tariff Gas – Pa. P.U.C. No. 47 and the Peoples Gas Division's Retail Tariff Gas – Pa. P.U.C. No. 8 and is attached as Peoples Natural Gas Exhibit No. 5.

If you have any comments or questions regarding the attached, please contact the undersigned.

Respectfully submitted,

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).

VIA EMAIL

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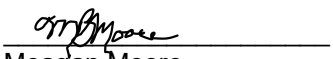
Date: March 31, 2023



Meagan Moore

Counsel for Peoples Natural Gas Company LLC

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2023-3037928
PEOPLES NATURAL GAS COMPANY LLC	:	

DIRECT TESTIMONY OF
CAROL A. SCANLON

On behalf of

PEOPLES NATURAL GAS COMPANY LLC
Peoples Natural Gas Division and Peoples Gas Division

DATE SERVED: March 31, 2023
DATE ADMITTED: _____

Peoples Natural Gas Company Statement No. 1

PREPARED DIRECT TESTIMONY OF
CAROL A. SCANLON

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Carol A. Scanlon. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as Rates Manager. Effective January 1, 2023 the Peoples Natural Gas Company LLC and Peoples Gas Company LLC were merged. As such, Peoples Natural Gas Company LLC ("Company") became Peoples Natural Gas Company LLC – Peoples Natural Gas Division ("PNGD" or "Peoples Natural Gas Division") and Peoples Gas Company LLC 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, the Company or Peoples. In my position as Rates Manager, I provide rates and regulatory services for both PNGD and PGD.

Q. PLEASE DESCRIBE BRIEFLY YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I graduated from the University of Pittsburgh in 1994 with a Bachelor of Science Degree in Business Administration with a concentration in Finance, and from Robert Morris University in 2001 with a Master's Degree in Business Administration. My career began with the former Equitable Gas Company ("EGC") in 2004, where I was employed in

various positions of increasing responsibility. I started with EGC as a Senior Financial Analyst supporting the Collections and Compliance areas of the business. In March 2006, I transitioned to the role of Supervisor of Collections and Analysis. I was in that role until August of 2007, when I was promoted to the Manager of Account Maintenance, during which time I directed the activities of the Audit and Back Office departments. In May 2009, I was promoted to Manager of Commercial and Residential Analysis. In June 2010, I was promoted to the Manager of Rates. I continued in that role until December 17, 2013, at which time EGC was acquired by PNG Companies and merged into Peoples Natural Gas. At that time, I transitioned to Peoples Natural Gas as a Rate Consultant. In August 2017, I was promoted to Manager of Transportation and Revenue. In this role, I managed revenue reporting and the team responsible for all interactions with the Natural Gas Suppliers ("NGSs"). In 2018, I transferred to PNG Companies. In April of the same year, I moved back to the Regulatory team as the Rates Manager.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I am the witness with general responsibility for the information presented in support of the 2023 1307(f) Purchased Gas Cost filing ("1307(f)-2023") for Peoples Divisions. In addition, my testimony will identify the other Company witnesses, describe their case responsibilities, review the Company's Federal Energy Regulatory Commission ("FERC") activities and monitoring of upstream pipelines that supply gas to subsidiaries of Peoples, and lastly, address the Company's customer retainage calculation.

Q. PLEASE DESCRIBE THE GENERAL RESPONSIBILITIES OF THE OTHER PEOPLES NATURAL GAS WITNESSES.

A. Steven Kolich, through **Peoples Natural Gas Statement No. 2**, will support the Company's gas procurement policies, the historical period gas purchases, as well as the projected period gas procurement plans. Anthony Caldro will sponsor **Peoples Natural Gas Statement No. 3**, which provides the calculation of the prior period over/under collections and supports the rate calculations for the projected period. Dawn Folks will sponsor **Peoples Natural Gas Statement No. 4**, which addresses the Company's Design Peak Day Requirements. Finally, Lynda Petrichevich will sponsor **Peoples Natural Gas Statement No. 5**, which will discuss Unaccounted for Gas ("UFG") and producer retainage.

Q. WHAT IS THE OVERALL STRUCTURE AND FORMAT OF THE COMPANY'S FILING?

A. There are two major components of the Company's filing: (1) the pre-filing; and (2) the annual filing. The pre-filing is made up of responses to the standard filing requirements as well as standard exhibits required under Pennsylvania Public Utility Commission's ("Commission" or "PUC") regulations at 52 Pa. Code §§ 53.64 and 53.65. The annual filing consists of the Company's direct testimony, accompanying exhibits, and the Company's unnumbered, undated tariff supplement.

Q. PLEASE DESCRIBE THE FILING REQUIREMENT RESPONSES PROVIDED IN THE PRE-FILING.

A. The Company provided responses to the standard filing requirements set forth in the Commission's regulations at 52 Pa. Code § 53.64(c)(1) through 53.64(c)(14) and 53.64(i)(1). In addition, the Company has responded to Section 53.65. For ease of reference, these responses are numbered the same as the regulation. The table below describes each filing requirement and identifies the Company's witness responsible for the information provided.

FR No.	Filing Requirement	Witness[1]
53.64 (c) (1)	12 & 20 Month Supply	AC
53.64 (c) (2)	Confidential Treatment	AC
53.64 (c) (3)	Supply Not Chosen	SPK
53.64 (c) (4)	FERC Summary	CAS
53.64 (c) (5)	Gas Supply and Demand Projections	AC
53.64 (c) (6)	Fuel Procurement	SPK
53.64 (c) (7)	Off System Sales & Capacity Release	SPK
53.64 (c) (8)	Transportation	AC
53.64 (c) (9)	Transportation	AC
53.64 (c) (10)	Schematic / Facilities	SPK
53.64 (c) (11)	Rate Structure Changes	AC
53.64 (c) (12)	Three Day Peak Data	DMF
53.64 (c) (13)	Peak Day Methodology	DMF
53.64 (c) (14)	Min. Gas Entitlements	SPK
53.64 (i) (1)	Revenue and Expense Comparison (over/under)	AC
53.65	Affiliated Gas Purchases	SPK

Additionally, in this year's proceeding, Peoples submitted a report that summarizes the Company's investigations into modifications to the Gas Cost Procurement Strategy, specifically including hedging, that could further mitigate future potential rate volatility

[1] Peoples witnesses include Carol Scanlon – Statement No. 1 ("CAS"), Steven P. Kolich – Statement No. 2 ("SPK"), Anthony Caldro – Statement No. 3 ("AC"), Dawn Folks –Statement No. 4 ("DMF"), and Lynda Petrichevich – Statement No. 5 ("LWP").

along with the prefiling materials. The 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.

Q. PLEASE DESCRIBE THE COMPANY'S EXHIBITS.

A. The table below includes a description of each Exhibit and the Company's sponsoring witness. These exhibits are numbered sequentially.

1	Design Day - Requirements and Supply	DMF/SPK
2	FERC Annotated List	CAS
3	Customer Retainage	CAS
4	Btu Factor Calculation	SPK
5	Tariff	AC
6	12 Month Actuals	AC/SPK
7	Interim Gas Cost Projections	AC/SPK
8	Collection Period Gas Cost Projections	AC/SPK
9	Over/Under Collections	AC
10	Rate Calculation	AC
11	Balancing Rate	AC
12	Revenues and Expenses	AC
13	2018 UFG Mitigation Plan Results Summary	LWP
14	3-Year History- UFG Volumes and Loss Rate	LWP
15	Price Volatility Mitigation Study	CAS/SPK

Q. PLEASE EXPLAIN THE EXHIBITS THAT YOU WILL BE SPONSORING.

A. I am sponsoring **Peoples Natural Gas Company Exhibit No. 2**, which provides a detailed identification and explanation of all of the various FERC proceedings involving PNG Companies subsidiaries' interstate pipeline providers and other FERC proceedings that PNG Companies' subsidiaries monitored and/or participated in during 2022. I am also sponsoring **Peoples Natural Gas Company Exhibit No. 3**, which displays the results of Peoples customer retainage calculation and the rate aspects of **Peoples Natural Gas Company Exhibit No. 15,** which is the report presented by Peoples with the prefiling materials submitted on March 1, 2023 that investigates modifications to the Gas Cost Procurement

Strategy, specifically including hedging, that could further mitigate future potential rate volatility.

FERC PARTICIPATION

Q. WHY DOES PEOPLES NATURAL GAS PARTICIPATE IN PROCEEDINGS AT THE FERC?

A. As a distributor of natural gas, Peoples is concerned with minimizing the price and assuring adequate availability of its gas supplies in order to provide reasonably priced, reliable service to the Company's residential, commercial and industrial ratepayers. Thus, the Company monitors and participates in various proceedings before the FERC – the federal agency that regulates the price and terms of services of interstate pipelines from which the Company obtains the delivery of a substantial portion of its gas supply – as a means of assuring for Peoples' ratepayers the future availability of reasonably priced, reliable gas supplies.

Peoples Companies (collectively Peoples Natural Gas Division, Peoples Gas Division, and Peoples Gas WV LLC) and their predecessors have monitored and participated in proceedings at the FERC and the FERC's predecessor agency, the Federal Power Commission, since the early 1950's. Since 1985, Pennsylvania natural gas distribution companies have had a statutory duty to participate in FERC proceedings in accordance with the requirements of the Pennsylvania Public Utility Code, as amended by Act 74 of 1984 and as interpreted by the Commission in Peoples Division's previous 1307(f) proceedings. Peoples involvement in FERC-related activities has been reviewed by the Commission in each of the Peoples Division's 1307(f) proceedings since that time.

Q. DOES PEOPLES NATURAL GAS WORK WITH ANY OTHER ORGANIZATIONS IN MATTERS BEFORE THE FERC?

A. The Peoples LDCs are a member of the American Gas Association ("AGA"). The AGA FERC Regulatory Committee is charged with the responsibility to act upon federal and regulatory policy issues of interest and importance to its members, which consist of more than 200 local natural gas utility companies like Peoples Divisions.

Q. CAN YOU IDENTIFY AND DESCRIBE THE DOCUMENT THAT HAS BEEN MARKED AS PEOPLES NATURAL GAS COMPANY EXHIBIT NO. 2?

A. Yes. **Peoples Natural Gas Company Exhibit No. 2** provides a detailed identification and explanation of all of the various FERC proceedings involving PNG Companies subsidiaries' interstate pipeline providers and other FERC proceedings that PNG Companies monitored and/or participated in during 2021. I should note that the Company previously filed these materials with the Commission on March 1, 2023, as part of the 30-day pre-filing required by the Commission's 1307(f) regulations. As this description of PNG Companies' FERC activity reveals, Peoples has fully and vigorously represented the interests of its ratepayers at FERC during the time periods relevant to this case.

PEOPLES DIVISIONS CUSTOMER RETAINAGE

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS COMPANY EXHIBIT NO. 3.

A. The top section of the analysis shown in **Peoples Natural Gas Company Exhibit No. 3** presents the most recent three-year average (2020-2022) for UFG and Company Use ("CU")

gas. The average of UFG for the three-year period is 5.1%, while the average of CU for the three-year period is 0.5%. Summing the two together results in a three-year average of 5.6%.

As seen in the bottom section of **Peoples Natural Gas Company Exhibit No. 3**, applying the three-year average of UFG/CU to the projected usage for the Peoples system yields the projected total system retainage requirements for the forecast period. From that, the Company deducted volumes retained from competitive customers, volumes retained from producers, retainage on the Goodwin/Tombaugh system, and the imputed retainage on storage gas. This calculation produces the net amount to be retained from sales and the remaining transportation customers. Dividing this volume by the total volume for customers paying the tariff retainage rate results in a retainage percentage of 5.8%.

Q. DOES THE COMPANY DISCOUNT RETAINAGE RATES?

A. Yes, in some circumstances. Please refer to the direct testimony Anthony Caldro at **Peoples Natural Gas Statement No. 3** for further discussion of this topic.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to submit additional testimony if other issues arise during the course of the proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	Docket No. R-2023-3037928
v.	:	
PEOPLES NATURAL GAS COMPANY LLC	:	

DIRECT TESTIMONY OF
STEVEN P. KOLICH

On behalf of

PEOPLES NATURAL GAS COMPANY LLC
Peoples Natural Gas Division and Peoples Gas Division

DATE SERVED: March 31, 2023
DATE ADMITTED: _____

Peoples Natural Gas Company Statement No. 2

DIRECT TESTIMONY OF
STEVEN P. KOLICH

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Steven P. Kolich. My business address is Peoples Natural Gas Company LLC, 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as the Director, Gas Supply. In this position, I manage the team that provides the gas supply acquisition services for Peoples Natural Gas Company LLC. I would note that effective January 1, 2023 the Peoples Natural Gas Company LLC and Peoples Gas Company LLC were merged. As such, Peoples Natural Gas Company LLC became Peoples Natural Gas Company LLC – Peoples Natural Gas Division ("PNGD" or "Peoples Natural Gas Division") and Peoples Gas Company LLC 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, the Company, or Peoples.

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.

A. I graduated from the University of Pittsburgh in 1989 with a Bachelor of Science degree in Industrial Engineering. In 1989, I accepted a position with Columbia Gas of Ohio as an Industrial Marketing Engineer in the Marketing Department. My career at PNG

began in 1991 in the Sales and Marketing Department as an Industrial Sales Representative after which I transitioned into a Technical Marketing Engineer position. In 1997, I accepted the role of Supply Planning Analyst in the Gas Supply Group for Consolidated Natural Gas Company, the then parent of PNG, where I was responsible for the design and execution of the gas supply plan and capacity portfolio for PNG.

In 2000, I moved back to PNG where I worked as a Planning and Fuel Forecasting Analyst until 2008 when I was promoted to the Manager Sales and Transportation. After PNG was acquired by SteelRiver Infrastructure Fund North America LP, I remained the Manager Sales and Transportation until 2011 when I was promoted to Manager Gas Supply, Requirement Forecasting and Transportation. In 2014, I transitioned to the role of Manager Transportation Services and Requirement Forecasting. In July 2017, I was promoted to my current position of Director of Gas Supply.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY REGULATORY PROCEEDINGS?

A. Yes. I have testified in cases before the Pennsylvania Public Utility Commission ("Commission"), including Peoples Natural Gas Company LLC's 1307(f) filings at Docket Nos. R-2018-2645278, R-2018-3000236, R-2019-3007612, R-2019-3007617, R-2020-3017850, R-2021-3023965 and R-2022-3030661 and Peoples Gas Company LLC's 1307(f) filings at Docket No. R-2018-2645296, R-2019-3007613, 2020-3017846, R-2021-3023967 and R-2022-3030664.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS CASE?

A. I am the Company's gas supply witness. As the Company's gas supply witness, I will address the following subjects:

I. Gas Procurement Policy and Supply Planning

II. Supply Requirements

III. Interstate Pipeline Transportation and Storage Capacity Portfolio

IV. Natural Gas Supply Portfolio

V. Capacity Releases

VI. Off-System Sales

VII. Purchases from Affiliates

VIII. Shut-In Practices and Policies

IX. Renegotiation of Contracts

X. System Average BTU Value

Throughout my testimony, I will refer to the "1307(f)-2023 historical period" and the "1307(f)-2023 projected period." The "1307(f)-2023 historical period" is the 12-month period of February 1, 2022, through January 31, 2023. That same 12-month period was part of the projected period in Peoples Natural Gas's 1307(f)-2022 proceeding. The projected period in this proceeding is the 20-month period of February 1, 2023, through September 30, 2024, which is the "1307(f)-2023 projected period." Peoples Natural Gas will have experienced a part of that projected period before this case is over.

Q. WHICH COMPONENTS OF THE COMPANY'S 1307(f)-2023 FILING ARE

YOU SPONSORING?

A. I am sponsoring Filing Requirement sections 53.64(c)(3), 53.64(c)(6), 53.64(c)(7), 53.64(c)(10), 53.64(c)(14), and 53.65. I am also sponsoring or jointly sponsoring **Peoples Natural Gas Exhibit Nos. 1, 4, 6, 7 and 8.** Additionally, I am sponsoring the gas supply procurement aspects of **Peoples Natural Gas Company Exhibit No. 15,** which is the report presented by Peoples with the prefiling materials submitted on March 1, 2023 that investigates modifications to the Gas Cost Procurement Strategy, specifically including hedging, that could further mitigate future potential rate volatility.

I. PEOPLES NATURAL GAS'S GAS PROCUREMENT POLICY AND SUPPLY PLANNING

Q. PLEASE DESCRIBE GENERALLY PEOPLES NATURAL GAS'S GAS PROCUREMENT POLICY.

A. It is Peoples Natural Gas's policy to secure long-term reliable capacity and supply and to manage gas procurement so that the Company incurs the lowest overall gas costs. Peoples Natural Gas pursues that policy within the limitations of its existing facilities and its existing contracts. It also pursues that policy with the recognition that it must balance the goals of least cost and long-term reliable supply.

Q. PLEASE EXPLAIN HOW PEOPLES NATURAL GAS HAS PURSUED ITS GOAL OF LEAST COST RELIABLE SERVICE.

A. Peoples Natural Gas pursues its goal of least cost reliable service through a combination of local and interstate assets and supplies. The local assets are Peoples Natural Gas's on-system storage facility and a gathering and distribution system, which have allowed Peoples Natural Gas to deliver local natural gas supplies produced in Pennsylvania and purchased by Peoples Natural Gas from Pennsylvania producers.

Peoples Natural Gas's interstate assets consist of a portfolio of transportation and storage services that Peoples Natural Gas has contracted for with various Federal Energy Regulatory Commission ("FERC")-regulated pipelines, including Eastern Gas Transmission and Storage, Inc. ("EGTS") (f/k/a Dominion Energy Transmission, Inc.), Texas Eastern Transmission LP ("TETCO"), Equitrans L.P. ("Equitrans"), National Fuel Gas Supply Corporation ("NFG") and Columbia Gas Transmission, LLC ("TCO"), The Company also has interconnects with Tennessee Gas Pipeline Company, LLC ("Tennessee"), but does not currently contract for either transportation or storage services on Tennessee. Those interstate assets give Peoples Natural Gas access to a variety of locations at which it can receive gas supplies that are produced upstream of the Peoples Natural Gas system. The interstate storage assets allow Peoples Natural Gas to use its upstream assets more efficiently, mitigate the effects of price swings in the natural gas market, and enhance the deliverability of Peoples Natural Gas's interstate natural gas supplies during periods of peak demand. Peoples Natural Gas's interstate supplies are primarily EQT Energy, LLC ("EQT Energy") and other Appalachian-produced gas that it purchases from suppliers upstream of the Peoples Natural Gas system for delivery into various receipt points of the interstate pipelines and occasionally purchases on a delivered basis to the city-gate basis.

Q. WHAT SPECIFIC ACTIVITIES ARE INVOLVED IN PEOPLES NATURAL GAS'S PURSUIT OF ITS GAS SUPPLY GOAL?

A. Peoples Natural Gas's goal of safe, reliable, cost-effective gas supply involves two distinct activities. The first activity is portfolio planning, which involves the assembly of a portfolio of supply assets including indigenous and contracted storage as well as transportation services. The second activity is the purchase of natural gas supplies to satisfy the demands of its customers. The time horizon for this second activity is shorter than that for portfolio planning. At all times, Peoples Natural Gas endeavors to minimize gas costs, while concurrently considering many factors such as safety, reliability, the projected range of gas requirements, the uncertainty of future gas prices, and all of the operational and contractual characteristics of the components of its existing gas supply portfolio and distribution system.

Q. IN GENERAL, HOW DOES PEOPLES NATURAL GAS SELECT AMONG THE VARIOUS SERVICES AND SUPPLIES AVAILABLE TO IT?

A. Peoples Natural Gas prepares a supply plan as the point of departure. The plan includes forecasts for requirements of its own supply (i.e., sales) customers on a monthly basis and the sources from which those requirements will be filled on a monthly basis. The plan also includes an estimate of services that its transportation customers, those who purchase their natural gas supplies from natural gas suppliers ("NGSs"), will require on a monthly basis. As the Company prepares to acquire gas each month, it "fine tunes" the plan to

consider storage levels, actual operational requirements and market conditions so that it may acquire the least costly blend of gas that is feasible.

Q. IS THERE A GUIDING PRINCIPLE THAT PEOPLES NATURAL GAS USES IN PREPARING ITS GAS SUPPLY PLAN?

A. Yes. Peoples Natural Gas's guiding principle is to maximize reliability while minimizing its gas costs. In general, Peoples Natural Gas does that through the "economic dispatch" of supplies – that is, by using its least costly source of supply first, within the operational, reliability and contractual limits of its system.

Q. HOW DOES PEOPLES NATURAL GAS FORMULATE ITS GAS SUPPLY PLAN ON AN ANNUAL BASIS?

A. Each year, Peoples Natural Gas projects its total system requirements and available sources of supply. On the requirements side of the analysis, Peoples Natural Gas develops throughput projections. The Company then adds monthly projections for company use and lost and unaccounted for gas to arrive at total projected system requirements on a monthly basis.

Certain operational considerations play a role in the requirements analysis. For example, the Company considers the radically different load profiles of the weather-sensitive (generally residential and small and medium commercial) and non-weather-sensitive (generally large volume industrial) customer classes, the geographic location of its principal customer markets, the physical design and related operational capacity limitations inherent in its pipeline system, and the sources of supply available at various

times during the year. There are also portions of the Company's service territory that are not physically interconnected with the main portion of Peoples Natural Gas's facilities, particularly in the Grove City area. Similarly, there are portions of the Company's service territory that require support from specific interstate pipeline delivery points at times of high demand. As a result, Peoples Natural Gas needs to specifically project the requirements that it will have in those areas in order to assure that it will have supplies available from the particular sources of supply needed to serve those areas.

Q. WHAT DOES PEOPLES NATURAL GAS DO ON THE SUPPLY SIDE OF THE ANALYSIS?

A. Peoples Natural Gas uses an economic dispatch approach that considers reliability, operational requirements, and contractual obligations. Under that approach, Peoples Natural Gas reviews the cost of its various sources of supply and plans to use those that are least costly. The Company starts with the existing pipeline supply assets and existing gas supply agreements. These include the firm transportation and storage service agreements with interstate pipelines and the long-term gas supply agreement with EQT Energy.

Another component of the supply planning process is to factor in the portion of Allegheny Valley Connector ("AVC") storage gas used for balancing service that will be made available for purchase by NGSs serving Non-Priority 1 ("NP-1"), or non-essential human needs, customers. Peoples Natural Gas maintains access to and manages the injections and withdrawals of gas associated with the balancing storage capacity on the AVC system. Peoples Natural Gas's Gas Supply Plan now reflects that NGSs purchase

balancing services from Peoples Natural Gas throughout the winter using AVC storage for NP-1 balancing purposes.

Q. PLEASE DESCRIBE HOW PEOPLES NATURAL GAS HAS IMPLEMENTED THE ECONOMIC DISPATCH APPROACH IN FORMULATING ITS GAS SUPPLY PLAN FOR THE TIME PERIODS THAT ARE RELEVANT TO THIS PROCEEDING.

A. Peoples Natural Gas formulates its supply plan each year for a 20-month period that corresponds to the projected period in its annual 1307(f) filings. Peoples Natural Gas formulated the supply plan that included the 1307(f)-2023 historical period – as part of the then 20-month 1307(f)-2022 projected period – in early 2022 and the supply plan for the 1307(f)-2023 projected period in early 2023. Peoples Natural Gas used the same analysis in formulating both supply plans.

Peoples Natural Gas uses a two-step planning process to review and establish the natural gas supply requirements of the Company's distribution system. The first step involves a review of the system Design Peak Day requirements. The second step involves using the system flow model to determine where gas must be sourced into the system to satisfy both supply and pressure requirements. Each of these steps is required to develop a reliable capacity and supply portfolio. Please refer to Peoples Statement No. 4, the Direct Testimony of Dawn Folks, for further discussion of the first step related to the Design Day study. I will address the second step.

First, Peoples Natural Gas maintains its historic practice of "base loading" local gas; that is, using its supplies of local gas first as this gas is already behind the city gate.

Peoples Natural Gas then estimates the local gas volumes it will receive and formulates a plan for purchasing the balance of its projected requirements from other sources in its portfolio, again using an economic dispatch approach. Peoples Natural Gas then utilizes its Equitrans transportation capacity and EQT Energy supply contracts to deliver the supply needed at Peoples Natural Gas's city-gates and on Equitrans, which serves a large portion of the Peoples Natural Gas requirements. Then, Peoples Natural Gas evaluates service options for portions of the system that are isolated and cannot be served by Equitrans or where the service from Equitrans needs to be supplemented. Peoples Natural Gas reviews projected spot market prices and pipeline transportation rates and considered various combinations of delivery routes for gas from Appalachia, as well as various operational and contractual constraints and limits. Taking all of those factors and the need for reliability into consideration, Peoples Natural Gas selects the lowest cost blend of gas from all of the sources in its portfolio, on a monthly and/or daily basis.

II. PEOPLES NATURAL GAS'S SUPPLY REQUIREMENTS

Q. WHAT ARE THE COMPONENTS OF PEOPLES NATURAL GAS'S SUPPLY REQUIREMENTS?

A. The Company's supply components consist of: (a) supply service to those Peoples Natural Gas customers who purchase their supplies from Peoples Natural Gas; (b) standby service to those Peoples Natural Gas customers who purchase their supplies from NGSs and who either are required to subscribe or elect to subscribe to Peoples Natural Gas's standby service, if applicable; (c) balancing service to Peoples Natural Gas customers who purchase their supplies from NGSs, but who are entitled to balancing service under the

Commission's regulations and the Peoples Division's tariffs; and (d) gas that is used in Company operations or is lost or unaccounted for.

Q. WHAT ARE THE TIMEFRAMES USED TO DETERMINE PEOPLES NATURAL GAS'S CUSTOMERS' REQUIREMENTS?

A. Peoples Natural Gas uses two timeframes when determining its customers' requirements. The first is a "design peak day," which is a 24-hour period that is based on extreme weather conditions, and the second is a forecast of customers' day-to-day usage throughout the year.

Q. WHAT HAS PEOPLES NATURAL GAS USED AS ITS CUSTOMERS' REQUIREMENTS ON A DESIGN PEAK DAY FOR PURPOSES OF THIS CASE?

A. The Company used 1,468.8 MMcf/day as the design day requirements of Peoples Natural Gas, as discussed in the direct testimony of Peoples Natural Gas witness Dawn Folks (Peoples Natural Gas Statement No. 4).

Q. WILL PEOPLES NATURAL GAS SUPPLY THE ENTIRETY OF THAT 1,468.8 MMCF FOR ITS CUSTOMERS?

A. No. Peoples Natural Gas will supply 1,170.6 MMcf of the Company's customers' design day requirements of 1,468.8 MMcf. The supply of 1,170.6 MMcf per day includes the following components:

- Projected local gas volumes of 13.8 MMcf. This volume is based on a projection of the amount of local gas under contract to Peoples Natural Gas and available on a design day;
- The on-system storage design day supply of 55.3 MMcf reflects the expected volume of supplies available from the Company's on-system storage fields; and
- Interstate delivered gas of 1101.5 MMcf projected to be received from Equitrans, EGTS, Tennessee Gas Pipeline Company, LLC ("Tennessee"), TETCO, TCO and NFG.

Q. WHY DOESN'T PEOPLES NATURAL GAS HAVE TO BE PREPARED TO SUPPLY ALL OF ITS CUSTOMERS' DESIGN DAY REQUIREMENTS?

A. Many of Peoples Natural Gas's customers, generally also its largest customers, that purchase their supplies from NGSs – customers whom the Company refers to as Non-Priority 1 or NP-1 – are responsible for acquiring their own design day assets at a level sufficient to deliver their average daily usage during that month. The Company expects those customers to deliver to the system 298.4 MMcf on a design day during the 1307(f)-2023 projected period.

Q. HOW DO THE DESIGN DAY REQUIREMENTS OF PEOPLES NATURAL GAS'S SMALLER CUSTOMERS WHO PURCHASE THEIR SUPPLIES FROM NGSs FIT INTO PEOPLES NATURAL GAS'S SUPPLY PORTFOLIO?

A. When a substantial alternative supply market for those smaller Priority 1 ("P-1"), or essential human needs, customers first began to develop on Peoples Natural Gas's system

in 1997, Peoples Natural Gas addressed the design day requirements of those customers under a program of mandatory capacity assignment. Peoples Natural Gas's tariff requires that the P-1 customers acquire their design day capacity requirements from Peoples Natural Gas by means of mandatory assignment of capacity and that the P-1 customers must pay the costs of that assigned capacity through the capacity charge. The P-1 NGSs are expected to utilize the assigned capacity to deliver to the system sufficient supplies to meet the projected total usage for their P-1 customers on a design day during the 1307(f)-2023 projected period.

Q. IN ADDITION TO ITS CUSTOMERS' DESIGN DAY CAPACITY AND SUPPLY REQUIREMENTS, WHAT OTHER CUSTOMER REQUIREMENTS MUST PEOPLES NATURAL GAS'S GAS SUPPLY PORTFOLIO SATISFY?

A. Peoples Natural Gas must also satisfy the day-to-day supply requirements of Peoples Natural Gas's customers who purchase supplies from Peoples Natural Gas, the day-to-day balancing requirements of NP-1 transportation customers, and the requirements for gas that either will be used in Peoples Natural Gas's operations (i.e., company-use gas) or that will be "lost or unaccounted for" because of various reasons.

Q. DOES PEOPLES NATURAL GAS USE ITS ANNUAL CONSUMPTION PROJECTIONS FOR THOSE CUSTOMERS WHO LIKELY WILL BUY THEIR SUPPLIES FROM NGSs FOR ANY PURPOSE IN THIS PROCEEDING?

A. Yes. Although those customers' capacity requirements are measured strictly by the demands that they will place on Peoples Natural Gas's system on a design peak day,

Peoples Natural Gas recovers the costs of meeting those requirements through each Mcf that Peoples Natural Gas delivers to those customers throughout the year. In the case of P-1 customers, Peoples Natural Gas recovers the costs through a capacity charge per Mcf consumed. In the case of NP-1 customers, the recovery is through a balancing charge per Mcf consumed.

Q. HOW DO THE DESIGN DAY SUPPLY ASSETS COMPARE TO THE PROJECTED DESIGN DAY REQUIREMENTS?

A. As shown on **Peoples Natural Gas Exhibit No. 1**, the Company is projecting that its design day supply assets will be within 0.2 MMcf of its design day requirements.

Q. CAN YOU IDENTIFY AND DESCRIBE THE DOCUMENT THAT HAS BEEN MARKED AS PEOPLES NATURAL GAS EXHIBIT NO. 6?

A. Yes. **Peoples Natural Gas Exhibit No. 6** is a document, also prepared jointly by the Gas Supply and Rates and Regulatory Affairs Departments, that illustrates monthly allocations of volumes by the sources of supply, including storage, that Peoples Natural Gas projects to use to meet the supply requirements of those of its customers who bought their supplies from Peoples Natural Gas during the 1307(f)-2023 historical period of February 1, 2022, through January 31, 2023, and a summary of the natural gas costs associated with those volumes.

Q. CAN YOU IDENTIFY AND DESCRIBE THE DOCUMENTS THAT HAVE BEEN MARKED AS PEOPLES NATURAL GAS EXHIBIT NOS. 7 AND 8?

A. Yes. **Peoples Natural Gas Exhibit Nos. 7 and 8**, prepared jointly by the Gas Supply and Rates and Regulatory Affairs Departments, illustrate monthly allocations of volumes by the sources of supply, including storage, that Peoples Natural Gas expects to use to meet the supply requirements of its customers who likely will buy their supplies from Peoples Natural Gas during the 1307(f)-2023 projected period of February 1, 2023, through September 30, 2024, as well as a summary of the natural gas costs associated with those volumes. The allocation displayed there reflects the application of the economic dispatch approach that I have described. In his direct testimony (**Peoples Natural Gas Statement No. 3**), Anthony Caldro explains the pricing of the volumes that appear on these Exhibits, based, in part, on price projections that I provided.

Q. ARE THE PROJECTIONS OF MONTHLY ALLOCATIONS OF VOLUMES BY SUPPLIER THAT ARE SET FORTH ON PEOPLES NATURAL GAS EXHIBIT NOS. 7 AND 8 LIKELY TO CHANGE?

A. Yes. The projections contained on **Peoples Natural Gas Exhibit Nos. 7 and 8** are Peoples Natural Gas's best estimates of gas prices and conditions that affect its ability to acquire gas and, accordingly, are Peoples Natural Gas's best estimates of the lowest cost supply mix consistent with its need for reliability. However, because projections are based on factors that change over time, including prices, storage levels and customers' requirements, each month Peoples Natural Gas fine tunes the plan as it prepares to acquire gas for the following month to consider actual operational and market conditions and to assure that its acquisition of gas supplies is based on the most current information. The Company then makes further daily adjustments as necessary during each month.

Q. PLEASE EXPLAIN THE FILING REQUIREMENTS IMPOSED BY SECTION 1317(c) OF THE PUBLIC UTILITY CODE.

A. 66 Pa C.S. Section 1317(c) requires Peoples Natural Gas to file both a reliability plan and a supply plan for the 1307(f) projected period.

Q. HAS PEOPLES NATURAL GAS DONE SO?

A. Yes. **Peoples Natural Gas Exhibit Nos. 1, 7, and 8**, as well as the testimony in support of those exhibits, provide the required information.

III. INTERSTATE PIPELINE TRANSPORTATION AND STORAGE CAPACITY PORTFOLIO

Q. WHAT COMPRISES PEOPLES NATURAL GAS'S INTERSTATE CAPACITY PORTFOLIO?

A. Over the 1307(f)-2023 historical period, Peoples Natural Gas's natural gas capacity portfolio included: (1) interstate pipeline transportation and storage services from Equitrans; (2) interstate pipeline transportation and storage services from EGTS; (3) interstate pipeline transportation service from TETCO; (4) interstate pipeline transportation and storage services from NFG; and (5) interstate pipeline transportation and storage service from TCO. In addition, Peoples Natural Gas purchases winter-only, firm, city-gate delivered supply via Tennessee and winter-only, firm, city-gate delivered supply via TETCO. Although these are gas purchase arrangements, Peoples Natural Gas treats them the same as interstate capacity for planning purposes because the Company

requires deliveries at the respective delivery points and would pursue firm capacity at these points if firm city-gate delivered supply was not available.

Q. DOES PEOPLES NATURAL GAS ANTICIPATE THAT IT WILL HAVE THE SAME PORTFOLIO THROUGHOUT THE 1307(f)-2023 PROJECTED PERIOD?

A. In large part, yes. However, Peoples Natural Gas also plans to evaluate its options with regard to the amount of winter only, firm, city-gate, delivered contracts to the Tennessee and TETCO interconnects. Further, Peoples may also need to look for replacement capacity for a portion of its Equitrans AVC storage capacity that may be unavailable for the upcoming winter season. I will discuss this in more detail later in my testimony.

EQUITRANS

Q. PLEASE DESCRIBE THE SERVICES THAT EQUITRANS PROVIDES PEOPLES NATURAL GAS.

A. Equitrans provides Peoples Natural Gas firm transportation and firm storage services. These services vary with the facilities used to provide them. As further explanation, there are two parts to the Equitrans system: the Mainline system and the Allegheny Valley Connector ("AVC"). The Mainline System is Equitrans' traditional system in West Virginia and Pennsylvania that has historically served Equitable Gas Company, among other firm customers, and now also includes the Sunrise Pipeline system, which is a newer pipeline extending from northern West Virginia to Waynesburg, Greene County, Pennsylvania, that was developed in order to transport new gas production, primarily

Marcellus Shale production, to market. The AVC consists of the midstream assets – transmission lines and storage fields – that were transferred by Peoples Natural Gas to Equitrans as part of the Equitable acquisition.

Equitrans has provided Peoples Natural Gas's former Equitable Division a menu of unbundled transportation and storage service on the Mainline System since FERC's promulgation of Order 636 in the 1990's. These services include firm transportation service under Equitrans' Rate Schedule EFT. Under this rate schedule, the customer transports gas up to the maximum daily quantity stated in the customer's contract. Equitrans assesses a transportation usage charge for the actual quantities that were delivered to the customer during the month. In addition, Equitrans assesses a seasonal demand charge that is different for the winter period (November 1 through March 31) than for the summer period (April 1 through October 31). Both charges are calculated by multiplying the appropriate seasonal demand charge by its respective maximum daily contract quantity.

Equitrans also provides no-notice firm transportation service under Equitrans' Rate Schedule NOFT. No-notice firm transportation allows the Company to receive or deliver gas on demand up to its firm entitlement on a daily basis without incurring daily balancing and scheduling penalties. For this service, Equitrans assesses a transportation usage charge for the actual quantities it delivers to the former Equitable Division city-gates during the month. As with Rate Schedule EFT service, there are winter and summer demand charges associated with this contract that are calculated in a similar fashion.

