

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PENNSYLVANIA PUBLIC UTILITY :  
COMMISSION :  
 :  
v. : Docket No. R-2018-3006818  
 :  
PEOPLES NATURAL GAS COMPANY LLC :

---

**PREPARED DIRECT TESTIMONY OF  
CAROL A. SCANLON,  
MANAGER, RATES AND REGULATION  
PEOPLES NATURAL GAS COMPANY LLC**

**PEOPLES NATURAL GAS – PEOPLES DIVISION  
PEOPLES NATURAL GAS – EQUITABLE DIVISION**

---

DATE SUBMITTED: January 28, 2019  
DATE ADMITTED:

Peoples Statement No. 5

**PREPARED DIRECT TESTIMONY OF  
CAROL A. SCANLON**

1 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

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

4

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

6 **A.** I am employed by Peoples Natural Gas Company LLC (“Peoples” or the  
7 “Company”) as the Manager of Rates and Regulation.

8

9 **Q. PLEASE DESCRIBE BRIEFLY YOUR EDUCATIONAL BACKGROUND  
10 AND WORK EXPERIENCE.**

11 **A.** I graduated from the University of Pittsburgh in 1994 with a Bachelor of Science  
12 Degree in Business Administration with a concentration in Finance, and from  
13 Robert Morris University in 2001 with a Master’s Degree in Business  
14 Administration. My career began with the former Equitable Gas Company  
15 (“EGC”) in 2004 where I was employed in various positions of increasing  
16 responsibility. I started with EGC as a Senior Financial Analyst supporting the  
17 Collections and Compliance areas of the business. In March 2006, I transitioned  
18 to the role of Supervisor of Collections and Analysis. I was in that role until  
19 August of 2007 when I was promoted to the Manager of Account Maintenance,  
20 during which time I directed the activities of the Audit and Back Office

1 departments. In May 2009, I was promoted to Manager of Commercial and  
2 Residential Analysis. In June 2010, I was promoted to the Manager of Rates. I  
3 continued in that role until December 17, 2013, at which time EGC was acquired  
4 by PNG Companies LLC and merged into Peoples Natural Gas Company LLC.  
5 At that time, I transitioned to Peoples as a Rate Consultant. In August 2017, I was  
6 promoted to Manager of Transportation and Revenue. In this role, I managed  
7 revenue reporting and the team responsible for all interactions between the  
8 Company and the Natural Gas Suppliers (“NGS’s”). In April 2018, I moved back  
9 to the Regulatory team as the Manager of Rates and Regulation.

10

11 **Q. WHAT ARE YOUR RESPONSIBILITIES FOR PURPOSES OF THIS**  
12 **PROCEEDING?**

13 **A.** I will provide an overview of the historical test year revenues presented in this  
14 case. I will explain the forecasting methods used to develop customer count and  
15 usage data for the future and fully projected future test years. I will describe how  
16 those forecasted counts and volumes were priced to determine total revenues. I  
17 will explain the use of competitive pricing in the Company’s business model and  
18 the inclusion of negotiated rates in the pricing of the revenue claim. I will also  
19 describe adjustments made to normalize and annualize the revenues presented.  
20 Finally, I will present and explain the various Retail and Gas Supply tariff  
21 provisions proposed by the Company in this proceeding.

22

23

1 **Q. PLEASE LIST THE EXHIBITS AND FILING REQUIREMENTS THAT**  
2 **YOU ARE SPONSORING AS A WITNESS.**

3 **A.** Please refer to Appendix A to this testimony for a complete list of the filing  
4 requirements for which I am the responsible witness.

5

6 **Q. PLEASE BRIEFLY DESCRIBE THE TEST YEAR REVENUES AS**  
7 **PRESENTED IN PEOPLES' FILING.**

8 **A.** The schedules set forth in my testimony are presented separately for Peoples  
9 Division and Peoples-Equitable Division, but the exhibits follow the same  
10 numbering for each entity. Refer to the schedule "Volume and Revenue Summary  
11 at Current Rates," Exhibit 3, Schedule 15, Attachment C, page 1. Column 1 reflects  
12 the per books revenue for the year prior to the test year and column 2 reflects the  
13 per books revenue as of September 30, 2018 by FERC account. Columns 3-9  
14 display the amounts of per books revenue related to gas cost, universal service  
15 rider, Gas Procurement Charge ("GPC"), Merchant Function Charge ("MFC"),  
16 Supplier Choice Rider ("SCR"), DSIC, and the Tax Cuts and Jobs Act rider  
17 ("TCJA"). The calculation of the gas cost revenue for the Historic Test Year  
18 ("HTY") is provided in Exhibit 3, Schedule 15, Attachment M and the calculation  
19 of the rider revenues for the HTY is provided in Exhibit 3, Schedule 15,  
20 Attachment N. Column 10 displays the unbilled and cycle 22 adjustment amount,  
21 which is presented in Exhibit 3, Schedule 15, Attachment K. This amount is being  
22 excluded because it is not pertinent to calculate the annualized revenues. Column  
23 11 presents a weather adjustment to normalize the revenues for weather. The

1 weather adjustment calculation is shown in Exhibit 3, Schedule 15, Attachment H,  
2 page 1. Column 12 reflects an adjustment to price the test year bills and volumes to  
3 the most current base rates. Column 13 is the annualized delivery service and  
4 customer charge revenue at current rates as calculated in Exhibit 3, Schedule 15,  
5 Attachment D, pages 1-6.

6 Refer next to Exhibit 3, Schedule 15, Attachment C, page 2. This schedule  
7 summarizes the annualized total revenue at present rates as shown in Exhibit 3,  
8 Schedule 15, Attachment D, pages 1-6. The present rates used in the schedule are  
9 those in effect as of October 1, 2018. The annualized universal service rider  
10 revenues in column (3) of Exhibit 3, Schedule 15, Attachment C, page 2, are  
11 reduced by the CAP Credit amount shown in Exhibit 3, Schedule 15, Attachment  
12 D, page 1, line no. 29.

13

14 **Q. PLEASE EXPLAIN THE DEVELOPMENT OF YOUR ADJUSTMENT TO**  
15 **NORMALIZE REVENUES FOR THE EFFECTS OF THE HISTORICAL**  
16 **TEST YEAR WEATHER.**

17 **A.** Exhibit 3, Schedule 15, Attachment H, page 1 summarizes the adjustment made to  
18 normalize the historical test year revenues for the effects of weather. This  
19 adjustment was calculated by determining the use per customer (“UPC”) for each  
20 class of customer and multiplying the historical customer counts by this amount. I  
21 will discuss the calculation of UPC by class further in my testimony. We are using  
22 5,416 heating degree days (“HDDs”) to forecast normal weather. This is the 20-  
23 year average for the period ending December 31, 2017 as obtained from the

1 National Oceanographic Atmospheric Association (“NOAA”). The Company has  
2 utilized the 20 year average in prior base rate cases and believes it provides a  
3 reasonable basis for weather normalization. The normalized volume is then  
4 deducted from the HTY billed throughput to calculate the adjustment amount in  
5 Mcf. The Mcf adjustment amount is multiplied by the current delivery rate to  
6 determine the dollar amount of the adjustment.

7

8 **Q. PLEASE FURTHER DESCRIBE THE DEVELOPMENT OF THE UPC**  
9 **PER CUSTOMER CLASS.**

10 **A.** A UPC factor was developed for each class of customer to both normalize the  
11 historical test year and forecast the future test year (“FTY”) and fully projected  
12 future test year (“FPFTY”) volumes. Different methods were used to determine the  
13 UPC for each class of customer. Residential and commercial customers  
14 traditionally are heat sensitive and require a model that includes a weather variable.  
15 By comparison, industrial customers are not predominantly impacted by weather,  
16 so using historical usage patterns for this class of customer is more indicative of  
17 future usage.

18

19 **Q. LET’S START WITH RESIDENTIAL. PLEASE ELABORATE ON THE**  
20 **MODEL USED TO DEVELOP THE RESIDENTIAL UPC.**

21 **A.** A regression analysis was used to generate the residential UPCs that are used to  
22 normalize the HTY and forecast the FTY and FPFTY. Factors were assigned  
23 separately to retail, transportation and CAP customers based on the historic test

1 period such that the weighted average of those factors equaled the regression  
2 prediction for that year. The inputs used for the residential UPC regression model  
3 are average number of customers, annual volume, HDDs, the January 1<sup>st</sup> quarterly  
4 rate of each year, and a trend variable. The model includes this information from  
5 2003 – 2017 as reported in the Company’s annual reports. The regression inputs  
6 and results are included in Exhibit 19, RR-8.

7

8 **Q. WHY DID THE COMPANY CHOOSE A REGRESSION MODEL TO**  
9 **DETERMINE RESIDENTIAL UPC OVER OTHER FORECASTING**  
10 **METHODS?**

11 **A.** Traditionally, the Company employed a forecasting model that used historical  
12 actual data to calculate a non-heat sensitive base load factor and a seasonal, heating  
13 degree day factor. The Company normally uses this approach, but the results using  
14 this method were not consistent when calculated for the Company’s 2018 Gas Cost  
15 filing. The trend under the traditional forecasting model indicated that residential  
16 usage was increasing in recent years. This contradicts the trend of declining usage  
17 seen over the last thirty years. Refer to Exhibit CAS-1 for a summary of this decline  
18 in usage as published by the American Gas Association (“AGA”). With newer  
19 houses and appliances being more energy efficient, the trend of increasing customer  
20 usage is perplexing. The increase in usage is only evident over two recent years of  
21 data and is not prevalent enough, as compared to numerous years of demonstrated  
22 declining usage, to rely on heavily. Additionally, during the recent two years of data  
23 that usage is seen to increase, prices have been low and the weather has been

1 warmer than normal. Due to these factors, it is reasonable to infer that most  
2 residential customers received lower overall bills during these time periods. The  
3 Company does not feel that the recent data is indicative of increasing usage  
4 patterns, but rather, a product of customer behavior resulting from lower overall  
5 bills. For example, customers are more likely to turn up the thermostat versus using  
6 an extra sweater or blanket because the cost of doing so is negligible.

7 Customer usage is not linear and there are other factors at play that may  
8 generally influence residential customers' usage, as described above. The  
9 regression model analysis allows for examination of multiple variables of interest  
10 that may influence usage.

11

12 **Q. WHAT ARE THE RESULTS OF THE REGRESSION ANALYSIS?**

13 **A.** In a regression analysis, the R-squared measure indicates how well data is fitted to  
14 the regression line. Generally, the higher the R-squared value, the better the model  
15 fits the data. In the Company's analysis used to generate the residential UPCs, the  
16 R-squared value is 0.911 for Peoples Division and 0.934 for Peoples-Equitable  
17 Division.

18

19 **Q. HOW DOES PRICE IMPACT THE RESIDENTIAL CUSTOMER'S UPC?**

20 **A.** Although residential gas usage is typically seen as inelastic, there is a small, yet  
21 measureable, price response when prices reach extremely high levels, as seen in the  
22 last decade, or extremely low levels such as 2016 when prices in western  
23 Pennsylvania reached record low levels. The Company applied several variations

1 of price inputs and found that the most statistically significant results came from the  
2 January, or winter, quarterly rate for each year. Likely this is because the January  
3 rate is the price in effect when the customer receives the highest bill(s) for the year  
4 and may choose to take action. The results of the analysis show that for each one  
5 dollar of price change, the UPC moves in the opposite direction by approximately  
6 1.12 Mcf for Peoples Division and 1.22 Mcf for Peoples-Equitable Division. This  
7 means for each one dollar of price decrease, the UPC increases by 1.12 Mcf or 1.22  
8 Mcf respectively. Similarly, for each one dollar of price increase, the UPC  
9 decreases by 1.12 Mcf or 1.22 Mcf respectively. Therefore, based on a difference of  
10 \$10.89 between the highest and lowest prices in the Peoples Division historic data,  
11 the UPC could vary by as much as 12 Mcf. Comparably, based on a difference of  
12 \$11.17 between the highest and lowest prices in the Peoples- Equitable Division  
13 historic data, the UPC could vary by as much as 14 Mcf.

14

15 **Q. LET'S DISCUSS THE COMMERCIAL CUSTOMER'S NEXT. PLEASE**  
16 **EXPLAIN THE MODEL USED TO DEVELOP THE COMMERCIAL**  
17 **UPCS.**

18 **A.** As discussed earlier in my testimony, traditionally, the Company employed a  
19 forecasting model that used historical actual data to calculate a non-heat sensitive  
20 base load factor and a seasonal, heating degree day factor. This is the method that  
21 was used to calculate the UPC for small and medium commercial customers. As  
22 with residential, a separate UPC is calculated for retail versus transportation  
23 customers. Small commercial customers are defined as commercial customers using

1 between 0 – 999 Mcf annually. Medium commercial customers are defined as  
2 commercial customers using between 1,000 – 24,999 Mcf annually.

3

4 **Q. WHY DIDN'T THE COMPANY UTILIZE THE REGRESSION MODEL**  
5 **FOR THE SMALL AND MEDIUM SIZE COMMERCIAL CUSTOMERS?**

6 **A.** The regression model uses data points from 2003 – 2017. The Company used the  
7 data provided in the annual reports for this purpose, but customer usage for the  
8 small and medium size commercial classes was not distinct in the annual reports.  
9 Dating back to 2003, neither the Peoples Division nor the Equitable Division had  
10 rate classes designated by SGS, MGS, or LGS. The Peoples Division implemented  
11 such rate classes in 2012 with the implementation of the rate case at Docket No. R-  
12 2012-2285985. However, it is not practical to use the data from 2012 forward for  
13 the Peoples Division as a proxy because it only allows for six data points which is  
14 not a sufficient sample size. Likewise, the data is available for the Equitable  
15 Division from July 2015 forward upon conversion to the SAP billing system, but  
16 again, this would still not achieve a sufficient sample size.

17

18 **Q. HOW IS THE NON-HEAT SENSITIVE BASE LOAD DEVELOPED FOR**  
19 **THE SMALL AND MEDIUM SIZE COMMERCIAL CUSTOMERS?**

20 **A.** The non-heating base load is developed by reviewing actual volumes for the  
21 months of July and August, both of which have a low number of heating degree  
22 days, to establish a non-heating base load. This base load volume is divided by the  
23 number of customers and number of days to arrive at a daily customer base load

1 figure.

2

3 **Q. HOW IS THE HEATING DEGREE DAY FACTOR DEVELOPED?**

4 **A.** The first step is to remove the non-heat usage as identified above. This isolates the  
5 usage impacted by weather. Next we identify the actual HDDs related to the  
6 historical data we are using. Finally, we take total heat load, divided by the total  
7 heating degree days for the period, then divided by the number of customers, to  
8 arrive at a heating degree day factor.

9

10 **Q. HOW WAS THE UPC FOR LARGE COMMERCIAL CUSTOMERS**  
11 **DEVELOPED?**

12 **A.** Large commercial customers, defined as commercial customers using 25,000 Mcf  
13 or greater annually, often have usage patterns that behave more similarly to  
14 industrial customers than to heat sensitive customers. As a result, development of  
15 the large commercial customer's UPC is included in the next section with industrial  
16 customers.