In addition to the firm pipeline transportation and the no-notice firm

transportation services, Equitrans also provides a base load storage service and a peaking storage service. The base load storage service is provided under the Equitrans 115-SS Rate Schedule. This rate schedule provides for a 115-day storage service, with a maximum daily withdrawal quantity ("MDWQ") of 110% of 1/115 of the total annual storage quantity, subject to ratchets as explained below. This service also permits the Company to withdraw and inject gas year-round on a best efforts basis.

The peaking storage service is provided under the Equitrans 60-SS Rate Schedule. The MDWQ is based on 110% of 1/60 of the total annual storage quantity, subject to ratchets as also explained below. This service also permits the Company to withdraw and inject gas year-round on a best efforts basis.

For each storage service, Equitrans assesses four charges that are applicable the entire year. These charges consist of the storage demand charge, the storage space charge, the storage injection charge, and the storage withdrawal charge. The storage demand charge is equal to the storage demand rate multiplied by the MDWQ. The storage space charge is equal to the storage space rate multiplied by the total annual storage quantity. The storage withdrawal and injection charges are variable charges that are assessed on the actual volumes withdrawn or injected during the month.

Beginning December 17, 2013, when the acquisition of Equitable closed, Equitrans began providing firm transportation and firm storage services from Equitrans' AVC system to the Peoples Natural Gas Division. The AVC services consist of transportation service under Rate Schedule EFT, no-notice transportation service under Rate Schedule FTSS, and Storage Service under Rate Schedule GSS. The FTSS and GSS service agreements provide Peoples Natural Gas Division and its customers with access

to AVC storage capacity of 8.6 MMDth annually and maximum deliverability of 200,000 Dth per day. The EFT service agreement provides Peoples Natural Gas Division and its customers up to 251,700 Dth per day of firm transportation capacity. These service agreements provide for a total of 451,700 Dth per day of firm capacity on the AVC system.

Beginning April 1, 2014, Equitrans began providing the former Peoples Natural Gas Division firm transportation service under Rate Schedule FTS from Equitrans' Mainline system. Gas transported under this agreement is sourced from receipt points on the Sunrise section of the Mainline system and delivered to Equitrans' Ginger Hill station, which is the point of interconnection between Equitrans' Mainline and AVC systems. The capacity is seasonal, and the maximum firm daily quantity is 251,700 Dth during November through March and 62,000 Dth during April through October.

On December 10, 2013, as set forth in the application proceeding at Docket Nos. A-2013-2353647, A-2013-2353649, and A-2013-2353651 and approved by Order entered November 14, 2013 ("Equitable Acquisition"), the Peoples Gas Division entered into a firm storage agreement under Equitrans Rate Schedule 60SS and a no-notice firm transportation agreement under Equitrans Rate Schedule NOFT. The rates for both the storage and firm transportation service are negotiated rates that are less than the Equitrans recourse rates for the services and less than the cost available for this same capacity under the existing TCO and EGTS agreements. Through the Commission Order referenced above, Peoples received approval of the Equitrans storage and transportation agreements pursuant to Section 2204(e)(4) of the Public Utility Code, 66 Pa.C.S.§ 2204(e)(4).

The Equitrans contracts provided peak demand period daily deliverability of 27,500 Dth and storage capacity of 1,500,000 Dth for the storage withdrawal period of November 1, 2014, through March 31, 2015. The deliverability under these contracts increased to 33,917 Dth and storage capacity increased to 1,850,000 Dth for the withdrawal period of November 1, 2015, through March 31, 2016. Effective April 1, 2018, the daily deliverability under these contracts increased to 44,917 Dth and storage capacity increased to 2,450,000 Dth. Effective April 1, 2022, the daily deliverability under these contracts increased to 72,417 Dth and storage capacity increased to 4,000,000 Dth.

Q. DID THE COMMISSION APPROVE PEOPLES NATURAL GAS'S ARRANGEMENTS WITH EQUITRANS IN PEOPLES NATURAL GAS'S 1307(f)-2022 PROCEEDING?

A. Yes. In Peoples' 1307(f)-2022 proceeding (for both PNGD and PGD), Peoples Natural Gas described the various service arrangements that would be in effect between Peoples Natural Gas divisions and Equitrans and the costs associated with them over what is now the 1307(f)-2023 historical period. In its final order in that proceeding, the Commission approved rates for the collection of Peoples Natural Gas's natural gas costs that included the costs associated with the Equitrans service arrangements over what is now the 1307(f)-2023 historical period.

Q. DOES PEOPLES NATURAL GAS INTEND TO USE THE SAME EQUITRANS SERVICES DURING THE PROJECTED PERIOD THAT PEOPLES NATURAL GAS USED DURING THE HISTORICAL PERIOD?

A. The Company will make every effort to use the same Equitrans services during the projected period. However, due to a pipeline safety incident on the Equitrans system, Equitrans may not be able to provide the full contracted AVC storage service to the Company. If Equitrans is not able to provide the full contracted for capacity of AVC storage service, Peoples will look for replacement capacity from TETCO at their Rager Mountain interconnect with Equitrans to ensure adequate capacity to hold up the east part of the system.

EGTS

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS'S CONTRACTUAL ARRANGEMENTS WITH EGTS OVER THE 1307(f)-2023 HISTORICAL AND PROJECTED PERIODS.

A. For the 1307(f)-2023 historical period, EGTS provides service to Peoples Natural Gas Division under four service agreements and three rate schedules which all have an expiration date of March 31, 2034. EGTS provides year-round Rate FTNN no-notice transportation service at 40,000 Dth/day, Rate FT firm transportation service of 40,000 Dth/day, and Rate GSS storage service under two separate service agreements, one with capacity of 4.6 MMDth annually and maximum deliverability of 40,000 Dth/day and the other with capacity 2.48 MMDth annually and up to 40,000 Dth/day of deliverability.

These agreements promote service reliability in parts of the Peoples Natural Gas Division distribution system that are particularly well-suited for gas deliveries from EGTS.

Under a service agreement with EGTS that ended on March 31, 2022, Peoples Gas Division had 25,000 Dth/day of FT firm transportation service, 25,000 Dth/day of FT-GSS firm transportation service, and 25,000 Dth/day of GSS firm storage service with a total storage capacity of 1,500,000 Dth. Under a service agreement with EGTS that expires on March 31, 2029, People Gas Division additionally has 10,000 Dth/day of FT firm transportation service and 10,000 Dth/day of GSS firm storage service with a storage capacity of 600,000 Dth. Peoples Gas Division also held 10,000 Dth/day of FT transportation service that expires October 31, 2023.

Because the EGTS delivery points into the Peoples Gas Division system are well located to the service territory's population center around Butler, the Company plans to renew the 10,000 Dth/day of EGTS FT firm transportation service slated to expire October 31, 2023 to ensure adequate supply to meet the design day requirements of its sales customers for the 2023/2024 winter period. Peoples has begun discussions with EGTS to extend the agreement for this 10,000 Dth/day of FT firm transportation service for another one-year term beginning October 1, 2023 but has yet to execute this extension. This gas is necessary to meet the needs in this key area of customer demand and to meet the Company's design day needs.

Q. ARE THERE ANY DIFFERENCES IN THE EGTS SUPPLY ASSETS SHOWN IN PEOPLES NATURAL GAS EXHIBIT NO. 1 BETWEEN 1307(f)-2022 AND 1307(f)-2023?

A. No. When comparing last year's Peoples Natural Gas Exhibit No. 16-1 and Exhibit No. 1 of this 1307(f)-2023, the amount of EGTS assets shown are the same.

Q. DID THE COMMISSION APPROVE PEOPLES NATURAL GAS'S ARRANGEMENTS WITH EGTS IN PEOPLES NATURAL GAS'S 1307(f)-2022 PROCEEDING?

A. In Peoples Natural Gas's 1307(f)-2022 proceeding, Peoples Natural Gas and Peoples Gas described the various service arrangements that would be in effect between Peoples Natural Gas and EGTS and Peoples Gas and EGTS and the costs associated with them over what is now the 1307(f)-2023 historical period. Under the settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples Natural Gas's natural gas costs that included the costs associated with the EGTS service arrangements over what is now the 1307(f)-2023 historical period.

TETCO

Q. PLEASE DESCRIBE THE SERVICES THAT TETCO PROVIDES TO PEOPLES NATURAL GAS.

A. TETCO provides Peoples Natural Gas with firm transportation service under Rate Schedule FT-1 and also delivers firm to the city-gate purchases made by Peoples Natural Gas from suppliers who are TETCO shippers. Peoples Natural Gas requires gas deliveries in the eastern portion of its service territory at Ebensburg, Delmont, Claysburg, and Rockwood and supplies into these delivery points are essential during the winter

Peoples Natural Gas purchases gas on TETCO and moves it over TETCO's facilities under its Rate FT-1 service agreement primarily to the Ebensburg and Delmont delivery points. Peoples Natural Gas also contracts with gas suppliers for the purchase of firm supply that is delivered on TETCO to Peoples Natural Gas's city-gates at the Claysburg and Rockwood delivery points in addition to occasionally supplementing the firm transportation deliveries at Ebensburg. TETCO also provides an operational balancing agreement that helps Peoples Natural Gas manage the unanticipated swings in demand at its physical interconnections with TETCO.

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS'S CONTRACTUAL ARRANGEMENTS WITH TETCO OVER THE 1307(f)-2023 HISTORICAL AND PROJECTED PERIODS.

A. Peoples Natural Gas Division has 15,650 Dth/day of FT-1 firm transportation service under contract from TETCO for the entire 1307(f)-2023 historical period. Gas supplies under this transportation contract, which expires on April 30, 2024, are delivered by TETCO primarily at Peoples Natural Gas Division's Ebensburg delivery point located in TETCO's market zone M3. This service agreement may also be used to deliver gas supplies at Claysburg, also in M3, and Rockwood, which is upstream of Ebensburg in

TETCO's market zone M2. Peoples Natural Gas plans to renew this TETCO FT-1 firm transportation service agreement during the 1307(f)-2023 projected period.

TETCO also provides Peoples Gas Division with firm transportation service of 10,000 Dth/day under Rate Schedule FT-1 for the entire 1307(f)-2023 historical period. Peoples Gas Division purchases gas on TETCO's market zone M-2 and moves it over TETCO's facilities to an interconnection at Delmont, Westmoreland County, which is also in market zone M-2. This negotiated rate agreement, which commenced on November 1, 2015, and expires on October 31, 2030, allows the Company to purchase gas in a very liquid and competitively low-priced commodity market and deliver it to the eastern part of the Peoples' system to support service to the Allegheny Valley.

Q. ARE THE FIRM DELIVERIES OF 25,650 DTH/DAY UNDER THESE CONTRACTS SUFFICIENT TO MEET THE PEAK DAY SYSTEM NEEDS IN THE EASTERN PORTION OF THE PEOPLES NATURAL GAS SERVICE TERRITORY?

A. No. The 2013-2014 and 2014-2015 colder-than-normal winters tested the Peoples Natural Gas Division's system and gas supply capabilities, and for the most part, the system and gas supply portfolio performed well in meeting the near-design day needs of the PNGD's customers. However, the 2014-2015 winter was unique and insightful because the PNGD experienced the coldest weather conditions, which were some of the coldest in recent history, later in the winter season, during mid-February. The heating degree days ("HDDs") on February 15th, 19th, and 20th were 64 HDDs, 63 HDDs and 64 HDD, respectively. The particular challenge with meeting design day or near design day

conditions this late in the winter season is that the deliverability provided by the PNGD's pipeline storage contracts is reduced because as physical storage inventories are depleted, the daily storage withdrawal quantities under the pipeline storage tariffs are correspondingly ratcheted down or reduced.

Q. HOW DID PNGD SATISFY ITS SYSTEM NEEDS IN THIS PART OF ITS SERVICE TERRITORY AT THAT TIME?

A. During these near-peak days in February 2015, the combined available supplies from the Equitrans AVC storage and TETCO FT contracts were insufficient to meet customers' requirements in this part of the system, necessitating the purchase of additional supplies. The most operationally and cost-effective option was to purchase gas supplies on the TETCO system for delivery at Ebensburg. During the coldest days of February 15, 19, and 20 of 2015, PNGD purchased and had delivered to the Ebensburg delivery point 24,000 Dth per day of supplies in addition to the firm supplies from TETCO to the Rockwood and Claysburg points under existing supply agreements.

Q. WHAT HAS HAPPENED SINCE THE 2014-2015 WINTER?

A. PNGD proposed in the 1307(f)-2015 proceeding to put in place an arrangement for additional firm gas deliveries of up to 25,000 Dth per Day to the Ebensburg delivery point for the 2015-2016 winter period. In the following year's 1307(f)-2016 proceeding, PNGD recommended seeking proposals for similar arrangements for the following winter, and this recommendation was accepted. Subsequent Request for Proposals ("RFP") resulted in firm agreements covering each winter period from 2016-2017through 2022-2023. This

most recent winter included two days with 67 and 58 HDDs on December 23 and 24 respectively, when PNGD used the firm agreements to deliver approximately 23,000 Dth each day at Ebensburg, which assisted effectively to hold up gas service in the eastern portion of the PNGD service territory.

Q. PLEASE DESCRIBE THE MARKET ZONE 2 ("M-2") SERVICES THAT PNGD RECEIVES VIA TETCO.

A. PNGD can accept up to 11,000 Dth/day at its Rockwood interconnection with TETCO in TETCO's market zone M-2. Prior to 2007, Peoples Natural Gas satisfied this requirement with TETCO firm transportation capacity, but the M-2 firm transportation capacity was not renewed upon its March 31, 2007 expiration. Peoples Natural Gas then entered into a series of annual agreements for either firm delivered supply or for the purchase of released capacity that Peoples Natural Gas then matched with spot purchases that extended through the 2013-2014 winter period. For the next two winter seasons, Peoples Natural Gas satisfied its needs at this delivery point with delivered gas purchases. From 2017-through 2023, Peoples Natural Gas issued RFPs and contracted for a firm delivered gas agreements for up to 3,000 Dth/day for each winter season.

Q. PLEASE DESCRIBE THE RECENT TETCO RFP PROCESS.

A. In July 2022, PNGD issued an RFP for firm deliveries of up to 3,000 Dth/day at TETCO M2 Rockwood and 25,000 Dth/day at TETCO M3 Ebensburg, for the period of November 2022 through March 2023. Approximately twenty potential suppliers were solicited and

two proposals were received for the 3,000 Dth/day at M2 Rockwood and only one proposal was received for the 25,000 Dth/day at M3 Ebensburg.

Peoples Natural Gas accepted Sequent Energy's M2 Rockwood proposal for 3,000 Dth/day since it 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. The other offer was rejected.

Peoples Natural Gas accepted Colonial Energy Services' M3 Ebensburg proposal for 25,000 Dth/day which included a reservation charge of $0.029 per Dth, 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-2 Receipts for that month plus TETCO M2 to M2 transportation variable costs 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 to M2 transportation variable costs per Dth. There was no minimum call provision for baseload or daily supply to Ebensburg.

Q. DID THE COMMISSION APPROVE PEOPLES NATURAL GAS'S ARRANGEMENTS WITH TETCO AND FIRM SUPPLIERS IN PEOPLES NATURAL GAS'S 1307(f)-2022 PROCEEDING?

A. Yes. In Peoples Natural Gas Division's 1307(f)-2022 proceeding, PNGD described its service arrangements with TETCO and firm suppliers that would be in effect over what is now the 1307(f)-2023 historical period. Under the settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples Natural Gas Division's natural gas costs that included the costs associated with the TETCO service arrangements.

Q. HOW DOES PEOPLES NATURAL GAS INTEND TO SATISFY ITS REQUIREMENTS FOR TETCO DELIVERIES DURING THE 1307(f)-2023 PROJECTED PERIOD?

A. Similar to prior years, the Company proposes to issue an RFP to potential suppliers for TETCO Zone M-2 firm delivered supply but up to 6,000 Dth/day for the winter period November 2023 through March 2024 to assist in balancing out Design Peak Day Requirements as presented earlier. For the same reason, the Company also proposes to issue a separate RFP to potential suppliers for TETCO Zone M-3 firm delivered supply up to 31,000 Dth/day for the winter period November 2023 through March 2024.

NFG

Q. PLEASE DESCRIBE THE SERVICES THAT NFG PROVIDES PNGD.

A. NFG provides PNGD with no-notice storage service and firm transportation service under rates approved by the FERC. PNGD uses NFG's services primarily to serve the isolated Grove City area of its service territory. PNGD uses its storage service from NFG as a no-

notice balancing service to manage supply to an uncertain demand and as a way to reduce natural gas costs, by buying supplies when they generally are cheaper during the summer months and injecting them into storage, and to enhance reliability, by withdrawing the volumes from storage during the winter when demand is highest. PNGD utilizes its firm transportation service from NFG both to support the NFG storage service and for deliveries from other supply sources.

Q. PLEASE DESCRIBE PNGD'S CONTRACTUAL ARRANGEMENTS WITH NFG OVER THE 1307(f)-2023 HISTORICAL AND PROJECTED PERIODS.

A. During the entire 1307(f)-2023 historical period and for the first two months of the 1307(f)-2023 projected period, NFG provided 9,793 Dth/day of no-notice storage service to PNGD under its Rate ESS and 15,476 Dth/day of firm transportation service to PNGD under its Rate EFT. PNGD entered into both of those contracts in the mid-1990s, and the primary terms of those contracts expired on March 31, 2003. However, each of the contracts contains a one-year notice of termination provision so that if neither party gives the other one-year's notice of termination, the contracts automatically renew for another year. The contracts have automatically renewed on April 1 of each year since 2003 and will renew again, effective April 1, 2023. As a result, the NFG contracts will be in effect throughout the 1307(f)-2023 projected period.

Q. DOES THE COMPANY PROPOSE ANY CHANGE TO ITS ARRANGEMENTS WITH NFG?

A. Not at this time.

Q. DID THE COMMISSION APPROVE PEOPLES NATURAL GAS DIVISION'S ARRANGEMENTS WITH NFG IN PEOPLES NATURAL GAS DIVISION|'S 1307(f)-2022 PROCEEDING?

A. In Peoples Natural Gas Division's 1307(f)-2022 proceeding, Peoples Natural Gas Division described the arrangements between Peoples Natural Gas Division and NFG that would be in effect, over what is now the 1307(f)-2023 historical period. Peoples Natural Gas Division also described the reasons why Peoples Natural Gas Division entered into those arrangements and the costs associated with them. Under the settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples Natural Gas Division's natural gas costs that included the costs associated with the NFG service arrangements over what is now the 1307(f)-2023 historical period.

TCO

Q. PLEASE DESCRIBE PEOPLES GAS DIVISION'S CONTRACTUAL ARRANGEMENTS WITH TCO OVER THE 1307(f)-2023 HISTORICAL PERIOD AND PROJECTED PERIOD.

A. For the 1307(f)-2023 historical period, TCO provided Peoples Gas Division firm transportation service under Rate FTS of up to 3,257 Dth/day along with firm storage service under Rate GSS and related firm transportation service under Rate SST of up to 10,807 Dth/day with a total storage capacity of 609,827 Dth that expired March 31,

2022. Effective April 1, 2023, TCO provided Peoples Gas Division firm transportation service under Rate FTS of up to 4,000 Dth/day. TCO also provided firm storage service under Rate GSS and related firm transportation service under Rate SST of up to 2,000 Dth/day with a total storage capacity of 112,860 Dth with an expiration date of March 31, 2025. The Company utilizes the TCO services to maintain system integrity in the Fairview and Hickory Corners area of the system.

Q. DOES THE COMPANY PROPOSE ANY CHANGES TO IT ARRANGEMENTS WITH TCO DURING THE PROJECTED PERIOD?

A. Not at this time.

Q. DID THE COMMISSION APPROVE PEOPLES GAS DIVISION'S ARRANGEMENTS WITH TCO?

A. Yes. In Peoples Gas Division's 1307(f)-2022 proceeding, Peoples Gas Division described the arrangements between Peoples Gas Division and TCO that would be in effect, over what is now the 1307(f)-2023 historic period. Peoples Gas Division also described the reasons why Peoples Gas Division entered into those arrangements and the costs associated with them. Under the settlement, the Parties agreed that the Commission should approve the Company's gas supply pipeline and storage capacity contracts. In the final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples Gas Division's natural gas costs that included the costs associated with the TCO service arrangements over what is now the 1307(f)-2023 historical period.

FIRM CITY-GATE DELIVERED SUPPLY VIA TENNESSEE

Q. PLEASE DESCRIBE THE SERVICES THAT PEOPLES NATURAL GAS RECEIVES FROM TENNESSEE.

A. Peoples Natural Gas annually issues an RFP for firm city gate delivered supply for the upcoming winter season. These delivered supply agreements require the supplier to utilize Tennessee pipeline delivery points directly into Peoples Natural Gas at Pittsburgh Terminal and Pulaski. In addition, the agreements also required deliveries into the Columbia Gas of Pennsylvania, Inc. ("CPA") natural gas distribution system at New Castle, PA. This supply supports an exchange agreement under which CPA delivers gas into the Grove City area of Peoples Natural Gas's service territory, which is not physically integrated with the rest of the Peoples Natural Gas system.

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS'S CONTRACTUAL ARRANGEMENTS FOR FIRM DELIVERED GAS ON TENNESSEE OVER THE 1307(f)-2023 HISTORICAL AND PROJECTED PERIODS.

A. During the 1307(f)-2023 historical period, following the RFP process, Peoples Natural Gas Division entered into an agreement with one supplier for the period of November 2022 through March 2023. The contract provides for up to 26,000 Dth/day of firm supply delivered to PNGD with 0 - 20,000 Dth/day delivered to Pittsburgh Terminal, 0-3,000 Dth/day delivered to Pulaski, and 0-3,000 Dth/day delivered to New Castle. The agreement included no reservation fee and a specified baseload supply priced 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 variable

transportation charges 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 variable transportation charges per Dth. There was no minimum call provision of baseload or daily supply associated with the deal.

During the 1307(f)-2023 historical period, following the RFP process, Peoples Gas Division entered into an agreement with one supplier for the period of November 2022 through March 2023. The contract provides for up to 5,000 Dth/day of firm supply delivered to Pittsburgh Terminal. The agreement included no reservation fee and 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 variable transportation charges per Dth. For daily requested quantities, the proposal specified pricing related to 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 variable transportation charges per Dth. For the November 2022 through March 2023 period, no other offers were received.

The Company proposes to issue another RFP for firm delivered supply on Tennessee that will provide for delivery of natural gas on a firm basis for up to 33,000 Dth/day delivered to Peoples Natural Gas with 0 - 27,000 Dth/day delivered to Pittsburgh Terminal, 0-3,000 Dth/day delivered to Pulaski, and 0-3,000 Dth/day delivered to New Castle. for the winter period of November 2023 through March 2024.

Q. DID PEOPLES NATURAL GAS ADVISE THE PARTIES OF ITS INTENT TO ENTER INTO ARRANGEMENTS FOR FIRM DELIVERED GAS ON TENNESSEE IN PEOPLES NATURAL GAS'S 1307(f)-2022 PROCEEDING?

A. In Peoples Natural Gas's 1307(f)-2022 proceeding, Peoples Natural Gas described its intention to issue RFPs for firm delivered service arrangements on Tennessee that would be in effect, over what is now the 1307(f)-2023 historical period. Peoples Natural Gas also included estimated costs for these arrangements and described the reasons why Peoples Natural Gas entered into those firm supply arrangements. Under the Settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples Natural Gas's natural gas costs that included the costs associated with this arrangement over what is now the 1307(f)-2023 historical period.

ACTUAL AND PROJECTED COSTS INCURRED

Q. WHAT COSTS DID PEOPLES NATURAL GAS INCUR FOR SUPPLIES DELIVERED FROM INTERSTATE PIPELINES DURING THE 1307(f)-2023 HISTORICAL PERIOD?

A. Peoples Natural Gas incurred the costs that are set forth on **Peoples Natural Gas Exhibit No. 6**, as described by Mr. Caldro.

Q. WERE THE COSTS SHOWN IN EXHIBIT NO. 6 THE SAME COSTS THAT PEOPLES NATURAL GAS PROJECTED TO INCUR DURING THE 1307(f)-2022 PROJECTED PERIOD?

A. Generally, yes. While the actual rates charged for interstate pipeline services may have varied slightly from projections due to rate changes during the period, the services used were the same as those projected to be used during the 1307(f)-2022 projected period with one exception. The exception involves authorized overrun services provided by Equitrans. Even though Peoples Natural Gas has utilized authorized overrun services from Equitrans and EGTS historically, Peoples Natural Gas's practice is not to project use of authorized overrun service in the projected period. Accordingly, Peoples Natural Gas did not project the use of such services for the 1307(f)-2022 projected period and did not include any projected costs for such services.

During the 1307(f)-2023 historical period, Peoples Natural Gas Division used 160,511 Dth of overrun service from Equitrans and incurred $49,854 of overrun charges, used 801 Dth of overrun service from Eastern Gas Transmission and incurred $714 of overrun charges and used 14,941 Dth of overrun service from TETCO and incurred $212,122 associated with this service. Peoples Gas Division used 688 Dth of overrun service from Columbia Gas Transmission and incurred $278 of overrun charges. Overrun services are part of the menu of interruptible services offered by pipelines to enhance flexibility for shippers on their systems. Peoples Natural Gas takes advantage of these offerings in situations when system demands require additional supply and this option is the best alternative. Because the use of these services is opportunistic, the Company does not schedule them in advance. However, based on recent history, Peoples Natural Gas

can reasonably anticipate that it will be using these services during the 1307(f)-2023 projected period as well.

Q. WHAT COSTS WILL PEOPLES NATURAL GAS INCUR FOR SUPPLIES DELIVERED FROM INTERSTATE PIPELINES DURING THE 1307(f)-2023 PROJECTED PERIOD?

A. Peoples Natural Gas projects to incur the costs that are set forth on **Peoples Natural Gas Exhibit Nos. 7 and 8**, which Mr. Caldro will identify and describe. The projected commodity costs set forth on **Peoples Natural Gas Exhibit Nos. 7 and 8** will vary with the actual purchases that Peoples Natural Gas will make to meet the actual requirements of Peoples Natural Gas's customers. Amounts shown in **Peoples Natural Gas Exhibit Nos. 7 and 8** are the best estimate the Company can make at this time of Peoples Natural Gas's projected purchases, based on the assumptions that Peoples Natural Gas's system will experience "normal" weather customer requirements and system balancing requirements.

ON-SYSTEM STORAGE

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS'S ON-SYSTEM STORAGE FACILITIES.

A. Peoples Natural Gas currently owns and operates the five storage fields, which have 2,097,000 Mcf of storage capacity and 55,300 Mcf of maximum design day withdrawal capacity.

Q. WHAT PURCHASED GAS COSTS DID PEOPLES NATURAL GAS INCUR FOR ITS ON-SYSTEM STORAGE FACILITIES OVER THE 1307(f)-2023 HISTORICAL PERIOD?

A. There are two categories of natural gas costs that Peoples Natural Gas incurs to own and operate its on-system storage facilities. The first of those categories is the portion of Peoples Natural Gas's requirements for company use and lost and unaccounted for gas that was attributable to those facilities. The second is the weighted average cost that Peoples Natural Gas assigns to each Mcf that is injected into and withdrawn from its on-system (and interstate) storage facilities. For the 1307(f)-2023 historical period, the weighted average cost was based on the cost of all supplies that Peoples Natural Gas acquired over calendar year 2022. The total weighted average costs that Peoples Natural Gas assigned to injections into and withdrawals from storage over the historical period are those set forth on **Peoples Natural Gas Exhibit No. 6**, as described by Mr. Caldro.

Q. DID THE COMMISSION APPROVE THE USE OF PEOPLES NATURAL GAS'S ON-SYSTEM STORAGE FACILITIES AND THE COSTS ASSOCIATED WITH THEM IN PEOPLES NATURAL GAS'S 1307(f)-2022 PROCEEDING?

A. In Peoples Natural Gas's 1307(f)-2022 proceeding, Peoples Natural Gas set forth projections regarding the use of on-system storage over what is now the 1307(f)-2023 historical period. In that proceeding, Peoples Natural Gas described the projected weighted average costs assigned to the supplies that Peoples Natural Gas anticipated injecting into and withdrawing from its on-system and interstate storage facilities over that same period. In its final order in that proceeding, the Commission approved rates for

the collection of Peoples Natural Gas's natural gas costs that included the weighted average costs of supplies that Peoples Natural Gas anticipated injecting into and withdrawing from storage over what is now the 1307(f)-2023 historical period. The rates approved by the Commission also included the cost of Peoples Natural Gas's projected requirements for company use and lost or unaccounted for gas, including the portion of those requirements attributable to its on-system storage facilities.

Q. WHAT COSTS WILL PEOPLES NATURAL GAS INCUR FOR THE USE OF ITS ON-SYSTEM STORAGE FACILITIES OVER THE 1307(f)-2023 PROJECTED PERIOD?

A. Peoples Natural Gas projects to incur the weighted average costs of supplies injected into and withdrawn from storage that are set forth on **Peoples Natural Gas Exhibit Nos. 7 and 8**, which Mr. Caldro will identify and describe. While Peoples Natural Gas has done its best to anticipate what those weighted average costs will be, when the Company looks back next year, the weighted average costs likely will be different than what Peoples Natural Gas is projecting here, again because of the inability to predict the exact price of market-priced supplies.

IV. PEOPLES NATURAL GAS'S GAS SUPPLY PORTFOLIO

LOCAL GAS SUPPLIES

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS'S USE OF LOCAL GAS SUPPLIES.

A. 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 by Peoples 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 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. Adding new Marcellus gas is limited due to the lower operating pressures of the gathering system and most Marcellus production is sold to the transport market since its steady, year-round supply matches up better with the less heat sensitive large industrial load.

Q. UNDER WHAT TYPES OF CONTRACTUAL ARRANGEMENTS DOES PEOPLES NATURAL GAS ACQUIRE GAS FROM LOCAL PRODUCERS?

A. With the implementation of Rate Appalachian Gathering Service as part of the settlement approved in resolution of PNGD's 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 renews automatically for successive additional one-month production period terms.

PGD has purchased Pennsylvania gas supply under "Vintage" contracts, "Dedicated" (formally known as "life-of-the-well") 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.

The two types of Vintage contracts PGD utilized are fixed price contracts and percent of market contracts which together represent less than 2% of PGD's total local purchases. The fixed price Vintage Agreements 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 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.

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. 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) which is the same standard price PNGD utilizes. The revisions were approved as part of the settlement of PGD's 1307(f)-2014 proceeding at Docket No. R-2014-2399598.

Non-Dedicated gas purchase agreements are utilized to purchase the vast majority of local production by PGD and at the same standard purchase prices as the Dedicated agreements but on a one-year term, with a month-to-month evergreen clause giving either party the option to terminate effective on the anniversary date upon specified prior written notice. Eighty two percent (82%) of the local gas purchased by PGD is done through Non-Dedicated gas purchase agreements.

Q. WHAT COSTS DID PEOPLES NATURAL GAS INCUR FOR LOCAL GAS SUPPLIES OVER THE 1307(f)-2023 HISTORICAL PERIOD?

A. Peoples Natural Gas incurred the costs that are set forth on **Peoples Natural Gas Exhibit No. 6**, as described by Mr. Caldro.

Q. DID THE COMMISSION APPROVE PEOPLES NATURAL GAS'S ARRANGEMENTS WITH LOCAL GAS SUPPLIERS IN PEOPLES NATURAL GAS'S PRIOR 1307(f) PROCEEDING?

A. Yes. In Peoples Natural Gas's 1307(f)-2022 proceeding, Peoples Natural Gas described its contracts for local gas supplies that would be in effect over what is now the 1307(f)-2023 historical period. Under the settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples Natural Gas's natural gas costs that included the costs associated with the local gas contracts over what is now the 1307(f)-2023 historical period.

Q. DID PEOPLES NATURAL GAS'S LOCAL GAS SUPPLY CONTRACTS CHANGE DURING THE 1307(f)-2023 HISTORICAL PERIOD?

A. Besides the Vintage and Dedicated gas purchase agreements, which only represent a small percentage of the total local supply purchased, all of Peoples' other local gas supply contracts are subject to renegotiation due to the evergreen nature of the agreements. During the 1307(f)-2023 historical period, there were a number of local production meters

that switched from system supply to transportation agreements and vice versa but the amount of local supplies Peoples Natural Gas purchased for its customers was virtually the same as the 1307(f)-2022 historical period.

Q. WHAT COSTS WILL PEOPLES NATURAL GAS INCUR FOR LOCAL GAS SUPPLIES OVER THE 1307(f)-2023 PROJECTED PERIOD?

A. Peoples Natural Gas will incur the costs that are set forth on **Peoples Natural Gas Exhibit Nos. 7 and 8**, which Mr. Caldro will identify and describe. The costs set forth on **Peoples Natural Gas Exhibit Nos. 7 and 8** obviously are not exact – they are based on projections that I provided to Mr. Caldro and will vary with the actual use that Peoples Natural Gas makes of local gas supplies in response to the actual requirements of Peoples Natural Gas's customers, with certain operational factors that I have identified and, to the extent the pricing is market based, with operation of the market.

SPOT MARKET SUPPLIES

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS'S USE OF SPOT MARKET SUPPLIES.

A. Peoples Natural Gas uses the spot market to purchase a substantial amount of its natural gas requirements. A large portion of its interstate supply deals are done as day-ahead deals and reference a published index for pricing, allowing the final pricing to be determined by the market. Along with its local gas supplies, these are the supplies that Peoples Natural Gas uses to meet the demands of those customers who continue to buy

their supplies from Peoples Natural Gas. These are also the supplies that Peoples Natural Gas uses for its various interstate pipeline assets to transport and store.

Q. PLEASE DESCRIBE THE MANNER IN WHICH PEOPLES NATURAL GAS ACQUIRES SPOT MARKET SUPPLIES.

A. Peoples Natural Gas continually adjusts its daily supply plan based on actual and projected daily weather and customer usage. As part of that process, Peoples Natural Gas determines if additional supply is required at various parts of its system or, during the storage injection season, at various off-system storage receipt points. Peoples Natural Gas monitors the New York Mercantile Exchange ("NYMEX") futures prices and the Intercontinental Exchange ("ICE") cash and forward prices, and monitors various spot market gas index prices for areas from which it purchases spot market supplies. With this information, Peoples Natural Gas will determine the least cost option to serve areas of its system that requires additional supply. Peoples Natural Gas is in frequent contact with many gas suppliers who will agree to deliver spot market supplies to pipeline receipt points from which Peoples Natural Gas is able to secure transportation to its city gate or to storage receipt points pursuant to off-system storage contracts.

Q. WHAT COSTS DID PEOPLES NATURAL GAS INCUR FOR SPOT MARKET SUPPLIES OVER THE 1307(f)-2023 HISTORICAL PERIOD?

A. Peoples Natural Gas incurred the costs that are set forth on **Peoples Natural Gas Exhibit No. 6**, as described by Mr. Caldro.

Q. DID THE COMMISSION APPROVE PEOPLES NATURAL GAS'S SPOT MARKET SUPPLIES IN PEOPLES NATURAL GAS'S 1307(f)-2022 PROCEEDING?

A. In Peoples Natural Gas's 1307(f)-2022 proceeding, Peoples Natural Gas described the manner in which Peoples Natural Gas expected to acquire and use spot market supplies over what is now the 1307(f)-2023 historical period. Peoples Natural Gas also described the reasons why Peoples Natural Gas acquires spot market supplies, the factors that affect the costs of spot market supplies, and the costs for spot market supplies that Peoples Natural Gas likely would incur over what is now the 1307(f)-2023 historical period. Under the settlement, the Parties agreed that the Company's rates for purchased gas costs, as the parties agreed upon in that proceeding, during the relevant time period were just and reasonable and in compliance with 66 Pa.C.S. § 1318. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples Natural Gas's natural gas costs that included the costs associated with Peoples Natural Gas's acquisition of spot market supplies over what is now the 1307(f)-2023 historical period.

Q. WHAT COSTS WILL PEOPLES NATURAL GAS INCUR FOR SPOT MARKET SUPPLIES OVER THE 1307(f)-2023 PROJECTED PERIOD?

A. Peoples Natural Gas projects to incur the costs that are set forth on **Peoples Natural Gas Exhibit Nos. 7 and 8**, which Mr. Caldro will identify and describe.

GAS PURCHASE AGREEMENTS WITH EQT ENERGY, LLC

Q. PLEASE DESCRIBE THE GAS PURCHASES UNDER THE GAS SUPPLY AGREEMENTS WITH EQT ENERGY, LLC OVER THE 1307(f)-2022 HISTORICAL PERIOD.

A. The Company purchased gas under two EQT Energy gas purchase agreements during the 1307(f)-2022 historical period. The first agreement matches gas supply with the Equitrans Sunrise/Mainline firm transportation contract of up to 251,700 Dth/day. The annual quantity is 15 MMDth, and EQT Energy will deliver up to 251,700 Dth/day at active receipt point interconnects with the Equitrans Sunrise and AVC system. The second agreement matches a firm gas supply with the Equitrans firm transportation contract of up to 164,935 Dth/day. The annual quantity is 20 MMDth, and EQT Energy will deliver up to 164,935 Dth/day at active receipt point interconnects with the Equitrans Sunrise and Mainline systems.

Purchases under both agreements scheduled at the beginning of the month for steady daily delivery throughout the month are priced at the first of the month Eastern South Point index price. During the winter season, Peoples Natural Gas is able to swing between the first of the month scheduled quantity and the maximum daily quantity of the applicable agreement on 24 hours' notice. Swing purchases scheduled after the first of the month are priced at the daily Eastern South Point index price.

Q. DID THE COMMISSION APPROVE PEOPLES NATURAL GAS'S ACQUISITION OF EQT ENERGY SUPPLIES IN PEOPLES NATURAL GAS'S 1307(f)-2022 PROCEEDING?

A. In Peoples Natural Gas's 1307(f)-2022 proceeding, Peoples Natural Gas described the manner in which it expected to acquire and use EQT Energy supplies and the costs associated with them that Peoples Natural Gas likely would incur over what is now the 1307(f)-2023 historical period. Under the settlement, the Parties agreed that the rates for purchased gas costs, as the parties agreed upon in that proceeding, during the relevant time period were just and reasonable and in compliance with 66 Pa.C.S. § 1318. In its final order in that consolidated proceeding, the Commission approved the settlement including the rates for the collection of Peoples Natural Gas's natural gas costs that included the costs associated with Peoples Natural Gas's acquisition of EQT Energy supplies over what is now the 1307(f)-2023 historical period.

Q. WHAT COSTS WILL PEOPLES NATURAL GAS INCUR FOR EQT ENERGY SUPPLIES OVER THE 1307(f)-2023 PROJECTED PERIOD?

A. Peoples Natural Gas projects to incur the costs that are set forth on **Peoples Natural Gas Exhibit Nos. 7 and 8**, which Mr. Caldro will identify and describe and which show Peoples Natural Gas's projected purchases of EQT Energy supplies.

HEDGING PROGRAM

Q. DOES PEOPLES NATURAL GAS PRESENTLY HEDGE GAS PRICES AS PART OF ITS NATURAL GAS SUPPLY PORTFOLIO?

A. No. Peoples Natural Gas stopped purchasing financial hedges as of October 31, 2013, and all financial hedges were completed by March 31, 2014. Refer to **Peoples Natural Gas Company Exhibit No. 15** for a further discussion on hedging.

V. CAPACITY RELEASES

Q. PLEASE EXPLAIN PEOPLES NATURAL GAS'S PRACTICES WITH RESPECT TO CAPACITY RELEASES.

A. The Company views capacity release primarily as a mitigation measure through which it can recapture a portion of the capacity reservation costs that it pays to the pipelines from replacement shippers who may be interested in buying the capacity when the Company does not need it. As a general matter, however, Peoples Natural Gas historically has not had a lot of surplus capacity for release purposes and does not expect to have a lot in the future because it has assembled and will continue to have a highly efficient capacity portfolio. Peoples Natural Gas uses transportation capacity during the summer months to meet its non-heating load and to fill storage. During the winter months, Peoples Natural Gas uses firm transportation capacity in conjunction with storage withdrawals to meet higher cold weather demands and Peoples Natural Gas has contracted for firm transportation services accordingly. Therefore, most of the capacity the Company has under contract is used year-round, adjusted seasonally to match the Company's load profile, or is capacity that may be needed in order to meet unexpected daily and seasonal demands. Moreover, as a general rule, when Peoples Natural Gas does not need all of the capacity it holds, the market generally does not need the capacity either, and the Company can recover only a fraction of its costs through a release.

Q. DOES PEOPLES NATURAL GAS HOLD ANY FIRM PIPELINE CAPACITY THAT IS MORE PRACTICABLE FOR RELEASE THAN ITS OTHER CAPACITY?

A. Yes. Peoples Natural Gas holds 15,650 Dth/day of FT-1 firm transportation service under contract from TETCO that has a primary receipt point in the TETCO supply zone and a primary delivery point in market area zone M-3 at Algonquin Lambertville. This is the capacity that Peoples Natural Gas utilizes for deliveries of gas to the Ebensburg interconnection with Texas Eastern. Because Ebensburg is in the capacity path between the primary receipt point and the primary delivery point, reliable service can be maintained at Ebensburg while the downstream segment of the capacity can still be used for deliveries to other delivery points in TETCO market zone 3. Over the life of this contract, when market conditions permitted, Peoples Natural Gas has often used it to make off-system sales that benefitted both Peoples Natural Gas and the Company's 1307(f) customers.

Q. WAS PEOPLES NATURAL GAS ABLE TO RELEASE ANY OF THIS TETCO CAPACITY DURING THE HISTORICAL PERIOD?

A. Yes. In July 2022, Peoples Natural Gas solicited proposals for an Asset Management Agreement ("AMA") of its TETCO capacity for the period of November 2022 through October 2023. The request stipulated that the asset manager would provide supply to Peoples Natural Gas with the same operational availability of capacity as if Peoples Natural Gas retained control of the TETCO capacity. Following the RFP, the AMA was awarded for the entire period at a rate payable to Peoples Natural Gas of $812,000 per

month, or $9,745,200 total for the term of the arrangement, less any refunds or credits received by Peoples Natural Gas as a result of a force majeure, curtailment or other restriction prohibiting the use of the asset on a primary firm basis by the asset manager. Peoples Natural Gas's TETCO capacity was then released at zero cost per month for the same period. The AMA specifies that Peoples Natural Gas may call on the capacity 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.

Q. HOW DOES THIS RELEASE BENEFIT THE 1307(f) CUSTOMERS?

A. 1307(f) customers will receive 75% of the proceeds from this release as a credit against cost of the capacity. This credit will reduce the capacity charges that customers will pay by approximately $7,308,900 while maintaining the same level of service that has historically been available from this capacity.

Q. HAVE THERE BEEN ANY CHANGES TO PEOPLES NATURAL GAS'S CAPACITY RELEASE SHARING MECHANISM?

A. In the 1307(f)-2018 proceeding, Peoples Natural Gas proposed to indefinitely continue the capacity release sharing mechanism wherein 1307(f) customers will receive 75% and Peoples Natural Gas will receive 25% of these revenues. Under the Commission-

approved settlement, the mechanism has been extended indefinitely, but parties can propose changes to the mechanism in future proceedings.

Q. DID PEOPLES NATURAL GAS HAVE ANY RELEASES OF CAPACITY DURING THE HISTORICAL PERIOD?

A. Yes. Peoples Natural Gas realized $4,723,205 of capacity release revenue during the historical period. In addition to our regular contacts with industry participants, potential replacement shippers can view and inspect all of Peoples Natural Gas's contracted interstate capacity on each pipeline's EBB. The Company responds to any party that expresses interest in our capacity.

Q. DOES THE COMPANY PROPOSE ANY CHANGES TO ITS CAPACITY RELEASE SHARING MECHANISM?

A. No.

VI. OFF-SYSTEM SALES AND PARKS/LOANS SHARING MECHANISM

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS'S OFF-SYSTEM SALES AND PARKS/LOANS REVENUE SHARING MECHANISM.

A. In the 1307(f)-2018 proceeding, Peoples Natural Gas proposed to indefinitely continue the sharing mechanism for off-system sales and parks/loans that utilize off-system assets paid for by 1307(f) customers wherein customers will receive 75% and Peoples Natural Gas will receive 25% of these revenues. Under the Commission-approved

settlement in the 2018 proceeding, the mechanism has been extended indefinitely, but parties can propose changes to the mechanism in future proceedings.

Q. DID PEOPLES NATURAL GAS UNDERTAKE ANY OFF-SYSTEM SALES OR PARKS/LOANS THAT ARE SUBJECT TO THE SHARING MECHANISM IN THE 1307(f)-2023 HISTORICAL PERIOD?

A. No. Peoples Natural Gas continually looks for opportunities to make off-system sales. However, Peoples Natural Gas did not have an opportunity to make off-system sales during the period where the spread was profitable and its ability to meets its firm obligations was not compromised. As a result, Peoples Natural Gas did not make any off-system sales during the 1307(f)-2023 historical period.

Q. DOES THE COMPANY PROPOSE ANY CHANGES TO ITS OFF-SYSTEM SALES OR PARKS/LOANS SHARING MECHANISM?

A. No.

VII. PURCHASES FROM PEOPLES NATURAL GAS'S AFFILIATES

Q. IS PEOPLES NATURAL GAS AFFILIATED WITH ANY OF THE ENTITIES FROM WHICH IT PURCHASED SUPPLIES?

A. No.

VIII. SHUT-IN POLICIES AND PRACTICES

Q. DOES PEOPLES NATURAL GAS SHUT-IN SUPPLIES THAT OTHERWISE WOULD BE CONTRACTUALLY AVAILABLE TO PEOPLES NATURAL GAS FOR USE AS PART OF ITS SUPPLY MIX?

A. In general, except for purposes of repairs, maintenance or safety, Peoples Natural Gas does not shut-in Pennsylvania production over which it has control where the expected result of such shut-in would be to require Peoples Natural Gas to acquire substitute supplies at a higher cost.

IX. RENEGOTIATION OF CONTRACTS

Q. TO WHAT EXTENT ARE PEOPLES NATURAL GAS'S EXISTING GAS PURCHASE CONTRACTS ("GPC") WITH LOCAL PRODUCERS SUBJECT TO RENEGOTIATION?

A. Almost all of Peoples Natural Gas's GPCs with local producers are subject to renegotiation. Roughly 85% of those GPCs are currently based on a standard index market base price, so Peoples Natural Gas has no need to renegotiate those agreements. Most of the older GPCs contain fixed prices that have historically been and are currently below market price, so Peoples Natural Gas believes there is no benefit to attempt to renegotiate.

As approved by the Commission in the Company's 1307(f)-2005 proceeding, Peoples Natural Gas has the ability to release contracts at low flow meter stations at which less than 10 Mcf/day of gas is measured over a consecutive 12-month period. Peoples Natural Gas will continue to evaluate these contracts on an ongoing basis. Peoples Natural

Gas evaluates its portfolio of local contracts on an ongoing basis in an attempt to assure that it is paying the lowest price possible and ensuring availability of the lowest cost supply source.

Q. WHAT OPPORTUNITY DOES PEOPLES NATURAL GAS HAVE TO RENEGOTIATE SUPPLY CONTRACTS WITH SUPPLIERS WHO DELIVER VIA INTERSTATE FACILITIES?

A. Other than the two long term supply agreements with EQT Energy mentioned previously, Peoples Natural Gas does not hold any other long-term supply contracts with Suppliers since those would limit the flexibility Peoples Natural Gas needs to operate its system and storage contracts during the winter months. Peoples Natural Gas purchases a large portion of its supply delivered via interstate facilities during the summer months when supply is plentiful, therefore there is little to no benefit to enter into term supply agreements for that supply. When Peoples Natural Gas does purchase supply, it will seek out and commit to the best deals available for the supplies that it needs considering applicable operational and physical system constraints.

Q. WHAT PLANS, IF ANY, DOES PEOPLES NATURAL GAS HAVE TO RENEGOTIATE THE VARIOUS CONTRACTS THAT IT HAS IN PLACE AND WILL HAVE IN PLACE FOR THE DELIVERY AND STORAGE OF INTERSTATE SUPPLIES DURING THE 1307(f)-2023 PROJECTED PERIOD?

A. Peoples Natural Gas has no such plans.

X. SYSTEM AVERAGE BTU VALUE

Q. WHAT IS THE SIGNIFICANCE OF THE SYSTEM AVERAGE BTU VALUE?

A. Gas is measured at a customer's meter per thousand cubic feet ("Mcf"), which is a volumetric measurement. Typically, gas is purchased based on dekatherms ("Dth"), a thermal measurement equal to 1,000,000 British thermal units ("Btu"), which reflects the heat content of the gas. An Mcf of gas with a higher heat content – more Btus – than another Mcf of gas will represent more Dth. The Company uses the system average Btu value to convert transportation customers' metered Mcf consumption to Dth. This conversion based on actual Btu values helps to balance receipts of gas on behalf of General Pooling Service pools with the deliveries of gas to the pool members (i.e., the transportation customers) and helps to allocate gas costs between purchase gas cost and transportation customers.

Q. WHAT WAS PEOPLES NATURAL GAS'S SYSTEM AVERAGE BTU VALUE FOR THE MOST RECENT TWELVE-MONTH PERIOD AVAILABLE?

A. **Peoples Natural Gas Exhibit No. 4** is a calculation of the Company's system average Btu value. For the twelve-month period ended December 31, 2022, Peoples Natural Gas's system average Btus per Mcf was 1,040,000, which converts to a Btu value of 1.040 MMBtu/Mcf.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to supplement my testimony as additional issues arise during the course of the proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2023-3037928
PEOPLES NATURAL GAS COMPANY LLC	:	

DIRECT TESTIMONY OF
ANTHONY CALDRO

On behalf of

PEOPLES NATURAL GAS COMPANY LLC
Peoples Natural Gas Division and Peoples Gas Division

DATE SERVED: March 31, 2023 Peoples Natural Gas Company Statement No. 3
DATE ADMITTED: _____

PREPARED DIRECT TESTIMONY OF
ANTHONY CALDRO

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Anthony Caldro. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as a Lead Finance and Rates Analyst. In this position, I provide rates and regulatory services for Peoples Natural Gas Company LLC. I would note that effective January 1, 2023 the Peoples Natural Gas Company LLC and Peoples Gas Company LLC were merged. As such, Peoples Natural Gas Company LLC became Peoples Natural Gas Company LLC – Peoples Natural Gas Division ("PNGD" or "Peoples Natural Gas Division") and Peoples Gas Company LLC 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, the Company or Peoples.

Q. PLEASE DESCRIBE BRIEFLY YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I graduated from The Pennsylvania State University in 1982 with a Bachelor of Science Degree in Mineral Economics. In January 1983, I began full-time employment with the Federal Energy Regulatory Commission ("FERC") as an

Industry Economist in the Allocation and Rate Design Branch of the Office of Pipeline and Producer Regulation. Prior to beginning full-time employment, I had worked at the FERC as a co-op student for two six-month terms. While at the FERC, I participated as a member of the FERC staff in various proceedings, including base rate and certificate proceedings.

In August 1986, I joined the Pricing and Regulatory Affairs Department of Peoples Natural Gas' predecessor, The Peoples Natural Gas Company. In my current position, my responsibilities include the preparation and coordination of purchased gas cost filings pursuant to Section 1307(f) of the Pennsylvania Public Utility Code in addition to various other filings with the Pennsylvania Public Utility Commission ("Commission").

Q. DO YOU HAVE ANY PRELIMINARY ITEMS YOU WOULD LIKE TO DISCUSS?

A. Yes. 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. My testimony addresses both Divisions on a combined basis.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony will discuss and support the Company's position and/or adjustments in the following areas:

- Waivers or discounts of retainage;
- Proposed tariff changes as shown in **Peoples Natural Gas Exhibit No. 5** ;
- The compilation and presentation of all of the purchased gas cost information that appears in **Peoples Natural Gas Exhibit Nos. 6, 7, 8, 9, 10, 11, 12**;
- Over/Under collections of purchased gas costs; and
- The calculation of the projected purchased gas cost rates, including Allegheny Valley Connector ("AVC") Capacity Charges and the calculation of Balancing Charges to become effective October 1, 2023.

RETAINAGE WAIVERS AND DISCOUNTS

Q. DOES THE COMPANY WAIVE OR DISCOUNT RETAINAGE RATES?

A. Yes, in certain circumstances the Company discounts or waives retainage.

Q. HOW MANY CUSTOMERS CURRENTLY RECEIVE A FULL OR PARTIAL WAIVER OF GAS RETAINAGE AS A RESULT OF THE REVIEW AND APPROVALS IN RECENT 1307(f) CASES?

A. There were six PNGD customers and three PGD customers receiving discounted gas retainage as of the last 1307(f) proceeding.

Q. DID ANY OF THE CONTRACTS FOR THE CUSTOMERS THAT HAVE A FULL OR PARTIAL WAIVER OF RETAINAGE EXPIRE, OR DO ANY EXPIRE BEFORE SEPTEMBER 30, 2023?

A. Yes. One PNGD customer has a contract that will expire prior to September 30, 2023. Negotiations between the Company and the customer will commence in the next few months. One PGD customer's contract expired and was renewed, with the existing retainage discount, effective January 1, 2023.

Q. HAVE ANY ADDITIONAL CUSTOMERS REQUESTED AND QUALIFIED FOR A WAIVER OF RETAINAGE?

A. No.

PRO FORMA TARIFF CHANGES

Q. IS PEOPLES NATURAL GAS PROPOSING ANY TARIFF CHANGES IN THIS FILING?

A. Yes. PNGD and PGD have updated the rates for capacity, commodity, over/under collections, transportation balancing, and retainage consistent with the Company's testimony in this proceeding. These updates are incorporated into the unnumbered, undated, tariff supplement that is attached as **Peoples Natural Gas Exhibit No. 5.**

TWELVE-MONTH HISTORICAL AND TWENTY-MONTH PROJECTED PERIODS

Q. CAN YOU IDENTIFY AND DESCRIBE THE DOCUMENTS THAT HAVE BEEN MARKED AS PEOPLES NATURAL GAS EXHIBIT NOS. 6, 7, 8?

A. Yes. **Peoples Natural Gas Exhibit No. 6** presents the actual gas costs for the 1307(f)-2023 historical period of February 1, 2022, through January 31, 2023. **Peoples Natural Gas Exhibit No. 7** presents the projected gas costs for the interim period of February 2023 – September 2023. **Peoples Natural Gas Exhibit No. 8** presents the gas costs for the projected period of October 2023 – September 2024. **Peoples Natural Gas Exhibit Nos. 7 and 8** break out the 20-month period from February 1, 2023, through September 30, 2024, into the interim period and the projected period, respectively. I and Peoples Natural Gas' other witnesses may sometimes refer in our direct testimony to this combined 20-month period as the projected period.

Q. PLEASE DESCRIBE PEOPLES NATURAL GAS EXHIBIT NOS. 7 AND 8 IN MORE DETAIL.

A. **Peoples Natural Gas Exhibit Nos. 7 and 8** reflect Peoples Natural Gas' projected: (1) costs and volumes of locally purchased Pennsylvania supplies; (2) cost and volumes of interstate supplies delivered through interstate pipelines or purchased at the city-gate; (3) costs of storage services contracted for with interstate pipelines; (4) costs related to storage injections and withdrawals; (5) purchased gas costs consisting of costs related to supply/risk management, imbalance buyback costs, transportation costs associated with certain local gas supplies, and exchange gas costs; and (6) capacity costs related to Peoples Natural Gas' service on Equitrans' AVC system. Peoples Natural Gas witness Steven P. Kolich describes in his direct testimony (**Peoples Natural Gas Statement No. 2**) how Peoples Natural Gas utilizes the underlying natural gas supply assets and the bases for the costs that I have incorporated into these exhibits.

Q. HOW ARE THE COSTS OF STORAGE INJECTIONS AND WITHDRAWALS CALCULATED?

A. Storage injections and withdrawals are calculated using the weighted average commodity cost of gas ("WACCOG") methodology for pricing storage inventory. As previously approved by the Commission, Peoples Natural Gas switched from the last in first out ("LIFO") method to the WACCOG method effective January 1, 2020.

Q. WHAT ARE PEOPLES NATURAL GAS' PROJECTED NATURAL GAS COSTS FOR THE INTERIM AND PROJECTED PERIODS?

A. The projected natural gas costs are $183,491,794 for the 8-month interim period, as shown on page 1 of **Peoples Natural Gas Exhibit No. 7**, and $310,298,148 for the 12-month projected period, as detailed on page 1 of **Peoples Natural Gas Exhibit No. 8**, for a total of $493,789,942 for the combined 20-month period.

HISTORICAL PERIOD

Q. CAN YOU IDENTIFY AND DESCRIBE THE DOCUMENT THAT HAS BEEN MARKED AS PEOPLES NATURAL GAS EXHIBIT NO. 9?

A. Yes. **Peoples Natural Gas Exhibit No. 9** is a document prepared by Peoples Natural Gas' Rates and Regulatory Affairs Department to demonstrate and illustrate the derivation of the experienced net collection or "E" factor for 1307(f)-2023.

PROPOSED RATES FOR OCTOBER 1, 2023

Q. CAN YOU IDENTIFY AND DESCRIBE THE DOCUMENT THAT HAS BEEN MARKED AS PEOPLES NATURAL GAS EXHIBIT NO. 10?

A. Yes. **Peoples Natural Gas Exhibit No. 10** is a two-page document that was prepared by Peoples Natural Gas' Rates and Regulatory Affairs Department to illustrate the development of the natural gas supply rates that the Company proposes to charge as of October 1, 2023. Those supply rates include a commodity charge that will apply to all sales and standby customers, a capacity charge that will apply to all sales and Priority One customers, a GCA charge that will apply to all sales customers, and the

AVC capacity charge that applies to all PNGD sales and transportation customers.

Q. ARE THESE THE ACTUAL RATES THAT PEOPLES NATURAL GAS INTENDS TO PUT INTO EFFECT ON OCTOBER 1, 2023?

A. Generally yes, but not exactly. The 1307(f)-2023 gas cost calculations are based on natural gas price projections provided by Peoples Natural Gas' witness Steven P. Kolich. These price projections are based, in part, on the latest available New York Mercantile Exchange ("NYMEX") projections. As the Company has done in the last several 1307(f) proceedings, for Peoples Natural Gas' quarterly filings up to and including the implementation filing, the Company will update the gas cost calculations, and the rates based on those costs, for the 1307(f)-2023 projected period based on the latest available NYMEX price projections for the remaining 1307(f)-2023 projected period.

BALANCING CHARGES

Q. PLEASE DISCUSS THE DERIVATION OF THE BALANCING CHARGES.

A. The assets used to provide balancing services for Peoples Natural Gas's transportation customers consist of AVC storage, non-AVC upstream pipeline storage that Peoples Natural Gas currently has under contract, and on-system storage. The non-AVC assets include storage services provided by Eastern Gas Transmission and Storage, Inc. ("EGTS"), Equitrans LP ("ETRN"), National Fuel Gas Supply Corporation ("NFG") and Columbia Gas Transmission, LLC ("TCO").

The PNGD on-system storage is the Dice storage facility and the PGD on-system storage is from the Kinter, Hughes, Portman and Vardy pools. However, since the costs for these facilities are included in PNGD and PGD base rates, the cost of on-system storage is not reflected in the balancing charge.

Similar to the rate treatment of the on-system storage, even though the AVC storage assets are used to provide balancing service, the capacity cost of these storage and transmission assets are recovered from Peoples Natural Gas' ratepayers through a separate capacity charge ("AVC Capacity Charge"). As a result, none of the capacity costs for use of AVC storage are included in the balancing charges. However, Peoples Natural Gas has included the AVC GSS variable storage injection and withdrawal charges of $469,707 in the calculation of the balancing charge since it already includes all of the other variable storage injection and withdrawal charges in the balancing charge calculation.

Peoples Natural Gas Exhibit No. 11 provides the details of the calculation of the balancing charges proposed in this proceeding.

CAPACITY RELEASE/ OFF-SYSTEM SALES SHARING MECHANISM

Q. DOES THE COMPANY HAVE A CAPACITY RELEASE/OFF-SYSTEM SALES REVENUE SHARING MECHANISM?

A. Yes, the Company's capacity release/off-system sales sharing mechanism was approved for an indefinite period in the Company's 1307(f)-2018 proceeding at Docket Nos. R-2018-2645278 and R-2018-3000236. Under this sharing mechanism,

75% of revenues from capacity releases and off-system sales are shared with 1307(f) customers, while the remaining 25% of those revenues are retained by the Company. Peoples Natural Gas does not propose any changes to this sharing mechanism.

REVENUES AND EXPENSES

Q. CAN YOU IDENTIFY AND DESCRIBE THE DOCUMENT THAT HAS BEEN MARKED AS PEOPLES NATURAL GAS EXHIBIT NO. 12?

A. Yes. It is a one-page document that shows Peoples Natural Gas' gas cost revenues and expenses for the 1307(f)-2023 historical period. When Peoples Natural Gas made its 1307(f) pre-filing on March 1, 2023, the Company included estimates for the month of January 2023. **Peoples Natural Gas Exhibit No. 12** updates the information provided in the pre-filing to include January 2023 actuals.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does. I reserve the right to submit supplemental testimony if other issues arise during the course of the proceeding. Thank you.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2023-3037928
PEOPLES NATURAL GAS COMPANY LLC	:	

DIRECT TESTIMONY OF
DAWN M. FOLKS

On behalf of

PEOPLES NATURAL GAS COMPANY LLC
Peoples Natural Gas Division and Peoples Gas Division

DATE SERVED: March 31, 2023 Peoples Natural Gas Company Statement No. 4
DATE ADMITTED: _____

PREPARED DIRECT TESTIMONY OF DAWN M. FOLKS

I. Witness Background

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Dawn M. Folks. My business address is 375 North Shore Drive, Pittsburgh, PA 15212.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as a Finance and Rates Analyst. I provide rates and regulatory services for Peoples Natural Gas Company LLC. I would note that effective January 1, 2023 the Peoples Natural Gas Company LLC and Peoples Gas Company LLC were merged. As such, Peoples Natural Gas Company LLC became Peoples Natural Gas Company LLC – Peoples Natural Gas Division ("PNGD" or "Peoples Natural Gas Division") and Peoples Gas Company LLC 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, the Company or Peoples.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE IN THE GAS INDUSTRY.

A. I received my Master of Science Degree in Industrial Engineering from the University of Pittsburgh in 2005, and a Bachelor of Science Degree in Mathematics and a Bachelor of Arts Degree in Physics from Duquesne University in 2004. After graduation, I was

employed as a Control Engineer with SMS Siemag LLC. I began my career within the gas industry when I started working for Peoples Natural Gas in January 2011. I initially worked in the Rates and Regulatory Affairs Department as the Gas Planning and Forecasting Analyst. In October 2011, I accepted my current position as a Finance and Rate Analyst in the Rates and Regulatory Affairs Department.

Q. WHAT ARE YOUR RESPONSIBILITIES AS A FINANCE AND RATES ANALYST?

A. My general responsibilities include analyses, computations, and support of the rates and regulatory functions for Peoples Natural Gas and its affiliated natural gas distribution companies in Pennsylvania, West Virginia, and Kentucky.

Q. HAVE YOU PREVIOUSLY OFFERED TESTIMONY IN REGULATORY PROCEEDINGS?

A. Yes. I have previously submitted testimony before the Pennsylvania Public Utility Commission ("Commission") in regulatory proceedings. I testified in Peoples Natural Gas Company's 1307(f) proceeding at Docket No. R-2022-3030661, Peoples Gas's 1307(f) proceedings at Docket No. R-2022-3030664 and Docket No. R-2014-2399598 as well as Peoples Gas's 2013 Rate Case Proceeding Docket No. R-2013-2355886.

II. Purpose of Testimony

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. I am sponsoring Peoples Natural Gas Exhibit No. 1, which describes Peoples Natural Gas's Design Day planning.

III. Design Day

Q. WHAT IS DESIGN DAY?

A. Design Day is the 24 hour period, from 10:00 am through 9:59 am on the following day, that reflects the maximum conditions, in the event of extremely cold weather, for which the Company plans for Gas Supply purposes. Its primary purpose is to determine the maximum amount of gas requirements that must be supplied for a 24-hour period to meet these maximum conditions. Specifically, Peoples Natural Gas calculates the amount of capacity and supply that is required to meet these maximum conditions, assuming they occur before the end of January, after which the assumption is that the weather will not produce Design Day conditions.

One of the challenges in forecasting Design Day is that Peoples Natural Gas's service territory last experienced Design Day conditions on January 19, 1994. At that time, the service territory looked much different.

Q. FOR WHAT CONDITIONS DOES PEOPLES NATURAL GAS PREPARE?

A. Peoples Natural Gas's Design Day is described as a late January weekday reaching 74 Heating Degree-Days ("HDDs"). The time in January is relevant because it requires assumptions of how full storage assets must be through the end of January.

Q. HOW DOES PEOPLES NATURAL GAS FORECAST DESIGN DAY REQUIREMENTS?

A. Peoples Natural Gas uses a regression analysis based upon daily sendout for the most recent four-year period ending May 31st as the dependent variable. Temperature, winter month of the year, binary cold weather variables for prior days' weather, and a binary weekend variable (1 for weekend and 0 for weekday) are then tested for correlation.

To obtain heat sensitive sendout, large daily measured customer throughput is subtracted from the total daily sendout. Peoples Division's system has a high proportion of industrial throughput. Because this gas usage is not strictly related to weather conditions, the Company is able to find a better correlation without this data.

Next, the Company made an adjustment to the sendout. The largest industrial customer on the system experienced a fire on December 26, 2018, in a facility in which the byproduct is low BTU gas that it typically uses to supplement its natural gas needs. The related outage at this facility caused its natural gas use from utility service to increase. The total sendout was adjusted downward for the period of December 26, 2018, through April 3, 2019, by the difference between that customer's usage during that period compared to the use December 26, 2019 through April 3, 2020. This adjustment normalized this customer's usage and thus eliminates the increased usage as a result of the fire as a factor in the regression.

Although the test period does not contain a Design Day, it does contain a variety of weather including days over 60 HDDs, which allows the Company to draw reasonable conclusions to forecast sendout requirements under Design Day conditions.

The Company then allocates Design Day responsibility across its rate classes based on the baseload and heat load requirements. This allocation is used to distribute capacity costs between the balancing and capacity charges.

Q. WHAT IS SENDOUT?

A. Sendout is the total amount of gas received into the Company's pipeline system. Daily sendout is the amount of gas received during a given 24-hour period, usually from 10 a.m. to 10 a.m. Eastern Time, the industry standard gas day. Interstate pipelines report and track daily measurement in this way. Local production, which is not typically measured daily, especially for older production wells, must be estimated from monthly meter readings.

Note that sendout is different from requirements. Requirements means the amount of gas needed to serve customers during a similar period.

Q. WHY DOES PEOPLES NATURAL GAS USE SENDOUT TO CALCULATE DESIGN DAY?

A. Requirements for most customers are not daily measured. The majority of sendout, especially on cold days, is received from daily measured interstate pipelines. The monthly volumes from local production are typically baseload in nature and can be reasonably used to estimate a constant rate of daily flow of local production gas. This makes sendout much more accurate, on a daily basis, than requirements.

Q. HOW DID THE MERGER OF PEOPLES DIVISIONS CHANGE YOUR REGRESSION MODEL ANALYSIS FOR THIS PROCEEDING?

A. Design Day requirements presented in Peoples Gas 1307(f) at Docket No. R-2022-3030664 and Peoples Natural Gas 1307(f) at Docket No. R-2022-3030661 were a result of regression models analyzed separately by the Company and then added together for a Combined Design Day requirement. This year, the regression analysis was run utilizing combined sendout data of both Peoples Divisions and merging both Peoples Divisions methodologies together to include all variables that were statistically significant. In addition, the methodology to exclude large daily measured customer throughput from the total daily sendout described in my testimony above was utilized across both divisions.

Q. WHAT ARE THE RESULTING DESIGN DAY REQUIREMENTS?

A. The analysis produced Design Day requirements of 1,468 MMcf for Peoples Natural Gas. This is presented in Peoples Natural Gas Exhibit No. 1.

Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?

A. Yes, it does.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
v.	:	Docket No. R-2023-3037928
PEOPLES NATURAL GAS COMPANY LLC	:	

PREPARED DIRECT TESTIMONY OF
LYNDA W. PETRICHEVICH

On behalf of

PEOPLES NATURAL GAS COMPANY LLC
Peoples Natural Gas Division and Peoples Gas Division

DATE SERVED: March 31, 2023
DATE ADMITTED: _____

Peoples Natural Gas Company Statement No. 5

PREPARED DIRECT TESTIMONY OF
LYNDA W. PETRICHEVICH

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Lynda W. Petrichevich, and my business address is 375 North Shore Drive, Pittsburgh, Pennsylvania 15212.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by PNG Companies LLC ("PNG Companies" or "PNG") as Senior Director, Process Operations. In this position, I provide oversight of operational processes including Unaccounted for Gas ("UFG") reduction and compliance activities for Peoples Natural Gas Company LLC. I would note that effective January 1, 2023 the Peoples Natural Gas Company LLC and Peoples Gas Company LLC were merged. As such, Peoples Natural Gas Company LLC became Peoples Natural Gas Company LLC – Peoples Natural Gas Division ("PNGD" or "Peoples Natural Gas Division") and Peoples Gas Company LLC 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, the Company, or Peoples.

Q. BRIEFLY STATE YOUR EDUCATION BACKGROUND AND EMPLOYMENT EXPERIENCE.

A. I am a graduate of the University of Pittsburgh, with a Bachelor of Arts Degree in Economics. In addition, I have attended in-house training courses on economic evaluation and the ratemaking process, the American Gas Association ("AGA") Gas Distribution

Course, and the AGA courses on gas rate fundamentals, as well as the AGA Advanced Gas Rates and Regulatory Issues. I have also attended various gas supply seminars, as well as benchmarking and process improvement courses.

I have been employed with Peoples Natural Gas (including its predecessor, The Peoples Natural Gas Company) since 1977, and held positions in various departments including corporate planning, operations, process improvement, gas measurement, gas supply, and regulatory.

Upon the 2010 acquisition of The Peoples Natural Gas Company by PNG Companies, I was assigned general responsibility for the Rates Department. In early 2017, I was promoted to Vice President and my responsibilities included all regulatory affairs, the customer transportation programs and requirements forecasting. In the fall of 2018, I took my current position which includes the responsibility for Process Operations for Peoples Natural Gas, Peoples Gas, and Peoples Gas WV LLC.

Q. HAVE YOU TESTIFIED PREVIOUSLY IN ANY REGULATORY PROCEEDINGS?

A. Yes, I have testified in numerous regulatory proceedings including Peoples Gas's most recent general rate case at Docket No. R-2013-2355886 and Peoples Natural Gas's general rate cases at Docket Nos. R-2012-2285985 and R-2010-2201702 before the Pennsylvania Public Utility Commission ("Commission"). I have also testified in Peoples Natural Gas's most recent 1307(f) proceedings from 2018 through and including the 2022 1307(f) proceedings at R-2022-3030664 and R-2022-3030661 before the Commission.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I am the witness with general responsibility for the activities related to reducing UFG and producer retainage charges.

Q. PLEASE IDENTIFY THE EXHIBITS THAT YOU WILL BE SPONSORING.

A. I am sponsoring **Peoples Natural Gas Exhibit Nos. 13 and 14**. A brief explanation of these exhibits is provided immediately below.

Q. PLEASE EXPLAIN PEOPLES NATURAL GAS EXHIBIT NO. 13.

A. **Peoples Natural Gas Exhibit No. 13** displays the final results of the 2018 Combined Four Year UFG Mitigation Plan for the Peoples Companies (formerly Peoples Natural Gas and Peoples Gas), which is provided for reference from the 2022 proceedings and also includes the actual 2022 actual activity for comparison.

Q. PLEASE EXPLAIN THE INFORMATION PRESENTED IN PEOPLES NATURAL GAS EXHIBIT NO. 14.

A. **Peoples Natural Gas Exhibit No. 14** is the exhibit that displays the volumes and loss rate for the Company.

UFG LEVELS

Q. PLEASE PROVIDE SOME HISTORY REGARDING UFG AT PEOPLES NATURAL GAS.

A. Since 2010, Peoples Natural Gas has been working to reduce UFG. The Company's UFG volume was 7.0 Bcf in 2017, which resulted in a loss rate of 4.46%. For the period ending August 31, 2022, the overall Company system amount was 5.6 Bcf, which resulted in an overall system loss rate of 3.9%, or 20% less during this recent 5-year period. The two main components of the Company's overall UFG are Distribution UFG and Gathering UFG. Distribution UFG for the last reporting period is 3.1 Bcf which results in a loss rate of 2.19% which is below the Commission's targeted loss rate for Distribution UFG of 3.0%. The Gathering UFG for the 2022 reporting period is 2.6 Bcf[1] and equates to a loss rate of 7.49%, down from 9.83% in 2017 when the Company began the most recent mitigation plan.