17

18 **Q. HOW WAS THE UPC FOR LARGE COMMERCIAL CUSTOMERS AND**  
19 **ALL INDUSTRIAL CUSTOMERS DEVELOPED?**

20 **A.** The large commercial and all of the industrial UPC's were prepared using the  
21 actual, most recent 12 month history of volumes, divided by the actual number of  
22 customers. The company believes this is the best indicator of future usage trends for  
23 this group of customers. We then utilized the input of our sales representatives to

1 incorporate significant known changes in usage patterns.

2

3 **Q. PLEASE EXPLAIN HOW THE NUMBER OF BILLS ARE ANNUALIZED.**

4 **A.** Refer to Exhibit 3, Schedule 15, Attachment F, pages 1-2. The net change in  
5 customers for growth and attrition, as presented in column (2), is determined by the  
6 net overall change in customers reported in the Company's 2012 base rate case  
7 compared to the 9/30/2018 customer counts for Peoples-Division. The details of  
8 this analysis are presented in Exhibit 3, Schedule 15, Attachment H, page 2. A  
9 similar approach is used to determine the net change in customers for growth and  
10 attrition for Peoples-Equitable Division. However, the comparison in this case is  
11 between the customer counts as of 9/30/2016 compared to the 9/30/2018 customer  
12 counts. Peoples-Equitable Division's last base rate case was in 2008, filed under the  
13 former Equitable Gas Company. The reason for not using this data as a comparison  
14 point is because customer classes were reported differently under the former  
15 Equitable Gas Company as compared to the current day. The time period of  
16 9/30/2016 was chosen because it is a representative view of customer counts after  
17 conversion to the SAP billing system in July 2015.

18 In the same schedule, depicted in column 3, is the change of customers between  
19 classes. As can be seen, in the total Company summary, at the bottom of page 2 of  
20 6, there is no overall change to the number of customers in this column. The  
21 purpose of this column is to align the customers with the correct rate category, as  
22 compared to the HTY data. For example, customers may switch back and forth  
23 between sales and transportation service. Also, as a result of the annual

1 consumption review process, customers may move to another annual usage tier  
2 within the same category.

3

4 **Q. PLEASE EXPLAIN HOW THE NUMBER OF BILLS ARE FORECASTED**  
5 **FOR THE FTY AND FPFTY.**

6 **A.** The overall net change in number of customers, as determined to annualize the bills  
7 as described above, is divided by the number of years since the comparison point to  
8 arrive at an annual average change in customer counts. This annual average amount  
9 is then forecasted for the FTY and FPFTY as shown in Exhibit 3, Schedule 15,  
10 Attachment F, pages 3-6.

11

12 **Q. PLEASE DESCRIBE EXHIBIT 3, SCHEDULE 15, ATTACHMENT G.**

13 **A.** Exhibit 3, Schedule 15, Attachment G summarizes the adjustments to weather  
14 normalize volume and to annualize and forecast customer counts for each of the  
15 pertinent time frames; HTY, FTY, FPFTY. The adjustments to annualize volumes  
16 for net customer growth and attrition and customer reclasses used in Attachment G  
17 are summarized in Exhibit 3, Schedule 15, Attachment I.

18

19 **Q. PLEASE DESCRIBE EXHIBIT 3, SCHEDULE 15, ATTACHMENT D.**

20 **A.** Exhibit 3, Schedule 15, Attachment D incorporates the summary information  
21 provided in Exhibit 3, Schedule 15, Attachments F & G in the first two columns of  
22 each page. These volumes and customer counts are then priced out at current rates  
23 to calculate the revenue at current rates shown in column 4. This exercise is

1 repeated for each of the pertinent time frames; Adjusted HTY (pages 1-6), FTY  
2 (pages 7-12), FPFTY (pages 13-18).

3

4 **Q. YOU HAVE DESCRIBED THE PROCESS FOR PREPARING THE**  
5 **CUSTOMER COUNTS AND USAGE FORECASTED FOR EACH CLASS.**  
6 **PLEASE EXPLAIN HOW THESE COUNTS AND VOLUMES WERE**  
7 **PRICED IN EXHIBIT 3, SCHEDULE 15, ATTACHMENT D.**

8 **A.** The retail sales customers are priced at current tariff rates effective October 1,  
9 2018. The transportation service is priced in two parts: customers subject to full  
10 tariff rates are priced at the current tariff rates effective October 1, 2018, and  
11 competitive customers that have negotiated rates are priced individually at their  
12 negotiated delivery rate. The negotiated delivery rate line item displayed in  
13 Exhibit 3, Schedule 15, Attachment D is the weighted average negotiated delivery  
14 rate for the group of competitive customers specific to each rate class.

15

16 **Q. YOU MENTION NEGOTIATED DELIVERY RATES FOR**  
17 **COMPETITIVE CUSTOMERS. WHAT MAKES A CUSTOMER**  
18 **“COMPETITIVE”?**

19 **A.** The Company’s service territory is a fertile market for competition both among  
20 Natural Gas Distribution Companies (NGDC) and between natural gas and  
21 alternate fuels. Some of our commercial customers and most industrial customers  
22 have more than one service option available to them. These customers support  
23 important operational needs of the Company’s system and also offset the cost of

1 service for other customers. In order to ensure we maintain these accounts, it is  
2 necessary to flex our maximum delivery rates to remain competitive.

3

4 **Q. WHAT IS PEOPLES' POSITION ON NGDC COMPETITION?**

5 **A.** Gas-on-Gas Competition has greatly diminished since 2010. At that time, the flex  
6 rate NGDCs were Peoples, TW Phillips, Equitable Gas Company, LLC, and  
7 Columbia Gas of Pennsylvania. By order entered May 23, 2011, at A-2010-  
8 2210326, the Commission approved a change of control of T.W. Phillips Gas and  
9 Oil Co. from TWP INC. to LDC Holdings II LLC, an indirect subsidiary of Steel  
10 River Infrastructure Fund North America LP. Then in 2013, Equitable became an  
11 operating division of Peoples. (See Joint Application of Peoples and Equitable,  
12 Docket Nos. A-2013-2353647, A-2013-2353649, A-2013-2353651.) In the  
13 Peoples/Equitable merger, the parties agreed to extend existing flex rate discounts  
14 to customers lying in both Peoples/PTWP and Equitable service territories  
15 through December 31, 2018, or through the end of the contract by its own terms,  
16 whichever is later. The expiration of the negotiated pricing related to the  
17 Peoples/Equitable merger is reflected in the negotiated delivery revenue pricing in  
18 Exhibit 3, Schedule 15, Attachment D. As such, there are currently only two  
19 remaining competing flex rate NGDCs (Peoples/Peoples Gas (fka PTWP) and  
20 Columbia).

21 In 2012, the Commission initiated a Generic Investigation Regarding Gas-On-  
22 Gas Competition Between Jurisdictional Natural Gas Distribution Companies at  
23 Docket No. 1-2012-2320323. On May 4, 2017, the Commission entered a final

1 opinion and order in the proceeding that permits natural gas distribution  
2 companies with overlapping service territories in western Pennsylvania to  
3 continue providing discounts to certain commercial and industrial customers  
4 where it is possible for flex rate customers to receive natural gas service from  
5 more than one flex rate NGDC. The Order however imposed certain restrictions  
6 on Gas-on-Gas Competition and solicited comments from interested parties. On  
7 August 2, 2017, Peoples Companies filed comments stating the Company's  
8 position is that discount means to reduce the Company's rate offered to the  
9 eligible customer to a rate no less than the lowest applicable tariff rate, inclusive  
10 of applicable, non-gas cost riders and surcharges, of the competing NGDC. For  
11 rate comparison purposes, all fixed rate components of the otherwise applicable  
12 tariff rates, such as customer charges, riders, and surcharges, will be converted to  
13 a variable rate equivalent (e.g., ¢/Dth or ¢/Mcf) based on the eligible customer's  
14 annual usage.

15

16 **Q. IN ADDITION TO NGDC COMPETITION, WHAT OTHER FUEL**  
17 **OPTIONS LEAD TO A CUSTOMER BEING CLASSIFIED AS**  
18 **“COMPETITIVE”?**

19 **A.** Many of our competitive customers have access to alternative energy sources,  
20 including private well gas, landfill gas, interstate pipeline companies, and  
21 alternative fuels such as electricity or propane.

22

23 **Q. PLEASE DESCRIBE EXHIBIT 3, SCHEDULE 15, ATTACHMENT C,**

1           **PAGES 3 - 6.**

2   **A.**   Exhibit 3, Schedule 15, Attachment C, pages 3-6 are comparable to the schedules  
3           presented in the same attachment on pages 1 and 2 and discussed on page 3, lines  
4           7-23, and page 4, lines 1-11 in my testimony. Attachment C, page 3 starts with  
5           the pro forma revenue for the future test year as presented in Exhibit 3, Schedule  
6           15, Attachment D, pages 7-12, and walks through the future test year gas costs  
7           and rider revenues to arrive at the annualized base revenue for the future test year  
8           at current rates. Attachment C, page 4 summarizes the annualized total revenue at  
9           present rates as shown in Exhibit 3, Schedule 15, Attachment D, pages 7-12.  
10          Again, the annualized universal service rider revenues in column (3) of  
11          Attachment C, page 4 are reduced by the amount of CAP Credits. Attachment C,  
12          pages 5 and 6 repeat the above exercise, but for the fully projected future test year  
13          as presented in Exhibit 3, Schedule 15, Attachment D, pages 13-18.

14

15   **Q.    PLEASE EXPLAIN THE PROPOSED REVENUES.**

16   **A.**   Exhibit 3, Schedule 15, Attachment O shows the allocation of proposed annual  
17          revenues by rate schedule based upon the revenue requirement presented by  
18          witness Russell Feingold at Statement No. 11. Next, refer to Exhibit 3, Schedule  
19          15, Attachment E. Exhibit 3, Schedule 15, Attachment E is similar to Exhibit 3,  
20          Schedule 15, Attachment D in that it incorporates the summary information  
21          provided in Exhibit 3, Schedule 15, Attachments F & G in the first two columns  
22          of each page. However, the volumes and customer counts are then priced out at  
23          proposed rates to calculate the revenue at proposed rates shown in column 4. This

1 exercise is repeated for each of the pertinent time frames; Adjusted HTY (pages  
2 1-6), FTY (pages 7-12), FPFTY (pages 13-18). Schedules that summarize the  
3 comparison of current rates to proposed rates for each of the relevant time periods  
4 are shown in Exhibit 3, Schedule 15, Attachment A.

5  
6 **Q. DESCRIBE THE CHANGE IN THE LARGE GENERAL SERVICE**  
7 **CLASS DELIVERY CHARGE TIERS PRESENTED IN EXHIBIT 3,**  
8 **SCHEDULE 15, ATTACHMENT E.**

9 **A.** The proposed rates for the Large General Service (“LGS”) classes include a tiered  
10 volumetric delivery charge rate versus a single delivery charge rate for the entire  
11 class as is the current rate structure. Two additional levels are included in the  
12 proposed volumetric delivery charge tiers as compared to the levels of customer  
13 charge tiers for the class. The two additional levels are 750,000 to 1,999,999 Mcf/  
14 year and Over 2,000,000 Mcf/year. Currently, there are no customers or volumes  
15 that meet the threshold for these tier levels. Witness Russell Feingold describes  
16 the derivation of proposed rates in further detail at Statement No. 11.

17  
18 **Q. DESCRIBE THE PROPOSED TRANSITIONAL INDUSTRIAL RATE**  
19 **CLASS.**

20 **A.** The transitional industrial rate class is being proposed for legacy industrial  
21 customers on Peoples Division only. A legacy industrial customer is any customer  
22 that is active on Peoples Division industrial rate schedule as of the date new rates  
23 approved in this rate case are effective. The reason for this proposal is because the

1 Company is proposing to eliminate the distinction of commercial versus industrial  
2 customers within the new rate schedules, but the current delivery rate levels of  
3 industrial customers in the Peoples Division are much lower compared to the  
4 delivery rate levels of comparable sized commercial customers. Refer to the  
5 testimony of Russell Feingold at Statement No. 11 for additional detail related to  
6 this proposal.

7

8 **OTHER OPERATING REVENUES**

9

10 **Q. PLEASE DESCRIBE, BY CATEGORY, THE OTHER OPERATING**  
11 **REVENUES INCLUDED IN THE HISTORIC, FUTURE, AND FULLY**  
12 **FORECASTED FUTURE TEST YEARS.**

13 **A.** As displayed in Exhibit 3, Schedule 15, Attachment A, Line Nos. 19-26, seven  
14 accounts are presented as Other Operating Revenues. Account 487 is Forfeited  
15 Discounts which represents late payment charges applied to delinquent customer  
16 accounts. Account 488 is Miscellaneous Service Revenues which includes  
17 revenues from connection fees and service fees. Revenues from Transportation of  
18 Gas through Gathering Facilities is shown in Account 489.1 for Peoples-Equitable  
19 Division. Account 493 provides revenue from rental of gas property. Account  
20 495 includes several different items such as pooling and billing fees, off-system  
21 sales revenue, and revenue for transportation of gas through gathering facilities  
22 for Peoples Division, plus other non-distribution revenues. Account 496 is  
23 Provision for Rate Refunds. This account is relative to the Tax Cuts and Jobs Act

1 of 2018.

2

3 **Q. LET’S BEGIN WITH THE FIRST ACCOUNT 483 - SALES FOR RESALE.**  
4 **DID YOU MAKE ANY ADJUSTMENTS TO THIS ACCOUNT?**

5 **A.** As shown in Exhibit 3, Schedule 15, Attachment C, page 1 sales for resale are  
6 removed from the booked revenue as a normalization adjustment. Refer to Exhibit  
7 3, Schedule 15, Attachment J . The entries in this account are for the sales side of  
8 gas to third party suppliers, but these sales are offset by the expense to suppliers,  
9 netting to zero. As a result, there is nothing forecasted for this account in any of  
10 the future periods.

11

12 **Q. NEXT, ACCOUNT 487 - FORFEITED DISCOUNTS. DID YOU MAKE**  
13 **ANY ADJUSTMENTS TO THIS ACCOUNT?**

14 **A.** Yes. The forfeited discounts are projected as a percentage of gross revenues.  
15 Refer to Exhibit 3, Schedule 15, Attachment L, page 1. This schedule shows the  
16 actual forfeited discounts as a percentage of gross revenues for the HTY is 0.69%.  
17 The gross revenues projected for each of the pertinent time frames are then  
18 multiplied by 0.69% to forecast the forfeited discounts amount for each period.

19

20 **Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 488 –**  
21 **MISCELLANEOUS SERVICE REVENUES?**

22 **A.** No. The historic revenues for these fees were used to forecast the future test year  
23 and fully forecasted future test year revenues.