Despite the efforts to reduce UFG, Peoples Natural Gas remains challenged to reduce UFG on its pipelines that gather gas from local production wells. The Peoples Natural Gas gathering system is comprised of older (mostly pre-1970), low pressure pipe, much of which has provided service for producers and customers for many years and is nearing the end of its useful life. The customers are generally scattered across the gathering system in relatively rural areas, although there are a very few areas where there are high concentrations of customers. Since the Commission adopted regulations beginning in 2014 requiring industry-wide UFG reporting, Peoples Natural Gas has segmented the loss attributable to the gathering pipelines from the loss attributable to other functional pipeline systems.

[1] This includes the impact of producer retainage.

Q. WERE PROSPECTIVE GATHERING LOSS RATE TARGETS ESTABLISHED IN THE COMPANY'S 1307(f)-2018 PURCHASED GAS COST ("PGC") PROCEEDING?

A. Yes, gathering loss rate targets were established in the settlement of that proceeding and are shown in the following table:

PGC Period	UFG reporting Period	Gathering UFG target rate
2020	September 2018 – August 2019	9.0%
2021	September 2019 – August 2020	8.5%
2022	September 2020 – August 2021	7.5%

The 2018 settlement states that exceedance of the Gathering Target would create a rebuttable presumption that the excess is unreasonable. It further provides as follows:

> That presumption may be rebutted by a demonstration that Peoples Gas has taken reasonable actions to reduce gathering UFG and/or demonstration that other factors, such as but not limited to, production on the gathering systems has declined thereby increasing the percentage of gathering UFG experienced. The overall level of Peoples Gas' UFG will also be considered.

Q. HOW DOES THE COMPANY'S LATEST PERFORMANCE COMPARE TO THE <u>PAST</u> TARGETS?

A. The historic gathering loss rates are shown in the following table. During this 4-year period, Peoples Natural Gas has continued to execute and improve its UFG Mitigation Plan. The Company has seen less and less local gas delivered into the Company's lines in recent years due to normal production declines and decreased new drilling in these systems. As the total

amount of gas entering the gathering system is reduced, the same volumetric loss would result in a higher UFG rate. In fact, a lower volumetric loss can still result in an increased UFG rate because there is less gas flowing through the system. The production declined by more than 1.7 BCF or 4.7% during the latest period, so the decreased production loss has impacted the latest year's UFG rate. Had the production stayed at the same rate, the 2023 loss rate would have been 7.14%.

PGC Period	UFG Reporting Period	Actual Gathering UFG Rate
2020	September 2018 – August 2019	7.53%
2021	September 2019 – August 2020	6.51%
2022	September 2020 – August 2021	6.41%
2023	September 2021 – August 2022	7.49%

UFG MITIGATION PLAN PROGRESS

Q. PLEASE DESCRIBE THE UFG MITIGATION PLAN ACTIVITIES AND PROGRESS TO DATE.

A. Peoples Natural Gas began working on its UFG mitigation plan even before it was filed in Docket Nos. R-2018-2645278 and R-2018-3000236. **Peoples Natural Gas Exhibit No. 13** is a summary of the specific actions taken since the 2018 plan inception and an update of ongoing activities though the current PGC period.

Q. DID PEOPLES NATURAL GAS TAKE OTHER ACTIONS DURING THE HISTORIC PERIOD OF THIS CASE TO ADDRESS UFG?

A. Yes. The Company continues to focus heavily on its Apollo system, a part of the former Equitable Division's legacy gathering system. Additionally, the Company has installed upgraded measurement in the largest of its storage facilities.

Q. ARE THERE SPECIFIC ACCOMPLISHMENTS OF THE UFG MITIGATION PLAN THAT YOU WANT TO MENTION?

A. Yes. As displayed in **Exhibit 13**, the Company has abandoned and replaced a total of 48.2 miles during 2022, almost 5% more than projected in the prior PGC case.

In addition, Peoples Natural Gas continued its audit process of producer meters and, as a result, found a number of wells that were operating outside of the Company's standards and, in some cases, contributing to UFG. Peoples Natural Gas acted in each of these cases to have the issues remedied, which in many cases resulted in shutting in the production. This audit process is continuing in 2023.

Finally, the following activities were also performed for the Peoples' companies:

1. Expired and removed 85 Zero flow production meters.
2. Completed 1126 Meter Service/Repair Orders.
3. Continued automation of measurement data for ready UFG analysis.

Q. WILL THERE BE A NEW MULTIYEAR-GATHERING UFG MITIGATION PLAN?

A. Yes. The Company is proposing to continue the activities in the table below.

Mitigation Effort	Distribution	Gathering	Goodwin/Tombaugh
At risk Pipe Replacement	LTIIP	UFG Mitigation Plan	Aqua Acquisition commitment to replace within 7 years
Accelerated Survey	Leak Survey no less than every 3 years, even though code provides for 5-year surveys on plastic and cathodically protected steel	Leak survey of bare steel gathering is done on an annual basis	Leak survey of remaining Goodwin/Tombaugh pipe is completed annually
Leak Tracking and Prioritization	Leaks outstanding are updated and reported weekly for operational prioritization		
Removal of at risk pipe	All potential pipe replacement projects include a review to see if the pipeline is still necessary and if any synergy options exist with adjacent pipelines		
Segmentation	Systems are segmented from each other and subsystems are created for high loss areas to better identify outcomes of mitigation efforts		
Measurement validation	Supply and delivery meters are past of either testing and/or replacement programs	Production meters are verified for proper production volume identification and compliance with gas quality standards; delivery meters are part of the testing and replacement programs	
Loss modeling	UFG modeling is ongoing for each of the segments		
Automation	The company is working to create a warehouse of measurement information that will allow additional automated modeling of systems and subsystems		
Theft identification	Monitoring for theft at delivery points is ongoing	Monitoring for theft at production sites is ongoing	

The Company will also continue to review UFG results each year and determine the best mix of UFG mitigation activities and targets for the upcoming calendar year. Additional gathering lines with little or no production have been identified and are being verified for possible abandonment. Based on last year's overall UFG results, Peoples' has targeted the removal of 204 miles by either abandonment or replacement for 2023. These targets include both Gathering and Distribution facilities. These potential reductions in legacy pipelines will be targeted, along with all other mitigation efforts, in an effort to continue reducing overall lost volume on the combined system.

In addition, Peoples piloted the use of aerial laser technology in the fall of 2021 and, based on successful pilot results, used this technology in 2022 to quickly identify loss issues in the gathering areas. This technology allows the accelerated surveys of all gathering segmentation areas in days and provides results that allow for prioritized investigation and remediation, if necessary.

PRODUCER RETAINAGE PROPOSALS

Q. PLEASE DESCRIBE THE COMPANY'S PROPOSALS FOR PRODUCER RETAINAGE DURING THE PROJECTED PERIOD.

A. The Company is recommending continuation of producer retainage rates for both Divisions at the level currently charged for all conventional production. More specifically, producer retainage would remain at 2.3% for all conventional production entering the PNGD system. Similarly, the Company is proposing a continuation of the current PGD producer retainage of 3.4% to be charged regardless of where the production enters the PGD system. The rates for the two divisions are different due to both different historic loss rates and a difference in the other non-retainage costs paid by the producers. The PGD system producers do not make any other contributions to their use of the system with the exception of retainage. The producers on the PNGD system, on the other hand, pay a gathering charge in addition to the retainage charge. Until the other costs are standardized, it would not be appropriate to charge the same level of retainage. Both divisions have isolated the majority of the gathering system and calculate the loss rates for each segmented system independently. Measurement is necessary for the purpose of isolating gathering areas from Distribution,

Storage and Transmission and is still required. Measurement not only informs on the level of gathering loss, but also is a reference point in determining the producer retainage rate.

The rationale for the retainage charge remains the same. The producers are the primary beneficiaries of the gathering system and should contribute to the costs of the UFG. Through the allocation of some of the gathering system losses to the producers whose gas flows on those systems, the Company will continue to incent the producers to partner with Peoples in developing UFG mitigation initiatives, which has produced a number of cooperative system improvements. Therefore, with UFG being an unavoidable cost component of gathering and delivering local gas, and with both producers and customers benefitting from it, it is appropriate for both producers and customers to pay a portion of the UFG costs.

Q. IS THERE OTHER COMPELLING LOGIC THAT WOULD INDICATE THAT THE CURRENT LEVEL OF RECOVERY FROM CONVENTIONAL PRODUCERS IS REASONABLE?

A. Yes, there is. One factor to be considered is the value of service to the producer and the relative gathering costs on the Peoples Natural Gas system. For some conventional producers, this is the only economical way for their gas to get to market given today's prices. For others, maintaining the gathering retainage charge will minimize the incentive to look for alternatives. The Company's current gathering charges and retainage produce, on average, approximately the same contribution as would occur on the other gathering pipelines and, therefore, should not force producers to other gathering systems.

Q. WHAT IS THE EXPECTED CONTRIBUTION TO RECOVERY OF UFG IN THE PROJECTED PERIOD?

A. Based on the current producer retainage rates, 854,159 Mcf would be contributed to recovery of UFG.

GOODWIN TOMBAUGH RETAINAGE RECOVERY

Q. ARE THERE ANY CHANGES EXPECTED FOR THE PRODUCER RETAINAGE COLLECTED FROM THE GOODWIN TOMBAUGH SYSTEM DURING THE PROJECTED PERIOD?

A. Yes. As part of the settlement in the acquisition of the Peoples Companies by Aqua, Peoples Natural Gas agreed to annually adjust the Goodwin system retainage rate to reflect the lower of: 1) a retainage rate calculated by reducing the then-effective annual retainage rate by a percentage (percentage rate of decline) that is equal to the annual rate of pipeline replacement on the Goodwin system, either by abandonment or replacement, or 2) the actual level of loss. The current level of retainage on the Goodwin system is 78% which went into effect October 1, 2021.

Q. PLEASE DESCRIBE THE COMPARATIVE CALCULATION FOR RETAINAGE AND THE RESULTING LEVEL OF GOODWIN SYSTEM RETAINAGE THAT PEOPLES NATURAL GAS PROPOSES FOR THE PROJECTED PERIOD.

A. The Goodwin system's actual loss rate as of August 2022 was 89.5%. The original retainage rate for the Goodwin System was 85%. At the end of 2022, approximately 18%

of the system had been replaced or abandoned, which would forecast a corresponding reduction to the original 85% retainage rate of 18%, or to 70%[2]. The lower of the two rates is 70% and is the rate that will be applied beginning in October of 2023. Peoples has also committed to reviewing the actual loss rate at 6-month intervals. Since most of the construction work on the system is completed during late summer, we do not expect to see the full impacts of such construction to be reflected in the rolling twelve-month loss rate until some time has passed. Also, since little additional work is completed during the winter, the rate is likely to remain relatively stable until the next construction cycle is completed and sufficient time has passed for the results to be fully reflected in the UFG calculation.

Q. WHAT IS THE EXPECTED CONTRIBUTION TO RECOVERY OF UFG IN THE PROJECTED PERIOD?

A. Based on the updated Goodwin retainage rate of 70% and the existing Tombaugh system rate of 9.5%, Goodwin-Tombaugh producers would contribute an estimated 64,600 Mcf to recovery of UFG, and total, system-wide, producer contribution to recovery of UFG is projected to be 918,759 Mcf.

Q. DOES THE COMPANY PROPOSE TO COMBINE THE PRODUCER RETAINAGE RATES?

[2] 85% * (1-.18) = 70%

A. Not at this time. The Company proposes to defer a proposal to combine producer retainage rates until after seeing the results of recently completed and planned gathering pipeline replacements and abandonments that I identified previously in my testimony.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes. I reserve the right to submit additional testimony if other issues arise during the course of the proceeding. Thank you.

Peoples Natural Gas
Peak Day Design (All Volumes in MMcf @ 14.73 Psi
Design Day: 74 HDDs

REQUIREMENTS	**Jan Design**
	2024
Peoples Supplied Customers	
Residential	**677.8**
Small General Service	**97.0**
Medium General Service	**49.3**
Large General Service	**2.2**
Subtotal	**826.3**
P-1 NGS Supplied Customers (Standby)	
Priority One - Residential	**111.1**
Priority One - Small General Service	**5.6**
Priority One - Medium General Service	**15.1**
Priority One - Large General Service	**3.2**
	135.0
Balancing	
Residential	**0.0**
Small General Service	**22.5**
Medium General Service	**68.8**
Large General Service	**40.0**
Large General Service II	**8.9**
Subtotal	**140.2**
NP-1 NGS Supplied Customers	
Residential	**0.0**
Small General Service	**24.2**
Medium General Service	**78.9**
Large General Service	**158.9**
Large General Service II	**22.2**
Subtotal	**284.3**
Company Use	**7.3**
Unaccounted	**75.7**
	83.0
TOTAL REQUIREMENTS	***1,468.8***

SUPPLY ASSETS	
	2024
Peoples' Supply Assets	
Local Purchases	**13.8**
On-System Storage	**55.3**
Columbia FSS Storage	**1.9**
Columbia FT Capacity	**3.8**
EGTS FT	**9.4**
EGTS FT/FTNN GSS Storage	**66.0**
Tennessee Delivered Supply	**29.0**
TETCO - Delivered Supply M2	**5.7**
TETCO - Delivered Supply M3	**29.6**
TETCO - FT	**24.5**
National Fuel EFT	**5.5**
National Fuel ESS Storage	**9.4**
Tennessee - Columbia of PA	**2.9**
Equitrans AVC Storage	**193.8**
Equitrans Sunrise/AVC FT	**233.2**
Equitrans 60ss Storage	**202.0**
Equitrans 115ss Storage	**48.8**
Equitrans FT	**159.2**
Equitrans NOFT	**76.8**
Subtotal	**1,170.6**
NP-1 Customer Supply Assets	**298.4**
TOTAL SUPPLIES	***1,469.0***
Supply (Deficiency) / Surplus	***0.20***

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):

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"[1]), 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

[1]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")[2], 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

[2] 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 $1/24^{th}$ 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 ate 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 Exhibit No. 3

Peoples Natural Gas Division & Peoples Gas Division
Combined Calculation of Retainage

Line No.	Description	12 Mths Ended August 31, 2020	12 Mths Ended August 31, 2021	12 Mths Ended August 31, 2022	3-Year Average
	Volumes in MCF				
1	Overall System - Retainage Recovery Requirement				
2	Unaccounted for Gas	8,153,356	6,649,102	7,396,720	7,399,726
3	Company Use	801,798	773,985	774,400	783,394
4	Recovery Requirement	8,955,154	7,423,087	8,171,120	8,183,121
5	Total System Supplies *1/*	145,114,965	144,353,595	145,112,847	144,860,469
6	Unaccounted for Gas Percentage	5.6%	4.6%	5.1%	5.1%
7	Company Use Percentage	0.6%	0.5%	0.5%	0.5%
8	**Percent to Recover**	**6.2%**	**5.1%**	**5.6%**	**5.6%**

9	2023 Proposed Retainage Rate			
10	Target Retainage to be Recovered	141,336,978	5.6%	7,984,080
11	less: Retainage from Discounted Transport			(325,806)
12	less: Retainage from Producers			(854,159)
13	less: Retainage from Goodwin/Tombaugh *2/*			(64,600)
14	less: Imputed Retainage on Storage Gas			(92,920)
15	Net Retainage to be Recovered			6,646,594
16	**Proposed Retainage Rate**	114,150,471	**5.8%**	

1/ Historical intercompany volumes removed

2/ Adjusted for new Goodwin retainage rate effective October 1, 2023. Further explanation can be found in Statement 5 - Direct Testimony of Lynda Petrichevich.

Peoples Natural Gas Exhibit No. 4

PNGD and PGD Combined Btu Calculation

		Dth	Mcf	MMBtu
January	2022	24,428,887	23,517,049	1.039
February	2022	18,708,569	18,019,035	1.038
March	2022	15,352,644	14,774,630	1.039
April	2022	11,415,935	10,977,977	1.040
May	2022	7,033,285	6,766,409	1.039
June	2022	6,480,233	6,220,490	1.042
July	2022	6,473,607	6,215,603	1.042
August	2022	6,492,911	6,221,415	1.044
September	2022	6,326,516	6,072,604	1.042
October	2022	9,748,985	9,371,707	1.040
November	2022	13,477,269	12,967,437	1.039
December	2022	19,431,387	18,694,465	1.039
Weighted Average		**145,370,226**	**139,818,822**	**1.040**

PRO FORMA
GAS — PA PUC No. 47

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS DIVISION

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

1307(f)-2023 Annual Gas Cost Filing

ISSUED: _____ **EFFECTIVE:** _____

BY: Michael Huwar
President
375 North Shore Drive
Pittsburgh, PA 15212

NOTICE

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

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS DIVISION

PRO FORMA TO GAS—PA PUC NO. 47
_____ REVISED PAGE NO. 2
CANCELLING _____ REVISED PAGE NO. 2

LIST OF CHANGES

	Current	Proposed	Increase/ (Decrease)
Rate GS-SB			
Rate RS, SGS, MGS, LGS	$1.0310	$1.0321	$0.0011
Rider PGC			
Rate RS, SGS, MGS, LGS, NGPV			
Capacity Charge	$1.0310	$1.0321	$0.0011
Gas Cost Adjustment Charge	$0.3936	($1.3285)	($1.7221)
Natural Gas Supply Charge	$6.0939	$3.0018	($3.0921)
Rate RS, GS-T (Residential)			
AVC Capacity Charge	$0.7133	$0.7510	$0.0377
Rate SGS, GS-T (SGS)			
AVC Capacity Charge	$0.6578	$0.7170	$0.0592
Rate MGS, GS-T (MGS)			
AVC Capacity Charge	$0.4543	$0.4672	$0.0129
Rate LGS, GS-T (LGS)			
AVC Capacity Charge	$0.1975	$0.2523	$0.0548
Rider MFC – Merchant Function Charge			
RS	$0.1840	$0.0663	($0.1177)
SGS, MGS, LGS	$0.0159	$0.0057	($0.0102)
RS-T	$0.0252	$0.0253	$0.0001
Balancing Charges			
SGS	$0.4052	$0.4441	$0.0389
MGS, LGS	$0.1388	$0.1157	($0.0231)
Retainage Charges	5.95%	5.8%	(0.15%)

ISSUED: _____

EFFECTIVE: _____

PEOPLES NATURAL GAS COMPANY LLC -
PEOPLES NATURAL GAS DIVISION

PRO FORMA TO GAS—PA PUC NO. 47
_____ REVISED PAGE NO. 3
CANCELLING _____ REVISED PAGE NO. 3

Quarterly 1307(f), MFC, USR	Rider Purchased Gas Costs				Base Rate	Rider	Rider	Rider Supplier	Rider	Rider	Rider	Rider	
	Capacity	AVC Capacity	GCA	Commodity	Charges	STAS	MFC	Choice	USR	GPC	DSIC Charge	TRS	Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13=SUM 1 to 12)
Residential Sales						0.04%					0.00%	-7.1179%	
Customer Charge					$ 14.5000			$ (0.0002)			$ -	$ (1.0321)	$ 13.4677
Capacity	$ 1.0321	$ 0.7510					$ 0.0253						$ 1.8084
Price to Compare - PTC			$ (1.3285)	$ 3.0018			$ 0.0410			$ 0.0865			$ 1.8008
Delivery Charge					$ 3.9608				$ 0.7668		$ -	$ (0.2819)	$ 4.4457
State Tax Surcharge						$ 0.0016					$ -		$ 0.0016
Total per MCF							$ 0.0663						$ 8.0565
Small General Service (SGS)													
Customer Charge													
0 to 499 MCF/Yr					$ 20.0000			$ (0.0002)			$ -	$ (1.4236)	$ 18.5762
500 to 999 MCF/Yr					$ 40.0000			$ (0.0002)			$ -	$ (2.8472)	$ 37.1526
1/ Capacity	$ 0.4441	$ 0.7170											$ 1.1611
Price to Compare - PTC	$ 0.5880		$ (1.3285)	$ 3.0018			$ 0.0057			$ 0.0865			$ 2.3535
Delivery Charge					$ 2.7000						$ -	$ (0.1922)	$ 2.5078
State Tax Surcharge						$ 0.0011							$ 0.0011
Total per MCF	$ 1.0321												$ 6.0235
Medium General Service (MGS)													
Customer Charge													
1,000 to 2,499 MCF/Yr					$ 85.0000						$ -	$ (6.0502)	$ 78.9498
2,500 to 24,999 MCF/Yr					$ 130.0000						$ -	$ (9.2533)	$ 120.7467
1/ Capacity	$ 0.4441	$ 0.4672											$ 0.9113
Price to Compare - PTC	$ 0.5880		$ (1.3285)	$ 3.0018			$ 0.0057			$ 0.0865			$ 2.3535
Delivery Charge					$ 2.6914						$ -	$ (0.1916)	$ 2.4998
State Tax Surcharge						$ 0.0011							$ 0.0011
Total per MCF	$ 1.0321												$ 5.7657
Large General Service (LGS)													
Customer Charge													
25,000 to 49,999 MCF/Yr					$ 575.0000						$ -	$ (40.9279)	$ 534.0721
50,000 to 99,999 MCF/Yr					$ 750.0000						$ -	$ (53.3843)	$ 696.6158
100,000 to 199,999 MCF/Yr					$ 1,400.0000						$ -	$ (99.6506)	$ 1,300.3494
Over 200,000 MCF/Yr					$ 1,600.0000						$ -	$ (113.8864)	$ 1,486.1136
1/ Capacity	$ 0.1157	$ 0.2523											$ 0.3680
Price to Compare - PTC	$ 0.9164		$ (1.3285)	$ 3.0018			$ 0.0057			$ 0.0865			$ 2.6819
Delivery Charge													
25,000 - 49,999 MCF/Yr					$ 2.6411	$ 0.0011					$ -	$ (0.1880)	$ 2.4542
50,000 - 99,999 MCF/Yr					$ 2.5773	$ 0.0010					$ -	$ (0.1834)	$ 2.3949
100,000 - 199,999 MCF/Yr					$ 2.5694	$ 0.0010					$ -	$ (0.1829)	$ 2.3875
200,000 to 749,999 MCF/Yr					$ 2.4999	$ 0.0010					$ -	$ (0.1779)	$ 2.3230
750,000 to 1,999,999 MCF/Yr					$ 2.1327	$ 0.0009					$ -	$ (0.1518)	$ 1.9817
Over 2,000,000 MCF/Yr					$ 1.6445	$ 0.0007					$ -	$ (0.1171)	$ 1.5281
2/ Total per MCF	$ 1.0321												$ 5.5041

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

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

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

ISSUED: _____

EFFECTIVE: October 1, 2023

PEOPLES NATURAL GAS COMPANY LLC -
PEOPLES NATURAL GAS DIVISION

PRO FORMA TO GAS—PA PUC NO. 47
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CANCELLING _____ REVISED PAGE NO. 4

Quarterly 1307(f), MFC, USR	Base Rate Charges	Rider STAS	Rider MFC	Rider USR	Rider Purchased Gas Costs: Capacity	Rider Purchased Gas Costs: AVC Capacity	Balancing Charge	Rider Supplier Choice	Rider DSIC Charge	Rider TRS	Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11=SUM 1 to 10)
Rate GS-T Residential		0.04%							0.00%	-7.1179%	
Customer Charge	$ 14.5000							$ (0.0002)	$ -	$ (1.0321)	$ 13.4677
Capacity			$ 0.0253		$ 1.0321	$ 0.7510					$ 1.8084
Delivery Charge	$ 3.9608			$ 0.7668					$ -	$ (0.2819)	$ 4.4457
State Tax Surcharge		$ 0.0016									$ 0.0016
Total per MCF											$ 6.2557
Rate GS-Transportation SGS											
Customer Charge											
0 to 499 MCF/Yr	$ 20.0000							$ (0.0002)	$ -	$ (1.4236)	$ 18.5762
500 to 999 MCF/Yr	$ 40.0000							$ (0.0002)	$ -	$ (2.8472)	$ 37.1526
1/ Capacity/BB&A						$ 0.7170	$ 0.4441				$ 1.1611
Delivery Charge	$ 2.7000								$ -	$ (0.1922)	$ 2.5078
State Tax Surcharge		$ 0.0011									$ 0.0011
Total per MCF											$ 3.6700
Rate GS-Transportation MGS											
Customer Charge											
1,000 to 2,499 MCF/Yr	$ 85.0000								$ -	$ (6.0502)	$ 78.9498
2,500 to 24,999 MCF/Yr	$ 130.0000								$ -	$ (9.2533)	$ 120.7467
1/ Capacity/BB&A						$ 0.4672	$ 0.4441				$ 0.9113
Delivery Charge	$ 2.6914								$ -	$ (0.1916)	$ 2.4998
State Tax Surcharge		$ 0.0011									$ 0.0011
Total per MCF											$ 3.4122
Rate GS-Transportation LGS											
Customer Charge											
25,000 to 49,999 MCF/Yr	$ 575.0000								$ -	$ (40.9279)	$ 534.0721
50,000 to 99,999 MCF/Yr	$ 750.0000								$ -	$ (53.3843)	$ 696.6158
100,000 to 199,999 MCF/Yr	$ 1,400.0000								$ -	$ (99.6506)	$ 1,300.3494
Over 200,000 MCF/Yr	$ 1,600.0000								$ -	$ (113.8864)	$ 1,486.1136
1/ Capacity/BB&A						$ 0.2523	$ 0.1157				$ 0.3680
Delivery Charge											
25,000 - 49,999 MCF/Yr	$ 2.6411	$ 0.0011							$ -	$ (0.1880)	$ 2.4542
50,000 - 99,999 MCF/Yr	$ 2.5773	$ 0.0010							$ -	$ (0.1834)	$ 2.3949
100,000 - 199,999 MCF/Yr	$ 2.5694	$ 0.0010							$ -	$ (0.1829)	$ 2.3875
200,000 to 749,999 MCF/Yr	$ 2.4999	$ 0.0010							$ -	$ (0.1779)	$ 2.3230
750,000 to 1,999,999 MCF/Yr	$ 2.1327	$ 0.0009							$ -	$ (0.1518)	$ 1.9817
Over 2,000,000 MCF/Yr	$ 1.6445	$ 0.0007							$ -	$ (0.1171)	$ 1.5281
2/ Total per MCF											$ 2.8222

1/ The Capacity Charge applies to Priority 1 ratepayers when electing transport service. All other Ratepayers are billed the Balancing Charge.

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

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

ISSUED: _____

EFFECTIVE: October 1, 2023

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES NATURAL GAS DIVISION

PRO FORMA TO GAS—PA PUC NO. 47
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RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RULES AND DELIVERY TERMS (Continued)

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

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

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

(9) Unless otherwise agreed under paragraph (17) below, the Company will arrange its utilization of available capacity by endeavoring to fairly accommodate, to the extent practicable, the interests of its retail and transportation customers.

a. Available System Capacity for Transportation Service: Capacity for the transportation of customer-owned gas is available on the Company's system to the same extent as capacity is available for the general system supplies that the Company acquires for its retail customers, except where operational constraints may require otherwise. Those operational constraints can include the safety of persons or property and the displacement of locally produced or purchased retail gas supplies.

b. Actual Unavailability of or Restrictions on Capacity: In the event that capacity on the Company's system either is unavailable for the transportation of customer-owned gas or is available but restricted, the Company will provide its transportation customer or the customer's designated representative with a written explanation of why capacity is unavailable or restricted and the steps examined by the Company to alleviate the unavailability or restriction. Where capacity is restricted, the Company will allocate capacity to its transportation customers without regard to the sources of the customers' natural gas supplies.

c. Anticipated Unavailability of or Restrictions on Capacity: Whenever the Company anticipates that an extraordinary activity or occurrence will make capacity either unavailable or available but restricted, the Company will provide written notice to Pennsylvania producers, as early as possible, of the specific portions of the Company's system on which capacity may be unavailable or available but restricted and of the length of time that the unavailability or restriction likely will last.

(10) As soon as practical after the customer learns of any disruption or interruption in its supply of gas, the customer shall notify the Company.

(11) The measurements at the point of receipt and delivery shall be the responsibility of the Company. All quantities of gas received, transported, and delivered shall be expressed in terms of "Mcf." A customer's gas received by the Company in Btus will be converted to Mcf using the current applicable conversion factor as determined annually in the Company's 1307(f) proceeding.

(12) The Company shall retain 5.8 percent of the total volume of gas received into its system on behalf of all customers as gas used in Company operations and for unaccounted-for gas under Transportation Agreements that have been or are entered into pursuant to this rate, except in the following circumstances, where the Company may exercise its discretion to waive retainage in conjunction with a positive cost/benefit analysis: **(D)**

(D) Indicates Decrease.
(I) Indicates Increase.

ISSUED: _____

EFFECTIVE: _____

RATE GS-SB
GENERAL SERVICE - STANDBY

AVAILABILITY

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

RULES AND DELIVERY TERMS

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

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

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

RATE TABLE

Capacity Charges Applicable under the Rate Schedule:

RS Capacity Charge per Mcf	$1.0321	(I)
SGS Capacity Charge per Mcf	$1.0321	(I)
MGS Capacity Charge per Mcf	$1.0321	(I)
LGS Capacity Charge per Mcf	$1.0321	(I)

Standby Charges for Priority One Transportation Customers

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

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

(I) Indicates Increase. (D) Indicates Decrease.

PRO FORMA
TO
TARIFF GAS - PA PUC NO. 8

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES GAS DIVISION

_____

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

_____

ISSUED: _____ EFFECTIVE: _____

1307(f)-2023 Annual Gas Cost Filing

ISSUED BY:

MICHAEL HUWAR
PRESIDENT
PEOPLES NATURAL GAS COMPANY LLC
PEOPLES GAS DIVISION
205 NORTH MAIN STREET
BUTLER, PENNSYLVANIA 16001

This tariff makes changes to existing rates.
(See page 1)

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES GAS DIVISION

PRO FORMA
TO
TARIFF GAS – PA PUC NO. 8
_____ REVISED PAGE NO.1
CANCELING _____ PAGE NO.1

LIST OF CHANGES MADE BY THIS TARIFF

	Current	Proposed	Increase/ (Decrease)
Rider PGC			
Rate RS, SGS, MGS, LGS, NGPV			
Capacity Charge	$1.0310	$1.0321	$0.0011
Gas Cost Adjustment Charge	$0.3936	($1.3285)	($1.7221)
Natural Gas Supply Charge	$6.0939	$3.0018	($3.0921)
Rider MFC – Merchant Function Charge			
RS	$0.1840	$0.0663	($0.1177)
SGS, MGS, LGS	$0.0159	$0.0057	($0.0102)
RS-T	$0.0252	$0.0253	$0.0001
Balancing Charges			
SGS	$0.4052	$0.4441	$0.0389
MGS, LGS	$0.1388	$0.1157	($0.0231)
Retainage Charges	5.95%	5.8%	(0.15%)

PEOPLES NATURAL GAS COMPANY LLC -
PEOPLES GAS DIVISION

PRO FORMA TO GAS—PA PUC NO. 8
_____ REVISED PAGE NO. 12
CANCELLING _____REVISED PAGE NO. 12

Quarterly 1307(f), MFC, USR	Rider PGC - Gas Cost Charges				Base Rate	Rider	Rider	Rider	Rider	Rider Supplier	Rider	Rider	Bill Display
	Capacity	Capacity E Factor	GCA	Commodity	Charges	STA	MFC	USP	GPC	Choice	DSIC	TCJA	Total Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13=SUM 1 to 12)
Residential - Sales											0.00%	-8.2390%	
Customer Charge					$ 15.7500					$ (0.0018)	$ -	$ (1.2976)	$ 14.4506
Capacity	$ 1.0221	$ 0.0100					$ 0.0253				$ -		$ 1.0574
PTC - Commodity Charge			$ (1.3285)	$ 3.0018			$ 0.0410		$ 0.0865		$ -		$ 1.8008
Delivery Charge					$ 6.7743	$ 0.0051		$ 0.5525			$ -	$ (0.5581)	$ 6.7738
Total per MCF													$ 9.6320
SGS - Sales													
Customer Charge													
0 to 499 MCF/Yr					$ 35.0000					$ (0.0018)	$ -	$ (2.8837)	$ 32.1146
500 to 999 MCF/Yr					$ 65.0000					$ (0.0018)	$ -	$ (5.3554)	$ 59.6429
Capacity 1/	$ 0.4441										$ -	$ -	$ 0.4441
Price-to-Compare Charge 1/	$ 0.5780	$ 0.0100	$ (1.3285)	$ 3.0018			$ 0.0057		$ 0.0865		$ -		$ 2.3535
Delivery Charge					$ 5.1008	$ 0.0051					$ -	$ (0.4203)	$ 4.6856
Total per MCF													$ 7.4832
MGS - Sales													
Customer Charge													
1,000 to 2,499 MCF/Yr					$ 75.0000						$ -	$ (6.1793)	$ 68.8208
2,500 to 24,999 MCF/Yr					$ 175.0000						$ -	$ (14.4183)	$ 160.5818
Capacity 1/	$ 0.4441										$ -	$ -	$ 0.4441
Price-to-Compare Charge 1/	$ 0.5780	$ 0.0100	$ (1.3285)	$ 3.0018			$ 0.0057		$ 0.0865		$ -		$ 2.3535
Delivery Charge					$ 4.8604	$ 0.0051					$ -	$ (0.4004)	$ 4.4651
Total per MCF													$ 7.2627
LGS - Sales < 100,000 Mcf/yr													
Customer Charge													
25,000 to 49,999 MCF/Yr					$ 800.0000						$ -	$ (65.9120)	$ 734.0880
50,000 to 99,999 MCF/Yr					$ 1,500.0000						$ -	$ (123.5850)	$ 1,376.4150
Capacity 1/	$ 0.1157										$ -	$ -	$ 0.1157
Price-to-Compare Charge 1/	$ 0.9064	$ 0.0100	$ (1.3285)	$ 3.0018			$ 0.0057		$ 0.0865		$ -		$ 2.6819
Delivery Charge					$ 3.7500	$ 0.0051					$ -	$ (0.3090)	$ 3.4461
Total per MCF													$ 6.2437
LGS - Sales > 100,000 Mcf/yr													
Customer Charge													
100,000 to 199,999 MCF/Yr					$ 5,000.0000						$ -	$ (411.9500)	$ 4,588.0500
Over 200,000 MCF/Yr					$ 7,500.0000						$ -	$ (617.9250)	$ 6,882.0750
Capacity 1/	$ 0.1157										$ -	$ -	$ 0.1157
Price-to-Compare Charge 1/	$ 0.9064	$ 0.0100	$ (1.3285)	$ 3.0018			$ 0.0057		$ 0.0865		$ -		$ 2.6819
Delivery Charge					$ 0.9988	$ 0.0051					$ -	$ (0.0823)	$ 0.9216
Total per MCF													$ 3.7192

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

ISSUED: _____

EFFECTIVE: October 1, 2023

PEOPLES NATURAL GAS COMPANY LLC -
PEOPLES GAS DIVISION

PRO FORMA TO GAS—PA PUC NO. 8
_____ REVISED PAGE NO. 13
CANCELLING _____ REVISED PAGE NO. 13

Quarterly 1307(f), MFC, USR	Base Rate Charges	Rider STA	Rider MFC	Rider USR	Rider PGC Capacity	Capacity E Factor	Balancing Charge	Rider Supplier Choice	Rider DSIC	Rider TCJA	Bill Display Total Rate	Retainage Charge
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11=SUM 1 to 10)	
Rate RS-T (Transportation Service)									0.00%	-8.2390%		
Customer Charge	$ 15.7500							$ (0.0018)	$ -	$ (1.2976)	$ 14.4506	
Capacity			$ 0.0253		$ 1.0221	$ 0.0100					$ 1.0574	
Delivery Charge	$ 6.7743	$ 0.0051		$ 0.5525					$ -	$ (0.5581)	$ 6.7738	
Total per MCF											$ 7.8312	5.8%
Rate SGS-T (Transportation Service)												
Customer Charge												
0 to 499 MCF/Yr	$ 35.0000							$ (0.0018)	$ -	$ (2.8837)	$ 32.1146	
500 to 999 MCF/Yr	$ 65.0000							$ (0.0018)	$ -	$ (5.3554)	$ 59.6429	
Balancing Charge 1/							$ 0.4441				$ 0.4441	
Delivery Charge	$ 5.1008	$ 0.0051							$ -	$ (0.4203)	$ 4.6856	
Total per MCF											$ 5.1297	5.8%
Rate MGS-T (Transportation Service)												
Customer Charge												
1,000 to 2,499 MCF/Yr	$ 75.0000								$ -	$ (6.1793)	$ 68.8208	
2,500 to 24,999 MCF/Yr	$ 175.0000								$ -	$ (14.4183)	$ 160.5818	
Balancing Charge 1/							$ 0.4441				$ 0.4441	
Delivery Charge	$ 4.8604	$ 0.0051							$ -	$ (0.4004)	$ 4.4651	
Total per MCF											$ 4.9092	5.8%
Rate LGS-T (Transportation Service)												
Customer Charge												
25,000 to 49,999 MCF/Yr	$ 800.0000								$ -	$ (65.9120)	$ 734.0880	
50,000 to 99,999 MCF/Yr	$ 1,500.0000								$ -	$ (123.5850)	$ 1,376.4150	
Balancing Charge 1/							$ 0.1157				$ 0.1157	
Delivery Charge	$ 3.7500	$ 0.0051							$ -	$ (0.3090)	$ 3.4461	
Total per MCF											$ 3.5618	5.8%
Rate LGS-T (Transportation Service)												
Customer Charge												
100,000 to 199,999 MCF/Yr	$ 5,000.0000								$ -	$ (411.9500)	$ 4,588.0500	
Over 200,000 MCF/Yr	$ 7,500.0000								$ -	$ (617.9250)	$ 6,882.0750	
Balancing Charge 1/							$ 0.1157				$ 0.1157	
Delivery Charge	$ 0.9988	$ 0.0051							$ -	$ (0.0823)	$ 0.9216	
Total per MCF											$ 1.0373	5.8%

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

ISSUED: _____

EFFECTIVE: October 1, 2023

PEOPLES NATURAL GAS COMPANY LLC
PEOPLES GAS DIVISION

PRO FORMA
TO
TARIFF GAS – PA PUC NO. 8
_____ REVISED PAGE NO. 84
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RATE SCHEDULE FTS – FIELD TRANSPORTATION SERVICE

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

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

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

Retainage Charge – The currently effective Retainage Charge is 5.8%. (D)

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

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

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

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

(D) Indicates Decrease.