1

2 **Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 489.1 FOR**  
3 **PEOPLES- EQUITABLE DIVISION OR ACCOUNT 495 FOR PEOPLES**  
4 **DIVISION RELATED TO REVENUES FROM THE TRANSPORTATION**  
5 **OF GAS THROUGH GATHERING FACILITIES?**

6 **A.** Yes. Refer to Exhibit 3, Schedule 15, Attachment L, page 2. Gathering volumes  
7 are projected based upon historical volumes and incorporating the historical  
8 volume decline experienced by the Company in recent years. As natural gas wells  
9 are aging, the volume is declining. The volumes are then multiplied by the  
10 historical average gathering rate to forecast the gathering revenues for each of the  
11 time periods. Refer to the testimony of Joseph Gregorini at Statement No. 2 for  
12 details surrounding the Company's proposed gathering initiatives.

13

14 **Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 493 – REVENUE**  
15 **FROM RENTAL OF GAS PROPRTY?**

16 **A.** No. The historic revenues were used to forecast the future test year and fully  
17 projected future test year revenues.

18

19 **Q. DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 495 – OTHER**  
20 **GAS REVENUES?**

21 **A.** No. However, as will be presented in the latter part of my testimony, the  
22 Company is proposing to eliminate pooling fees for the Peoples Division. The  
23 forecast for Account 495 does not remove the pooling fee revenues from the

1 forecasted amount for the FTY and FPFTY because the schedule displays  
2 revenues at current rates. The elimination of these fees will be incorporated in the  
3 proposed rates presented by witness Russell Feingold at Statement No. 11.  
4 Additionally, the Company is proposing a uniform billing fee amount for both the  
5 Peoples Division and Peoples-Equitable Division. The current billing fee for  
6 Peoples Division is \$0.15 per bill and for Peoples-Equitable Division is \$0.30 per  
7 bill. As with the pooling fees, the billing fee for both divisions is forecasted at the  
8 respective current rate for each division in the FTY and FPFTY. The uniform  
9 pricing of this fee will be incorporated in the proposed rates presented by Russell  
10 Feingold at Statement No. 11. Additionally, off-system gas sales revenues and  
11 expenses are considered in purchased gas cost proceedings under Section 1307(f)  
12 of the Public Utility Code. Therefore, they are removed from the booked  
13 revenue as a normalization adjustment. Refer to Exhibit 3, Schedule 15,  
14 Attachment C, page 1 and Exhibit 3, Schedule 15, Attachment J.

15  
16 **Q. FINALLY, DID YOU MAKE ANY ADJUSTMENTS TO ACCOUNT 496 –**  
17 **PROVISION FOR RATE REFUNDS.**

18 **A.** For the HTY, Account 496 is related to the Tax Cuts and Jobs Act of 2018  
19 (“TCJA”) and reflects the impact of TCJA from January 1, 2018 through June 30,  
20 2018 and any over/under billings under Rider TCJA. For more information on the  
21 impacts of TCJA on the current case, please refer to the testimony of Matthew  
22 Wesolosky at Statement No. 4.

23

**TARIFF REVISIONS**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**Q. PLEASE DESCRIBE THE TARIFF CHANGES THAT THE COMPANY IS PROPOSING IN THIS CASE.**

**A.** Peoples Division has two separate tariffs on file with the Commission. Peoples’ Retail Tariff, Gas – PA PUC No. 45 contains the rules and regulations, rate schedules and rates applicable to services for the end-use customers. Peoples’ Supplier Tariff, Gas - PA PUC No. S-2, contains the rules and regulations, rate schedules and rates applicable to services for natural gas suppliers (“NGSs”) that operate on the system. Peoples-Equitable Division has one tariff on file with the Commission, Gas – PA PUC No. 46 contains the rules and regulations, and rate schedules for both end-use customers and NGSs. The Company is proposing to merge the Peoples Division and Peoples-Equitable Division tariffs into two separate combined tariffs (one for Retail service and one for Supplier service, the same as Peoples Division current tariffs exist today) that are applicable to both entities going forward. The approach taken to combine the tariffs was to strike the entire Peoples-Equitable Division tariff and propose all changes in the red-lined versions of the Peoples Division tariff retail and supplier tariffs. Volume IV of the rate filing provides complete versions of Peoples Division and Peoples-Equitable Division’s current tariffs and the combined proposed tariff. As mentioned, the existing tariff for Peoples-Equitable Division is completely struck and all changes for both divisions are presented in the proposed combined tariffs for Peoples. Exhibit CAS-2 provides the proposed red-lined retail tariff and

1 Exhibit CAS-3 provides the proposed red-lined supplier tariff. Beginning on page  
2 2 of each of the proposed tariffs is a detailed list of all of the revisions, along with  
3 a brief description of each.

4

5 **Q. PLEASE DESCRIBE SOME OF THE MORE SUBSTANTIAL CHANGES**  
6 **TO THE TARIFFS.**

7 **A.** Many of the changes involve pagination changes and other minor revisions. The  
8 more substantive proposed tariff revisions are as follows:

9

10 **Retail Tariff**

- 11     ▪ Connections for Service and Extension of Facilities (Rule 4) - The Company is  
12 proposing, at its discretion, to extend its distribution mains up to a distance of  
13 one-hundred fifty (150) feet on any street or highway without cost to a residential  
14 applicant(s). Refer to the testimony of Joseph Gregorini at Statement No. 2 for  
15 additional information.
- 16     ▪ Appalachian Gathering Rate— This rate schedule is new for the Peoples Division  
17 and revised for the Equitable Division. This rate schedule is being proposed for  
18 any party desiring to transport gas through the gathering system, as well as to  
19 deliver gas directly into the Company’s distribution system. Refer to the  
20 testimony of Joseph Gregorini at Statement No. 2 for additional information.
- 21     ▪ State Tax Adjustment Surcharge – Language change for Peoples-Equitable  
22 Division tariff such that STAS surcharge only applies to max rate customers. The  
23 Company will incorporate the change in the STAS rate calculation in the first

1 STAS rate calculation after the new base rates take effect.

2     ▪ Universal Service Rider – The current timing of the reconciliation period and roll  
3 in of the reconciliation amount into the rates is not the same for Peoples Division  
4 and Peoples-Equitable Division. As inferred by the proposed tariff changes, the  
5 Company plans to incorporate the timing set forth for the existing Peoples  
6 Division timing, which means the annual reconciliation period will be January –  
7 December of a given year. The annual reconciliation statement will be filed by  
8 January 31<sup>st</sup> of the following year and the reconciliation adjustment will be  
9 included in the rate calculation effective April 1<sup>st</sup> of the same following year. To  
10 align the two divisions upon approval of this filing, the Company proposes that  
11 the Peoples-Equitable Division current annual reconciliation filing of September –  
12 August to be filed by September 30<sup>th</sup> and included in the rate calculation effective  
13 October 1<sup>st</sup> . The next annual filing reconciliation statement, that will be filed by  
14 January 31<sup>st</sup> will include both divisions, will provide January – December for the  
15 Peoples Division and the October – December for Peoples-Equitable Division to  
16 get the both divisions on the same footing.

17     ▪ Removal of connection fees, transfer fees, remote meter, fees, split load fees, and  
18 field visit fees.

19  
20 **Supplier Tariff**

21     ▪ Elimination of pooling fees for Peoples Division.

22     ▪ Change in assignment of capacity for Pool Operators with Peak Day Demand <  
23 2,000 Dth per Day - Pool Operators who have a peak day demand of 2,000 Dth

1 per day or less will not be assigned their pro-rata or other agreed upon share of the  
2 pipeline and storage capacity. In lieu of such capacity assignment, the Company  
3 will deliver the Pool Operator's required daily gas supplies.

4

5 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

6 **A.** Yes. I reserve the right to supplement my testimony as other issues arise during  
7 the course of this proceeding. Thank you.

<b>Exhibit</b>	<b>Ref_Num</b>
Ex. 1, Sch. 22	53.52(d)(1)
Ex. 3, Sch. 1	53.52(a)(2)
Ex. 3, Sch. 2	53.52(a)(3)
Ex. 3, Sch. 3	53.52(a)(4)
Ex. 3, Sch. 4	53.52(b)(3)
Ex. 3, Sch. 5	53.52(b)(4)
Ex. 3, Sch. 6	53.52(b)(5)
Ex. 3, Sch. 7	53.52(b)(6)
Ex. 3, Sch. 8	53.53.III.E.4
Ex. 3, Sch. 9	53.53.III.E.6
Ex. 3, Sch. 10	53.53.III.E.8
Ex. 3, Sch. 11	53.53.III.E.9
Ex. 3, Sch. 12	53.53.III.E.10
Ex. 3, Sch. 13	53.53.III.E.11
Ex. 3, Sch. 15	53.53.III.E.14
Ex. 3, Sch. 16	53.53.III.E.15
Ex. 10, Sch. 1	53.53.III.E.12
Ex. 10, Sch. 2	53.53.III.E.19
Ex. 10, Sch. 4	53.53.III.E.38
Ex. 10, Sch. 5	53.53.III.E.39
Ex. 10, Sch. 6	53.53.III.E.7
Ex. 11, Sch. 6	53.53.IV.B.5
Ex. 11, Sch. 8	53.53.IV.B.12
Ex. 12, Sch. 13	53.53.IV.B.4

Ex. 12, Sch. 14	53.53.IV.B.13
Ex. 14, Sch. 1	53.53.IV.B.6
Ex. 14, Sch. 2	53.53.III.A.26
Ex. 19, RR-2	RR 2
Ex. 19, RR-3	RR 3
Ex. 19, RR-4	RR 4
Ex. 19, RR-5	RR 5
Ex. 19, RR-6	RR 6
Ex. 19, RR-7	RR 7
Ex. 19, RR-8	RR 8
Ex. 19, RR-9	RR 9
Ex. 19, RR-10	RR 10
Ex. 19, RR-11	RR 11
Ex. 19, RR-12	RR 12
Ex. 19, RR-13	RR 13
Ex. 19, RR-16	RR 16
Ex. 19, RR-35	RR 35
Ex. 17, COS-1	COS 1
Ex. 17, COS-9	COS 9
Ex. 17, COS-13	COS 13
Ex. 17, COS-15	COS 15
Ex. 17, COS-18	COS 18
Ex. 17, COS-21	COS 21



## Representing America's Natural Gas Utilities

### Financial and Operational Information Series

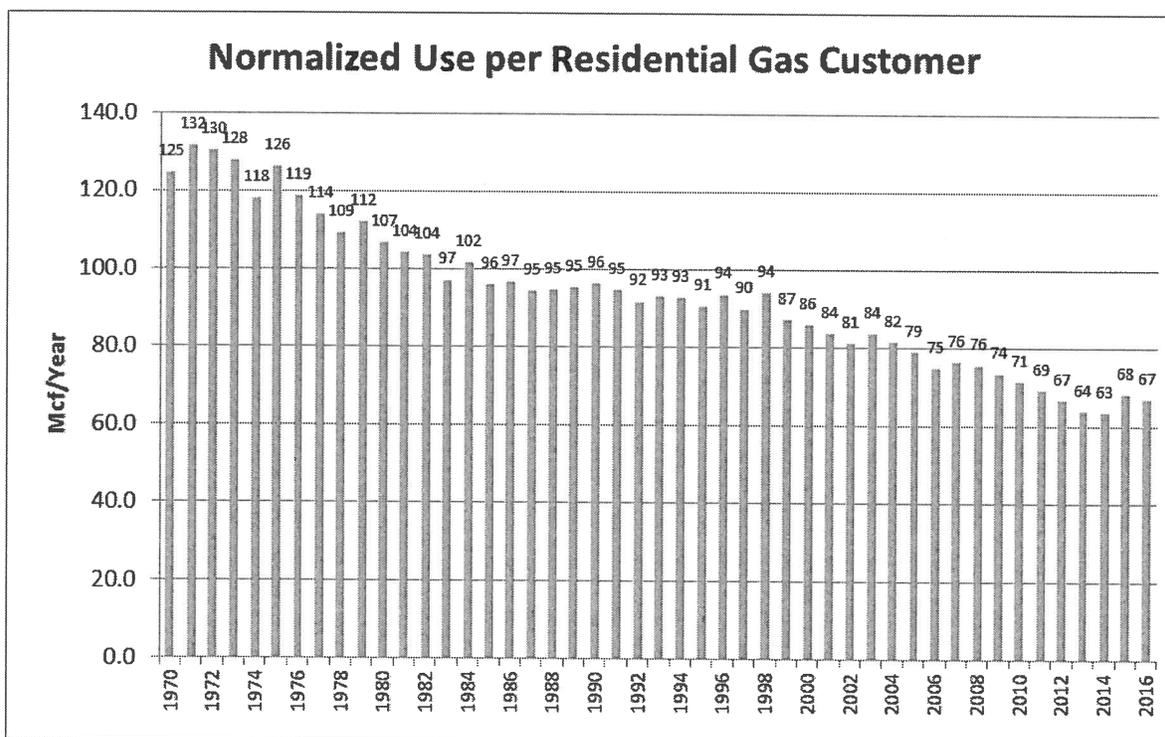
Volume 2017-7, July 2017

Issue:

### Normalized Use per Residential Customer

**Findings**

- Normalized use per residential gas customer fell 46 percent between 1970 and 2016.
- For the past two years (2016 & 2015) use per customer has increased compared to 2014. Prior to that, most years showed a decline;
  - Annual rate of decline, 1970-1979 = 1.56 percent.
  - Annual rate of decline, 1980-1989 = 1.01 percent.
  - Annual rate of decline, 1990-1999 = 1.05 percent.
  - Annual rate of decline, 2000-2009 = 1.64 percent
  - Annual rate of decline, 2010-2016 = 0.90 percent.



**Methodology**

- Base load volumes assumed to be average consumption during July and August, with the excess consumption in other months assumed to be weather sensitive.
- Weather sensitive load normalized by multiplying load by ratio of normal versus actual calendar heating degree days.

SOURCE: Based on data from Energy Information Administration and AGA's *Gas Facts*, various years.

AGA Contact: Brendan O'Brien (202-824-7220) [bobrien@aga.org](mailto:bobrien@aga.org)

Copyright © American Gas Association, 2017. All rights reserved.

Original Tariff Gas—PA PUC No. 47  
 Cancels and Supersedes Tariff Gas – PA PUC No. 45 and 46

# PEOPLES NATURAL GAS COMPANY LLC

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

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

BY: Morgan K. O'Brien  
President  
375 North Shore Drive  
Pittsburgh, PA 15212

### NOTICE

This tariff combines Tariff Gas – PA PUC No. 45 for the Peoples Division and Tariff Gas – PA PUC No. 46 for the Equitable Division. Upon approval of this Tariff Gas – PA PUC No. 47, all Peoples Natural Gas customers (including the former Peoples and Equitable Divisions) will be subject to the rates and rules set forth herein.

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

LIST OF CHANGES

<u>Page</u>	<u>Page Description</u>	<u>Revision Description</u>
<u>2, 2A, 2B</u>	<u>List of Changes</u>	<u>List of Changes</u>
<u>3, 4</u>	<u>Summary of Rates</u>	<u>Summary of prices for each rate schedule and rider updated.</u>
<u>3A, 4A</u>	<u>Summary of Rates</u>	<u>Pages removed; no longer needed.</u>
<u>5</u>	<u>Table of Contents</u>	<u>"Ratepayer" changed to "Customer". Rate GL added from Equitable Division tariff. Rider names updated.</u>
<u>6</u>	<u>Definitions of Terms</u>	<u>Applicant definition updated. "Ratepayer" changed to "Customer". "Customer" definition added.</u>
<u>7</u>	<u>Definitions of Terms</u>	<u>"Ratepayer" changed to "Customer". "Ratepayer" definition removed.</u>
<u>8</u>	<u>Classification of Customers</u>	<u>"Ratepayer" changed to "Customer". Definition of residential, commercial, and industrial customer modified.</u>
<u>9</u>	<u>Classification of Customers</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>10</u>	<u>Rates Available Under This Tariff</u>	<u>"Ratepayer" changed to "Customer". Rate GL added from Equitable tariff.</u>
<u>11</u>	<u>Description of Territory</u>	<u>Additional cities/boroughs and townships included.</u>
<u>12</u>	<u>Description of Territory</u>	<u>Additional boroughs and townships included.</u>
<u>14</u>	<u>Description of Territory</u>	<u>Additional boroughs and townships included.</u>
<u>15</u>	<u>Description of Territory</u>	<u>Additional townships included.</u>
<u>16</u>	<u>Description of Territory</u>	<u>Additional cities/boroughs and townships included.</u>
<u>16A</u>	<u>Description of Territory</u>	<u>Additional townships included.</u>
<u>17</u>	<u>Rules and Regulations</u>	<u>Additional language added for conditions of furnishing service to customers. "Ratepayer" changed to "Customer". Transfer fees and connect fees eliminated.</u>
<u>18</u>	<u>Rules and Regulations</u>	<u>Moved cash deposit language into part b. "Ratepayer" changed to "Customer".</u>
<u>19</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". Calculation of interest rate for commercial and industrial deposits modified to match residential calculation. Additional descriptive language added for cases where Applicant cannot furnish a cash deposit.</u>
<u>20</u>	<u>Rules and Regulations</u>	<u>Modified language for connection of service. Meter installation specifications from Equitable tariff included. Residential main allowance added.</u>
<u>21</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". Turn-on fees updated. Winterizing and collection language added.</u>
<u>22</u>	<u>Rules and Regulations</u>	<u>Non-liability language added. "Ratepayer" changed to "Customer". Measurement of gas language modified.</u>
<u>23</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". Accepted forms of payment added. Billing cycle language added.</u>
<u>24</u>	<u>Rules and Regulations</u>	<u>Billing cycle language added. Final bill language added. Dishonored Payment language from Equitable Division tariff added.</u>
<u>25</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". Obstruction of meter language added. Meter ownership language added.</u>
<u>26</u>	<u>Rules and Regulations</u>	<u>Renamed Section 17 "Emergency Curtailment". Language added to Section 16. "Ratepayer" changed to "Customer". Moved "Discontinuance of Service and Curtailment" section to page 27.</u>
<u>27</u>	<u>Rules and Regulations</u>	<u>Renamed Section 17 "Emergency Curtailment". Removed "Gas Shortage Curtailment Related to Long-Term Supplies" section.</u>
<u>28</u>	<u>Rules and Regulations</u>	<u>Renamed Section 17 "Emergency Curtailment". Removed "Excess Consumption Penalty Related to Gas Shortage Curtailment" section.</u>

LIST OF CHANGES (CONTINUED)

<u>29</u>	<u>Rules and Regulations</u>	<u>Renamed Section 17 "Emergency Curtailment". Removed "allocation of Excess Gas" section. "Ratepayer" changed to "Customer". Added language to Emergency Curtailment section. Inserted "Discontinuance of Service and Curtailment" from page 26.</u>
<u>30</u>	<u>Rules and Regulations</u>	<u>Renamed Section 17 "Emergency Curtailment". Revised definition of Alternate Fuel Capability. Ratepayer" changed to "Customer".</u>
<u>31</u>	<u>Rules and Regulations</u>	<u>Rules and Regulations renumbered. Service Agreement and Flexible Rates added. "Ratepayer" changed to "Customer".</u>
<u>32</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". Rules and Regulations renumbered.</u>
<u>33</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". Rules and Regulations renumbered.</u>
<u>34</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". Additional release of customer information language and contact information added. Rules and Regulations renumbered.</u>
<u>35</u>	<u>Rules and Regulations</u>	<u>Language added from supplier tariff. Various fees eliminated. Remaining fee amounts updated. Rules and Regulations renumbered.</u>
<u>36</u>	<u>Rate RS – Residential Service</u>	<u>"Ratepayer" changed to "Customer". Customer and delivery charges updated. Late payment charge language modified. Rider name updated.</u>
<u>37</u>	<u>Customer Assistance Program</u>	<u>Availability description updated. "Ratepayer" changed to "Customer".</u>
<u>38</u>	<u>Customer Assistance Program</u>	<u>Monthly payment amount updated. "Ratepayer" changed to "Customer".</u>
<u>39</u>	<u>Customer Assistance Program</u>	<u>"Ratepayer" changed to "Customer". Rules 7 and 8 modified.</u>
<u>39A</u>	<u>Pilot Extended Customer Assistance Program</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>40</u>	<u>Rate SGS – Small General Service</u>	<u>"Ratepayer" changed to "Customer". Customer and delivery charges updated. Rider name updated.</u>
<u>41</u>	<u>Rate SGS – Small General Service</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>42</u>	<u>Rate MGS – Medium General Service</u>	<u>"Ratepayer" changed to "Customer". Customer and delivery charges updated. Rider name updated.</u>
<u>43</u>	<u>Rate MGS – Medium General Service</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>44</u>	<u>Rate LGS – Large General Service</u>	<u>"Ratepayer" changed to "Customer". Customer and delivery charges updated. Rider name updated.</u>
<u>45</u>	<u>Rate LGS – Large General Service</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>46</u>	<u>Rate GS-T – General Service Transportation</u>	<u>"Ratepayer" changed to "Customer". Language added to rule (7).</u>
<u>47</u>	<u>Rate GS-T – General Service Transportation</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>48</u>	<u>Rate GS-T – General Service Transportation</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>49</u>	<u>Rate GS-T – General Service Transportation</u>	<u>"Ratepayer" changed to "Customer". Language added to rule (17).</u>
<u>50</u>	<u>Rate GS-T – General Service Transportation</u>	<u>"Ratepayer" changed to "Customer". Customer charges updated.</u>
<u>51</u>	<u>Rate GS-T – General Service Transportation</u>	<u>"Ratepayer" changed to "Customer". Delivery charges updated.</u>
<u>52</u>	<u>Rate GS-T – General Service Transportation</u>	<u>"Ratepayer" changed to "Customer". Liability point 3 updated.</u>

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

LIST OF CHANGES (CONTINUED)

<u>53</u>	<u>Rate GS-SB – General Service – Standby</u>	<u>“Ratepayer” changed to “Customer”.</u>
<u>54</u>	<u>Rate GS-SB – General Service – Standby</u>	<u>“Ratepayer” changed to “Customer”. Customer charges updated.</u>
<u>55</u>	<u>Rate GS-SB – General Service – Standby</u>	<u>“Ratepayer” changed to “Customer”.</u>
<u>57</u>	<u>Rate Appalachian Gathering Service</u>	<u>New rate added.</u>
<u>58</u>	<u>Rate GL – Gas Lights</u>	<u>Rate added from Equitable Division’s tariff.</u>
<u>60</u>	<u>Rate CER – Competitive Energy Rate</u>	<u>Rate language modified. “Ratepayer” changed to “Customer”.</u>
<u>61</u>	<u>Rider A – State Tax Surcharge</u>	<u>Rider renamed. Rate Revised.</u>
<u>62</u>	<u>Rider B – Recovery of Purchased Gas Costs</u>	<u>Rider renamed. “Ratepayer” changed to “Customer”.</u>
<u>63</u>	<u>Rider B – Recovery of Purchased Gas Costs</u>	<u>Rider renamed. “Ratepayer” changed to “Customer”.</u>
<u>63A</u>	<u>Rider B – AVC Capacity Charge</u>	<u>Rider renamed. “Ratepayer” changed to “Customer”.</u>
<u>63B</u>	<u>Rider B – AVC Capacity Charge</u>	<u>Rider renamed. “Ratepayer” changed to “Customer”.</u>
<u>64</u>	<u>Rider C – Transition Cost Mechanism</u>	<u>Rider renamed. “Ratepayer” changed to “Customer”.</u>
<u>65</u>	<u>Rider C – Transition Cost Mechanism</u>	<u>Rider renamed. “Ratepayer” changed to “Customer”.</u>
<u>66</u>	<u>Rider Supplier Choice</u>	<u>Rate Revised. Ratepayer” changed to “Customer”.</u>
<u>67</u>	<u>Rider E – Merchant Function Charge</u>	<u>Rider renamed. Rate Revised. “Ratepayer” changed to “Customer”.</u>
<u>68</u>	<u>Rider F- Universal Service</u>	<u>Rider renamed. Rate revised. “Ratepayer” changed to “Customer”. Bad debt offset percentage updated.</u>
<u>69</u>	<u>Rider G – Gas Procurement Charge</u>	<u>Rider renamed. Rate revised. “Ratepayer” changed to “Customer”.</u>
<u>71</u>	<u>Rider H – Ratepayer Trust Rate Credit</u>	<u>Rider eliminated.</u>
<u>72</u>	<u>Rider H – Ratepayer Trust Rate Credit</u>	<u>Rider eliminated.</u>
<u>73</u>	<u>Rider J – Rager Mountain Storage Credit</u>	<u>Rider eliminated.</u>
<u>74</u>	<u>Rider K – Distribution System Improvement Charge (DSIC)</u>	<u>Rider renamed. Rate revised.</u>
<u>75</u>	<u>Rider K – Distribution System Improvement Charge (DSIC)</u>	<u>Riders renamed.</u>
<u>76</u>	<u>Rider K – Distribution System Improvement Charge (DSIC)</u>	<u>Rider renamed.</u>

PEOPLES NATURAL GAS COMPANY, LLC

PA PUC NO. 47  
ORIGINAL PAGE NO. 3

	Rider Purchased Gas Costs				Base Rate Charges (5)	Rider STAS (6)	Rider MFC (7)	Rider Supplier Choice (8)	Rider USR (9)	Rider GPC (10)	Rider DSIC Charge (11)	Rider TCJA (12)	Total Rate (13=SUM 1 to 12)
	Capacity (1)	AVC Capacity (2)	GCA (3)	Commodity (4)									
<b>Residential Sales</b>						0.00%					0.00%	0.0000%	
Customer Charge					\$ 20.0000		\$ 0.0067				\$ -	\$ -	\$ 20.0067
Capacity	\$ 0.9953	\$ 0.6225					\$ 0.0248						\$ 1.6426
Price to Compare - PTC			\$ (0.0372)	\$ 3.8865			\$ 0.0959		\$ 0.0801				\$ 4.0253
Delivery Charge					\$ 3.8753			\$ 0.4094			\$ -	\$ -	\$ 4.2847
State Tax Surcharge						\$ -							\$ -
Total per MCF							\$ 0.1207						\$ 9.9526
<b>Small General Service (SGS)</b>													
Customer Charge													
0 to 499 MCF/Yr					\$ 25.0000		\$ 0.0067				\$ -	\$ -	\$ 25.0067
500 to 999 MCF/Yr					\$ 40.0000		\$ 0.0067				\$ -	\$ -	\$ 40.0067
1/ Capacity	\$ 0.3848	\$ 0.5745											\$ 0.9593
Price to Compare - PTC	\$ 0.6105		\$ (0.0372)	\$ 3.8865			\$ 0.0102		\$ 0.0801				\$ 4.5501
Delivery Charge					\$ 2.8312						\$ -	\$ -	\$ 2.8312
State Tax Surcharge						\$ -							\$ -
Total per MCF	\$ 0.9953						\$ 0.0102						\$ 8.3406
<b>Medium General Service (MGS)</b>													
Customer Charge													
1,000 to 2,499 MCF/Yr					\$ 100.0000						\$ -	\$ -	\$ 100.0000
2,500 to 24,999 MCF/Yr					\$ 200.0000						\$ -	\$ -	\$ 200.0000
1/ Capacity	\$ 0.3848	\$ 0.3750											\$ 0.7598
Price to Compare - PTC	\$ 0.6105		\$ (0.0372)	\$ 3.8865			\$ 0.0102		\$ 0.0801				\$ 4.5501
Delivery Charge					\$ 2.4794						\$ -	\$ -	\$ 2.4794
State Tax Surcharge						\$ -							\$ -
Total per MCF	\$ 0.9953						\$ 0.0102						\$ 7.7893
<b>Large General Service (LGS)</b>													
Customer Charge													
25,000 to 49,999 MCF/Yr					\$ 700.0000						\$ -	\$ -	\$ 700.0000
50,000 to 99,999 MCF/Yr					\$ 1,300.0000						\$ -	\$ -	\$ 1,300.0000
100,000 to 199,999 MCF/Yr					\$ 1,400.0000						\$ -	\$ -	\$ 1,400.0000
Over 200,000 MCF/Yr					\$ 1,600.0000						\$ -	\$ -	\$ 1,600.0000
1/ Capacity	\$ 0.0812	\$ 0.2151											\$ 0.2963
Price to Compare - PTC	\$ 0.9141		\$ (0.0372)	\$ 3.8865			\$ 0.0102		\$ 0.0801				\$ 4.8537
Delivery Charge													
25,000 - 49,999 MCF/Yr					\$ 2.4581	\$ -					\$ -	\$ -	\$ 2.4581
50,000 - 99,999 MCF/Yr					\$ 2.4109	\$ -					\$ -	\$ -	\$ 2.4109
100,000 - 199,999 MCF/Yr					\$ 2.3636	\$ -					\$ -	\$ -	\$ 2.3636
200,000 to 749,999 MCF/Yr					\$ 2.2454	\$ -					\$ -	\$ -	\$ 2.2454
750,000 to 1,999,999 MCF/Yr					\$ 1.9617	\$ -					\$ -	\$ -	\$ 1.9617
Over 2,000,000 MCF/Yr					\$ 1.5127	\$ -					\$ -	\$ -	\$ 1.5127
2/ Total per MCF	\$ 0.9953						\$ 0.0102						\$ 7.6081

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: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY, LLC