(I) Indicates Increase.

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 ACTUAL	12-Mth Total
Local / Gathered Purchases													
Quantity - Mcf	441,456	344,007	733,558	517,582	520,172	454,100	478,486	465,617	318,935	313,205	295,294	249,541	5,131,953
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	$3.5109	$5.5772
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	$876,105	$ 28,622,009
Interstate Pipeline Purchases													
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	2,944,774	52,961,514
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	$2.8324	$5.7833
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	$8,340,724	$ 306,290,425
Total Commodity Purchases													
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	3,194,315	58,093,467
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	$2.8854	$5.7651
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	$9,216,829	$ 334,912,435
Storage (Injection)/Withdrawals - WACCOG													
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	4,464,679	(2,983,631)
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	$27,461,794	$ (62,998,265)
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	$59,168	$ 434,755
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	$424,589	$ 5,736,420
Other Purchased Gas Costs													
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)	101,781	1,137,393
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	$11,570	$ 136,643
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	$505,960	$ 5,660,900
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)	($116,369)	$ 1,081,783
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)	$401,162	$ 6,881,780
Capacity Costs - Firm Transportation	$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	$6,532,388	$ 59,922,622
Capacity Costs - Firm Storage	$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	$857,742	$ 15,644,717
AVC Capacity Costs	$6,385,822	$6,563,906	$2,913,656	$2,913,656	$2,913,656	$2,913,656	$2,913,656	$2,913,656	$2,913,656	$6,563,906	$6,563,906	$6,563,906	$ 53,037,039
	$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	$13,954,035	$ 128,604,379
Total 1307(f) Gas Costs	$ 50,325,683	$ 39,277,859	$ 35,924,332	$ 21,668,265	$ 15,249,431	$ 16,847,460	$ 16,134,910	$ 21,895,378	$ 27,587,032	$ 49,763,729	$ 67,379,846	$ 51,517,578	$ 413,571,503
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	$44,953,671	$ 360,534,464
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	$7,390,129	$ 75,567,340
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	$37,563,542	$ 284,967,125
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	7,760,775	56,247,229

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 ACTUAL	TOTAL
Local PA Purchases													
Quantity - Mcf	181,006	228,740	214,238	193,266	237,240	277,765	304,378	311,932	299,948	270,723	179,010	198,056	2,896,302
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	$3.8673	$5.8631
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	$765,943	$ 16,981,375
Interstate Pipeline Purchases													
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
Total Commodity Purchases													
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	198,056	7,716,992
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	$3.8673	$6.4432
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	$765,943	$ 49,721,800
Storage (Injection)/Withdrawals													
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	815,458	298,944
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	$5,049,479	$ (6,314,825)
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	$16,563	$ 191,809
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	$176,420	$ 1,948,756
Other Purchased Gas Costs													
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	(13,389)	254,948
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	$1,700	$ 20,583
Imbalance Buyback Costs	$18,949	$30,416	$19,187	$1,946	$1,094	$244	$147	$261	$25,362	$9	$42	$27,035	$ 124,691
Exchange Costs	$1,167,214	($165,595)	($1,287,563)	($729,909)	$1,080,078	($251,649)	$465,939	$627,561	$522,909	($680,345)	$852,356	$8,983	$ 1,609,979
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	$37,717	$ 1,755,253
Capacity Costs - Firm Transportation	$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
Capacity Costs - Firm Storage	$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
Capacity Costs - Firm Storage Transportation	$247,810	($9,400)	$79,749	$79,792	$74,477	$79,792	$79,792	$79,791	$89,526	$147,893	$147,893	$147,893	$ 1,245,009
	$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
Total 1307(f) Gas Costs	**$ 5,680,780**	**$ 2,592,150**	**$ 3,527,425**	**$ 2,813,185**	**$ 3,169,962**	**$ 1,537,643**	**$ 4,332,827**	**$ 3,288,797**	**$ 4,402,034**	**$ 5,403,074**	**$ 10,115,083**	**$ 6,634,140**	**$ 53,497,098**
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	$ 6,046,122	$ 47,302,793
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
Total 1307(f) Purchases	1,253,304	789,884	546,900	333,005	288,025	167,029	444,469	330,597	757,865	870,439	1,489,242	1,000,125	8,270,884

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

	2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	
Local / Gathered Purchases									
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	
Interstate Pipeline Purchases									
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	
Total Commodity Purchases									
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	
Storage (Injection)/Withdrawals									
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	
Other Purchased Gas Costs									
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	$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	
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	$6,563,906	$6,591,566	$2,941,316	$2,941,316	$2,941,316	$2,941,316	$2,941,316	$2,941,316	
	$15,694,836	$15,940,729	$7,827,362	$7,827,362	$7,827,362	$7,827,362	$7,827,362	$7,837,093	
Total 1307(f) Gas Costs	**$ 61,155,693**	**$ 48,874,084**	**$ 16,955,986**	**$ 13,013,988**	**$ 11,101,142**	**$ 10,817,780**	**$ 10,814,288**	**$ 10,758,833**	$ 183,491,794
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 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	Total
Local / Gathered Purchases									
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 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	TOTAL
City-Gate Mcf									
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	56,000	60,000	45,000	20,000	20,000	20,000	20,000	20,000	261,000
TOTAL 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	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	165,402	135,720	97,789	48,485	52,094	55,910	56,638	47,237	659,274
TOTAL 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	$85,609,539

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

	2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	Total
WACCOG Storage Inventory Pricing									
(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 April	2023 May	2023 June	2023 July	2023 August	2023 September	2023 October	
Local Purchases - Mcf	541,730	540,940	540,151	539,361	538,574	537,784	536,993	
Interstate Purchases - Mcf	5,705,096	4,893,119	4,335,558	4,146,294	4,114,619	4,091,767	4,953,562	
	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	$12,655	$12,655	$12,655	$12,655	$12,655	$12,655	$12,655	
	$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

Peoples Natural Gas Company
Annual 1307(f)-2023
Interim Period Projected Gas Costs - COMBINED
Storage Injection / Withhdrawal Costs

		2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	Total
Storage Injection/Withdrawal Costs										
EQT AVC GSS										
(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
EQT 60SS/115SS										
(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
EGT&S GSS - PNG										
(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
EGT&S GSS - EGC										
(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
NFGS ESS										
(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

Peoples Gas
Storage Injection/Withdrawal Costs

		2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	
Columbia Gas Transmission - FSS										
(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
Eastern Gas Storage and Transmission GSS										
(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
Equitrans, LP 60SS										
(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 INJ/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

	2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	Total
Gas Admin Costs	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 101,238
Imbalance Buyback									
Mcf	0	0	0	0	0	0	0	0	0
Amount	0	0	0	0	0	0	0	0	0
Exchange Gas									
Mcf	0	0	0	0	0	0	0	0	0
Amount	0	0	0	0	0	0	0	0	0
TOTAL OTHER GAS COSTS	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 12,655	$ 101,238

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
Interstate Transportation									
Equitrans									
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
Equitrans									
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
Equitrans									
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
Eastern GT&S									
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
Eastern GT&S									
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
Texas Eastern Transmission									
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
National Fuel Gas Supply									
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
Columbia Gas Transmission									
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
Texas Eastern Transmission									
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
Eastern GT&S									
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
Equitable Energy - NAESB									
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)
Total Demand and Capacity Costs									
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.

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
Interstate Storage									
Eastern GT&S									
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	
Eastern GT&S									
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	
Equitrans									
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	
Equitrans									
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	
National Fuel Gas Supply									
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	
Columbia Gas Transmission									
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	
Eastern Gas Transmission and Storage									
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 - $	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Eastern Gas Transmission and Storage									
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	
Equitrans									
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	
Total Storage Demand/Capacity Costs									
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 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	Total
Interstate Storage Transportation									
Equitrans									
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
Equitrans									
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
Columbia Gas Transmission									
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	
Eastern Gas Tranmission and Storage									
FTGSS - 700037/700039/700042									
Demand Determinant - Dth	-	-	-	-	-	-	-	-	
Demand Rate - $/Dth	$ -	$ -							
Demand Cost - $	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Eastern Gas Transmission and Storage									
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	
Total Demand and Capacity Costs									
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

	2023 February	2023 March	2023 April	2023 May	2023 June	2023 July	2023 August	2023 September	Total
Interstate Transportation									
Equitrans									
AVC - 1576									
Demand Determinant - Dth	251,700	251,700	62,000	62,000	62,000	62,000	62,000	62,000	
Demand Rate - $/Dth	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	
Demand Cost - $	$ 2,803,686	$ 2,803,686	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 9,751,081
Interstate Storage Transportation									
Equitrans									
AVC - 774									
Demand Determinant - Dth	200,000	200,000	62,000	62,000	62,000	62,000	62,000	62,000	
Demand Rate - $/Dth	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	
Demand Cost - $	$ 2,227,800	$ 2,227,800	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 8,599,308
Interstate Storage									
Equitrans									
AVC - 775									
Demand Determinant - Dth	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
Demand Rate - $/Dth	$ 3.8308	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	
Demand Cost - $	$ 766,160	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 6,226,580
Capacity Determinant - Dth	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	
Capacity Rate - $/Dth	$ 0.0891	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	
Capacity Cost - $	$ 766,260	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 6,226,400
AVC GSS Capacity Release									
Demand Determinant - Mcf	-	-	-	-	-	-	-	-	
Demand Rate - $/Mcf	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Demand Cost - $	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
TOTAL AVC Capacity Costs	$ 6,563,906	$ 6,591,566	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 30,803,369

Peoples Natural Gas Company - Peoples Natural Gas and Peoples Gas Divisions
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
Local / Gathered Purchases													
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
Interstate Pipeline Purchases													
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
Total Commodity Purchases													
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
Storage (Injection)/Withdrawals - WACCOG													
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
Other Purchased Gas Costs													
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
Total 1307(f) Gas Costs	$ 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 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
Local / Gathered Purchases													
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 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
City-Gate Mcf													
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	35,000	40,000	75,000	80,000	56,000	60,000	45,000	20,000	20,000	20,000	20,000	20,000	491,000
TOTAL 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
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	82,683	118,269	258,063	303,514	208,849	204,048	138,598	60,310	58,854	60,050	59,935	51,667	1,604,838
TOTAL 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

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

WACCOG Storage Inventory Pricing	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
(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 April	2024 May	2024 June	2024 July	2024 August	2024 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
Storage Injection / Withhdrawal 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
Storage Injection/Withdrawal Costs														
EQT AVC GSS														
(Injection)/Withdrawal Mcf		(225,000)	-	-	550,000	1,500,000	1,420,000	(151,818)	(595,000)	(595,000)	(595,000)	(595,000)	(595,000)	118,182
Fuel on Injection	5.67%	$ 0.1139	$ -	$ -	$ -	$ -	$ -	$ 0.1562	$ 0.1396	$ 0.1480	$ 0.1501	$ 0.1480	$ 0.1208	
Injection Charge		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Withdrawal Charge		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
		$ 0.1139	$ -	$ -	$ -	$ -	$ -	$ 0.1562	$ 0.1396	$ 0.1480	$ 0.1501	$ 0.1480	$ 0.1208	
EQT AVC GSS Cost		$ 25,627	$ -	$ -	$ -	$ -	$ -	$ 23,719	$ 83,061	$ 88,063	$ 89,314	$ 88,045	$ 71,878	$ 469,707
EQT 60SS/115SS														
(Injection)/Withdrawal Mcf		(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)
Fuel on Injection	1.88%	$ 0.0403	$ -	$ -	$ -	$ -	$ -	$ 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	$ 0.0069	
Withdrawal Charge		$ -	$ 0.0069	$ 0.0069	$ 0.0069	$ 0.0069	$ 0.0069	$ -	$ -	$ -	$ -	$ -	$ -	
		$ 0.0472	$ 0.0069	$ 0.0069	$ 0.0069	$ 0.0069	$ 0.0069	$ 0.0480	$ 0.0488	$ 0.0523	$ 0.0554	$ 0.0552	$ 0.0477	
EQT 60SS/115SS Cost		$ 50,244	$ 9,660	$ 13,800	$ 18,423	$ 10,316	$ 10,109	$ 57,582	$ 59,003	$ 73,706	$ 78,093	$ 77,812	$ 65,541	$ 524,289
EGT&S GSS - PNG														
(Injection)/Withdrawal Mcf		(205,000)	150,000	450,000	500,000	450,000	340,000	(125,000)	(315,000)	(315,000)	(315,000)	(315,000)	(300,000)	-
Fuel on Injection	1.45%	$ 0.0289	$ -	$ -	$ -	$ -	$ -	$ 0.0397	$ 0.0355	$ 0.0376	$ 0.0382	$ 0.0376	$ 0.0307	
Injection Charge		$ 0.0277	$ -	$ -	$ -	$ -	$ -	$ 0.0277	$ 0.0277	$ 0.0277	$ 0.0277	$ 0.0277	$ 0.0277	
Withdrawal Charge		$ -	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ -	$ -	$ -	$ -	$ -	$ -	
		$ 0.0566	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0674	$ 0.0632	$ 0.0653	$ 0.0659	$ 0.0653	$ 0.0584	
DTI GSS COSTS - PNG		$ 11,607	$ 5,355	$ 16,065	$ 17,850	$ 16,065	$ 12,138	$ 8,429	$ 19,903	$ 20,580	$ 20,749	$ 20,577	$ 17,515	$ 186,833
EGT&S GSS - EGC														
(Injection)/Withdrawal Mcf		(275,000)	250,000	460,000	715,000	495,000	130,000	(275,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	-
Fuel on Injection	1.45%	$ 0.0289	$ -	$ -	$ -	$ -	$ -	$ 0.0397	$ 0.0355	$ 0.0376	$ 0.0382	$ 0.0376	$ 0.0307	
Injection Charge		$ 0.0277	$ -	$ -	$ -	$ -	$ -	$ 0.0277	$ 0.0277	$ 0.0277	$ 0.0277	$ 0.0277	$ 0.0277	
Withdrawal Charge		$ -	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ -	$ -	$ -	$ -	$ -	$ -	
		$ 0.0566	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0674	$ 0.0632	$ 0.0653	$ 0.0659	$ 0.0653	$ 0.0584	
DTI GSS COSTS - EGC		$ 15,570	$ 8,925	$ 16,422	$ 25,526	$ 17,672	$ 4,641	$ 18,545	$ 18,955	$ 19,600	$ 19,761	$ 19,598	$ 17,515	$ 202,728
NFGS ESS														
(Injection)/Withdrawal Mcf		(80,000)	64,000	146,000	165,000	135,000	110,000	(40,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	-
Fuel on Injection	0.46%	$ 0.0092	$ -	$ -	$ -	$ -	$ -	$ 0.0126	$ 0.0113	$ 0.0120	$ 0.0121	$ 0.0119	$ 0.0097	
Injection Charge		$ 0.0473	$ -	$ -	$ -	$ -	$ -	$ 0.0473	$ 0.0473	$ 0.0473	$ 0.0473	$ 0.0473	$ 0.0473	
Withdrawal Charge		$ -	$ 0.0473	$ 0.0473	$ 0.0473	$ 0.0473	$ 0.0473	$ -	$ -	$ -	$ -	$ -	$ -	
		$ 0.0565	$ 0.0473	$ 0.0473	$ 0.0473	$ 0.0473	$ 0.0473	$ 0.0599	$ 0.0586	$ 0.0593	$ 0.0594	$ 0.0592	$ 0.0570	
NFGS ESS Cost		$ 4,519	$ 3,027	$ 6,906	$ 7,805	$ 6,386	$ 5,203	$ 2,397	$ 5,857	$ 5,925	$ 5,942	$ 5,925	$ 5,705	$ 65,596
		$ 107,567	$ 26,967	$ 53,193	$ 69,603	$ 50,438	$ 32,091	$ 110,672	$ 186,780	$ 207,874	$ 213,859	$ 211,957	$ 178,153	$ 1,449,153

Peoples Gas
Storage Injection/Withdrawal 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	
Columbia Gas Transmission - FSS														
(Injection)/Withdrawal Mcf		(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
SST Delivery to FSS Charge		$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	
SST Fuel Charge	1.71%	$0.0404	$0.0494	$0.0591	$0.0664	$0.0647	$0.0575	$0.0501	$0.0470	$0.0479	$0.0463	$0.0468	$0.0437	
FSS Injection Charge		$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	
FSS Fuel Charge	0.60%	$0.0092	$0.0112	$0.0134	$0.0151	$0.0147	$0.0130	$0.0114	$0.0107	$0.0109	$0.0105	$0.0106	$0.0099	
FSS Withdrawal Charge		$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	$0.0153	
SST Fuel Charge to City-Ga	1.71%	$0.0419	$0.0511	$0.0610	$0.0685	$0.0668	$0.0593	$0.0518	$0.0486	$0.0496	$0.0480	$0.0484	$0.0453	
SST Delivery to City-Gate		$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	$0.0129	
		$0.0778	$0.0793	$0.0892	$0.0967	$0.0950	$0.0875	$0.0897	$0.0859	$0.0870	$0.0851	$0.0856	$0.0819	
CGT FSS Cost		$ 389	$ 1,070	$ 1,785	$ 1,934	$ 1,596	$ 1,085	$ 449	$ 1,031	$ 1,479	$ 1,531	$ 1,284	$ 860	$ 14,493
		$ 271	$ 1,166	$ 2,060	$ 3,246	$ 1,264	$ 978	$ 987	$ 1,194	$ 1,246	$ 1,215	$ 1,207	$ 1,134	$ 15,969
Eastern Gas Storage and Transmission GSS														
(Injection)/Withdrawal Mcf		(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)
Fuel on Injection	1.99%	$ 0.0272	$ 0.0352	$ 0.0417	$ 0.0469	$ 0.0465	$ 0.0413	$ 0.0374	$ 0.0334	$ 0.0354	$ 0.0359	$ 0.0354	$ 0.0289	
Injection Charge		$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0357	$ 0.0267	$ 0.0267	$ 0.0267	$ 0.0267	$ 0.0267	$ 0.0267	$ 0.0267	$ 0.0267	
Withdrawal Charge		$ 0.0277	$ 0.0277	$ 0.0277	$ 0.0277	$ 0.0165	$ 0.0165	$ 0.0165	$ 0.0165	$ 0.0165	$ 0.0165	$ 0.0165	$ 0.0165	
		$0.0629	$0.0277	$0.0277	$0.0277	$0.0165	$0.0165	$0.0641	$0.0601	$0.0621	$0.0626	$0.0621	$0.0556	
DTI GSS Cost		$ 3,773	$ 1,939	$ 2,493	$ 3,463	$ 1,568	$ 1,023	$ 1,282	$ 4,447	$ 5,281	$ 5,449	$ 5,404	$ 3,889	$ 40,011
		$ 2,572	$ 1,155	$ 1,485	$ 2,063	$ 1,568	$ 1,023	$ 1,620	$ 5,336	$ 6,387	$ 6,495	$ 6,349	$ 5,294	
Equitrans, LP 60SS														
(Injection)/Withdrawal Mcf		(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
Fuel on Injection	2.63%	$ 0.0353	$ 0.0457	$ 0.0541	$ 0.0609	$ 0.0604	$ 0.0537	$ 0.0486	$ 0.0434	$ 0.0460	$ 0.0467	$ 0.0460	$ 0.0375	
Injection Charge		$ 0.0069	$ 0.0069	$ 0.0069	$ 0.0069	$ 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	$ 0.0069	$ 0.0069	
		$0.0422	$0.0069	$0.0069	$0.0069	$0.0069	$0.0069	$0.0555	$0.0503	$0.0529	$0.0536	$0.0529	$0.0444	
EQT 60SS Cost		$ 10,133	$ 2,516	$ 4,519	$ 5,321	$ 5,078	$ 3,499	$ 19,429	$ 20,116	$ 26,464	$ 26,794	$ 26,460	$ 19,088	$ 169,417
		$ 14,296	$ 5,525	$ 8,796	$ 10,717	$ 8,242	$ 5,608	$ 21,160	$ 25,594	$ 33,225	$ 33,775	$ 33,148	$ 23,836	$ 223,920
TOTAL STORAGE INJ/WD COST		$ 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

Peoples Natural Gas Company
Annual 1307(f)-2023
Projected Period Gas Costs - COMBINED
Other Gas 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
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													
Mcf	0	0	0	0	0	0	0	0	0	0	0	0	0
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange Gas													
Mcf	0	0	0	0	0	0	0	0	0	0	0	0	0
Amount	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER GAS 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

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
Interstate Transportation													
Equitrans													
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
Equitrans													
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
Equitrans													
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
Eastern GT&S													
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
Eastern GT&S													
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
Texas Eastern Transmission													
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
National Fuel Gas Supply													
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
Columbia Gas Transmission													
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
Texas Eastern Transmission													
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
Eastern GT&S													
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)
Total Demand and Capacity Costs													
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.

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

Interstate Storage	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
Eastern GT&S													
GSS -300181													
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	$ 3.2676	$ 3.2676	$ 3.2676	$ 3.2676	$ 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	$ 130,704	$ 130,704	$ 130,704	$ 130,704	$ 1,568,448
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	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	$ 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	$ 146,280	$ 146,280	$ 146,280	$ 146,280	$ 1,755,360
Eastern GT&S													
GSS -300196													
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	$ 5.1193	$ 5.1193	$ 5.1193	$ 5.1193	$ 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	$ 204,772	$ 204,772	$ 204,772	$ 204,772	$ 2,457,264
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	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	$ 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	$ 208,568	$ 208,568	$ 208,568	$ 208,568	$ 2,502,816
Equitrans													
60SS - 863													
Demand Determinant - Dth	137,010	137,010	137,010	137,010	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	$ 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	$ 204,816	$ 204,816	$ 204,816	$ 204,816	$ 2,457,795
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	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	$ 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	$ 195,800	$ 195,800	$ 195,800	$ 195,800	$ 2,349,604
Equitrans													
115SS - 865													
Demand Determinant - Dth	50,536	50,536	50,536	50,536	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	$ 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	$ 75,546	$ 75,546	$ 75,546	$ 75,546	$ 906,555
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	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	$ 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	$ 138,424	$ 138,424	$ 138,424	$ 138,424	$ 1,661,087
National Fuel Gas Supply													
ESS													
Demand Determinant - Dth	9,793	9,793	9,793	9,793	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	$ 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	$ 27,005	$ 27,005	$ 27,005	$ 27,005	$ 324,062
Capacity Determinant - Dth	748,611	748,611	748,611	748,611	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	$ 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	$ 37,505	$ 37,505	$ 37,505	$ 37,505	$ 450,065
Columbia Gas Transmission													
FSS - 53012/50112													
Demand Determinant - Dth	2,000	2,000	2,000	2,000	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	$ 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	$ 5,184	$ 5,184	$ 5,184	$ 5,184	$ 62,208
Capacity Determinant - Dth	112,860	112,860	112,860	112,860	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	$ 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	$ 5,271	$ 5,271	$ 5,271	$ 5,271	$ 63,247
Eastern Gas Transmission and Storage													
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	$ 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	$ 0.0145	$ 0.0145	$ 0.0145	$ 0.0145	
Capacity Cost - $	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Eastern Gas Transmission and Storage													
GSS - 300192													
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	$ 5.1193	$ 5.1193	$ 5.1193	$ 5.1193	$ 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	$ 51,193	$ 51,193	$ 51,193	$ 51,193	$ 614,316
Capacity Determinant - Dth	600,000	600,000	600,000	600,000	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	$ 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	$ 50,460	$ 50,460	$ 50,460	$ 50,460	$ 605,520
Equitrans													
60SS - 772													
Demand Determinant - Dth	72,417	72,417	72,417	72,417	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	$ 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	$ 133,522	$ 133,522	$ 133,522	$ 133,522	$ 1,602,270
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	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	$ 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	$ 58,000	$ 58,000	$ 58,000	$ 58,000	$ 696,000
Total Storage Demand/Capacity Costs													
Demand Determinant - Dth	361,756	361,756	361,756	361,756	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	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	$ 1,673,051	$ 1,673,051	$ 1,673,051	$ 1,673,051	$ 20,076,617

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
Interstate Storage Transportation													
Equitrans													
EFT - 1560													
Demand Determinant - Dth	74,733	137,010	137,010	137,010	137,010	137,010	74,733	74,733	74,733	74,733	74,733	74,733	
Demand Rate - $/Dth	$ 5.5559	$ 6.1206	$ 6.1206	$ 6.1206	$ 6.1206	$ 6.1206	$ 5.5559	$ 5.5559	$ 5.5559	$ 5.5559	$ 5.5559	$ 5.5559	
Demand Cost - $	$ 415,209	$ 838,583	$ 838,583	$ 838,583	$ 838,583	$ 838,583	$ 415,209	$ 415,209	$ 415,209	$ 415,209	$ 415,209	$ 415,209	$ 7,099,381
Equitrans													
EFT - 1561													
Demand Determinant - Dth	26,417	50,536	50,536	50,536	50,536	50,536	26,417	26,417	26,417	26,417	26,417	26,417	
Demand Rate - $/Dth	$ 5.5559	$ 6.1206	$ 6.1206	$ 6.1206	$ 6.1206	$ 6.1206	$ 5.5559	$ 5.5559	$ 5.5559	$ 5.5559	$ 5.5559	$ 5.5559	
Demand Cost - $	$ 146,770	$ 309,311	$ 309,311	$ 309,311	$ 309,311	$ 309,311	$ 146,770	$ 146,770	$ 146,770	$ 146,770	$ 146,770	$ 146,770	$ 2,573,945
Columbia Gas Transmission													
SST - 38091/50113													
Demand Determinant - Dth	$ 1,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000	
Demand Rate - $/Dth	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	$ 9.7310	
Demand Cost - $	$ 9,731	$ 19,462	$ 19,462	$ 19,462	$ 19,462	$ 19,462	$ 9,731	$ 9,731	$ 9,731	$ 9,731	$ 9,731	$ 9,731	$ 165,427
Eastern Gas Tranmission and Storage													
FTGSS - 700037/700039/700042													
Demand Determinant - Dth	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Demand Rate - $/Dth	$ -	$ -	$ -	$ -	$ -	$ -							
Demand Cost - $	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Eastern Gas Tranmission and Storage													
FT - 200623													
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	$ 5.9674	$ 5.9674	$ 5.9674	$ 5.9674	$ 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	$ 59,674	$ 59,674	$ 59,674	$ 59,674	$ 716,088
Total Demand and Capacity Costs													
Demand Determinant - Dth	112,150	199,546	199,546	199,546	199,546	199,546	112,150	112,150	112,150	112,150	112,150	112,150	
Demand Cost - $	$ 631,384	$ 1,227,030	$ 1,227,030	$ 1,227,030	$ 1,227,030	$ 1,227,030	$ 631,384	$ 631,384	$ 631,384	$ 631,384	$ 631,384	$ 631,384	$ 10,554,840

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

	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
Interstate Transportation													
Equitrans													
AVC - 1576													
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	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	
Demand Cost - $	$ 690,618	$ 2,803,686	$ 2,803,686	$ 2,803,686	$ 2,803,686	$ 2,803,686	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 18,852,758
Interstate Storage Transportation													
Equitrans													
AVC - 774													
Demand Determinant - Dth	62,000	200,000	200,000	200,000	200,000	200,000	62,000	62,000	62,000	62,000	62,000	62,000	
Demand Rate - $/Dth	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	$ 11.1390	
Demand Cost - $	$ 690,618	$ 2,227,800	$ 2,227,800	$ 2,227,800	$ 2,227,800	$ 2,227,800	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 690,618	$ 15,973,326
Interstate Storage													
Equitrans													
AVC - 775													
Demand Determinant - Dth	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
Demand Rate - $/Dth	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	$ 3.9003	
Demand Cost - $	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 780,060	$ 9,360,720
Capacity Determinant - Dth	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	8,600,000	
Capacity Rate - $/Dth	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	$ 0.0907	
Capacity Cost - $	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 780,020	$ 9,360,240
AVC GSS Capacity Release													
Demand Determinant - Mcf	-	-	-	-	-	-	-	-	-	-	-	-	
Demand Rate - $/Mcf	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Demand Cost - $	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL 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

Peoples Natural Gas Company LLC - Combined

'E' Factor Calculation - COMBINED

Line		TOTAL	CAPACITY	COMMODITY
1	Actual Over/ (Under) Balance Through September 30, 2022	$ (25,007,882)	$ (1,699,477)	$ (23,308,405)
2	PLUS: Over/ (Under) Commodity October 2022 - January 2023	$ 46,818,426		$ 46,818,426
3	PLUS: Over/ (Under) Commodity February 2023 - September 2023	$ 25,362,211		$ 25,362,211
4	PLUS: Over/ (Under) Capacity October 2022 - January 2023	$ 7,591,535	$ 7,591,535	
5	PLUS: Over/ (Under) Capacity February 2023 - September 2023	$ (8,387,332)	$ (8,387,332)	
6	PLUS: Over/ (Under) Capacity GCA Revenue October 2022 - January 2023	$ 552,589	$ 552,589	
7	PLUS: Over/ (Under) Capacity GCA Revenue February 2023 - September 2023	$ 820,379	$ 820,379	
8	PLUS: Over/ (Under) GCA Revenue October 2022 - January 2023	$ 10,901,543		$ 10,901,543
9	PLUS: Over/ (Under) GCA Revenue February 2023 - September 2023	$ 11,203,940		$ 11,203,940
10	PLUS: Projected Interest October 2022 - September 2023	$ 7,418,709	$ 433,468	$ 6,985,241
11	**Total Projected Prior Period Over/(Under) Collection through September 30, 2023**	$ 77,274,118	**$ (688,838)**	**$ 77,962,955**

Peoples Natural Gas Division

'E' Factor Calculation

Line		TOTAL	CAPACITY	COMMODITY
12	Actual Over/ (Under) Balance Through September 30, 2022	$ (17,456,975)	$ (2,356,560)	$ (15,100,415)
13	PLUS: Over/ (Under) Commodity October 2022 - January 2023	$ 48,596,786		$ 48,596,786
14	PLUS: Over/ (Under) Capacity October 2022 - January 2023	$ 6,244,095	$ 6,244,095	
15	PLUS: Over/ (Under) Capacity GCA Revenue October 2022 - January 2023	$ 501,913	$ 501,913	
16	PLUS: Over/ (Under) GCA Revenue October 2022 - January 2023	$ 9,759,008		$ 9,759,008
17	**Total Projected Prior Period Over/(Under) Collection through September 30, 2023**	$ 47,644,828	**$ 4,389,449**	**$ 43,255,379**

Peoples Gas Division

'E' Factor Calculation

Line		TOTAL	CAPACITY	COMMODITY
18	Actual Over/ (Under) Balance Through September 30, 2022	$ (7,550,907)	$ 657,082	$ (8,207,990)
19	PLUS: Over/ (Under) Commodity October 2022 - January 2023	$ (1,778,360)		$ (1,778,360)
20	PLUS: Over/ (Under) Capacity October 2022 - January 2023	$ 1,347,440	$ 1,347,440	
21	PLUS: Over/ (Under) Capacity GCA Revenue October 2022 - January 2023	$ 50,676	$ 50,676	
22	PLUS: Over/ (Under) GCA Revenue October 2022 - January 2023	$ 1,142,535		$ 1,142,535
23	**Total Projected Prior Period Over/(Under) Collection through September 30, 2023**	$ (6,788,617)	**$ 2,055,199**	**$ (8,843,816)**

Peoples Natural Gas Company LLC Peoples Natural Gas Division
Actual and Projected Gas Costs
for the Period October 2021 through September 2022