PA PUC NO. 47  
ORIGINAL PAGE NO. 4

	Base Rate Charges (1)	Rider STAS (2)	Rider MFC (3)	Rider USR (4)	Rider Purchased Gas Costs Capacity (5)    AVC Capacity (6)		BB&A (7)	Rider Supplier Choice (8)	Rider DSIC Charge (9)	Rider TCJA (10)	Total Rate (11=SUM 1 to 10)
<b>Rate GS-T Residential</b>		0.00%							0.00%	0.0000%	
Customer Charge	\$ 20.0000							\$ 0.0067	\$ -	\$ -	\$ 20.0067
Capacity			\$ 0.0248		\$ 0.9953	\$ 0.6225					\$ 1.6426
Delivery Charge	\$ 3.8753			\$ 0.4094					\$ -	\$ -	\$ 4.2847
State Tax Surcharge		\$ -									\$ -
Total per MCF											\$ 5.9273
<b>Rate GS-Transportation SGS</b>											
Customer Charge											
0 to 499 MCF/Yr	\$ 25.0000							\$ 0.0067	\$ -	\$ -	\$ 25.0067
500 to 999 MCF/Yr	\$ 40.0000							\$ 0.0067	\$ -	\$ -	\$ 40.0067
1/ Capacity/BB&A					\$ 0.5745	\$ 0.3848					\$ 0.9593
Delivery Charge	\$ 2.8312								\$ -	\$ -	\$ 2.8312
State Tax Surcharge		\$ -									\$ -
Total per MCF											\$ 3.7905
<b>Rate GS-Transportation MGS</b>											
Customer Charge											
1,000 to 2,499 MCF/Yr	\$ 100.0000								\$ -	\$ -	\$ 100.0000
2,500 to 24,999 MCF/Yr	\$ 200.0000								\$ -	\$ -	\$ 200.0000
1/ Capacity/BB&A					\$ 0.3750	\$ 0.3848					\$ 0.7598
Delivery Charge	\$ 2.4794								\$ -	\$ -	\$ 2.4794
State Tax Surcharge		\$ -									\$ -
Total per MCF											\$ 3.2392
<b>Rate GS-Transportation LGS</b>											
Customer Charge											
25,000 to 49,999 MCF/Yr	\$ 700.0000								\$ -	\$ -	\$ 700.0000
50,000 to 99,999 MCF/Yr	\$ 1,300.0000								\$ -	\$ -	\$ 1,300.0000
100,000 to 199,999 MCF/Yr	\$ 1,400.0000								\$ -	\$ -	\$ 1,400.0000
Over 200,000 MCF/Yr	\$ 1,600.0000								\$ -	\$ -	\$ 1,600.0000
1/ Capacity/BB&A					\$ 0.2151	\$ 0.0812					\$ 0.2963
Delivery Charge											
25,000 - 49,999 MCF/Yr	\$ 2.4581	\$ -							\$ -	\$ -	\$ 2.4581
50,000 - 99,999 MCF/Yr	\$ 2.4109	\$ -							\$ -	\$ -	\$ 2.4109
100,000 - 199,999 MCF/Yr	\$ 2.3636	\$ -							\$ -	\$ -	\$ 2.3636
200,000 to 749,999 MCF/Yr	\$ 2.2454	\$ -							\$ -	\$ -	\$ 2.2454
750,000 to 1,999,999 MCF/Yr	\$ 1.9617	\$ -							\$ -	\$ -	\$ 1.9617
Over 2,000,000 MCF/Yr	\$ 1.5127	\$ -							\$ -	\$ -	\$ 1.5127
2/ Total per MCF											\$ 2.7544

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

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

TABLE OF CONTENTS

List of Changes Made by .....	2- <del>2B</del>
Summary of Rates .....	3-4
Table of Contents .....	5
Definition of Terms.....	6-7
Classification of <u>CustomersRatepayers</u> .....	8-9
Rates Available Under This Tariff.....	10
Description of Territory .....	11-16 <u>A</u>
Rules and Regulations .....	17-35
Rate RS .....	36
Rate CAP .....	37-39
Rate E-CAP .....	39A
Rate SGS.....	40-41
Rate MGS .....	42-43
Rate LGS .....	44-45
Rate GS-T .....	46-52
Rate <del>GS-SB</del> .....	53- <del>55</del>
Rate NGPV .....	56
Rate <u>Appalachian Gathering Service</u> .....	57
<u>Rate GL.....</u>	<u>58</u>
INTENTIONALLY LEFT BLANK.....	<del>58</del> -59
Rate CER .....	60
Rider <u>STAS A</u> .....	61
Rider <u>Purchased Gas Cost<del>B</del> and Rider AVC Capacity Charge</u> .....	62-63B
Rider <u>Transition Cost Mechanism <del>C</del></u> .....	64-65
Rider Supplier Choice .....	66
Rider <u>Merchant Function Charge <del>E</del></u> .....	67
Rider <u>Universal Service <del>F</del></u> .....	68
Rider <u>Gas Procurement Charge <del>G</del></u> .....	69
INTENTIONALLY LEFT BLANK.....	70- <del>73</del>
<u>Rider <del>H</del></u> .....	<u>71-72</u>
<u>Rider <del>J</del></u> .....	<u>73</u>
Rider <u>DSICK</u> .....	74-76
Pilot Rider MLX.....	77
Rider TCJA – TCJA Surcharge.....	78

**DEFINITIONS OF TERMS**

**Applicant** - Any person, corporation or other entity that (i) desires to receive from the Company natural gas or any other service provided for in this Tariff, (ii) complies completely with all Company requirements for obtaining natural gas or any other service provided for in this Tariff, (iii) has filed and is awaiting Company approval of its application for service, and (iv) is not ~~yet actually~~ receiving from the Company any service provided for in this Tariff. An Applicant shall become a ~~customer~~~~ratepayer~~ for purposes of this Tariff only after it actually starts receiving the applicable service(s) from the Company under this Tariff. Applicants for residential service shall be further defined as a natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested.

**Capacity Charge** – A charge designed to recover the costs that the Company incurs to reserve capacity on interstate pipelines.

**Chapter 56** – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

**City Gate** – The point where interstate pipelines deliver gas into natural gas distribution company facilities.

**Commission** – The Pennsylvania Public Utility Commission or any lawful successor thereto that provides oversight, policy, guidance and direction to public utilities and NGSs.

**Commodity Charge** – A charge designed to recover the cost of producing or procuring natural gas.

**Commodity Service** – Service provided by the Company or a natural gas supplier which involves the purchase of gas commodity by the ~~customer~~~~ratepayer~~.

**Company** – The entity doing business as Peoples Natural Gas Company LLC.

**Customer** – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the customer for any premises, building, structure, etc, (iii) is primarily responsible for payment of bills, or (iv) any adult occupant whose name appears on the mortgage, deed or lease of the property. A customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under this Tariff

**Customer Charge** – A monthly charge to cover such natural gas distribution company costs as maintaining the gas lines, meter reading and billing.

**Daily Available Volume** – The total volume of gas actually delivered to the Company for the ~~customer~~~~ratepayer~~'s account on a particular day, less an appropriate retainage percentage plus any adjustments associated with the reconciliation of monthly volumes as set forth in Rate GS-T and Rate T.

**Daily Consumption Volume** – The quantity of gas estimated by the Company to be consumed by the ~~customer~~~~ratepayer~~ on any day.

**Day** – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

**Delivery Charge** – A charge designed to recover the costs the Company incurs in using its distribution system or local pipelines to deliver natural gas to a ~~customer~~~~ratepayer~~.

**Distribution Charges** – Various natural gas distribution charges that may include the Delivery Charge, Capacity Charge and Gas Cost Adjustment Charge.

**Distribution Service** – Service provided by the Company involving the delivery of gas to the ~~customer~~~~ratepayer~~.

**Gas Cost Adjustment Charge** – The amount billed or credited each month to account for differences between projected and actual gas supply costs of the Company.

**Mcf** – 1,000 cubic feet of gas. This is a measure of gas usage.

**DEFINITIONS OF TERMS**

**Natural Gas Distribution Company** - A public utility that provides natural gas distribution services and which may provide natural gas supply services and other services.

**Natural Gas Supplier (NGS)** – An entity that has received a license from the Commission and that sells natural gas to customers that is delivered through the distribution lines of the Company.

~~**Ratepayer** – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the customer for any premises, building, structure, etc., (iii) is primarily responsible for payment of bills, or (iv) any adult occupant whose name appears on the mortgage, deed or lease of the property. A Ratepayer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under this Tariff.~~

**Small Business RatepayerCustomer** – Any commercial or industrial ~~ratepayercustomer~~ with annual consumption of less than 300 Mcf.

**Storage** – Placing natural gas into an underground facility for removal and use at a later date.

**Supplier of Last Resort** – The Company or another entity that provides natural gas supply services to ~~ratepayercustomers~~ that do not elect another supplier or choose to be served by the supplier of last resort, ~~ratepayercustomers~~ that are refused service from another natural gas supplier, or ~~ratepayercustomers~~ whose natural gas supplier fails to deliver the required gas supplies. Currently, the Company is the supplier of last resort for all Priority-One ~~ratepayercustomers~~ under the terms of this tariff. Each ~~ratepayercustomer~~ may only have one supplier of last resort.

**Supplier of Last Resort Service** – Service that includes both Distribution Service and Commodity Service provided by the Company in its role as Supplier of Last Resort.

**(C)** – Indicates change.

**(D)** – Indicates decrease.

**(I)** – Indicates increase.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 8

**CLASSIFICATION OF RATEPAYERCUSTOMERS  
TO WHOM SERVICE IS MADE AVAILABLE**

Gas service is made available under the rules, regulations, and terms and at the rates contained in this tariff, based upon the use to which such gas is put and not upon volumes consumed (except where indicated), to the following classes of ratepayercustomers:

**RESIDENTIAL RATEPAYERCUSTOMERS**

Residential ratepayercustomers are ratepayercustomers who use gas for household purposes, including single-family dwellings, boarding and rooming houses, duplex houses, private garages appurtenant to private homes or dwellings, apartments, apartment buildings, and governmental housing in which the units are individually metered. ~~Master-metered multi-family dwelling that fit the following criteria will be considered residential when: 1) the structure (or multi-family dwelling) at which the ratepayer/landlord receives natural gas service from the Company originally was built and used as a single-family residence; and 2) the ratepayer/landlord lives in the structure and has one or more tenants.~~ In this class the element of human welfare and comfort in a residential setting is the distinguishing test of the ratepayercustomer's use of gas. Each meter represents one ratepayercustomer.

**COMMERCIAL RATEPAYERCUSTOMERS**

~~Commercial ratepayercustomers are customers who are engaged in selling, warehousing or distributing a commodity or service, including boarding homes and personal care homes, engaged in some business activity or profession, or in some other form of economic, social, or cultural activity, not primarily involving manufacturing or processing of a product; and any non-industrial premises where one meter is serving more than one unit. include ratepayers who use gas in establishments of a commercial or service nature for purposes other than manufacturing and ratepayers who do not use gas for large-volume power or process steam generation. In this class are included, among others, hotels, restaurants, cafeterias, tea rooms, bars, grills, delicatessens, butchers, grocers, beauty parlors, barber shops, wearing apparel shops, department stores, garages not appurtenant to dwelling houses, gasoline stations, tailors, neighborhood pressing shops and small laundries, small bakeries, dairies, warehouses, office buildings, clubs, fraternities, sororities, lodges, associations, cooperatives, theaters, auditoriums, professional offices, printing shops, mercantile establishments, schools, colleges, churches, charitable institutions, libraries, hospitals, public buildings, governmental entities, and multi-family dwellings that are master-metered. Master-metered multi-family dwellings include those structures in which gas measured by one meter is used to operate at least one appliance that serves more than one household (except as noted under residential). In the case of master-metered multi-family dwellings, the owner of the property must be the ratepayer. If the ratepayercustomer's predominant usage is for natural gas-powered vehicle service, then the ratepayercustomer will be classified as a Commercial Ratepayercustomer.~~

**INDUSTRIAL RATEPAYERCUSTOMERS**

Industrial ratepayercustomers include customers who are engaged in a process which creates or changes raw material or unfinished materials into another form; ratepayers who use gas for manufacturing or industrial purposes; ratepayercustomers who use gas for large-volume power; ratepayercustomers who use gas for process steam generation; and ratepayercustomers who use gas for any other purpose not predominantly residential or commercial.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 9**CLASSIFICATION OF RATEPAYERCUSTOMERS  
TO WHOM SERVICE IS MADE AVAILABLE****NATURAL GAS DISTRIBUTION COMPANY (NGDC) RATEPAYERCUSTOMERS**

NGDC ratepayercustomers are companies regulated by the Commission. Within this classification the NGDC can be acting either on either its own or on its end user's behalf.

**CHANGE IN CLASSIFICATION**

Any ratepayercustomer who believes that, as a result of a change in the use of the premises served, his classification ought to be changed must contact the Company. All changes will be determined by the Company, on a prospective basis, after it has been notified of the change; however, the Company reserves the right to make changes in classification on its own initiative. The decision of the Company as to classification shall be final.

Eligibility for a particular rate schedule under this tariff and application of the appropriate monthly customer charge shall be based on a review of the ratepayercustomer's annual usage. This review shall not be conducted more frequently than once per year. All changes in rate schedule classification and monthly customer charges as a result of this usage review shall be implemented on a prospective basis. Rate schedule classification and the appropriate customer charge for new ratepayercustomers, shall be determined by the Company based on an estimate of annual usage. The Company also reserves the right to establish the appropriate rate schedule classification and monthly customer charge based on anticipated ratepayercustomer usage.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 10**RATES AVAILABLE UNDER THIS TARIFF****Rate RS - Residential Service**

This rate is available to residential ratepayercustomers throughout the territory served by the Company.

**Rate CAP**

This is available to residential ratepayercustomers who meet the criteria as detailed in this Rate Schedule.

**Rate SGS – Small General Service**

This rate is available to commercial and industrial ratepayercustomers and NGDCs consuming less than 1,000 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial ratepayercustomers qualifying under Rate NGPV.

**Rate MGS – Medium General Service**

This rate is available to commercial and industrial ratepayercustomers and NGDCs consuming between 1,000 and 24,999 Mcf of natural gas service annually throughout the territory served by the Company with the exception of commercial ratepayercustomers qualifying under Rate NGPV.

**Rate LGS – Large General Service**

This rate is available to commercial and industrial ratepayercustomers and NGDC's consuming more than 25,000 Mcf annually throughout the territory served by the Company with the exception of commercial ratepayercustomers qualifying under Rate NGPV.

**Rate CER - Competitive Energy Rate**

This rate is available to all ratepayercustomers throughout the territory served by the Company who, in the determination of the Company, meet the criteria set forth under Rate Schedule CER.

**Rate GS-T - General Service Transportation**

This rate offers firm transportation service for residential, commercial, industrial, and NGDC ratepayercustomers. Commercial, industrial, and NGDC ratepayercustomers that consume less than 1,000 Mcf per year are classified as Small General Service ratepayercustomers under this tariff. Commercial, industrial, and NGDC ratepayercustomers that consume between 1,000 and 24,999 Mcf per year are classified as Medium General Service ratepayercustomers under this tariff. Commercial, industrial, and NGDC ratepayercustomers that consume more than 25,000 Mcf per year are classified as Large General Service ratepayercustomers under this tariff.