	2021 October ACTUAL	2021 November ACTUAL	2021 December ACTUAL	2022 January ACTUAL	2022 February ACTUAL	2022 March ACTUAL	2022 April ACTUAL	2022 May ACTUAL	2022 June ACTUAL	2022 July ACTUAL	2022 August ACTUAL	2022 September ACTUAL	12-Mth Total
Local / Gathered Purchases													
Quantity - Mcf	361,606	707,123	501,901	464,431	441,456	344,007	733,558	517,582	520,172	454,100	478,486	465,617	5,990,039
Rate per Mcf	$4.4885	$5.3724	$4.9539	$3.2621	$5.6311	$3.9630	$4.3707	$6.3140	$7.8296	$5.7284	$7.5617	$5.9349	$5.4762
Cost	$1,623,072	$3,798,925	$2,486,392	$1,515,033	$2,485,883	$1,363,302	$3,206,160	$3,268,012	$4,072,755	$2,601,258	$3,618,185	$2,763,398	$ 32,802,375
Interstate Pipeline Purchases													
Quantity - Mcf	3,678,082	5,368,383	3,573,410	6,863,974	4,329,956	2,745,388	5,213,442	4,184,211	3,847,509	3,639,760	4,166,208	4,461,676	52,071,999
Rate per Mcf	$4.7930	$4.7585	$3.2143	$4.1516	$4.4993	$4.5842	$5.1006	$6.9800	$8.0605	$6.1928	$8.2444	$8.1051	$5.6669
Cost	$17,628,956	$ 25,545,535	$11,486,139	$28,496,635	$19,481,578	$12,585,434	$26,591,628	$29,205,648	$31,012,972	$22,540,357	$34,347,859	$36,162,215	$ 295,084,956
Total Commodity Purchases													
Quantity - Mcf	4,039,688	6,075,506	4,075,311	7,328,405	4,771,412	3,089,395	5,947,000	4,701,793	4,367,681	4,093,860	4,644,694	4,927,293	58,062,038
Rate per Mcf	$4.7657	$4.8300	$3.4286	$4.0953	$4.6040	$4.5150	$5.0106	$6.9067	$8.0330	$6.1413	$8.1741	$7.9000	$5.6472
Cost	$19,252,028	$29,344,460	$13,972,531	$30,011,668	$21,967,461	$13,948,736	$29,797,788	$32,473,659	$35,085,727	$25,141,616	$37,966,044	$38,925,613	$ 327,887,331
Storage (Injection)/Withdrawals - WACCOG													
Quantity - Mcf	(2,116,106)	1,638,978	2,402,608	5,435,444	4,186,892	3,188,664	(618,337)	(2,889,350)	(3,300,943)	(3,049,053)	(3,438,235)	(3,121,233)	(1,680,671)
WACCOG Rate per Mcf	$4.9412	$2.8325	$2.8325	$2.8325	$2.8325	$2.8325	$5.1007	$7.0778	$8.2061	$6.4530	$8.3134	$8.0762	
Cost	($10,456,035)	$4,642,406	$6,805,388	$15,395,896	$11,859,370	$9,031,894	($3,153,963)	($20,450,217)	($27,087,763)	($19,675,680)	($28,583,266)	($25,207,785)	$ (86,879,756)
Injection/Withdrawal Costs	$28,943	$19,341	$30,158	$76,682	$36,215	$21,798	$19,645	$37,963	$46,072	$38,420	$42,860	$32,677	$ 430,774
Pipeline Transportation Charges	$482,927	$507,196	$418,699	$659,192	$539,809	$399,018	$609,475	$413,489	$453,695	$355,333	$451,146	$392,598	$ 5,682,576
Other Purchased Gas Costs													
Other Gas Costs - Mcf	199,116	(105,009)	217,313	358,202	142,262	96,542	181,142	179,797	(78,707)	365,662	(159,993)	24,337	1,420,664
Gas Admin Costs	$11,252	$11,252	$13,111	$11,277	$11,277	$11,277	$11,277	$11,277	$11,277	$11,277	$11,277	$11,420	$ 137,252
Imbalance Buyback Costs	$488,342	$498,102	$105,871	$2,920,484	$274,200	$447,437	$357,738	$43,253	$404,515	$2,046,136	$414,117	$40,010	$ 8,040,206
Exchange Costs	$549,835	($1,181,142)	$803,194	($1,053,955)	$631,876	$13,482	$626,614	$1,502,184	($1,285,539)	$1,291,703	($1,805,776)	$57,559	$ 150,036
Compressed Natural Gas	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ -
Subtotal	$1,049,429	($671,788)	$922,176	$1,877,807	$917,353	$472,196	$995,629	$1,556,715	($869,746)	$3,349,117	($1,380,382)	$108,989	$ 8,327,494
Capacity Costs - Firm Transportation	$2,976,232	$7,432,104	$7,439,033	$7,463,620	$7,385,842	$7,606,500	$3,373,458	$3,354,356	$3,339,145	$3,356,354	$3,356,208	$3,360,988	$ 60,443,839
Capacity Costs - Firm Storage	$1,233,763	$1,233,812	$1,233,812	$1,233,812	$1,233,812	$1,233,812	$1,368,644	$1,368,644	$1,368,644	$1,368,644	$1,368,644	$1,368,644	$ 15,614,688
AVC Capacity Costs	$2,858,820	$6,385,822	$6,385,822	$6,385,822	$6,385,822	$6,563,906	$2,913,656	$2,913,656	$2,913,656	$2,913,656	$2,913,656	$2,913,656	$ 52,447,950
	$7,068,814	$15,051,738	$15,058,667	$15,083,254	$15,005,476	$15,404,218	$7,655,758	$7,636,657	$7,621,445	$7,638,654	$7,638,508	$7,643,288	$ 128,506,476
Total 1307(f) Gas Costs	$ 17,426,105	$ 48,893,353	$ 37,207,619	$ 63,104,499	$ 50,325,683	$ 39,277,859	$ 35,924,332	$ 21,668,265	$ 15,249,431	$ 16,847,460	$ 16,134,910	$ 21,895,378	$ 383,954,895
Total - w/o AVC	$ 14,567,286	$ 42,507,531	$ 30,821,797	$ 56,718,677	$ 43,939,861	$ 32,713,953	$ 33,010,676	$ 18,754,609	$ 12,335,775	$ 13,933,804	$ 13,221,254	$ 18,981,722	$ 331,506,945
Capacity	$ 4,209,994	$ 8,665,916	$ 8,672,845	$ 8,697,432	$ 8,619,654	$ 8,840,312	$ 4,742,102	$ 4,723,001	$ 4,707,789	$ 4,724,998	$ 4,724,852	$ 4,729,632	$ 76,058,527
Commodity	$ 10,357,291	$ 33,841,615	$ 22,148,952	$ 48,021,245	$ 35,320,208	$ 23,873,641	$ 28,268,574	$ 14,031,609	$ 7,627,986	$ 9,208,806	$ 8,496,402	$ 14,252,090	$ 255,448,419
1307(f) Mcf	2,122,698	7,609,475	6,695,232	13,122,051	9,100,566	6,374,601	5,509,805	1,992,240	988,031	1,410,469	1,046,466	1,830,397	57,802,031

Peoples Natural Gas Company LLC Peoples Gas Division
Actual and Projected Purchased Gas Costs

	2021 October ACTUAL	2021 November ACTUAL	2021 December ACTUAL	2022 January ACTUAL	2022 February ACTUAL	2022 March ACTUAL	2022 April ACTUAL	2022 May ACTUAL	2022 June ACTUAL	2022 July ACTUAL	2022 August ACTUAL	2022 September ACTUAL	TOTAL
Local PA Purchases													
Quantity - Mcf	258,838	240,273	234,783	196,213	181,006	228,740	214,238	193,266	237,240	277,765	304,378	311,932	2,878,672
Rate per Mcf	$4.4223	$5.4343	$4.8248	$3.2927	$5.3931	$3.9213	$4.6055	$6.4563	$8.0312	$5.8153	$7.8767	$8.1042	$5.8301
Cost	$1,144,646	$1,305,717	$1,132,791	$646,077	$976,175	$896,949	$986,683	$1,247,788	$1,905,318	$1,615,292	$2,397,496	$2,527,949	$ 16,782,882
Interstate Pipeline Purchases													
Quantity - Mcf	491,628	0	0	29,126	9,652	0	541,002	629,399	571,930	658,499	866,751	703,297	4,501,284
Rate per Mcf	$4.7365	$0.0000	$0.0000	$4.6230	$5.5209	$0.0000	$6.4970	$7.5285	$7.1246	$6.5957	$8.3349	$6.7797	$6.9270
Cost	$2,328,600	$0	$0	$134,650	$53,288	$0	$3,514,915	$4,738,416	$4,074,771	$4,343,286	$7,224,243	$4,768,177	$ 31,180,346
Total Commodity Purchases													
Quantity - Mcf	750,466	240,273	234,783	225,339	190,658	228,740	755,240	822,665	809,170	936,264	1,171,129	1,015,229	7,379,956
Rate per Mcf	$4.6281	$5.4343	$4.8248	$3.4647	$5.3995	$3.9213	$5.9605	$7.2766	$7.3904	$6.3642	$8.2158	$7.1867	$6.4991
Cost	$3,473,246	$1,305,717	$1,132,791	$780,727	$1,029,463	$896,949	$4,501,598	$5,986,204	$5,980,089	$5,958,578	$9,621,739	$7,296,126	$ 47,963,228
Storage (Injection)/Withdrawals													
Quantity - Mcf	(544,824)	694,541	553,278	1,431,299	912,131	569,830	(68,114)	(461,374)	(571,128)	(814,147)	(787,313)	(684,356)	229,823
WACCOG Rate per Mcf	$4.6809	$2.8745	$2.8745	$2.8745	$2.8745	$2.8745	$5.6499	$6.8208	$8.0273	$6.0022	$8.2233	$7.8051	
Cost	($2,550,256)	$1,996,458	$1,590,398	$4,114,269	$2,621,921	$1,637,976	($384,836)	($3,146,956)	($4,584,607)	($4,886,639)	($6,474,309)	($5,341,455)	$ (15,408,036)
Injection/Withdrawal Costs	$13,174	$13,018	$10,217	$23,935	$15,555	$8,215	$9,581	$15,579	$16,564	$21,134	$21,019	$18,124	$ 186,116
Pipeline Transportation Charges	$73,131	$120,877	$106,082	$126,790	$109,129	$107,702	$149,873	$152,489	$162,260	$176,289	$181,158	$171,946	$ 1,637,726
Other Purchased Gas Costs													
Other Purchased Gas Costs - Mcf	14,860	34,508	(129,762)	(188,662)	150,515	(8,686)	(140,226)	(28,286)	49,983	44,912	60,653	(276)	(140,467)
Gas Administrative Costs	$1,720	$1,720	$2,021	$1,724	$1,724	$1,724	$1,724	$1,724	$1,724	$1,724	$1,724	$1,716	$ 20,970
Imbalance Buyback Costs	$22,100	$9,732	$29,418	$81,800	$18,949	$30,416	$19,187	$1,946	$1,094	$244	$147	$261	$ 215,293
Exchange Costs	$57,126	$159,385	($516,454)	($1,453,970)	$1,167,214	($165,595)	($1,287,563)	($729,909)	$1,080,078	($251,649)	$465,939	$627,561	$ (847,838)
Subtotal	$80,946	$170,837	($485,015)	($1,370,446)	$1,187,887	($133,455)	($1,266,651)	($726,240)	$1,082,897	($249,681)	$467,810	$629,537	$ (611,575)
Capacity Costs - Firm Transportation	$135,676	$135,192	$124,919	$124,919	$126,609	$20,261	$134,608	$148,814	$134,780	$134,668	$132,116	$131,226	$ 1,483,788
Capacity Costs - Firm Storage	$369,839	$369,626	$342,407	$342,407	$342,407	$63,901	$303,502	$303,502	$303,502	$303,502	$303,502	$303,502	$ 3,651,599
Capacity Costs - Firm Storage Transportation	$179,292	$282,534	$247,810	$247,810	$247,810	($9,400)	$79,749	$79,792	$74,477	$79,792	$79,792	$79,791	$ 1,669,251
	$684,808	$787,353	$715,136	$715,136	$716,826	$74,762	$517,859	$532,108	$512,760	$517,962	$515,410	$514,519	$ 6,804,638
Total 1307(f) Gas Costs	**$ 1,775,048**	**$ 4,394,260**	**$ 3,069,609**	**$ 4,390,411**	**$ 5,680,780**	**$ 2,592,150**	**$ 3,527,425**	**$ 2,813,185**	**$ 3,169,962**	**$ 1,537,643**	**$ 4,332,827**	**$ 3,288,797**	**$ 40,572,096**
Commodity	$ 1,090,240	$ 3,606,907	$ 2,354,473	$ 3,675,275	$ 4,963,954	$ 2,517,388	$ 3,009,565	$ 2,281,077	$ 2,657,203	$ 1,019,681	$ 3,817,417	$ 2,774,278	$ 33,767,458
Capacity	$ 684,808	$ 787,353	$ 715,136	$ 715,136	$ 716,826	$ 74,762	$ 517,859	$ 532,108	$ 512,760	$ 517,962	$ 515,410	$ 514,519	$ 6,804,638
Total 1307(f) Purchases	220,502	969,322	658,299	1,467,976	1,253,304	789,884	546,900	333,005	288,025	167,029	444,469	330,597	7,469,312

Peoples Natural Gas Company LLC - Combined
COMBINED Actual and Projected Gas Costs
for the Period October 2022 through September 2023

	2022 October ACT	2022 November ACT	2022 December ACT	2023 January ACT	2023 February PROJECTED	2023 March PROJECTED	2023 April PROJECTED	2023 May PROJECTED	2023 June PROJECTED	2023 July PROJECTED	2023 August PROJECTED	2023 September PROJECTED	TOTAL
Local / Gathered Purchases													
Quantity - Mcf	618,883	583,928	474,304	447,597	543,308	542,519	541,730	540,940	540,151	539,361	538,574	537,784	6,449,079
Rate per Mcf	$4.7690	$3.9099	$5.8912	$3.6686	$2.5096	$1.8957	$1.9837	$2.0221	$2.1951	$2.3484	$2.3387	$1.9685	$2.9464
Cost	$2,951,423	$2,283,090	$2,794,221	$1,642,048	$1,363,482	$1,028,428	$1,074,623	$1,093,837	$1,185,687	$1,266,657	$1,259,567	$1,058,621	$ 19,001,683
Interstate Pipeline Purchases													
Quantity - Mcf	6,979,952	4,552,561	6,736,237	2,944,774	5,606,479	3,564,125	5,705,096	4,893,119	4,335,558	4,146,294	4,114,619	4,091,767	57,670,581
Rate per Mcf	$4.7852	$4.7655	$5.1883	$2.8324	$2.7936	$2.0706	$2.1391	$2.1719	$2.3478	$2.5222	$2.5319	$2.1217	$3.1905
Cost	$33,400,550	$21,695,017	$34,949,772	$8,340,724	$15,662,326	$7,379,954	$12,203,692	$10,627,459	$10,178,948	$10,457,932	$10,417,748	$8,681,480	$ 183,995,601
Total Commodity Purchases													
Quantity - Mcf	7,598,835	5,136,489	7,210,541	3,392,371	6,149,787	4,106,645	6,246,826	5,434,059	4,875,709	4,685,655	4,653,192	4,629,551	64,119,660
Rate per Mcf	$4.7839	$4.6682	$5.2346	$2.9427	$2.7685	$2.0475	$2.1256	$2.1570	$2.3309	$2.5022	$2.5095	$2.1039	$3.1659
Cost	$36,351,972	$23,978,107	$37,743,993	$9,982,772	$17,025,808	$8,408,382	$13,278,315	$11,721,296	$11,364,635	$11,724,589	$11,677,315	$9,740,100	$ 202,997,284
Storage (Injection)/Withdrawals - WACCOG													
Quantity - Mcf	(2,902,076)	2,146,947	3,736,371	5,280,137	4,606,000	3,974,000	(1,995,000)	(3,067,000)	(3,497,000)	(3,513,000)	(3,485,000)	(3,266,500)	(1,982,121)
WACCOG Rate per Mcf	$4.8320	$6.0525	$6.1638	$6.1573	$6.1584	$6.1584	$2.1470	$2.1912	$2.3745	$2.5501	$2.5569	$2.1435	
Cost	($14,022,834)	$12,994,483	$23,030,304	$32,511,273	$28,365,590	$24,473,482	($4,283,243)	($6,720,315)	($8,303,715)	($8,958,593)	($8,910,719)	($7,001,840)	$ 63,173,872
Injection/Withdrawal Costs	$41,606	$39,158	$68,647	$75,731	$56,804	$38,837	$120,898	$172,990	$200,204	$211,767	$207,675	$170,825	$ 1,405,143
Pipeline Transportation Charges	$843,411	$575,109	$840,238	$601,009									$ 2,859,767
Other Purchased Gas Costs													
Other Gas Costs - Mcf	109,656	294,385	20,277	88,392	0	0	0	0	0	0	0	0	512,710
Gas Admin Costs	$11,870	$14,670	$13,270	$13,270	$12,655	$12,655	$12,655	$12,655	$12,655	$12,655	$12,655	$12,655	$ 154,317
Imbalance Buyback Costs	$29,022	$77,759	$1,046,166	$532,995	$0	$0	$0	$0	$0	$0	$0	$0	$ 1,685,941
Exchange Costs	$547,838	$1,510,479	($1,197,348)	($107,386)	$0	$0	$0	$0	$0	$0	$0	$0	$ 753,584
Compressed Natural Gas	$2,454	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$ 2,454
Subtotal	$591,184	$1,602,907	($137,912)	$438,879	$12,655	$12,655	$12,655	$12,655	$12,655	$12,655	$12,655	$12,655	$ 2,596,296
Capacity Costs - Firm Transportation	$3,508,399	$7,592,631	$7,565,251	$6,669,326	$6,230,848	$6,449,081	$2,581,611	$2,581,611	$2,581,611	$2,581,611	$2,581,611	$2,581,611	$ 53,505,199
Capacity Costs - Firm Storage	$1,761,672	$1,820,501	$1,820,501	$1,308,821	$2,900,081	$2,900,081	$2,304,436	$2,304,436	$2,304,436	$2,304,436	$2,304,436	$2,314,167	$ 26,348,002
AVC Capacity Costs	$2,913,656	$6,563,906	$6,563,906	$6,563,906	$6,563,906	$6,591,566	$2,941,316	$2,941,316	$2,941,316	$2,941,316	$2,941,316	$2,941,316	$ 53,408,744
	$8,183,727	$15,977,038	$15,949,658	$14,542,053	$15,694,836	$15,940,729	$7,827,362	$7,827,362	$7,827,362	$7,827,362	$7,827,362	$7,837,093	$ 133,261,945
Total 1307(f) Gas Costs	$ 31,989,066	$ 55,166,803	$ 77,494,928	$ 58,151,717	$ 61,155,693	$ 48,874,084	$ 16,955,986	$ 13,013,988	$ 11,101,142	$ 10,817,780	$ 10,814,288	$ 10,758,833	$ 406,294,308
Total - w/o AVC	$29,075,410	$48,602,896	$70,931,022	$51,587,811	$54,591,786	$42,282,518	$14,014,670	$10,072,672	$8,159,826	$7,876,464	$7,872,972	$7,817,517	$ 352,885,564
Capacity	$5,270,071	$9,413,132	$9,385,752	$7,978,147	$9,130,929	$9,349,163	$4,886,046	$4,886,046	$4,886,046	$4,886,046	$4,886,046	$4,895,777	$ 79,853,201
Commodity	$23,805,339	$39,189,765	$61,545,271	$43,609,664	$45,460,857	$32,933,355	$9,128,624	$5,186,625	$3,273,779	$2,990,418	$2,986,925	$2,921,740	$ 273,032,363
1307(f) Mcf	4,806,415	7,577,821	10,967,189	8,760,900	10,755,787	8,080,645	4,251,826	2,367,059	1,378,709	1,172,655	1,168,192	1,363,051	62,650,249

Peoples Natural Gas Company LLC - Combined
Calculation of Commodity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Revenue	Purchased Gas Cost	Commodity Over/(Under) Collection
		(1)	(2)	(3)	(4)=(2)-(3)
		Mcf	$	$	$
1	October 2021 *	2,205,680	$9,804,850	$11,447,531	$ (1,642,682)
2	November 2021 *	6,697,635	$29,247,808	$37,448,522	$ (8,200,713)
3	December 2021 *	8,064,742	$35,919,198	$24,503,425	$ 11,415,773
4	January 2022 *	12,834,643	$52,083,658	$51,696,520	$ 387,138
5	February 2022 *	9,786,075	$37,832,227	$40,284,161	$ (2,451,935)
6	March 2022 *	7,067,886	$28,947,007	$26,391,029	$ 2,555,978
7	April 2022 *	4,962,593	$21,382,745	$31,278,140	$ (9,895,395)
8	May 2022 *	2,061,418	$10,471,354	$16,312,686	$ (5,841,331)
9	June 2022 *	1,082,583	$6,535,142	$10,285,189	$ (3,750,047)
10	July 2022 *	1,020,920	$8,630,609	$10,228,487	$ (1,597,878)
11	August 2022 *	1,011,651	$8,769,814	$12,313,820	$ (3,544,006)
12	September 2022 *	1,353,388	$11,638,138	$17,026,368	$ (5,388,230)
		58,149,214	$ 261,262,551	$ 289,215,877	$ (27,953,327)

Peoples Natural Gas Division
Calculation of Commodity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Revenue	Purchased Gas Cost	Commodity Over/(Under) Collection
		(1)	(2)	(3)	(4)=(2)-(3)
		Mcf	$	$	$
		Page 7, 8	Page 7, 8	Page 2	
1	October 2021 *	1,978,771	$8,915,468	$10,357,291	$ (1,441,823)
2	November 2021 *	5,979,210	$26,437,011	$33,841,615	$ (7,404,604)
3	December 2021 *	7,178,485	$32,451,187	$22,148,952	$ 10,302,235
4	January 2022 *	11,444,220	$46,961,509	$48,021,245	$ (1,059,736)
5	February 2022 *	8,721,775	$33,927,957	$35,320,208	$ (1,392,250)
6	March 2022 *	6,278,467	$26,049,343	$23,873,641	$ 2,175,702
7	April 2022 *	4,430,885	$19,175,104	$28,268,574	$ (9,093,470)
8	May 2022 *	1,816,035	$9,447,118	$14,031,609	$ (4,584,491)
9	June 2022 *	946,671	$5,953,194	$7,627,986	$ (1,674,792)
10	July 2022 *	922,865	$7,719,736	$9,208,806	$ (1,489,070)
11	August 2022 *	904,143	$7,787,028	$8,496,402	$ (709,374)
12	September 2022 *	1,218,939	$10,418,361	$14,252,090	$ (3,833,729)
		51,820,466	$ 235,243,015	$ 255,448,419	$ (20,205,403)

Peoples Gas Division
Calculation of Commodity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Revenue	Purchased Gas Cost	Commodity Over/(Under) Collection
		(1)	(2)	(3)	(4)=(2)-(3)
		Mcf	$	$	$
		Page 10,11	Page 10,11	Page 3	
1	October 2021 *	226,909	$889,381	$1,090,240	$ (200,859)
2	November 2021 *	718,425	$2,810,798	$3,606,907	$ (796,109)
3	December 2021 *	886,257	$3,468,012	$2,354,473	$ 1,113,539
4	January 2022 *	1,390,423	$5,122,150	$3,675,275	$ 1,446,875
5	February 2022 *	1,064,300	$3,904,269	$4,963,954	$ (1,059,685)
6	March 2022 *	789,419	$2,897,664	$2,517,388	$ 380,276
7	April 2022 *	531,708	$2,207,641	$3,009,565	$ (801,924)
8	May 2022 *	245,383	$1,024,237	$2,281,077	$ (1,256,841)
9	June 2022 *	135,912	$581,948	$2,657,203	$ (2,075,255)
10	July 2022 *	98,055	$910,873	$1,019,681	$ (108,808)
11	August 2022 *	107,508	$982,786	$3,817,417	$ (2,834,631)
12	September 2022 *	134,449	$1,219,777	$2,774,278	$ (1,554,501)
		6,328,748	$ 26,019,535	$ 33,767,458	$ (7,747,923)

Peoples Natural Gas Company LLC - Combined
Calculation of Commodity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Revenue	Purchased Gas Cost	Commodity Over/(Under) Collection
		(1)	(2)	(3)	(4)=(2)-(3)
		Mcf	$	$	$
				Page 4	
1	October 2022 *	3,815,677	$29,599,951	$23,805,339	$ 5,794,612
2	November 2022 *	6,157,694	$47,179,630	$39,189,765	$ 7,989,865
3	December 2022 *	10,592,133	$79,830,960	$61,545,271	$ 18,285,689
4	January 2023 *	9,574,453	$58,357,924	$43,609,664	$ 14,748,260
5	February 2023	-	$0	$0	$ -
6	March 2023	-	$0	$0	$ -
7	April 2023	-	$0	$0	$ -
8	May 2023	-	$0	$0	$ -
9	June 2023	-	$0	$0	$ -
10	July 2023	-	$0	$0	$ -
11	August 2023	-	$0	$0	$ -
12	September 2023	-	$0	$0	$ -
		30,139,957	$ 214,968,465	$ 168,150,039	$ 46,818,426

Peoples Natural Gas Division
Calculation of Commodity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Revenue	Purchased Gas Cost	Commodity Over/(Under) Collection
		(1)	(2)	(3)	(4)=(2)-(3)
		Mcf	$	$	$
		Page 9	Page 9		
1	October 2022 *	3,414,534	$26,522,914	$19,928,453	$ 6,594,461
2	November 2022 *	5,507,358	$42,299,881	$34,372,720	$ 7,927,161
3	December 2022 *	9,468,021	$71,404,033	$52,023,094	$ 19,380,940
4	January 2023 *	8,573,266	$52,257,767	$37,563,542	$ 14,694,224
5	February 2023				$ -
6	March 2023				$ -
7	April 2023				$ -
8	May 2023				$ -
9	June 2023				$ -
10	July 2023				$ -
11	August 2023				$ -
12	September 2023				$ -
		26,963,179	$ 192,484,595	$ 143,887,809	$ 48,596,786

Peoples Gas Division
Calculation of Commodity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Revenue	Purchased Gas Cost	Commodity Over/(Under) Collection
		(1)	(2)	(3)	(4)=(2)-(3)
		Mcf	$	$	$
		Page 12	Page 12		
1	October 2022 *	401,143	$3,077,036	$3,876,886	$ (799,849)
2	November 2022 *	650,336	$4,879,749	$4,817,045	$ 62,704
3	December 2022 *	1,124,112	$8,426,926	$9,522,177	$ (1,095,251)
4	January 2023 *	1,001,187	$6,100,158	$6,046,122	$ 54,036
5	February 2023				$ -
6	March 2023				$ -
7	April 2023				$ -
8	May 2023				$ -
9	June 2023				$ -
10	July 2023				$ -
11	August 2023				$ -
12	September 2023				$ -
		3,176,778	$ 22,483,870	$ 24,262,230	$ (1,778,360)

Peoples Natural Gas Division

PURCHASED GAS COST REVENUE - COMMODITY

*Actuals

Month	Sales MCF	Average Gas Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
October 2021 *			
October 2021 Quarterly 1307(f) Rate	1,389,274	$4.3549	$6,050,148
Prior Quarters and Adjustments	589,497		$2,427,936
Imbalance Sales			$221,373
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$216,012
Rider H- Ratepayer Credit			$0
Total	**1,978,771**		**$8,915,468**
November 2021 *			
October 2021 Quarterly 1307(f) Rate	5,971,784	$4.3549	$26,006,523
Prior Quarters and Adjustments	7,426		$22,254
Imbalance Sales			$408,233
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$0
Rider H- Ratepayer Credit			$0
Total	**5,979,210**		**$26,437,011**
December 2021 *			
October 2021 Quarterly 1307(f) Rate	7,179,893	$4.3549	$31,267,716
Prior Quarters and Adjustments	(1,408)		($3,225)
Imbalance Sales			$1,180,821
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$5,874
Rider H- Ratepayer Credit			$0
Total	**7,178,485**		**$32,451,187**
January 2022 *			
January 2022 Quarterly 1307(f) Rate	6,873,748	$3.9973	$27,476,434
Prior Quarters and Adjustments	4,570,472		$18,520,914
Imbalance Sales			$945,415
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$18,745
Line Hit Recoveries			$0
Rider H- Ratepayer Credit			$0
Total	**11,444,220**		**$46,961,509**
February 2022 *			
January 2022 Quarterly 1307(f) Rate	8,660,628	$3.9973	$34,619,128
Prior Quarters and Adjustments	61,147		$261,680
Imbalance Sales			($956,431)
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$3,580
Line Hit Recoveries			$0
Rider H- Ratepayer Credit			$0
Total	**8,721,775**		**$33,927,957**

Peoples Natural Gas Division
PURCHASED GAS COST REVENUE - COMMODITY
*Actuals

Month	Sales MCF	Average Gas Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
March 2022 *			
January 2022 Quarterly 1307(f) Rate	6,281,784	$3.9973	$25,110,175
Prior Quarters and Adjustments	(3,317)		($5,409)
Imbalance Sales			$944,577
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$0
Rider H- Ratepayer Credit			$0
Total	**6,278,467**		**$26,049,343**
April 2022 *			
April 2022 Quarterly 1307(f) Rate	1,273,509	$4.2448	$5,405,791
Prior Quarters and Adjustments	3,157,376		$13,314,617
Imbalance Sales			$454,695
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$0
Rider H- Ratepayer Credit			$0
Total	**4,430,885**		**$19,175,104**
May 2022 *			
April 2022 Quarterly 1307(f) Rate	1,800,428	$4.2448	$7,642,457
Prior Quarters and Adjustments	15,607		$63,085
Imbalance Sales			$1,741,576
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$0
Rider H- Ratepayer Credit			$0
Total	**1,816,035**		**$9,447,118**
June 2022 *			
April 2022 Quarterly 1307(f) Rate	940,498	$4.2448	$3,992,226
Prior Quarters and Adjustments	6,173		$19,751
Imbalance Sales			$1,907,482
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$33,735
Rider H- Ratepayer Credit			$0
Total	**946,671**		**$5,953,194**
July 2022 *			
July 2022 Quarterly 1307(f) Rate	448,649	$8.2931	$3,720,691
Prior Quarters and Adjustments	474,216		$3,753,911
Imbalance Sales			$245,134
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$0
Rider H- Ratepayer Credit			$0
Total	**922,865**		**$7,719,736**
August 2022 *			
July 2022 Quarterly 1307(f) Rate	902,444	$8.2931	$7,484,058
Prior Quarters and Adjustments	1,699		$11,073
Imbalance Sales			$382,101
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			($90,204)
Rider H- Ratepayer Credit			$0
Total	**904,143**		**$7,787,028**
September 2022 *			
July 2022 Quarterly 1307(f) Rate	1,215,877	$8.2931	$10,083,390
Prior Quarters and Adjustments	3,062		$8,277
Imbalance Sales			$326,695
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$0
Rider H- Ratepayer Credit			$0
Total	**1,218,939**		**$10,418,361**

Peoples Natural Gas Division

PURCHASED GAS COST REVENUE - COMMODITY

*Actuals

Month	Sales MCF	Average Gas Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
October 2022 *			
October 2022 Quarterly 1307(f) Rate	2,452,794	$7.5072	$18,413,615
Prior Quarters and Adjustments	961,740		$7,433,257
Imbalance Sales			$587,427
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$88,615
Rider H- Ratepayer Credit			$0
Total	**3,414,534**		**$26,522,914**
November 2022 *			
October 2022 Quarterly 1307(f) Rate	5,545,362	$7.5072	$41,630,142
Prior Quarters and Adjustments	(38,004)		($164,467)
Imbalance Sales			$802,889
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$31,317
Rider H- Ratepayer Credit			$0
Total	**5,507,358**		**$42,299,881**
December 2022 *			
October 2022 Quarterly 1307(f) Rate	9,462,600	$7.5072	$71,037,631
Prior Quarters and Adjustments	5,421		$26,862
Imbalance Sales			$333,582
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$5,958
Rider H- Ratepayer Credit			$0
Total	**9,468,021**		**$71,404,033**
January 2023 *			
January 2023 Quarterly 1307(f) Rate	3,379,207	$6.0939	$20,592,550
Prior Quarters and Adjustments	5,194,059		$31,244,191
Imbalance Sales			$415,813
Off-System Sales, Parks & Loans			$0
Gas Sale-in-Place			$0
Line Hit Recoveries			$5,213
Rider H- Ratepayer Credit			$0
Total	**8,573,266**		**$52,257,767**

PEOPLES GAS DIVISION
PURCHASED GAS COST REVENUE - COMMODITY

* Actuals

Month	Sales MCF	Commodity Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
October 2021 *			
October 2021 Quarterly 1307(f) Rate	163,514	$3.9129	$639,814
Prior Quarters and Adjustments	63,364		$240,577
Imbalance Sales	31		$150
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$8,840
	226,909		**$889,381**
November 2021 *			
October 2021 Quarterly 1307(f) Rate	717,855	$3.9129	$2,808,895
Prior Quarters and Adjustments	386		$1,355
Imbalance Sales	184		$548
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$0
	718,425		**$2,810,798**
December 2021 *			
October 2021 Quarterly 1307(f) Rate	886,077	$3.9129	$3,467,131
Prior Quarters and Adjustments	152		$517
Imbalance Sales	28		$148
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$216
	886,257		**$3,468,012**
January 2022 *			
January 2022 Quarterly 1307(f) Rate	811,644	$3.6698	$2,978,571
Prior Quarters and Adjustments	578,301		$2,140,403
Imbalance Sales	478		$3,175
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		
	1,390,423		**$5,122,150**
February 2022 *			
January 2022 Quarterly 1307(f) Rate	1,055,778	$3.6698	$3,874,494
Prior Quarters and Adjustments	8,509		$29,709
Imbalance Sales	13		$66
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		
	1,064,300		**$3,904,269**

PEOPLES GAS DIVISION
PURCHASED GAS COST REVENUE - COMMODITY

* Actuals

Month	Sales MCF	Commodity Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
March 2022 *			
January 2022 Quarterly 1307(f) Rate	788,069	$3.6698	$2,892,056
Prior Quarters and Adjustments	279		$1,506
Imbalance Sales	1,071		$4,102
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		
	789,419		**$2,897,664**
April 2022 *			
April 2022 Quarterly 1307(f) Rate	127,358	$4.1815	$532,547
Prior Quarters and Adjustments	404,084		$1,673,626
Imbalance Sales	266		$1,468
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		
	531,708		**$2,207,641**
May 2022 *			
April 2022 Quarterly 1307(f) Rate	240,354	$4.1815	$1,005,039
Prior Quarters and Adjustments	3,830		$13,125
Imbalance Sales	1,199		$6,072
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		
	245,383		**$1,024,237**
June 2022 *			
April 2022 Quarterly 1307(f) Rate	129,075	$4.1815	$539,727
Prior Quarters and Adjustments	(137)		$3,731
Imbalance Sales	6,974		$36,857
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$1,632
	135,912		**$581,948**
July 2022 *			
July 2022 Quarterly 1307(f) Rate	33,609	$9.1190	$306,480
Prior Quarters and Adjustments	58,373		$559,540
Imbalance Sales	6,073		$44,853
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$0
	98,055		**$910,873**
August 2022 *			
July 2022 Quarterly 1307(f) Rate	100,336	$9.1190	$914,964
Prior Quarters and Adjustments	277		$1,513
Imbalance Sales	6,895		$66,309
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$0
	107,508		**$982,786**
September 2022 *			
July 2022 Quarterly 1307(f) Rate	131,972	$9.1190	$1,203,453
Prior Quarters and Adjustments	(38)		($207)
Imbalance Sales	2,515		$16,531
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$0
	134,449		**$1,219,777**

PEOPLES GAS DIVISION
PURCHASED GAS COST REVENUE - COMMODITY

* Actuals

Month	Sales MCF	Commodity Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
October 2022 *			
October 2022 Quarterly 1307(f) Rate	288,859	$7.5072	$2,168,522
Prior Quarters and Adjustments	108,216		$861,387
Imbalance Sales	4,068		$37,211
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$9,915
	401,143		**$3,077,036**
November 2022 *			
October 2022 Quarterly 1307(f) Rate	649,670	$7.5072	$4,877,203
Prior Quarters and Adjustments	109		($2,097)
Imbalance Sales	557		$3,686
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$957
	650,336		**$4,879,749**
December 2022 *			
October 2022 Quarterly 1307(f) Rate	1,116,428	$7.5072	$8,381,248
Prior Quarters and Adjustments	64		$3,501
Imbalance Sales	7,620		$40,405
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$1,772
	1,124,112		**$8,426,926**
January 2023 *			
January 2023 Quarterly 1307(f) Rate	374,309	$6.0939	$2,281,002
Prior Quarters and Adjustments	625,929		$3,813,399
Imbalance Sales	949		$5,757
Off-System Sales, Parks & Loans	0		$0
Gas Sale-in-Place	0		$0
Line Hit Recoveries	0		$0
	1,001,187		**$6,100,158**

Peoples Natural Gas Company LLC - Combined
Calculation of Capacity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Sales Revenue	Balancing Revenue	Capacity Cost	Capacity Over/(Under) Collection
		(1)	(2)	(3)	(4)	(5)=(2)+(3)-(4)
		Mcf	$	$	$	$
1	October 2021 *	2,205,649	$2,681,799	$559,463	$4,894,802	$ (1,653,541)
2	November 2021 *	6,697,451	$8,109,038	$1,073,355	$9,453,269	$ (270,876)
3	December 2021 *	8,064,714	$9,852,514	$1,119,535	$9,387,982	$ 1,584,068
4	January 2022 *	12,834,165	$15,502,619	$1,706,841	$9,412,568	$ 7,796,892
5	February 2022 *	9,786,062	$11,988,595	$1,256,579	$9,336,480	$ 3,908,694
6	March 2022 *	7,066,815	$8,719,855	$1,020,747	$8,915,074	$ 825,528
7	April 2022 *	4,962,327	$6,113,454	$833,413	$5,259,961	$ 1,686,906
8	May 2022 *	2,060,219	$2,608,705	$550,022	$5,255,109	$ (2,096,382)
9	June 2022 *	1,075,609	$1,349,111	$455,121	$5,220,548	$ (3,416,316)
10	July 2022 *	1,014,847	$1,250,512	$434,681	$5,242,960	$ (3,557,768)
11	August 2022 *	1,004,756	$1,234,456	$433,875	$5,240,261	$ (3,571,930)
12	September 2022 *	1,350,873	$1,638,270	$447,680	$5,244,151	$ (3,158,201)
		58,123,487	$ 71,048,927	$ 9,891,311	$ 82,863,165	$ (1,922,927)

Peoples Natural Gas Division
Calculation of Capacity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Sales Revenue	Balancing Revenue	Capacity Cost	Capacity Over/(Under) Collection
		(1)	(2)	(3)	(4)	(5)=(2)+(3)-(4)
		Mcf	$	$	$	$
		Page 15,16	Page 15,16	Page 15,16	Page 2	
1	October 2021 *	1,978,771	$2,468,438	$459,285	$4,209,994	$ (1,282,272)
2	November 2021 *	5,979,210	$7,448,895	$920,851	$8,665,916	$ (296,170)
3	December 2021 *	7,178,485	$9,033,315	$961,484	$8,672,845	$ 1,321,953
4	January 2022 *	11,444,220	$14,226,149	$1,502,348	$8,697,432	$ 7,031,066
5	February 2022 *	8,721,775	$11,003,128	$1,098,532	$8,619,654	$ 3,482,006
6	March 2022 *	6,278,467	$7,988,628	$875,704	$8,840,312	$ 24,020
7	April 2022 *	4,430,885	$5,616,888	$709,192	$4,742,102	$ 1,583,978
8	May 2022 *	1,816,035	$2,374,242	$434,382	$4,723,001	$ (1,914,376)
9	June 2022 *	946,671	$1,220,820	$348,288	$4,707,789	$ (3,138,681)
10	July 2022 *	922,865	$1,158,704	$340,776	$4,724,998	$ (3,225,519)
11	August 2022 *	904,143	$1,135,185	$335,797	$4,724,852	$ (3,253,870)
12	September 2022 *	1,218,939	$1,509,514	$347,899	$4,729,632	$ (2,872,220)
		51,820,466	$ 65,183,906	$ 8,334,537	$ 76,058,527	$ (2,540,084)

Peoples Gas Division
Calculation of Capacity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Sales Revenue	Balancing Revenue	Capacity Cost	Capacity Over/(Under) Collection
		(1)	(2)	(3)	(4)	(5)=(2)+(3)-(4)
		Mcf	$	$	$	$
		Page 18,19	Page 18,19	Page 18,19	Page 3	
1	October 2021 *	226,878	$213,361	$100,178	$684,808	$ (371,269)
2	November 2021 *	718,241	$660,143	$152,504	$787,353	$ 25,294
3	December 2021 *	886,229	$819,200	$158,051	$715,136	$ 262,114
4	January 2022 *	1,389,945	$1,276,469	$204,493	$715,136	$ 765,826
5	February 2022 *	1,064,287	$985,467	$158,047	$716,826	$ 426,689
6	March 2022 *	788,348	$731,227	$145,043	$74,762	$ 801,508
7	April 2022 *	531,442	$496,566	$124,221	$517,859	$ 102,928
8	May 2022 *	244,184	$234,463	$115,639	$532,108	$ (182,006)
9	June 2022 *	128,938	$128,291	$106,833	$512,760	$ (277,635)
10	July 2022 *	91,982	$91,808	$93,905	$517,962	$ (332,249)
11	August 2022 *	100,613	$99,271	$98,078	$515,410	$ (318,060)
12	September 2022 *	131,934	$128,756	$99,782	$514,519	$ (285,982)
		6,303,021	$ 5,865,021	$ 1,556,774	$ 6,804,638	$ 617,157

Peoples Natural Gas Company LLC - Combined
Calculation of Capacity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Sales Revenue	Balancing Revenue	Capacity Cost	Capacity Over/(Under) Collection
		(1)	(2)	(3)	(4)	(5)=(2)+(3)-(4)
		Mcf	$	$	$	$
					Page 4	
1	October 2022 *	3,811,609	$4,488,502	$744,257	$5,270,071	$ (37,313)
2	November 2022 *	6,157,137	$7,155,360	$937,467	$9,413,132	$ (1,320,304)
3	December 2022 *	10,584,513	$12,392,180	$1,352,484	$9,385,752	$ 4,358,912
4	January 2023 *	9,573,504	$11,315,823	$1,252,563	$7,978,147	$ 4,590,240
5	February 2023					$ -
6	March 2023					$ -
7	April 2023					$ -
8	May 2023					$ -
9	June 2023					$ -
10	July 2023					$ -
11	August 2023					$ -
12	September 2023					$ -
		30,126,763	$ 35,351,865	$ 4,286,771	$ 32,047,101	$ 7,591,535

Peoples Natural Gas Division
Calculation of Capacity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Sales Revenue	Balancing Revenue	Capacity Cost	Capacity Over/(Under) Collection
		(1)	(2)	(3)	(4)	(5)=(2)+(3)-(4)
		Mcf	$	$	$	$
		Page 17	Page 17	Page 17		
1	October 2022 *	3,414,534	$4,081,591	$666,728	$4,744,923	$ 3,396
2	November 2022 *	5,507,358	$6,485,769	$845,025	$8,827,103	$ (1,496,309)
3	December 2022 *	9,468,021	$11,229,347	$1,256,435	$8,792,846	$ 3,692,936
4	January 2023 *	8,573,266	$10,302,198	$1,132,003	$7,390,129	$ 4,044,073
5	February 2023					
6	March 2023					
7	April 2023					
8	May 2023					
9	June 2023					
10	July 2023					
11	August 2023					
12	September 2023					
		26,963,179	$ 32,098,905	$ 3,900,191	$ 29,755,001	$ 6,244,095

Peoples Gas Division
Calculation of Capacity Over/(Under) Collections
*Actuals

Line No.	Description	Sales	Sales Revenue	Balancing Revenue	Capacity Cost	Capacity Over/(Under) Collection
		(1)	(2)	(3)	(4)	(5)=(2)+(3)-(4)
		Mcf	$	$	$	$
		Page 20	Page 20	Page 20		
1	October 2022 *	397,075	$406,911	$77,529	$525,148	$ (40,708)
2	November 2022 *	649,779	$669,592	$92,442	$586,029	$ 176,005
3	December 2022 *	1,116,492	$1,162,833	$96,049	$592,906	$ 665,976
4	January 2023 *	1,000,238	$1,013,625	$120,560	$588,018	$ 546,167
5	February 2023					
6	March 2023					
7	April 2023					
8	May 2023					
9	June 2023					
10	July 2023					
11	August 2023					
12	September 2023					
		3,163,584	$ 3,252,960	$ 386,580	$ 2,292,100	$ 1,347,440

Peoples Natural Gas Division

PURCHASED GAS COST REVENUE - CAPACITY

* Actuals

Month	Sales MCF	Average Gas Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
October 2021 *			
October 2021 Quarterly 1307(f) Rate	1,389,274	$1.0475	$1,455,264
Prior Quarters and Adjustments	589,497		$619,607
Priority One Standby			$390,305
Standby Service			$3,262
Balancing			$459,285
Total	**1,978,771**		**$2,927,723**
November 2021 *			
October 2021 Quarterly 1307(f) Rate	5,971,784	$1.0475	$6,255,444
Prior Quarters and Adjustments	7,426		$6,553
Priority One Standby			$1,183,979
Standby Service			$2,919
Balancing			$920,851
Total	**5,979,210**		**$8,369,746**
December 2021 *			
October 2021 Quarterly 1307(f) Rate	7,179,893	$1.0475	$7,520,938
Prior Quarters and Adjustments	(1,408)		($2,664)
Priority One Standby			$1,511,852
Standby Service			$3,188
Balancing			$961,484
Total	**7,178,485**		**$9,994,799**
January 2022 *			
January 2022 Quarterly 1307(f) Rate	6,873,748	$1.0475	$7,200,251
Prior Quarters and Adjustments	4,570,472		$4,782,751
Priority One Standby			$2,240,145
Standby Service			$3,003
Balancing			$1,502,348
Total	**11,444,220**		**$15,728,498**
February 2022 *			
January 2022 Quarterly 1307(f) Rate	8,660,628	$1.0475	$9,072,008
Prior Quarters and Adjustments	61,147		$62,307
Priority One Standby			$1,865,823
Standby Service			$2,989
Balancing			$1,098,532
Total	**8,721,775**		**$12,101,659**

Peoples Natural Gas Division
PURCHASED GAS COST REVENUE - CAPACITY

* Actuals

Month	Sales MCF	Average Gas Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
March 2022 *			
January 2022 Quarterly 1307(f) Rate	6,281,784	$1.0475	$6,580,169
Prior Quarters and Adjustments	(3,317)		($4,313)
Priority One Standby			$1,409,011
Standby Service			$3,761
Balancing			$875,704
Total	**6,278,467**		**$8,864,332**
April 2022 *			
April 2022 Quarterly 1307(f) Rate	1,273,509	$1.0475	$1,334,001
Prior Quarters and Adjustments	3,157,376		$3,306,758
Priority One Standby			$972,920
Standby Service			$3,209
Balancing			$709,192
Total	**4,430,885**		**$6,326,080**
May 2022 *			
April 2022 Quarterly 1307(f) Rate	1,800,428	$1.0475	$1,885,948
Prior Quarters and Adjustments	15,607		$14,916
Priority One Standby			$469,900
Standby Service			$3,477
Balancing			$434,382
Total	**1,816,035**		**$2,808,624**
June 2022 *			
April 2022 Quarterly 1307(f) Rate	940,498	$1.0475	$985,172
Prior Quarters and Adjustments	6,173		$6,303
Priority One Standby			$225,634
Standby Service			$3,712
Balancing			$348,288
Total	**946,671**		**$1,569,108**
July 2022 *			
July 2022 Quarterly 1307(f) Rate	448,649	$1.0475	$469,960
Prior Quarters and Adjustments	474,216		$496,541
Priority One Standby			$189,018
Standby Service			$3,184
Balancing			$340,776
Total	**922,865**		**$1,499,480**
August 2022 *			
July 2022 Quarterly 1307(f) Rate	902,444	$1.0475	$945,310
Prior Quarters and Adjustments	1,699		$1,591
Priority One Standby			$184,564
Standby Service			$3,720
Balancing			$335,797
Total	**904,143**		**$1,470,982**
September 2022 *			
July 2022 Quarterly 1307(f) Rate	1,215,877	$1.0475	$1,273,631
Prior Quarters and Adjustments	3,062		$3,043
Priority One Standby			$229,369
Standby Service			$3,471
Balancing			$347,899
Total	**1,218,939**		**$1,857,413**

Peoples Natural Gas Division

PURCHASED GAS COST REVENUE - CAPACITY

* Actuals

Month	Sales MCF	Average Gas Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
October 2022 *			
October 2022 Quarterly 1307(f) Rate	2,452,794	$1.0067	$2,469,228
Prior Quarters and Adjustments	961,740		$970,455
Priority One Standby			$638,272
Standby Service			$3,637
Balancing			$666,728
Total	**3,414,534**		**$4,748,319**
November 2022 *			
October 2022 Quarterly 1307(f) Rate	5,545,362	$1.0067	$5,582,516
Prior Quarters and Adjustments	(38,004)		($73,327)
Priority One Standby			$973,469
Standby Service			$3,110
Balancing			$845,025
Total	**5,507,358**		**$7,330,794**
December 2022 *			
October 2022 Quarterly 1307(f) Rate	9,462,600	$1.0067	$9,525,999
Prior Quarters and Adjustments	5,421		$3,988
Priority One Standby			$1,696,111
Standby Service			$3,249
Balancing			$1,256,435
Total	**9,468,021**		**$12,485,782**
January 2023 *			
January 2023 Quarterly 1307(f) Rate	3,379,207	$1.0067	$3,401,848
Prior Quarters and Adjustments	5,194,059		$5,277,873
Priority One Standby			$1,619,291
Standby Service			$3,186
Balancing			$1,132,003
Total	**8,573,266**		**$11,434,202**

PEOPLES GAS DIVISION
PURCHASED GAS COST REVENUE - CAPACITY

* Actuals

Month	Sales MCF	Capacity Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
October 2021 *			
October 2021 Quarterly 1307(f) Rate	163,514	$0.9020	$147,490
Prior Quarters and Adjustments	63,364		$56,732
Priority One Standby			$9,139
Standby Service			$0
Balancing			$100,178
Total	**226,878**		**$313,539**
November 2021 *			
October 2021 Quarterly 1307(f) Rate	717,855	$0.9020	$647,505
Prior Quarters and Adjustments	386		$396
Priority One Standby			$12,242
Standby Service			$0
Balancing			$152,504
Total	**718,241**		**$812,647**
December 2021 *			
October 2021 Quarterly 1307(f) Rate	886,077	$0.9020	$799,241
Prior Quarters and Adjustments	152		$160
Priority One Standby			$19,799
Standby Service			$0
Balancing			$158,051
Total	**886,229**		**$977,250**
January 2022 *			
January 2022 Quarterly 1307(f) Rate	811,644	$0.9020	$732,103
Prior Quarters and Adjustments	578,301		$521,286
Priority One Standby			$23,080
Standby Service			$0
Balancing			$204,493
Total	**1,389,945**		**$1,480,962**
February 2022 *			
January 2022 Quarterly 1307(f) Rate	1,055,778	$0.9020	$952,312
Prior Quarters and Adjustments	8,509		$7,599
Priority One Standby			$25,557
Standby Service			$0
Balancing			$158,047
Total	**1,064,287**		**$1,143,515**

PEOPLES GAS DIVISION
PURCHASED GAS COST REVENUE - CAPACITY

* Actuals

Month	Sales MCF	Capacity Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
March 2022 *			
January 2022 Quarterly 1307(f) Rate	788,069	$0.9020	$710,838
Prior Quarters and Adjustments	279		$404
Priority One Standby			$19,985
Standby Service			$0
Balancing			$145,043
Total	**788,348**		**$876,270**
April 2022 *			
April 2022 Quarterly 1307(f) Rate	127,358	$0.9020	$114,877
Prior Quarters and Adjustments	404,084		$243,383
Priority One Standby			$138,307
Standby Service			$0
Balancing			$124,221
Total	**531,442**		**$620,787**
May 2022 *			
April 2022 Quarterly 1307(f) Rate	240,354	$0.9020	$216,799
Prior Quarters and Adjustments	3,830		$3,492
Priority One Standby			$14,172
Standby Service			$0
Balancing			$115,639
Total	**244,184**		**$350,102**
June 2022 *			
April 2022 Quarterly 1307(f) Rate	129,075	$0.9020	$116,426
Prior Quarters and Adjustments	(137)		$857
Priority One Standby			$11,008
Standby Service			$0
Balancing			$106,833
Total	**128,938**		**$235,124**
July 2022 *			
July 2022 Quarterly 1307(f) Rate	33,609	$0.9020	$30,315
Prior Quarters and Adjustments	58,373		$52,636
Priority One Standby			$8,856
Standby Service			$0
Balancing			$93,905
Total	**91,982**		**$185,712**
August 2022 *			
July 2022 Quarterly 1307(f) Rate	100,336	$0.9020	$90,503
Prior Quarters and Adjustments	277		$259
Priority One Standby			$8,510
Standby Service			$0
Balancing			$98,078
Total	**100,613**		**$197,349**
September 2022 *			
July 2022 Quarterly 1307(f) Rate	131,972	$0.9020	$119,039
Prior Quarters and Adjustments	(38)		($35)
Priority One Standby			$9,751
Standby Service			$0
Balancing			$99,782
Total	**131,934**		**$228,537**

PEOPLES GAS DIVISION

PURCHASED GAS COST REVENUE - CAPACITY

* Actuals

Month	Sales MCF	Capacity Cost Rate	Gas Cost Revenue
(1)	(2)	(3)	(4)
October 2022 *			
October 2022 Quarterly 1307(f) Rate	288,859	$1.0067	$290,794
Prior Quarters and Adjustments	108,216		$105,679
Priority One Standby			$10,437
Standby Service			$0
Balancing			$77,529
Total	**397,075**		**$484,440**
November 2022 *			
October 2022 Quarterly 1307(f) Rate	649,670	$1.0067	$654,023
Prior Quarters and Adjustments	109		($315)
Priority One Standby			$15,884
Standby Service			$0
Balancing			$92,442
Total	**649,779**		**$762,034**
December 2022 *			
October 2022 Quarterly 1307(f) Rate	1,116,428	$1.0067	$1,123,908
Prior Quarters and Adjustments	64		$454
Priority One Standby			$38,471
Standby Service			$0
Balancing			$96,049
Total	**1,116,492**		**$1,258,881**
January 2023 *			
January 2023 Quarterly 1307(f) Rate	374,309	$1.0067	$376,817
Prior Quarters and Adjustments	625,929		$629,784
Priority One Standby			$7,024
Standby Service			$0
Balancing			$120,560
Total	**1,000,238**		**$1,134,185**

Peoples Natural Gas Company - Combined
"E" FACTOR REVENUE
FOR THE PERIOD OCTOBER 2021 THROUGH SEPTEMBER 2022
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	GCA (2)
October 2021 *	$ 495,177
November 2021 *	$ 1,583,806
December 2021 *	$ 1,906,795
January 2022 *	$ 3,223,967
February 2022 *	$ 2,467,203
March 2022 *	$ 1,782,343
April 2022 *	$ 712,009
May 2022 *	$ 289,998
June 2022 *	$ 150,304
July 2022 *	$ 139,792
August 2022 *	$ 139,091
September 2022 *	$ 185,965
	$ 13,076,450

Peoples Natural Gas Division
"E" FACTOR REVENUE
FOR THE PERIOD OCTOBER 2021 THROUGH SEPTEMBER 2022
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	GCA (2)
October 2021 *	$ 479,118
November 2021 *	$ 1,534,083
December 2021 *	$ 1,845,432
January 2022 *	$ 2,943,375
February 2022 *	$ 2,244,440
March 2022 *	$ 1,616,623
April 2022 *	$ 600,315
May 2022 *	$ 238,824
June 2022 *	$ 122,981
July 2022 *	$ 120,447
August 2022 *	$ 117,924
September 2022 *	$ 158,220
	$ 12,021,783

Peoples Gas Division
"E" FACTOR REVENUE
FOR THE PERIOD OCTOBER 2021 THROUGH SEPTEMBER 2022
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	GCA (2)	Capacity "E" Factor (3)	Total (4)
October 2021 *	$ 16,058	$ -	$ 16,058
November 2021 *	$ 49,723	$ -	$ 49,723
December 2021 *	$ 61,363	$ -	$ 61,363
January 2022 *	$ 280,586	$ 5	$ 280,591
February 2022 *	$ 222,763	$ -	$ 222,763
March 2022 *	$ 165,720	$ -	$ 165,720
April 2022 *	$ 111,694	$ -	$ 111,694
May 2022 *	$ 51,174	$ -	$ 51,174
June 2022 *	$ 27,323	$ -	$ 27,323
July 2022 *	$ 19,345	$ -	$ 19,345
August 2022 *	$ 21,168	$ -	$ 21,168
September 2022 *	$27,745	$ -	$ 27,745
	$ 1,054,662	**$ 5**	**$ 1,054,667**

Peoples Natural Gas Company - Combined
"E" FACTOR REVENUE
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	GCA (2)
October 2022 *	$ 1,264,740
November 2022 *	$ 2,171,695
December 2022 *	$ 3,684,654
January 2023 *	$ 3,780,453
February 2023	$ -
March 2023	$ -
April 2023	$ -
May 2023	$ -
June 2023	$ -
July 2023	$ -
August 2023	$ -
September 2023	$ -
	$ 10,901,543

Peoples Natural Gas Division
"E" FACTOR REVENUE
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	GCA (2)
October 2022 *	$ 1,130,779
November 2022 *	$ 1,945,594
December 2022 *	$ 3,295,749
January 2023 *	$ 3,386,886
February 2023	
March 2023	
April 2023	
May 2023	
June 2023	
July 2023	
August 2023	
September 2023	
	$ 9,759,008

Peoples Gas Division
"E" FACTOR REVENUE
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	GCA (2)
October 2022 *	$ 133,962
November 2022 *	$ 226,101
December 2022 *	$ 388,904
January 2023 *	$ 393,568
February 2023	
March 2023	
April 2023	
May 2023	
June 2023	
July 2023	
August 2023	
September 2023	
	$ 1,142,535

Peoples Natural Gas Division

CAPACITY "E" FACTOR REVENUE

FOR THE PERIOD OCTOBER 2021 THROUGH SEPTEMBER 2022

(* Actuals)

Actual Recoveries/ (Refunds)

Month	Mcf	Rate	Amount
(1)	(2)	(3)	(4)
October 2021 *	1,960,488	($0.0193)	($37,837)
November 2021 *	5,979,404	($0.0193)	($115,403)
December 2021 *	7,178,552	($0.0193)	($138,546)
January 2022 *	11,441,893	($0.0140)	($160,187)
February 2022 *	8,721,636	($0.0140)	($122,103)
March 2022 *	6,282,715	($0.0140)	($87,958)
April 2022 *	4,419,179	($0.0140)	($61,869)
May 2022 *	1,818,705	($0.0140)	($25,462)
June 2022 *	945,528	($0.0140)	($13,237)
July 2022 *	922,626	($0.0140)	($12,917)
August 2022 *	903,949	($0.0140)	($12,655)
September 2022 *	1,217,099	($0.0140)	($17,039)
Total			($805,213)

Peoples Natural Gas Company - Combined
CAPACITY "E" FACTOR REVENUE
FOR THE PERIOD OCTOBER 2022 THROUGH SEPTEMBER 2023
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	Amount (2)
October 2022 *	$66,471
November 2022 *	$110,468
December 2022 *	$193,803
January 2023 *	$181,847
February 2023	
March 2023	
April 2023	
May 2023	
June 2023	
July 2023	
August 2023	
September 2023	
Total	$552,589

Peoples Natural Gas Division
CAPACITY "E" FACTOR REVENUE
FOR THE PERIOD OCTOBER 2022 THROUGH SEPTEMBER 2023
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	Mcf (2)	Rate (3)	Amount (4)
October 2022 *	3,414,539	$0.0186	$63,510
November 2022 *	5,529,589	$0.0186	$102,850
December 2022 *	9,467,527	$0.0186	$176,096
January 2023 *	8,572,909	$0.0186	$159,456
February 2023			
March 2023			
April 2023			
May 2023			
June 2023			
July 2023			
August 2023			
September 2023			
Total			$501,913

Peoples Gas Division
CAPACITY "E" FACTOR REVENUE
FOR THE PERIOD OCTOBER 2022 THROUGH SEPTEMBER 2023
(* Actuals)

Actual Recoveries/ (Refunds)

Month (1)	Amount (2)
October 2022 *	$2,960
November 2022 *	$7,617
December 2022 *	$17,707
January 2023 *	$22,391
February 2023	
March 2023	
April 2023	
May 2023	
June 2023	
July 2023	
August 2023	
September 2023	
Total	$50,676

Peoples Natural Gas Company LLC - COMBINED

Interim Period Projections for Over/ (Under)

Commodity

	Projected Volumes	Commodity Rate	Projected Commodity Revenue	Projected Commodity Cost	Projected Commodity Over/(Under)
Feb 2023	10,233,395	$6.0939	$62,361,288	$45,460,857	$16,900,431
Mar	7,674,699	$6.0939	$46,768,846	$32,933,355	$13,835,490
Apr	3,936,919	$2.0000	$7,873,837	$9,128,624	($1,254,787)
May	2,152,686	$2.0000	$4,305,372	$5,186,625	($881,253)
Jun	1,218,778	$2.0000	$2,437,556	$3,273,779	($836,223)
Jul	1,023,866	$2.0000	$2,047,733	$2,990,418	($942,685)
Aug	1,020,682	$2.0000	$2,041,365	$2,986,925	($945,560)
Sep 2023	1,204,269	$2.0000	$2,408,538	$2,921,740	($513,202)
	28,465,295		$130,244,535	$104,882,325	$25,362,211

Capacity

	Projected Volumes	Capacity Rate	Projected Capacity Revenue	Projected BB&A Capacity Revenue	Projected Capacity Cost	Projected Capacity Over/(Under)
Feb 2023	12,043,755	$1.0067	$12,124,449	$1,256,579	$9,130,929	$4,250,098
Mar	9,101,204	$1.0067	$9,162,182	$1,020,747	$9,349,163	$833,767
Apr	4,674,103	$1.0067	$4,705,419	$833,413	$4,886,046	$652,786
May	2,578,117	$1.0067	$2,595,391	$550,022	$4,886,046	($1,740,634)
Jun	1,488,253	$1.0067	$1,498,224	$455,121	$4,886,046	($2,932,701)
Jul	1,221,686	$1.0067	$1,229,871	$434,681	$4,886,046	($3,221,495)
Aug	1,217,286	$1.0067	$1,225,442	$433,875	$4,886,046	($3,226,730)
Sep 2023	1,436,052	$1.0067	$1,445,673	$447,680	$4,895,777	($3,002,423)
	33,760,456		$33,986,651	$5,432,117	$47,806,101	($8,387,332)

Gas Cost Adjustment

	Projected Volumes	Gas Cost Adjustment Rate	Projected Gas Cost Adjustment Revenue
Feb 2023	10,233,395	$0.3936	$4,027,864
Mar	7,674,699	$0.3936	$3,020,761
Apr	3,936,919	$0.3936	$1,549,571
May	2,152,686	$0.3936	$847,297
Jun	1,218,778	$0.3936	$479,711
Jul	1,023,866	$0.3936	$402,994
Aug	1,020,682	$0.3936	$401,741
Sep 2023	1,204,269	$0.3936	$474,000
	28,465,295		$11,203,940

Capacity E-Factor

	Projected Volumes	Capacity E-Factor	Projected Capacity E-Factor Revenue
Feb 2023	12,043,755	$0.0243	$292,663
Mar	9,101,204	$0.0243	$221,159
Apr	4,674,103	$0.0243	$113,581
May	2,578,117	$0.0243	$62,648
Jun	1,488,253	$0.0243	$36,165
Jul	1,221,686	$0.0243	$29,687
Aug	1,217,286	$0.0243	$29,580
Sep 2023	1,436,052	$0.0243	$34,896
	33,760,456		$820,379

Peoples Natural Gas Company LLC - Combined

Calculation of Interest on Commodity and Capacity Over/Under Collections

(*Actual)

Line No.	Description	Over/(Under) Collection (1)	Time Period Years (2)	Interest Rate (3) 1/	Actual Interest (4)=(1)x(2)x(3)
1	October 2022 *	$ 5,757,299	1.5000	7.50%	$ 647,696
2	November 2022 *	$ 6,669,561	1.4167	7.50%	$ 708,641
3	December 2022 *	$ 22,644,601	1.3333	7.50%	$ 2,264,460
4	January 2023 *	$ 19,338,500	1.2500	7.50%	$ 1,812,984
5	Total	$ 54,409,962			$ 5,433,782
	Interim Period				
6	February 2023	$ 21,150,530	1.1667	7.50%	$ 1,850,671
7	March 2023	$ 14,669,257	1.0833	7.50%	$ 1,191,877
8	April 2023	$ (602,001)	1.0000	7.50%	$ (45,150)
9	May 2023	$ (2,621,887)	0.9167	7.50%	$ (180,255)
10	June 2023	$ (3,768,924)	0.8333	7.50%	$ (235,558)
11	July 2023	$ (4,164,180)	0.7500	7.50%	$ (234,235)
12	August 2023	$ (4,172,290)	0.6667	7.50%	$ (208,615)
13	September 2023	$ (3,515,625)	0.5833	7.50%	$ (153,809)
14	Total Interim	16,974,878			$ 1,984,928
15	Total Interest Due (PNG) or Customer				**$ 7,418,709**

Description	Capacity Over/(Under) Collection (1)	Time Period Years (2)	Interest Rate (3)	Actual Interest (4)=(1)x(2)x(3)
October 2022 *	$ (37,313)	1.5000	7.50%	$ (4,198)
November 2022 *	$ (1,320,304)	1.4167	7.50%	$ (140,282)
December 2022 *	$ 4,358,912	1.3333	7.50%	$ 435,891
January 2023 *	$ 4,590,240	1.2500	7.50%	$ 430,335
Total	$ 7,591,535			$ 721,746
Interim Period				
February 2023	$ 4,250,098	1.1667	7.50%	$ 371,884
March 2023	$ 833,767	1.0833	7.50%	$ 67,744
April 2023	$ 652,786	1.0000	7.50%	$ 48,959
May 2023	$ (1,740,634)	0.9167	7.50%	$ (119,669)
June 2023	$ (2,932,701)	0.8333	7.50%	$ (183,294)
July 2023	$ (3,221,495)	0.7500	7.50%	$ (181,209)
August 2023	$ (3,226,730)	0.6667	7.50%	$ (161,336)
September 2023	$ (3,002,423)	0.5833	7.50%	$ (131,356)
Total Interim	(8,387,332)			$ (288,278)
Total Interest				$ 433,468

Description	Commodity Over/(Under) Collection (1)	Time Period Years (2)	Interest Rate (3)	Actual Interest (4)=(1)x(2)x(3)
October 2022 *	$ 5,794,612	1.5000	7.50%	$ 651,894
November 2022 *	$ 7,989,865	1.4167	7.50%	$ 848,923
December 2022 *	$ 18,285,689	1.3333	7.50%	$ 1,828,569
January 2023 *	$ 14,748,260	1.2500	7.50%	$ 1,382,649
Total	$ 46,818,426			$ 4,712,035
Interim Period				
February 2023	$ 16,900,431	1.1667	7.50%	$ 1,478,788
March 2023	$ 13,835,490	1.0833	7.50%	$ 1,124,134
April 2023	$ (1,254,787)	1.0000	7.50%	$ (94,109)
May 2023	$ (881,253)	0.9167	7.50%	$ (60,586)
June 2023	$ (836,223)	0.8333	7.50%	$ (52,264)
July 2023	$ (942,685)	0.7500	7.50%	$ (53,026)
August 2023	$ (945,560)	0.6667	7.50%	$ (47,278)
September 2023	$ (513,202)	0.5833	7.50%	$ (22,453)
Total Interim	25,362,211			$ 2,273,206
Total Interest				$ 6,985,241

1/ Prime Rate in effect 60 days prior to the annual filing made on March 31, 2023

Peoples Natural Gas Company LLC - Combined

		Projected Throughput - Mcf		
		Sales	P-1 Transport	Total
October	2023	2,993,714	522,153	3,515,867
November		6,143,687	1,053,235	7,196,922
December		9,863,810	1,745,351	11,609,161
January	2024	11,303,885	1,860,670	13,164,554
February		10,203,017	1,799,382	12,002,399
March		7,652,002	1,425,148	9,077,150
April		3,925,395	732,861	4,658,257
May		2,146,479	421,022	2,567,501
June		1,215,278	262,914	1,478,192
July		1,020,814	194,735	1,215,549
August		1,017,649	192,973	1,210,622
September		1,200,587	228,355	1,428,942
TOTAL		58,686,317	10,438,799	69,125,116

Peoples Natural Gas Division

		Projected Throughput - Mcf		
		Sales	P-1 Transport	Total
October	2023	2,676,438	510,209	3,186,647
November		5,468,098	1,036,216	6,504,314
December		8,816,225	1,723,653	10,539,878
January	2024	10,085,581	1,839,376	11,924,956
February		9,097,704	1,778,560	10,876,265
March		6,820,326	1,398,764	8,219,091
April		3,491,777	717,147	4,208,924
May		1,907,072	413,370	2,320,442
June		1,085,845	255,578	1,341,423
July		917,992	186,912	1,104,904
August		914,279	185,946	1,100,225
September		1,092,437	220,526	1,312,963
TOTAL		52,373,774	10,266,256	62,640,030

Peoples Gas Division

		Projected Throughput - Mcf		
		Sales	P-1 Transport	Total
October	2023	317,276	11,944	329,220
November		675,589	17,019	692,608
December		1,047,584	21,699	1,069,283
January	2024	1,218,304	21,294	1,239,598
February		1,105,313	20,822	1,126,135
March		831,676	26,384	858,060
April		433,619	15,714	449,333
May		239,407	7,652	247,059
June		129,434	7,336	136,769
July		102,821	7,823	110,645
August		103,370	7,027	110,397
September		108,150	7,829	115,979
TOTAL		6,312,543	172,543	6,485,086

Peoples Natural Gas Division
AVC Capacity (Over)/Under Collection

	Balance at September 30, 2022	October 2022 act	November 2022 act	December 2022 act	January 2023 act	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023
Total AVC Capacity Costs		$ 2,913,656	$ 6,563,906	$ 6,563,906	$ 6,563,906	$ 6,563,906	$ 6,591,566	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316
Total AVC Revenues		$ 3,556,464	$ 5,456,790	$ 9,159,132	$ 8,316,840	$ 6,898,506	$ 6,817,863	$ 3,684,412	$ 2,091,170	$ 1,382,995	$ 1,204,884	$ 1,245,451	$ 1,467,671
RS Costs (66.25%)		$ 1,930,297	$ 4,348,588	$ 4,348,588	$ 4,348,588	$ 4,348,588	$ 4,366,913	$ 1,948,622	$ 1,948,622	$ 1,948,622	$ 1,948,622	$ 1,948,622	$ 1,948,622
RS Revenues		$ 2,292,226	$ 3,737,786	$ 6,385,578	$ 5,729,951	$ 4,756,110	$ 4,705,204	$ 2,412,377	$ 1,324,102	$ 746,019	$ 601,910	$ 601,146	$ 711,036
Over/(Under)		$ 361,929	$ (610,802)	$ 2,036,990	$ 1,381,363	$ 407,522	$ 338,292	$ 463,755	$ (624,520)	$ (1,202,603)	$ (1,346,712)	$ (1,347,476)	$ (1,237,586)
SGS Costs (11.94%)		$ 347,891	$ 783,730	$ 783,730	$ 783,730	$ 783,730	$ 787,033	$ 351,193	$ 351,193	$ 351,193	$ 351,193	$ 351,193	$ 351,193
SGS Revenues		$ 376,173	$ 631,140	$ 1,127,184	$ 1,053,270	$ 863,008	$ 836,184	$ 419,619	$ 221,540	$ 120,188	$ 110,250	$ 112,550	$ 148,666
Over/(Under)		$ 28,282	$ (152,590)	$ 343,454	$ 269,540	$ 79,278	$ 49,151	$ 68,426	$ (129,653)	$ (231,005)	$ (240,943)	$ (238,643)	$ (202,527)
MGS Costs (12.99%)		$ 378,484	$ 852,651	$ 852,651	$ 852,651	$ 852,651	$ 856,244	$ 382,077	$ 382,077	$ 382,077	$ 382,077	$ 382,077	$ 382,077
MGS Revenues		$ 533,593	$ 698,631	$ 1,178,567	$ 1,060,097	$ 890,800	$ 844,689	$ 502,187	$ 301,162	$ 196,362	$ 190,514	$ 193,918	$ 225,915
Over/(Under)		$ 155,109	$ (154,021)	$ 325,916	$ 207,446	$ 38,148	$ (11,556)	$ 120,110	$ (80,915)	$ (185,715)	$ (191,563)	$ (188,159)	$ (156,162)
LGS Costs (8.82%)		$ 256,984	$ 578,937	$ 578,937	$ 578,937	$ 578,937	$ 581,376	$ 259,424	$ 259,424	$ 259,424	$ 259,424	$ 259,424	$ 259,424
LGS Revenues		$ 354,472	$ 389,233	$ 467,803	$ 473,522	$ 388,587	$ 431,786	$ 350,229	$ 244,366	$ 320,426	$ 302,211	$ 337,837	$ 382,053
Over/(Under)		$ 97,488	$ (189,703)	$ (111,134)	$ (105,415)	$ (190,349)	$ (149,590)	$ 90,805	$ (15,058)	$ 61,002	$ 42,787	$ 78,412	$ 122,629
Cumulative Over/(Under)													
RS	**$ (1,099,455)**	**$ (705,189)**	**$ (1,405,788)**	**$ 806,700**	**$ 2,275,686**	**$ 2,689,311**	**$ 3,035,229**	**$ 3,520,639**	**$ 2,848,232**	**$ 1,568,235**	**$ 143,873**	**$ (1,272,605)**	**$ (2,566,270)**
SGS	**$ (39,125)**	**$ (8,374)**	**$ (179,200)**	**$ 196,294**	**$ 487,499**	**$ 571,063**	**$ 622,478**	**$ 694,940**	**$ 555,993**	**$ 310,363**	**$ 55,700**	**$ (195,025)**	**$ (406,587)**
MGS	**$ (168,252)**	**$ 2,462**	**$ (172,193)**	**$ 181,774**	**$ 401,956**	**$ 438,697**	**$ 422,834**	**$ 549,438**	**$ 461,786**	**$ 263,775**	**$ 60,847**	**$ (137,229)**	**$ (300,769)**
LGS	**$ 504,533**	**$ 615,922**	**$ 409,471**	**$ 290,469**	**$ 179,447**	**$ (24,384)**	**$ (183,348)**	**$ (83,426)**	**$ (97,675)**	**$ (31,263)**	**$ 15,351**	**$ 98,947**	**$ 227,933**
	$ (802,299)	$ (95,180)	$ (1,347,710)	$ 1,475,237	$ 3,344,589	$ 3,674,688	$ 3,897,194	$ 4,681,591	$ 3,768,336	$ 2,111,110	$ 275,771	$ (1,505,911)	$ (3,045,692)