**Rate GS-SB - General Standby Service**

This rate offers standby service for residential, commercial, and industrial transportation ratepayercustomers.

**Rate NGPV**

This rate offers service for natural gas powered vehicles.

**Rate Schedule GS -- Appalachian Gathering Service**

This rate is available to any party desiring to deliver conventional well gas directly into the Company's system.

**Pilot Rate MLX**

This delivery rate is offered to new Residential and Commercial consumers who are replacing service from an alternate fuel with natural gas.

**Rate GL- Gas Lights**

This rate offers service for any gas lighting where the gas is not measured by a meter.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

DESCRIPTION OF TERRITORY

The Company serves as a natural gas public Company in the following cities, boroughs, and townships, all of which are in Pennsylvania:

ALLEGHENY COUNTYCities and Boroughs

[Aspinwall](#)  
[Avalon](#)  
[Baldwin](#)  
[Bellevue](#)  
[Ben Avon](#)  
[Ben Avon Heights](#)  
 Bethel Park  
[Blawnox](#)  
[Braddock](#)  
[Braddock Hills](#)  
[Brackenridge](#)  
[Brentwood](#)  
 Bridgeville  
 Carnegie  
 Chalfant  
 Cheswick  
 Churchill  
 Clairton  
 Coraopolis  
[Crafton](#)  
[Dormont](#)  
[Dravosburg](#)  
[Duquesne](#)  
 East McKeesport  
 East Pittsburgh  
 Edgewood  
 Elizabeth

[Emsworth](#)  
 Etna  
 Forest Hills  
 Fox Chapel  
[Franklin Park](#)  
 Glassport  
[Greentree](#)  
 Heidelberg  
[Homestead](#)  
[Ingram](#)  
 Jefferson  
[Jefferson Hill](#)  
[Liberty](#)  
 Lincoln  
 McKeesport  
[McKees Rocks](#)  
 Millvale  
 Monroeville  
[Mt. Oliver](#)  
[Munhall](#)  
[North Braddock](#)  
[Oakmont](#)  
[Penn Hills](#)  
[Pitcairn](#)  
 Pittsburgh  
 Pleasant Hills  
 Plum

[Port Vue](#)  
 Rankin  
[Rosslyn Farms](#)  
[Sewickley Heights](#)  
[Sewickley Hills](#)  
 Sharpsburg  
 Springdale  
 Swissvale  
[Tarentum](#)  
[Thornburg](#)  
[Trafford](#)  
 Turtle Creek  
[Verona](#)  
 Versailles  
[Wall](#)  
 West Elizabeth  
 West [Homestead](#)  
[West Mifflin](#)  
[West View](#)  
[Whitaker](#)  
[Whitehall](#)  
 White Oak  
 Wilkinsburg  
 Wilmerding

Townships

[Aleppo](#)  
 Collier  
 Crescent  
 East Deer  
 Elizabeth  
 Fawn  
 Findlay  
 Forward  
[Frazier](#)  
[Frazer](#)  
 Hampton  
 Harmar  
 Harrison  
 Indiana  
[Kennedy](#)

[Kilbuck](#)  
[Marshall](#)  
 McCandless  
 Moon  
 Mt. Lebanon  
 North Fayette  
 North Versailles  
 O' Hara  
[Ohio](#)  
[Penn Hills](#)  
 Pine  
 Reserve  
 Richland  
[Robinson](#)  
 Ross

Scott  
 Shaler  
 South Fayette  
 South Park  
[South Versailles](#)  
 Springdale  
[Stowe](#)  
 Upper St. Clair  
~~Versailles~~  
 West Deer  
 Wilkins

DESCRIPTION OF TERRITORYARMSTRONG COUNTYBoroughs

Apollo  
 Applewold  
 Atwood  
 Dayton  
Elderton

Ford City  
 Ford Cliff  
Freeport  
 Kittanning  
 Leechburg

Manorville  
North Apollo  
 Rural Valley  
 West Kittanning

Townships

Bethel  
 Boggs  
 Burrell  
Cadogan  
 Cowanshannock  
 East Franklin  
 Gilpin  
 Kiskiminetas  
 Kittanning  
Madison

Mahoning  
 Manor  
 North Buffalo  
 Parks  
Pine  
 Plumcreek  
 Rayburn  
 Redbank  
 South Bend

South Buffalo  
 Sugarcreek  
 Valley  
 Washington  
 Wayne  
 West Franklin

BEAVER COUNTYCities & Boroughs

Aliquippa  
 Beaver  
 Industry  
 Midland

Monaca  
 Ohioville

Shippingport  
 South Heights

Townships

Brighton  
 Center  
 Chippewa  
 Darlington  
 Franklin

Hopewell  
 Independence  
 Marion  
 New Sewickley

Potter  
 Raccoon  
 South Beaver  
 Vanport

BLAIR COUNTYCities and Boroughs

Altoona  
 Bellwood

Duncansville  
 Hollidaysburg

Tyrone

DESCRIPTION OF TERRITORYBLAIR COUNTY (continued)Townships

Allegheny	Frankstown	Logan
Antis	Greenfield	Snyder
Blair		

BUTLER COUNTYBoroughs

Callery	Portersville	Slippery Rock
Evans City	Prospect	Valencia
Harmony	Saxonburg	Zelienople
Mars	Seven Fields	

Townships

Adams	Forward	Middlesex
Buffalo	Franklin	Muddycreek
Cherry	Jackson	Slippery Rock
Clinton	Jefferson	Winfield
Connoquenessing	Lancaster	Worth
Cranberry	Marion	

CAMBRIA COUNTYCities and Boroughs

Brownstown	Franklin	Nanty-Glo
Cresson	Geistown	Portage
Dale	Johnstown	Sankertown
Ebensburg	Lorain	Southmont
Ferndale	Loretto	Westmont

Townships

Adams	East Taylor	Richland
Allegheny	Jackson	Stonycreek
Blacklick	Lower Yoder	Susquehanna
Cambria	Middle Taylor	Upper Yoder
Conemaugh	Munster	Washington
Cresson	Portage	West Carroll
Croyle		West Taylor

DESCRIPTION OF TERRITORY

CLARION COUNTY

Townships

Clarion	Monroe	Redbank
Limestone	Porter	

FAYETTE COUNTY

Boroughs

Belle Vernon	<u>Fairchance</u>	<u>Point Marion</u>
Fayette City	<u>Masontown</u>	

Townships

Franklin	Menallen	Springhill
<u>Georges</u>	North Union	Stewart
German	Perry	Washington
<u>Jefferson</u>	Saltlick	Wharton
Luzerne	<u>South Union</u>	

GREENE COUNTY

Boroughs

<u>Carmichaels</u>	<u>Jefferson</u>	<u>Waynesburg</u>
<u>Clarksville</u>	<u>Mather</u>	

Townships

Aleppo	Greene	Richhill
Center	Jackson	Springhill
<u>Cumberland</u>	<u>Jefferson</u>	<u>Washington</u>
Dunkard	<u>Monongahela</u>	Wayne
Franklin	Morgan	Whiteley
Freeport	<u>Morris</u>	
Gilmore	Perry	

INDIANA COUNTY

Boroughs

Blairsville	Homer City	Saltsburg
Creekside	Indiana	Shelocta

**DESCRIPTION OF TERRITORY**

INDIANA COUNTY (continued)

Townships

Armstrong	Conemaugh	West Mahoning
Black Lick	East Mahoning	West Wheatfield
<u>Buffington</u>	Grant	White
Burrell	<u>North Mahoning</u>	Young
Center	Rayne	
Cherryhill	South Mahoning	
	Washington	

JEFFERSON COUNTY

Townships

<u>Perry</u>	<u>Porter</u>	<u>Ringgold</u>
--------------	---------------	-----------------

LAWRENCE COUNTY

Boroughs

Enon Valley	New Wilmington	Volant
-------------	----------------	--------

Townships

Hickory	Pulaski	Wilmington
Little Beaver	Scott	
Neshannock	Washington	

MERCER COUNTY

Boroughs

Grove City	Sandy Lake	Stoneboro
------------	------------	-----------

Townships

East Lackawannock	Pine	Wilmington
Findley	Sandy Lake	Wolf Creek
Lake	Shenango	
Liberty	Springfield	

SOMERSET COUNTY

Boroughs

Boswell	Seven Springs
---------	---------------

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 16DESCRIPTION OF TERRITORYSOMERSET COUNTY (continued)Townships

Conemaugh	Jenner	Somerset
Jefferson	Middlecreek	

VENANGO COUNTYTownships

Clinton	Irwin	
---------	-------	--

WASHINGTON COUNTYCities and Boroughs

<u>Bealsville</u>	Centerville	Finleyville
<u>Beallsville</u>	<u>Cokeburg</u>	Monongahela
Bentleyville	Deemston	New Eagle
Burgettstown	Donora	
California	<u>Ellsworth</u>	

Townships

<u>Amwell</u>	Hanover	Robinson
Carroll	Jefferson	Somerset
Cecil	Monongahela	<u>South Franklin</u>
Chartiers	<u>Morris</u>	<u>South Strabane</u>
Cross Creek	Mt. Pleasant	Smith
<u>East Bethlehem</u>	<u>North Bethlehem</u>	Union
<u>East Finley</u>	North Strabane	<u>West Bethlehem</u>
<u>East Pike Run</u>	Nottingham	West Pike Run
Fallowfield	Peters	

WESTMORELAND COUNTYCities and Boroughs

Adamsburg	Jeannette	New Kensington
Arnold	Latrobe	North Belle Vernon
Avonmore	Ligonier	North Irwin
Bolivar	Lower Burrell	Oklahoma
Delmont	Manor	South Greensburg
Derry	Monessen	Southwest Greensburg
East Vandergrift	Murrysville	<u>Trafford</u>
Export	New Alexandria	Vandergrift

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

DESCRIPTION OF TERRITORYWESTMORELAND COUNTY (continued)

	<u>Cities and Boroughs</u>	
Greensburg	New Florence	West Leechburg
Hunker		Youngstown
Hyde Park		Youngwood
Irwin		
	<u>Townships</u>	
Allegheny	Ligonier	St. Clair
Bell	<u>Lower Burrell</u>	Salem
Derry	Loyalhanna	South Huntingdon
Donegal	Mt. Pleasant	Unity
East Huntingdon	North Huntingdon	Upper Burrell
Fairfield	Penn	Washington
Hempfield	Rostraver	

The above-listed cities, boroughs, and townships in Pennsylvania in which the Company provides natural gas public utility service are not the only cities, boroughs, and townships in which the Company is entitled, either by charter or certificate, to provide such natural gas public utility service.

**RULES AND REGULATIONS****1. APPLICATION FOR SERVICE**

All Applicants desiring any type of service from the Company under this Tariff shall contact the Company and specifically request the type and nature of service. Upon request, the Company will inform the customer ratepayer of the identity of those NGSs offering retail service in its service territory and either provide a list of licensed suppliers or refer the customer ratepayer to the Commission for further information. In any circumstance where an application to the Company for any service under this Tariff involves or is related to an NGS, such application cannot and shall not be processed by the Company unless the Applicant and/or the Applicant's NGS provides the necessary information relating to service.

A non-residential Applicant for any service under this Tariff will be required to sign an application for natural gas service, unless the Company, in its sole discretion, accepts an oral application from a non-residential Applicant. The Company shall accept an oral application from a residential Applicant except that the Company may require a written application from a residential Applicant if the Company determines positive identification or other documentation is necessary. The Company may request driver's license, or other information as positive identification. ~~The Company will also review Company records and may also require additional documentation, as described in Commission regulations, to determine the applicant's liability for unpaid previously furnished service.~~ The Company may, as a condition of furnishing service to an Applicant, require the Applicant, in accordance with applicable Commission regulations, to pay an outstanding gas service account balance, if the Company can show that the Applicant resided at, or occupied if a non-residential account, the property for which service is requested during the period of time that the outstanding balance accrued. The methods used by the Company to determine an Applicant's liability for any such previously furnished service may include reference to customer service records of the Company, including internal Company notes, service contracts, information collected from the Applicant and other members of the household in connection with any help provided by the Company in determining eligibility for and completing applications to various assistance programs. Other methods which may be used by the Company for such purposes include identity authentication services, public data and information, mortgage, deed or lease information, commercially available consumer credit reporting services, skip-tracing tools, and other methods which are or have been approved as valid by the Commission.

Upon the receipt of natural gas service, the Applicant shall become a ratepayer customer of the Company.

The ratepayer customer shall inform the Company in advance of any proposed additions to (or decreases in) the ratepayer customer's connected natural gas load.

~~The Company shall charge a transfer fee of \$25 to residential and commercial applicants when natural gas service is not being initiated or reinstated but is continuing from a prior ratepayer customer who is not the builder of a residence or commercial building. The Company shall charge a connection fee of \$74 for residential applicants and a connection fee of \$98 for commercial applicants when natural gas service is being initiated for the first time or had been previously discontinued at the location. In no case shall a connection fee or transfer fee be charged to a residential ratepayer customer whose income does not exceed 150 percent of the Federal Poverty Level and/or who is eligible to receive a LIHEAP award; or to the builder of a residence or commercial building who is using natural gas during the construction process; or to a ratepayer customer in a competitive posture, as determined in the sole discretion of the Company. The initial occupant of newly constructed residences or commercial buildings will be charged the \$74 or \$98 connection fee. Separate connection fees for reinstatement of service after termination by the Company are set forth in Rule 5.~~

**2. CHARACTER OF SERVICE**

The Company offers firm service, unless otherwise provided in this tariff.

**3. RULES FOR DEPOSIT**

A deposit from a ratepayer customer shall conform to the Commission's regulations and applicable statutory requirements. Deposits required by the Company for Tariff regulated charges shall not be based on unpaid supplier charges.

Residential Applicant/Ratepayer Customer

- a. The Company will provide service without requiring a deposit when the ~~A~~applicant provides adequate identification and satisfies the following requirements:
- i. Has not failed to pay an undisputed delinquent account.
  - ii. Has not failed to complete payment of a deposit, provide a guarantee or establish credit.
  - iii. Has not failed to provide access to meters, service connections, or other property of the public utility for the purpose of replacement, maintenance, repair or meter reading.
  - iv. Has not engaged in unauthorized use of the utility service delivered on or about the affected dwelling.
  - v. Has not failed to comply with the material terms or conditions of a settlement or payment agreement.
  - vi. Has not engaged in fraud or material misrepresentation of identity for the purpose of obtaining utility service.
  - vii. Has not tampered with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other public utility equipment.

**ISSUED:** January 28, 2019

**EFFECTIVE:** March 29, 2019

RULES AND REGULATION3. RULES FOR DEPOSIT (continued)

- viii. Has not violated tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the delivery system of the public utility.
- ix. Provides information demonstrating to the satisfaction of the Company that the aApplicant is not an unsatisfactory credit risk though the use of a generally accepted credit scoring methodology. This methodology includes providing positive identification for the last two known addresses, review of data specific to payment history of other utility services, and review of credit history established previously with the Company. The Company will not find that an Aapplicant is a bad credit risk simply because he does not have a prior credit history.