Peoples Natural Gas Division
AVC Capacity (Over)/Under Collection Interest

Line		October 2021 actual	November 2021 actual	December 2021 actual	January 2022 actual	February 2022 actual	March 2022 actual	April 2022 actual	May 2022 actual	June 2022 actual	July 2022 actual	August 2022 actual	September 2022 actual	Total
1	**Prior Period Over/(Under)**													
2	RS	$ (698,885)	$ (393,726)	$ 318,585	$ 3,075,142	$ 1,235,336	$ (365,168)	$ 933,292	$ (773,396)	$ (1,351,286)	$ (1,383,420)	$ (1,401,716)	$ (1,207,786)	$ (2,013,029)
3	SGS	$ (114,997)	$ (89,433)	$ 60,644	$ 598,358	$ 316,054	$ (28,641)	$ 168,864	$ (150,056)	$ (242,048)	$ (242,302)	$ (241,661)	$ (206,310)	$ (171,528)
4	MGS	$ (86,682)	$ (108,095)	$ (39,778)	$ 455,027	$ 118,863	$ (113,520)	$ 222,728	$ (79,818)	$ (184,396)	$ (193,523)	$ (199,101)	$ (155,757)	$ (364,052)
5	LGS	$ 106,280	$ (122,486)	$ (117,192)	$ 63,346	$ (64,720)	$ (108,579)	$ 165,542	$ 111,505	$ 94,082	$ 90,108	$ 90,230	$ 54,910	$ 363,025
														$ (2,185,583)
6	**Oct 21-Sep 22 O/U Allocation**													
7	RS	$ (74,497)	$ (234,341)	$ (282,004)	$ (446,721)	$ (337,773)	$ (244,426)	$ (175,030)	$ (72,006)	$ (35,706)	$ (33,734)	$ (32,561)	$ (44,228)	$ (2,013,029)
8	SGS	$ (6,335)	$ (19,038)	$ (23,050)	$ (38,441)	$ (30,296)	$ (21,286)	$ (14,614)	$ (5,535)	$ (2,985)	$ (2,968)	$ (2,985)	$ (3,994)	$ (171,528)
9	MGS	$ (16,407)	$ (40,176)	$ (45,413)	$ (71,582)	$ (54,231)	$ (41,461)	$ (33,518)	$ (17,081)	$ (11,024)	$ (10,482)	$ (10,195)	$ (12,482)	$ (364,052)
10	LGS	$ 26,084	$ 32,077	$ 32,448	$ 45,612	$ 36,267	$ 34,221	$ 30,749	$ 26,812	$ 25,551	$ 25,259	$ 25,264	$ 22,682	$ 363,025
														$ (2,185,583)

		October 2022 actual	November 2022 actual	December 2022 actual	January 2023 actual	February 2023	March 2023	April 2023	May 2023	June 2023	July 2023	August 2023	September 2023	Total
11	Total AVC Capacity Costs	$ 2,913,656	$ 6,563,906	$ 6,563,906	$ 6,563,906	$ 6,563,906	$ 6,591,566	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 2,941,316	$ 53,408,744
12	Total AVC Revenues	$ 3,556,464	$ 5,456,790	$ 9,159,132	$ 8,316,840	$ 6,898,506	$ 6,817,863	$ 3,684,412	$ 2,091,170	$ 1,382,995	$ 1,204,884	$ 1,245,451	$ 1,467,671	$ 51,282,178
13	RS Costs (Line 1 x 66.25%)	$ 1,930,297	$ 4,348,588	$ 4,348,588	$ 4,348,588	$ 4,348,588	$ 4,366,913	$ 1,948,622	$ 1,948,622	$ 1,948,622	$ 1,948,622	$ 1,948,622	$ 1,948,622	$ 35,383,293
14	Total RS Revenues	$ 2,292,226	$ 3,737,786	$ 6,385,578	$ 5,729,951	$ 4,756,110	$ 4,705,204	$ 2,412,377	$ 1,324,102	$ 746,019	$ 601,910	$ 601,146	$ 711,036	$ 34,003,445
15	Prior Period (Line 7)	$ (74,497)	$ (234,341)	$ (282,004)	$ (446,721)	$ (337,773)	$ (244,426)	$ (175,030)	$ (72,006)	$ (35,706)	$ (33,734)	$ (32,561)	$ (44,228)	$ (2,013,029)
16	Current RS Revenues (Line 14 + Line 15)	$ 2,217,729	$ 3,503,444	$ 6,103,574	$ 5,283,230	$ 4,418,337	$ 4,460,778	$ 2,237,347	$ 1,252,095	$ 710,313	$ 568,175	$ 568,585	$ 666,809	$ 31,990,416
17	Current Period Over/(Under) (Line 16 - Line 13)	$ 287,432	$ (845,144)	$ 1,754,986	$ 934,642	$ 69,749	$ 93,865	$ 288,725	$ (696,527)	$ (1,238,309)	$ (1,380,446)	$ (1,380,036)	$ (1,281,813)	$ (3,392,877)
18	SGS Costs (Line 1 x 11.94%)	$ 347,891	$ 783,730	$ 783,730	$ 783,730	$ 783,730	$ 787,033	$ 351,193	$ 351,193	$ 351,193	$ 351,193	$ 351,193	$ 351,193	$ 6,377,004
19	Total SGS Revenues	$ 376,173	$ 631,140	$ 1,127,184	$ 1,053,270	$ 863,008	$ 836,184	$ 419,619	$ 221,540	$ 120,188	$ 110,250	$ 112,550	$ 148,666	$ 6,019,772
20	Prior Period (Line 8)	$ (6,335)	$ (19,038)	$ (23,050)	$ (38,441)	$ (30,296)	$ (21,286)	$ (14,614)	$ (5,535)	$ (2,985)	$ (2,968)	$ (2,985)	$ (3,994)	$ (171,528)
21	Current SGS Revenues (Line 19 + Line 20)	$ 369,837	$ 612,102	$ 1,104,134	$ 1,014,829	$ 832,712	$ 814,898	$ 405,005	$ 216,006	$ 117,203	$ 107,282	$ 109,565	$ 144,672	$ 5,848,245
22	Current Period Over/(Under) (Line 21 - Line 18)	$ 21,947	$ (171,629)	$ 320,404	$ 231,099	$ 48,982	$ 27,865	$ 53,812	$ (135,188)	$ (233,990)	$ (243,911)	$ (241,628)	$ (206,521)	$ (528,759)
23	MGS Costs (Line 1 x 12.99%)	$ 378,484	$ 852,651	$ 852,651	$ 852,651	$ 852,651	$ 856,244	$ 382,077	$ 382,077	$ 382,077	$ 382,077	$ 382,077	$ 382,077	$ 6,937,796
24	Total MGS Revenues	$ 533,593	$ 698,631	$ 1,178,567	$ 1,060,097	$ 890,800	$ 844,689	$ 502,187	$ 301,162	$ 196,362	$ 190,514	$ 193,918	$ 225,915	$ 6,816,436
25	Prior Period (Line 9)	$ (16,407)	$ (40,176)	$ (45,413)	$ (71,582)	$ (54,231)	$ (41,461)	$ (33,518)	$ (17,081)	$ (11,024)	$ (10,482)	$ (10,195)	$ (12,482)	$ (364,052)
26	Current MGS Revenues (Line 24 + Line 25)	$ 517,186	$ 658,455	$ 1,133,155	$ 988,515	$ 836,568	$ 803,228	$ 468,668	$ 284,081	$ 185,338	$ 180,032	$ 183,723	$ 213,434	$ 6,452,384
27	Current Period Over/(Under) (Line 26 - Line 23)	$ 138,702	$ (194,197)	$ 280,503	$ 135,863	$ (16,083)	$ (53,016)	$ 86,591	$ (97,996)	$ (196,739)	$ (202,045)	$ (198,354)	$ (168,643)	$ (485,412)
28	LGS Costs (Line 1 x 8.82%)	$ 256,984	$ 578,937	$ 578,937	$ 578,937	$ 578,937	$ 581,376	$ 259,424	$ 259,424	$ 259,424	$ 259,424	$ 259,424	$ 259,424	$ 4,710,651
29	Total LGS Revenues	$ 354,472	$ 389,233	$ 467,803	$ 473,522	$ 388,587	$ 431,786	$ 350,229	$ 244,366	$ 320,426	$ 302,211	$ 337,837	$ 382,053	$ 4,442,526
30	Prior Period (Line 10)	$ 26,084	$ 32,077	$ 32,448	$ 45,612	$ 36,267	$ 34,221	$ 30,749	$ 26,812	$ 25,551	$ 25,259	$ 25,264	$ 22,682	$ 363,025
31	Current LGS Revenues (Line 29 + Line 30)	$ 380,556	$ 421,310	$ 500,250	$ 519,134	$ 424,854	$ 466,007	$ 380,978	$ 271,178	$ 345,977	$ 327,470	$ 363,101	$ 404,735	$ 4,805,551
32	Current Period Over/(Under) (Line 31 - Line 28)	$ 123,572	$ (157,626)	$ (78,686)	$ (59,803)	$ (154,082)	$ (115,369)	$ 121,554	$ 11,754	$ 86,553	$ 68,046	$ 103,677	$ 145,311	$ 94,900
33	October 2022 - September 2023													
34	Current Period Over/(Under) by Class													
35	RS (Line 17)	$ 287,432	$ (845,144)	$ 1,754,986	$ 934,642	$ 69,749	$ 93,865	$ 288,725	$ (696,527)	$ (1,238,309)	$ (1,380,446)	$ (1,380,036)	$ (1,281,813)	$ (3,392,877)
36	SGS (Line 22)	$ 21,947	$ (171,629)	$ 320,404	$ 231,099	$ 48,982	$ 27,865	$ 53,812	$ (135,188)	$ (233,990)	$ (243,911)	$ (241,628)	$ (206,521)	$ (528,759)
37	MGS (Line 27)	$ 138,702	$ (194,197)	$ 280,503	$ 135,863	$ (16,083)	$ (53,016)	$ 86,591	$ (97,996)	$ (196,739)	$ (202,045)	$ (198,354)	$ (168,643)	$ (485,412)
38	LGS (Line 32)	$ 123,572	$ (157,626)	$ (78,686)	$ (59,803)	$ (154,082)	$ (115,369)	$ 121,554	$ 11,754	$ 86,553	$ 68,046	$ 103,677	$ 145,311	$ 94,900
														$ (4,312,148)
39	Time Factor	1.5000	1.4167	1.3333	1.2500	1.1667	1.0833	1.0000	0.9167	0.8333	0.7500	0.6667	0.5833	
40	Interest Rate	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	
41	**Interest**													
42	RS (Line 35 x Line 39 x Line 40)	$ 32,336	$ (89,797)	$ 175,499	$ 87,623	$ 6,103	$ 7,627	$ 21,654	$ (47,886)	$ (77,394)	$ (77,650)	$ (69,002)	$ (56,079)	$ (86,967)
43	SGS (Line 36 x Line 39 x Line 40)	$ 2,469	$ (18,236)	$ 32,040	$ 21,665	$ 4,286	$ 2,264	$ 4,036	$ (9,294)	$ (14,624)	$ (13,720)	$ (12,081)	$ (9,035)	$ (10,230)
44	MGS (Line 37 x Line 39 x Line 40)	$ 15,604	$ (20,633)	$ 28,050	$ 12,737	$ (1,407)	$ (4,308)	$ 6,494	$ (6,737)	$ (12,296)	$ (11,365)	$ (9,918)	$ (7,378)	$ (11,157)
45	LGS (Line 38 x Line 39 x Line 40)	$ 13,902	$ (16,748)	$ (7,869)	$ (5,606)	$ (13,482)	$ (9,374)	$ 9,117	$ 808	$ 5,410	$ 3,828	$ 5,184	$ 6,357	$ (8,474)
														$ (116,828)

Peoples Natural Gas Company LLC
ANNUAL 1307(f) Rate Calculation
Effective: OCTOBER 1, 2023

Line No.		Costs and Volumes	$/Mcf Rates
1	DC = Projected Annual Capacity Costs (excluding AVC Capacity)	$80,587,529	
2	MINUS: Projected Balancing Revenue Credits	$9,932,532	
3	Projected Annual "Current" Period Capacity Costs (line 1 - line 2)	$70,654,997	
4	S + SBAC = Projected Annual Sales and Standby Volumes - October 2023 through September 2024 (Mcf)	69,125,116	
5	Projected "Current" Period Capacity Costs per Mcf (line 3 / line 4)		$1.0221
6	Capacity Over/(Under) "E-Factor" Collection	($688,838)	
7	S + SBAC = Projected Annual Sales and Standby Volumes - October 2023 through September 2024 (Mcf)	69,125,116	
8	Capacity "E-Factor" Cost per Mcf (line 6 / line 7)		($0.0100)
9	Projected Total Capacity Cost of Gas per Mcf (line 5 - line 8)		**$1.0321**
10	CC = Projected Commodity Costs	$176,163,575	
11	S = Projected Sales Volumes October 2023 through September 2024 (Mcf)	58,686,317	
12	Projected Commodity Cost of Gas per Mcf (line 10 / line 11)		$3.0018
13	MINUS: Current Commodity Over/(Under) Collection	$0	
14	S = Projected Annual Sales Volumes (Mcf)	58,686,317	
15	Current Commodity Over/(Under) Collection Commodity Cost of Gas per Mcf (line 13 / line 14)		$0.0000
16	Projected Commodity Cost of Gas per Mcf (line 12 - line 15)		**$3.0018**
17	Total Projected Cost of Gas per Mcf (line 9 + line 16)		**$4.0339**
18	Total Prior Period Over/(Under) Collection Balance	$77,962,955	
19	S = Projected Annual Sales Volumes (Mcf)	58,686,317	
20	MINUS: E = Prior Period Over/(Under) Collection Rate per Mcf (line 18 / line 19)		**$1.3285**
21	Overall Gas Cost Rate per Mcf (line 17 - line 20 - line 21)		**$2.7054**

Peoples Natural Gas Company - Peoples Natural Gas Division

AVC Capacity Charge Rate Calculation for October 1, 2023

	Total	RS	RS Rate	SGS	SGS Rate	MGS	MGS Rate	LGS	LGS Rate
Oct 23 - Sept 24 Projected AVC Capacity Costs	$53,547,044	$35,474,917		$6,393,517		$6,955,761		$4,722,849	
Less: Competitive Contribution		$0		$593		$25,184		$424,508	
Subtotal	$53,096,761	$35,474,917	$0.7003	$6,392,924	$0.6741	$6,930,577	$0.4478	$4,298,341	$0.2664
Over/(Under) Collection through September 2023	($3,045,692)	($2,566,270)	$0.0507	($406,587)	$0.0429	($300,769)	$0.0194	$227,933	($0.0141)
Net AVC to be Recovered	$56,142,452	$38,041,186		$6,799,511		$7,231,346		$4,070,407	
Volumes to be Charged AVC Capacity Cost	91,751,343	50,654,549		9,483,776		15,477,351		16,135,666	
Projected AVC Rate to be effective October 1, 2023			**$ 0.7510**		**$ 0.7170**		**$ 0.4672**		**$ 0.2523**

Peoples Natural Gas Exhibit No. 11

COMBINED
Calculation Of Balancing Charge

I. Balancing Recoverable Costs

A. Total Storage Costs	Annual Amount
EGTS GSS	$9,503,724
EGTS FTNN	$7,576,070
NFG ESS & EFT	$1,732,605
EQT 60SS/115SS	$7,375,041
EQT FSS	$11,971,596
EQT NOFT	$7,484,135
GSS Variable Charges	$1,673,073
TCO FS	$125,455
TCO SST	$165,427
Total	$47,607,126
Annualized Storage Demand (Mcf)	5,091,935
Average Storage Charge ($/Mcf)	$9.3495

B. PNGD & PGD System Storage/Contract Storage Split	MDWQ Volumes (Mcf)	Percent To Total
PNG On-System Storage	32,000	4.76%
PG On-System Storage	23,300	3.47%
AVC Storage	192,308	28.62%
EGTS GSS Storage	38,462	5.72%
National Fuel ESS Storage	9,416	1.40%
Equitrans 60SS	131,740	19.61%
Equitrans NOFT	76,486	11.38%
Equitrans 115SS	48,592	7.23%
EGTS GSS	38,462	5.72%
PG Storage (TCO, EGT&S, ETRN)	81,170	12.08%
Total	671,936	100.00%

C. Balancing Recovery Of Contract Storage Costs	
Balancing Peak Day Requirements (Mcf)	140,190
Contract Storage Percentage	63.15%
Contract Storage Related Balancing Requirements (Mcf)	88,530
Average Storage Charge ($/Mcf)	$9.3495
Monthly Balancing Storage Cost Recovery	$827,711
Annual Balancing Storage Cost Recovery	$9,932,532

II. Balancing Peak Day Requirements/Balancing Charge Development

A. Balancing Peak Day Requirements	Volumes (Mcf)
SGS & MGS	91,310
LGS	48,880
Total Balancing Peak Day Requirements	140,190

B. Balancing Peak Day Requirements Allocated To Customer Classes

NGS Supplied Customer Class	Balancing Requirements (Mcf)	Percent To Total
SGS & MGS	91,310	65.13%
LGS	48,880	34.87%
Total	140,190	100.00%

C. Balancing Charge Development NGS Supplied Customer Class	Contract Storage Costs	NGS Supplied Volumes (Mcf)	Balancing Unit Rate ($/Mcf)
SGS & MGS	$6,468,582	14,565,119	$0.4441
LGS	$3,410,288	29,463,705	$0.1157
Total	$9,878,870	44,028,824	$0.2244

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

		Purchased Gas Revenues 1/	Purchased Gas Expenses 1/	Over / (Under) Collections
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	$71,448,811	$51,517,578	$19,931,233
		$436,077,757	**$413,571,503**	**$22,506,253**

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

		Purchased Gas Revenues 1/	Purchased Gas Expenses	Over / (Under) Collections
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	$7,234,343	$6,634,140	$600,203
		$43,690,001	**$53,497,098**	**($9,807,097)**

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

PEOPLES' UFG MITIGATION PLAN

Activity and Cost Data Related to Removal and Replacement of Gathering Lines

January 1, 2018 through December 31, 2022

	Historic Performance		
	Actual Performance to Date (2018-2021)	Original 4 year Plan	Latest year 2022 Actual
Gathering Lines - Miles Abandoned			
Total	122.1	115.2	36.5
Gathering Lines - Miles Repaired/Replaced			
Total	50.7	20.0	12.2
Gathering Lines (Abandoned)- $millions			
Total	$ 1.08	$ 3.77	$ 0.17
Gathering Lines (Repaired/Replaced) - $millions			
Total	$ 16.48	$ 16.15	$ 5.13
Gathering Lines - TOTAL - $millions			
Total	$ 17.55	$ 19.92	$ 5.30

Row	1307(f) Reporting Year	2021	2022	2023
	A. Gas Received			
1	From Production Facilities	39,747,674	36,730,148	34,735,324
2	From Transmission Facilities	-	-	-
3	From Storage Facilities	1,695,195	1,669,332	1,570,566
4	From Interstate Pipeline directly into the Distribution System	103,123,061	105,317,338	108,170,909
5	From Other Sources (i.e. propane etc.)	549,034	636,777	636,048
6	**Total Gas Received**	**145,114,965**	**144,353,595**	**145,112,847**
	B. Gas Delivered			
	To Customers (i.e. tranportation, residential, commercial, industrial etc.)			
7	Total To Customers	131,764,386	132,676,442	133,136,713
8	To Storage			
9	Storage injection	1,749,230	1,874,821	1,719,255
10	Total To Storage			
11	Total To Transmission system/Off system	1,528,290	910,986	863,125
12	Other exchanges	117,845	264,011	289,353
13	**Total Gas Delivered**	**135,159,751**	**135,726,260**	**136,008,446**
	C. Adjustments			
14	Company use	847,062	821,199	774,400
15	Storage loss	136,636	131,509	141,131
16	Other Adjustments	2,602,975	2,795,935	2,531,989
17	**Total Adjustments**	**3,586,673**	**3,748,643**	**3,447,520**
	D. Total UFG (= A-B-C)			
18	**Total**	**6,368,541**	**4,878,691**	**5,656,881**
	E. Total Percent UFG (= D/A)			
19	**Percentage**	**4.39%**	**3.38%**	**3.90%**

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

PRICE VOLATILITY MITIGATION STUDY

Contents

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")[1] 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

[1] 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

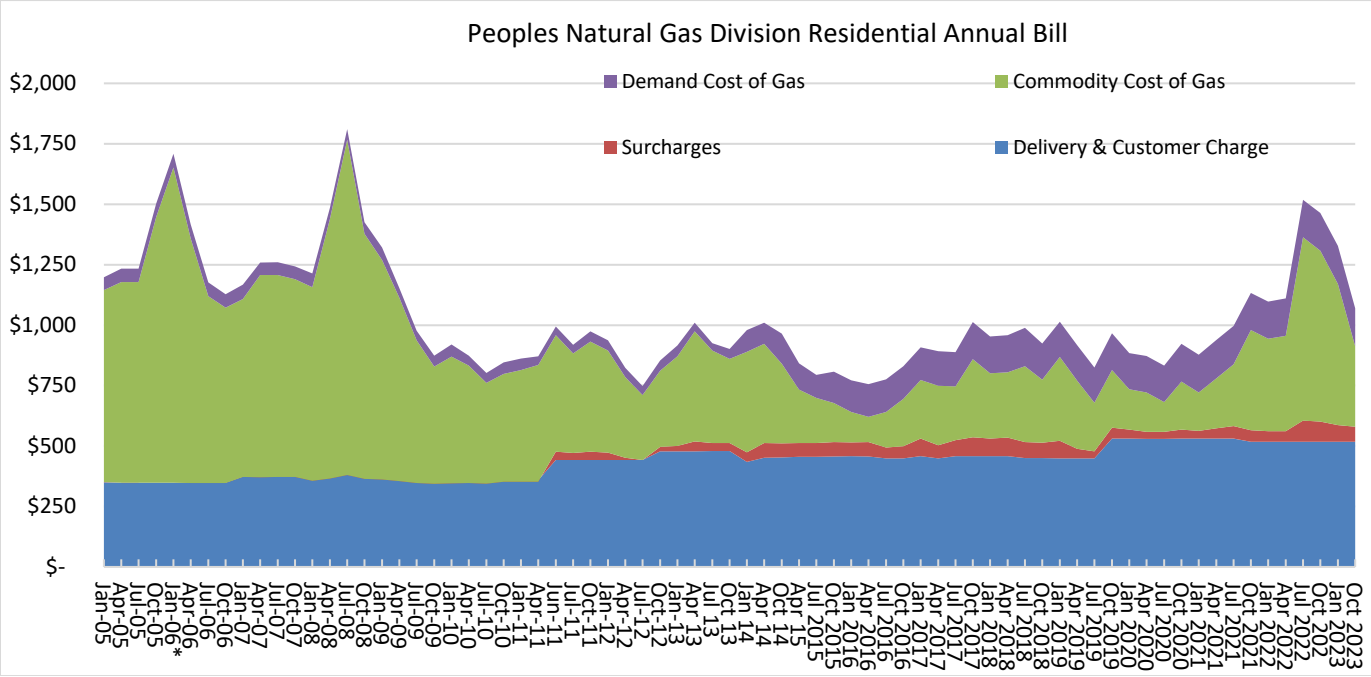
REASONS FOR RECENT INCREASED COMMODITY PRICES

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

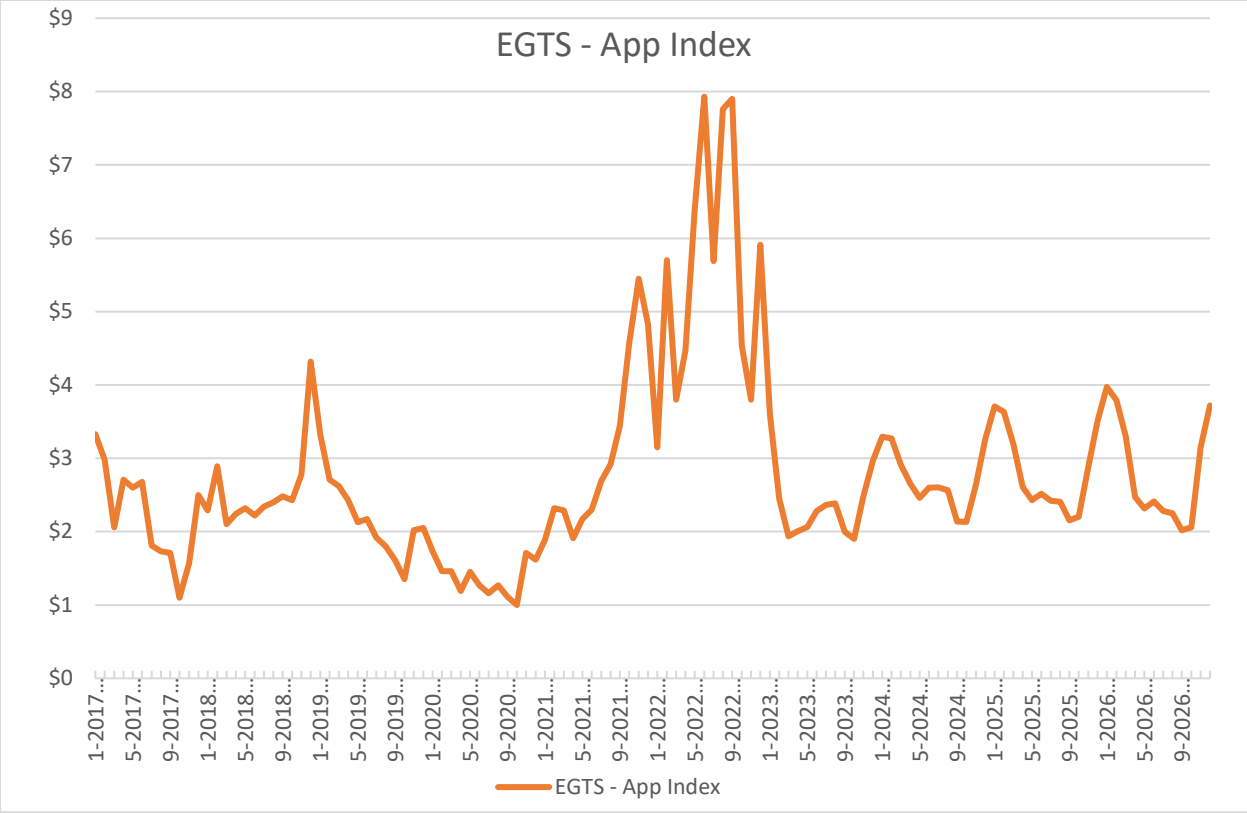
beginning in the summer of 2021, with a 2023 fall back to more normal Marcellus production area pricing.

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. 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

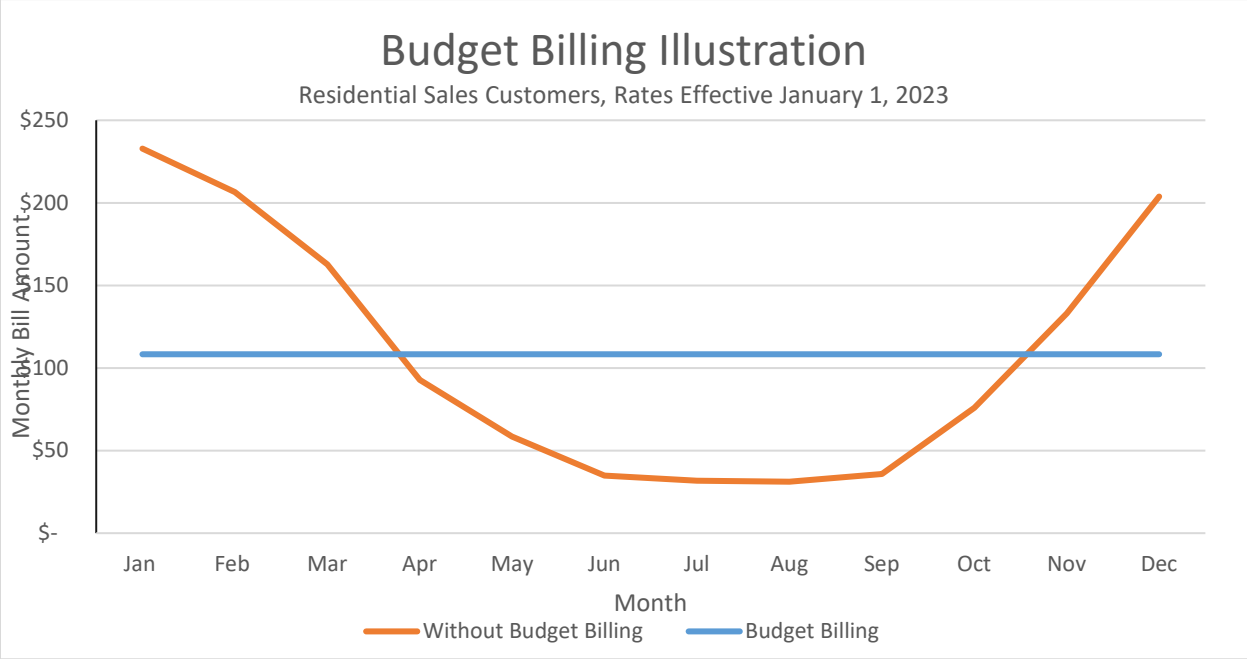
In the Company's 2022 1307(f) cases, the Office of Consumer Advocate ("OCA") asserted that rate stability and predictability with a minimum of unexpected changes, or gradualism, is one of the principles of a sound rate design. The Company's position is that gradualism is generally a concept used in reference 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.

Month	Total Capacity Charges
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

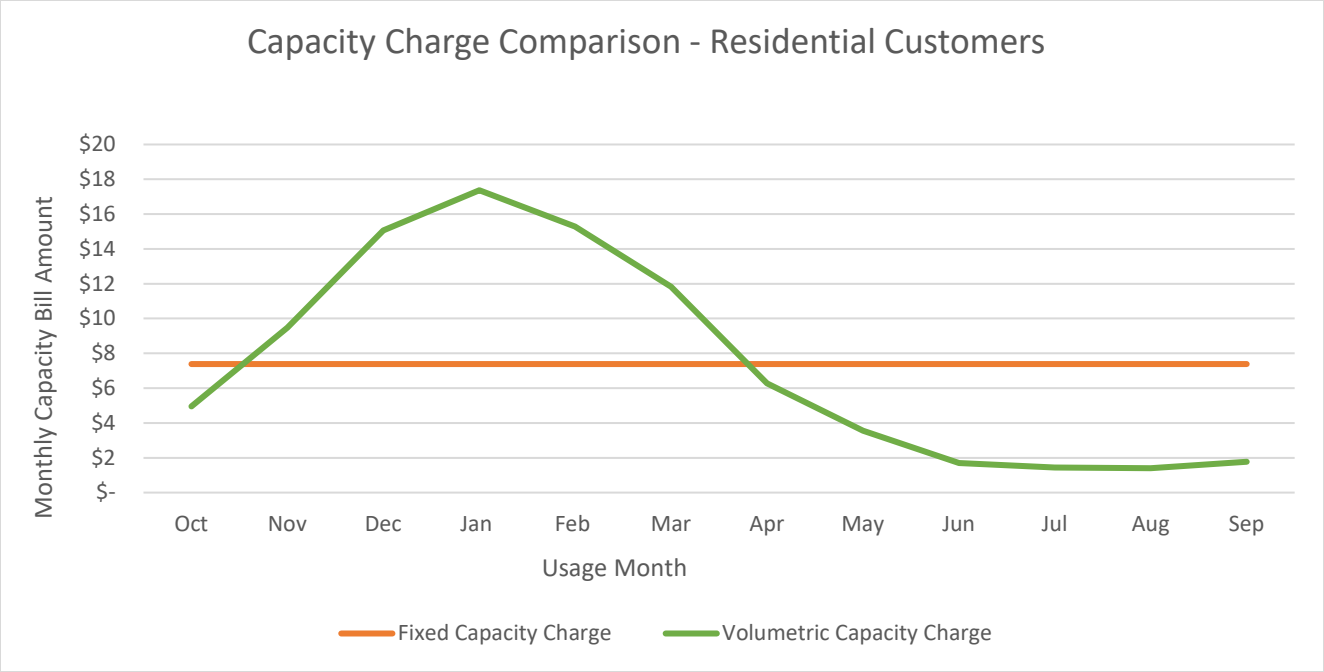
charge amount for Residential customers is $7.38 per month and $27.00 per month for Non-Residential customers, as shown below.

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

		Total (A)	**Residential Customers (B)**	**Non-Residential Customers (C)**
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:

Quarterly Rate Change Date	Gas Cost Months Projected
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. Reinstituting 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[2] (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:

P1 Choice Suppliers

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

As of January 26, 2023

OPTION 5: COMMODITY HEDGING

[2] 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.

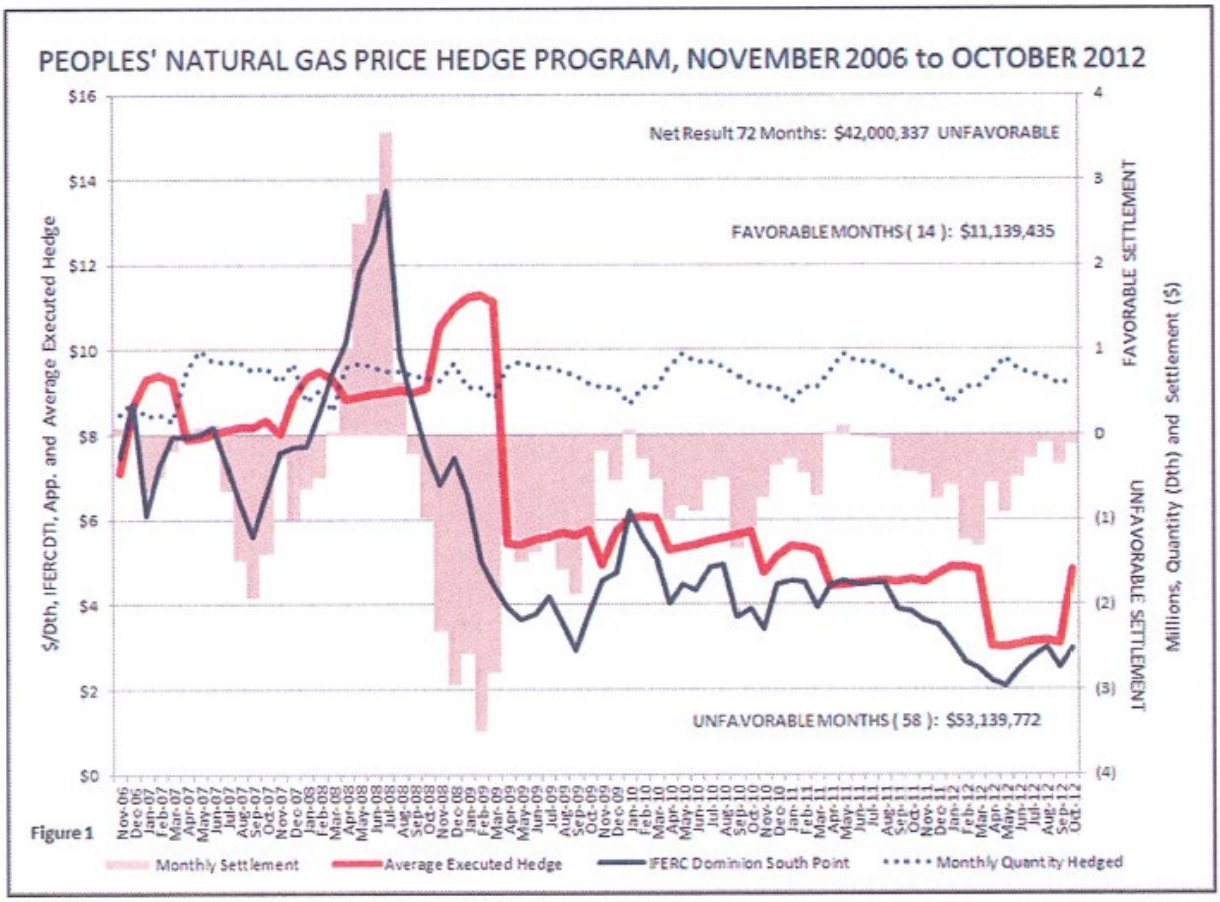


Figure 1

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								
Effective Year	Total Dth Scheduled for Heding	Exectued Hedged Dths	Remaining for Hedging	IFERC - EGTS App	NYMEX NG Settle	Actual Basis - Est Basis	Executed Hedge Price	Total Executed Hedge Value (Favorable)/Unfavorable	Cumulative (Fav)/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	26,892,000	17,312,000	9,580,000	$2.3314	$3.1197	-$0.5353	$2.5728	$21,412,088	**$48,524**
(blank)									
Grand Total	**318,762,000**	**309,182,000**	**9,580,000**	**$2.5727**	**$3.4140**	**-$0.8209**	**$1.3225**	**$48,524**	

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.