- b. If an aApplicant does not establish credit under the methods outlined above, the Company may require that the aApplicant post a cash deposit. The cash deposit is payable during a 90-day period in accordance with Commission regulations Instead of posting a cash deposit, the aApplicant may:
  - i. Furnish a written guarantee from one who can establish credit to the Company's satisfaction that states terms to secure payment. The guarantor shall be responsible for all missed payments owed to the Company.

~~The cash deposit or guarantee, if required, is payable during a 90-day period in accordance with (C) Commission regulations.~~

- c. The Company may require an existing ratepayercustomer to post a deposit to reestablish credit:
  - i. If the ratepayercustomer has been delinquent in payment of any two consecutive bills or three or more bills within the preceding 12 months, after having notified the ratepayercustomer of its intention in accordance with prevailing Commission regulations.
  - ii. If the ratepayercustomer's service has been terminated and the ratepayercustomer desires reconnection.
  - iii. When a ratepayercustomer fails to comply with a material term or condition of a settlement or payment agreement.
- d. An existing ratepayercustomer whose service has been terminated and desires a reconnection of service may be (C) permitted to pay any required deposit during a 90-day period in accordance with Commission regulations.

A cash deposit will be required in an amount equal to one-sixth of the aApplicant's or ratepayercustomer's estimated annual bill at the time the Company determines that a deposit is required. This estimate shall be based upon prior consumption for like service at the affected premises, wherever available. Should the character or degree of the ratepayercustomer's usage materially change, or if it can clearly be established that either will materially change in the immediate future, the amount of the cash deposit may be adjusted at the request of either the Company or the ratepayercustomer.

All residential deposits shall bear interest at the simple annual interest rate determined by the Secretary (C) of Revenue for interest on the underpayment of tax under section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code, and such interest shall be returned with the deposit.

RULES AND REGULATIONS**3. RULES FOR DEPOSIT (continued)**

The Company may refund or apply to a ratepayercustomer's account any security deposit held, plus accrued interest, under the following conditions:

- i. Upon discontinuance or termination of service.
- ii. When a ratepayercustomer establishes credit pursuant to the Commission's regulations.
- iii. When a ratepayercustomer substitutes a third-party guarantor, as defined in Commission's regulations, but the refund shall not exceed the guarantee.
- iv. After a ratepayercustomer has established a timely payment history. A timely payment history is established when a ratepayercustomer has paid its account balance in full and on time for 12 consecutive months.
- v. At the option of the Company, a cash deposit, including accrued interest, may be refunded in whole or in part at any time earlier than the time stated in i. through iv. above.

The Company shall deduct the outstanding balance on the ratepayercustomer's account from the deposit and return or credit any positive difference to the ratepayercustomer. The ratepayercustomer may direct to whom a refunded deposit, together with accrued interest, shall be paid.

Commercial and Industrial Applicant/RatepayerCustomer

The Company reserves the right to require a deposit or guaranty for all services to be supplied, or an increase in said deposit if there is an increase in the monthly bill for services rendered; also the right to apply such deposit to bills previously incurred by the aApplicant under the existing or any previous contract with the Company.

A deposit may be required from an aApplicant in an estimated amount equal to twice the average of the three highest monthly bills anticipated during the next 12 months. Such estimate shall be made from the record of services rendered to the same premises during the last 12 months of use, whether by Aapplicant or a prior occupant of the premises, adjusted to recognize the extent of the proposed use as compared with the use in the past. If there is no prior record of services rendered to the premises, the estimate shall be based upon the purposes for which services will be provided.

~~All commercial and industrial ratepayer deposits shall bear interest at the rate of six (6) per centum per annum, without deduction for any taxes thereon; such interest will be credited at the end of each year, from the date of the deposit, to the ratepayer's account and applied against the oldest unpaid bill. All commercial and industrial deposits shall bear interest at the simple annual interest rate determined by the Secretary of Revenue for interest on the underpayment of tax under section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code, and such interest shall be returned with the deposit.~~

Upon final discontinuance of service and if such cash deposit has not been theretofore refunded, the principal of and interest thereon will be applied against the final bill, or if all bills are paid in full or if the deposit and interest shall be more than sufficient to cover the same, will be refunded to the ratepayercustomer, in whole or in part, as the case may be, by ~~cash or~~ check.

To accommodate the Aapplicant in case he cannot furnish a cash deposit, a written guaranty of a third person who can establish credit to the Company's satisfaction, including demonstrating that the third-person is the owner of real estate already receiving service from the Company will be accepted, but such form of security is discouraged. To limit the guaranty to the lowest terms consistent with security, such guarantor is required to agree that upon default of the ratepayercustomer, the guarantor will make prompt payment of the charges for services rendered to the ratepayercustomer for a period not exceeding sixty days. In case the guarantor is required to pay, the ratepayercustomer then must either make a cash deposit or secure a renewal of the guaranty in order to have service maintained.

RULES AND REGULATIONS4. CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES

The ~~a~~Applicant hereby undertakes to furnish, be responsible for, and pay the necessary costs of customer-owned service pipe, fixtures, fittings, valves, regulators, and appliances to make the necessary connections between the Company's lines and the place of consumption or the ~~agreed-upon~~ delivery point to the ~~A~~applicant and keep the same in good repair, in a skillful and workmanlike manner, furnishing at his own expense said materials, and the labor, care, and supervision necessary and proper to safely conduct and burn the gas, but the ~~A~~applicant shall not otherwise make changes in or interfere with said pipes and appliances and material. The arrangement and location of all piping and appliances (including meters) shall be subject to the approval of the Company, but the Company shall not be responsible in any manner for the selection, installation, maintenance, or use of said pipes and appliances, or for said labor, care, or supervisions, and shall have no duty or obligation with respect to the care, maintenance or supervision of the facilities same. To facilitate this process, the Company makes available a manual entitled "Service Line Installation Standards" on its website.

The Company shall make the necessary connections between its curb cock or shutoff valve and the ~~A~~applicant's service pipe, provide a meter and the necessary fittings, and connect the meter.

The meter and all pipe fittings and appliances furnished by the Company on the premises shall remain the property of the Company, and the Company shall have the right at all reasonable times to enter in and upon the premises to read, maintain, remove, change, replace, inspect, and/or reclaim the meter and associated equipment. ~~for reading and change of meters, inspection, and reclaiming of its property.~~

Meters will be installed at the Company's expense only upon request and subject to the following conditions:

(a) The Company will install one (1) meter per customer service line.

(b) The type, size and location of the meter will be determined by the Company.

(c) An individual service line shall be required for each unit of a newly constructed structure consisting of modules which can be sold or leased as and function as separate entities, and having within each such unit control of the total gas energy requirements of that unit, including all interior piping. The requirement of one meter per service line shall apply to renovations of existing structures which meet the aforesaid independency requirements and to which gas service has not been provided for a period of at least one (1) year. The requirement of one meter per service line may be waived for other structures. In this latter event, additional meters will be set by the Company, provided the customer shall bear the cost of all additional meter installations and house line alterations, and such cost of service line alterations as shall be permitted by law.

(d) Outlet piping from the meter shall not pass through space or property that is or could be controlled or owned by an individual or individuals other than the customer.

The Company will extend its facilities to a new point of delivery within its service territory if, in its judgment and consistent with Commission regulations, the service to such new point of delivery will have no adverse effect upon the availability of gas to meet the present and reasonably foreseeable volume and pressure needs of existing customers. The Company, at its discretion, may extend its distribution mains up to a distance of one-hundred fifty (150) feet on any street or highway without cost to a residential applicant(s), absent any abnormal underground conditions or unusual permitting requirements. When abnormal underground conditions or unusual permitting requirements exist, as determined by the Company, the applicant(s) will be required to pay a contribution in aid of construction (CIAC) in an amount determined by the Company. The Company may also condition the extension of facilities upon the ~~A~~applicant's providing a CIAC, the amount of which will be determined by the Company and consistent with any parameters approved or required by the Commission. At the company's discretion, all-eligible aApplicants for an extension may be offered service under Pilot Rate MLX as an alternative to a CIAC.

If the Company requests a CIAC from an ~~A~~applicant ~~where service is not rendered under Pilot Rate MLX~~, and additional customers are added to the extended facilities financed by the ~~A~~applicant's CIAC within three years of the date of

completion of the facilities, the Applicant who paid the CIAC will be entitled to a pro rata refund during the three-year period immediately following completion of the extension.

Any CIAC, ratepayer/customer advance, or other like amounts received from the ratepayer/customer that which shall constitute taxable income as defined by the Internal Revenue Service may include a gross up for federal income taxes. To the extent that federal taxes are not included in the CIAC, they shall be segregated in a deferred account for inclusion in rate base in a future rate case proceeding.

Where evidence is found that Company facilities or service lines, meters, or other appurtenances on the ratepayer/customer's premises have been tampered with, the ratepayer/customer shall be required to bear all costs incurred by the Company for investigations and inspections, repairs, and for such protective equipment as, in the judgment of the Company, may be necessary. In addition, where the tampering has resulted in improper measurement of the service supplied, the ratepayer/customer shall be required to pay for such natural gas service, including interest at the late-payment charge rate, and all applicable costs and fees associated with collecting such charges based on the Company's estimate, from available information, of the amount of gas used but not registered by the Company's meters.

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****4. CONNECTIONS FOR SERVICE - EXTENSION OF FACILITIES (continued)**

The ratepayercustomer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by the willful acts or negligence on the part of the ratepayercustomer or failure to comply with the rules and regulations under which service is furnished.

**5. DISCONTINUANCE AND TERMINATION OF SERVICE**

The authorized agents of the Company shall at all reasonable times have free access to the premises of the ratepayercustomer with the right to shut off the gas and remove its property from the premises for any of the following reasons: failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair or meter reading; nonpayment of any undisputed delinquent bills due for existing or any previous service; tampering with the meter or connections; fraudulent representation in relation to the consumption of gas; removal of Aapplicant from the premises; selling or delivering gas to other occupants of the premises without application to the Company; failure to make or increase any deposit; failure to provide a guarantee of payment or establish credit; want of supply or waste of gas from ratepayercustomer's lines or appliances; failure to comply with amortization or settlement agreements; and failure to comply with or violation of Tariff Rules and Regulations. However, service may not be discontinued or terminated under any circumstances except under Commission Regulations or PA Statute(s) in effect and applicable at the time of such contemplated discontinuance.

The Company may immediately terminate service for any of the following actions by the customer: unauthorized use of the service delivered on or about the affected dwelling; fraud or material misrepresentation of the customer's identity for the purpose of obtaining service; tampering with meters or other public utility's equipment; or violating tariff provisions on file with the Commission so as to endanger the safety of a person or the integrity of the public utility's delivery system. Upon termination for such reasons, the Company will make a good faith attempt to provide a post termination notice to the customer or a responsible person at the affected premises, and, in the case of a single meter, multiunit dwelling, the Company will conspicuously post the notice at the dwelling, including in common areas when possible.

Unless otherwise authorized by the Commission, after November 30 and before April 1, the Company will not terminate service to customers with household incomes at or below the qualifying level as determined by Commission regulation or of PA Statute

The Company may terminate service for nonpayment of billings for service provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

If service is terminated, the same ratepayercustomer, whether an aApplicant or ratepayercustomer as defined in the Commission's regulations or PA Statutes, shall pay a reasonable turn-on fee for resumption of service at the same address after termination. The turn-on fee for Residential ratepayercustomers is \$560. The turn-on fee for Commercial ratepayercustomers is \$80115. The turn-on fee for Industrial ratepayercustomers shall be an amount equal to the customer charge for each month of the intervening period since service was terminated.

~~For requests for discontinuance of service the Company shall determine whether the ratepayercustomer is requesting discontinuance of service at their current location or discontinuance of supply from their current NGS. If the ratepayercustomer requests to discontinue supply service, the Company shall refer the ratepayercustomer to such NGS.~~

~~Upon discontinuance or termination of service, the customer or its agent shall be responsible to winterize the premise to withstand winter conditions, which actions may include, but not limited to, draining plumbing systems, adding insulation and alternative heating units. The Company shall not be responsible for any damages resulting from the customer, or its agent's, as a result of a failure to winterize the property.~~

~~The Company reserves it rights to use any and all remedies at law to collect any outstanding debts, including, but not limited to, filing a Complaint in civil court seeking a judgment of record for the debt, with interest and recovery of court costs, attorneys' fees and other collection expenses incurred in the process.~~

**6. TERMINATION OF RATEPAYERCUSTOMER'S CONTRACT**

In case an writ of execution shall be issued against a ratepayercustomer, or in case the premises described or referred to in the contract as the place at which gas is to be delivered or consumed, or the personal property upon said premises shall be levied upon under execution, or in case of any acts of assignment, filing of involuntary or voluntary petitions in bankruptcy, or any action in court for the reorganization of any corporation, partnership, or other ratepayercustomer, the contract, at the option of the Company, shall cease and terminate, and all claims for retail or transportation service previously provided or amounts purchased from a NGS through the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff shall become forthwith due and payable without notice from said Company to the extent permissible under applicable bankruptcy statutes and Commission regulations.

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****7. LEAKS AND WASTE**

The ratepayer/customer shall use all due care to prevent a waste of gas. It is the responsibility of the ratepayer/customer to exercise all due care in the detection of defects and leaks, and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas under pressure, the ratepayer/customer agrees to give immediate notice thereof to the Company, and his failure to do so, should loss follow, shall be conclusive evidence of his contributory or comparative negligence.

**8. NONLIABILITY OF COMPANY**

~~The Company shall not be liable for failure to furnish a sufficient supply of gas or for failure to transport the ratepayer's gas to the ratepayer arising from any cause whatsoever, nor shall the Company be liable for any injury to person or property arising from the use of gas by or the supply of gas to the ratepayer which is not the result of negligence on the part of the Company. The liability of the Company for damages for failure to furnish a sufficient supply of gas or for failure to transport ratepayer's gas to him shall be limited to an amount equivalent to the ratepayer's proportionate monthly ratepayer customer charge for the period of service during which a supply failure occurs. In no event shall the Company be liable for extraordinary or consequential damages arising in any manner whatever as a result of supply failure. The Company does not guarantee continuous, regular and uninterrupted supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control.~~

In all other circumstances, including but not limited to failure to furnish a sufficient supply of gas or failure to transport the customer's gas to the customer, the liability of the Company to customers or other persons for damages, direct or consequential, including damage to equipment and appliances, loss of business, or loss of production caused by any interruption or variation in supply or pressure, or any other failure in the supply of natural gas shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of \$500 or two times the charge to the customer for the service affected during the period in which such interruption or variation in supply or pressure, or any other failure in the supply of natural gas occurs.

The Company makes no warranty as to merchantability or fitness for a particular purpose, express or implied, by operation of law or otherwise. To the extent applicable under the Uniform Commercial Code or on any theory of contract or products liability, the Company limits its liability in accordance with the previous paragraph to any Customer or third party for claims involving and including, but not limited to, strict products liability, breach of contract, and breach of actual or implied warranties of merchantability or fitness for an intended purpose.

For the purposes of this Rule, all pipe, fittings, ~~and~~ appliances, and associated materials/equipment on the ratepayer/customer's side of the curb stop cock or shutoff valve of the service pipes which connects with the Company's main line are the property and responsibility of the ratepayer/customer, and in no event shall the Company be liable for any injury to person or property arising there from.

**9. MEASUREMENT OF GAS**

All gas delivered shall be measured by meter. The term "Mcf," as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60°F.

~~All meters shall be owned by the Company, and said meters and any regulators in connection therewith shall be at all times open to inspection by both the Company and the ratepayer/customer for the purpose of seeing that they are in condition of good repair.~~

The measurement of gas by meter shall be conclusive on the ratepayercustomer and the Company, excepting that from the time the meter is found to be defective or ceases to register, until the meter is repaired, the gas delivered shall be estimated by the average of another meter, or by the amount delivered by meter during a previous corresponding period under similar conditions. In the event of the ratepayercustomer's dissatisfaction with the registration of the meter, the Company will, upon request, written application, accompanied by the fee specified in the regulationsrules of the Commission, have the same removed, sealed, and tested and results of the test a certificate of test given to the ratepayercustomer upon request. If the meter so tested shall be found to be inaccurate within the limits specified in the regulationsRules of the Commission, the Company shall refund the charge for such test.

## 10. BILLING AND PAYMENT

No entity providing billing may share or use information concerning individually negotiated rates of a ratepayercustomer, which has been acquired only through the entity's role as a billing agent, with another ratepayercustomer or any third party without the prior written authorization of the Company. The Company shall offer a separate payment option for residential ratepayercustomers to equalize monthly payment amounts.

### Billing Options

The Company will offer two billing options: (1) the issuance of a bill by the Company which contains the NGS charges; or (2) the issuance of a bill that contains only the Company's charges, in which case the NGS will bill the ratepayercustomer separately for NGS charges. The right of a ratepayercustomer to receive a separate bill from his/her NGS for the NGS' charges is subject to the ability of the NGS to provide a separate bill and the terms under which the NGS may offer to provide a separate bill.

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

RULES AND REGULATIONS**10. BILLING AND PAYMENT (continued)**Allocation of Payments

Under billing option (1), the following order for the application of partial payments shall apply to all residential ratepayercustomers and to non-residential ratepayercustomers unless the contract between the non-residential ratepayercustomer and the NGS provides for a different method:

- a. Payment agreement for pPre-existing Company balance or pre-existing balance;
- b. Current Company charges;
- c. NGS charges;
- d. Non-basic service charges (including but not limited to warranty charges);
- e. Hardship energy fund contribution.

Residential and Commercial RatepayerCustomers

Bills will be rendered and be payable once each month. Amounts due for gas services must be made in one of the following formats: cash at a valid payment center, credit card, debit card, atm card, or personal check, business check, or money order issued by a properly licensed financial institution, or other commercially acceptable form of payment as determined by the Company. The Company may read any meter once each month, but ordinarily it will read meters of residential and commercial ratepayercustomers once every two months. As to any ratepayercustomer whose meter is read once every two months, the volumes consumed for the first month of each bimonthly meter reading period shall be determined by estimation, on the basis of the ratepayercustomer's previous service, adjusted for weather conditions, and the volumes consumed for the second month of each bimonthly meter reading period shall be determined by subtracting the first month's estimated volumes from the total actual volumes consumed or delivered for the bimonthly period as shown by the meter. The bill for each month shall be the result of applying to the volumes consumed or delivered, the applicable rates, charges, and penalties (if any) set forth in this tariff.

Upon request, the Company will supply any ratepayercustomer with an option card form upon which he may record his meter reading at the end of the first month of each bimonthly meter reading period, and if such reading card is received by the Company within two days after the close of such billing month, the bill for such month will be computed from the meter reading provided by the customer shown on the card instead of by estimate. The Company will adjust estimates of bills for changes in conditions of which it has been notified in advance by a ratepayercustomer.

A bill will be rendered to each residential and commercial ratepayercustomer on account of each meter. Bills will be rendered as nearly as possible on the same day of every month and shall be payable upon presentation. The Company reserves the right to reassign customers into a different billing cycle and the timing of the issuance of the monthly bill may be altered. A bill shall be deemed delinquent if it is not paid by the due date. The due date for residential and commercial ratepayercustomers shall be twenty (20) days after the date of mailing the bill unless the Company agrees to an extension. Delinquent residential accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month for bills not paid within five days after the due date. Delinquent commercial accounts shall be subject to a late-payment charge of one and one-half percent (1 ½%) per month. Late-payment charges will be based on delinquent charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff. Payment of bills may be made at authorized collection offices or agencies of the Company during the regular business hours thereof. Payment may be deemed to have been made on the date it is received at any such office or, if remittance is made by mail, on the date of the official U.S. Postal Service postmark.

**RULES AND REGULATIONS****10. BILLING AND PAYMENT (continued)****Industrial Customers**

Bills will be rendered and be payable once each month. A bill will be rendered to each industrial account. Bills will be rendered as nearly as possible on the same day of every month and shall be payable monthly upon presentation. The Company reserves the right to reassign customers into a different billing cycle and the timing of the issuance of the monthly bill may be altered. An industrial customer's bill shall be deemed delinquent when it remains unpaid after the payment due date specified on the bill. A payment received from a customer owing a previous balance shall be applied first to the previous balance and only after such previous balance has been fully paid shall any balance of the payment be applied to the current bill. Industrial accounts shall be subject to a late-payment charge of two percent (2%) per month if the bill is not paid in its entirety on or before the payment due date specified on the bill, which shall be fifteen (15) days after the date of mailing the bill. Late-payment charges will be based on delinquency charges for services provided under this tariff or for NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

**Final Bill**

At the time the Company receives a notice, which notice must be received at least seven days in advance, to discontinue service or transfer service from one customer to another, the Company may will provide customers with the options to either have the Company read the meter, or to have the disconnecting and reconnecting customer read the meter, or receive an estimated final reading if the Company's actual read parameters have been met in the previous months. The Company will read the meter if the two customer readings are significantly different. The Company will inform the customer that if they elect the customer meter reading and the customer fails to provide the Company with an acceptable reading in a timely manner, the Company may estimate the final meter reading. The Company will make reasonable efforts to obtain actual meter readings: (a) when the Company has insufficient data to estimate the Customer's usage; (b) when, in the case of a transfer of service, disconnect and reconnect orders are executed on different days; and (c) when the customer, at least seven days prior to the disconnect order date, specifically requests that the meter be read. The Company reserves the right to establish a Customer's usage for a final bill whenever the Company is unable to gain access to its meter on the disconnect order date. The Company will accept meter readings from customers for final bills if the customer reading is provided in a timely manner and if, upon review, the Company finds the customer reading to be reasonable and consistent with prior usage levels. Notwithstanding the foregoing, the Company may not discontinue service unless in compliance with the Rules, Regulations or Orders of the Pennsylvania Public Utility Commission pertaining thereto and in effect at the time of such discontinuation.

**Dishonored Payment**

If the Company receives a negotiable instrument from an Applicant or customer as payment of any bill, charge or deposit due, and if the instrument (including electronic payment) is subsequently dishonored or is uncollectible for any reason, the Company may charge the Applicant or customer a fee of \$25.

**11. AUTHORITY OF AGENTS**

No agent or employee of the Company has authority to make any promise, agreement, or representation not incorporated in its rules and regulations, and no promise, agreement, or representation shall bind the Company unless in writing, signed by an officer of the Company.

RULES AND REGULATIONSADDITIONAL RULES FOR RETAIL RATEPAYERCUSTOMERS ON LINES  
OUTSIDE OF DISTRIBUTION SYSTEMS (RULES 12-14)12. CONDITIONS UNDER WHICH SERVICE WILL BE RENDERED

Applications for service from a transmission, gathering, or storage line outside of the Company's distribution system will not be accepted unless such line is being operated in a manner which will permit gas to be served to the aApplicant without interference with the Company's operation. Applications will be accepted only with the understanding that the use or manner of use of the Company's line from which gas is to be supplied is not permanent and that service to the aApplicant is subject to temporary or absolute change or discontinuance at the sole discretion of the Company which may at any time remove, repair, or change the use or manner of operating said line after having first canceled the service contract with the Aapplicant by thirty days written notice to him. The ratepayercustomer agrees that the Company shall have the right to discontinue service for any such reason or in accordance with any other published rule or regulation of the Company, and the ratepayercustomer further agrees that during the term of service the Company shall not be liable for any deficiency in the supply of gas caused by the use of compressing stations, breakage of lines, or other causes or for any claim for damages on account of any matters set forth in this paragraph, subject to the terms and conditions of Rule 8 of this tariff.— Every aApplicant must obtain adequate and suitable written rights-of-way and regulator sites, and permit copies thereof to be made before the Company will make any tap or connection for service or install any regulating apparatus for aApplicant.

13. CONNECTION FOR SERVICE AND RESPONSIBILITY THEREFOR

The Company will furnish gas service from a transmission, gathering, or storage line, subject to the conditions of Rule 12, Rule 14, and its other rules and regulations, at the varying pressures at which the line is operated from time to time. The aApplicant assumes all risks from variation in pressure, defects in pipe, connections, and appliances, from the escape and leakage of gas, from the sticking of valves and regulators, and from the burning of gas on his premises and like causes incident to the use of gas. The Aapplicant shall provide at his own expense and risk the necessary service line from the place of consumption or other mutually agreed upon delivery point to a point designated by the Company near the Company's pipe line from which gas is to be supplied for safely conducting the gas from the stop or shutoff valve on the connection which the Company will make with its pipe line to the place of consumption or other mutually agreed upon delivery point.

14. COST OF CONNECTION

The Company will at its own cost tap its line and furnish and lay a service line terminating with a stop or shutoff valve at or near the point designated by it under Rule 13. Connection for service will be made under Rule 4.

SPECIAL RULES APPLICABLE TO INDUSTRIAL RATEPAYERCUSTOMERS (RULE 15-16)

All service to industrial ratepayercustomers is made subject to the following special rules. The foregoing rules are also applicable to such service unless inconsistent with the following rules.

15. METERS AND REGULATORS

All gas delivered to the ratepayercustomer shall be delivered at and measured by a standard meter to be placed by the Company ~~at a mutually agreed upon point~~ upon the ratepayercustomer's premises or at another ~~mutually agreeable~~ delivery point, ~~as determined by the Company, for gas usage on the ratepayercustomer's premises.~~ The said meter or meters and any necessary regulators shall be owned by the Company, and the Company shall pay the cost of keeping the meters and regulators in repair; ratepayercustomer will furnish and maintain suitable building or buildings for same; ~~the said meter or meters shall be read at least once every month,~~ but said meters and regulators shall be at all times open to inspection of both the Company and the ratepayercustomer for the purpose of seeing that they are in a condition of good repair. The customer, or owner of the property where the meter is located, shall not construct any structure(s) on, or around the meter, or permit any obstruction that blocks or encumbers access to the meter. In the event a meter is obstructed and the Company is unable to obtain access, the Company may take necessary action to obtain access to the meter and the Company shall not be liable for any damage or loss to the property of the customer or the property owner.

All meters shall be owned by the Company, and said meters and any regulators in connection therewith shall be at all times open to inspection by both the Company and the customer for the purpose of seeing that they are in condition of good repair. The meter providing service to the customer's premises shall be placed on the property located on the premises. Any meter located on property owned by a third-party who is not the customer or the owner of the real property where the premises is located, shall be relocated to an appropriate location that complies with this Rule.

**ISSUED: January 28, 2019**

**EFFECTIVE: March 29, 2019**

RULES AND REGULATIONS**16. RESPONSIBILITY FOR FIRE, EXPLOSIONS, AND FAILURE OF SUPPLY**

The Company shall not be responsible for any lines laid beyond the meter; shall not be held liable for any damage or loss to person or property resulting from explosions or fire or from use of gas in the works of the ratepayer/customer; and shall not be liable for failure to furnish a sufficient supply of gas or for failure to transport the ratepayer/customer's gas to the ratepayer/customer for his purpose arising from any cause not the result of the willful and/or wanton misconduct negligence of the Company, subject to the terms and conditions of Rule 8 of this tariff.

**17. EMERGENCY CURTAILMENT PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS**

This rule has been adopted pursuant to regulations of the Commission set forth at Pa. Code §§59.71 – 59.75 entitled 'Gas Emergency Plans'.

Discontinuance of Service and Curtailment

~~When the evidence available to the Company reasonably indicates that a ratepayer is using gas in violation of this rule or an order of the Commission, the Company will discontinue all service to such ratepayer unless the use causing such violation is discontinued within ten days after written notice from the Company. This provision shall not affect the Company's right or obligation to discontinue service under other provisions of this tariff, the rules and regulations of the Pennsylvania Commission, or for any other lawful right or reason. The Company will inform the Commission of any termination pursuant to this rule.~~

Priority of Service

~~The available gas supplies to the Company shall be allocated among its ratepayers in accordance with the priorities of use listed below. Ratepayers in higher priority will not be curtailed until all ratepayers falling into the lower classifications have been completely curtailed; where only partial curtailment of any one classification is required, the implementation of curtailment shall be prorated. The ability to curtail a Priority One ratepayer is not affected by whether the ratepayer pays for standby service under Rate GS-SB. Following are the priority categories and subcategories listed in descending order. Small commercial and industrial ratepayers as described below are those ratepayers that use less than (C) 25,000 Mcf per year. Large commercial and industrial ratepayers as described below are those ratepayers that use 25,000 Mcf per year or more:~~

- ~~1. a. Residential.~~
- ~~1. b. Firm critical commercial essential human needs.~~
- ~~2. a. Firm small commercial requirements, excluding critical essential human needs requirements in category 1., and firm large commercial and industrial requirements for plant protection.~~
- ~~2. b. Firm small industrial requirements.~~
- ~~2. c. Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in category 1 and excluding firm large commercial and industrial requirements for plant protection in category 2.~~
- ~~2. d. Firm large noncritical commercial and industrial requirements other than requirements for boiler fuel use.~~
- ~~2. e. Firm large noncritical commercial and industrial requirements for boiler fuel use.~~
- ~~2. f. Contractually interruptible use.~~

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

RULES AND REGULATIONS**17. EMERGENCY CURTAILMENT PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS**  
(continued)

The definitions for terms used in this Rule 17 ~~the priority of service categories~~ shall be shown in Appendix A hereto.

Gas Shortage Curtailment Related to Long-Term Supplies

~~When, in the Company's judgment, its supply of gas is insufficient to meet the full requirements of all the Company's ratepayers on a continuing basis, or when continued delivery of gas would prevent the injection of gas into storage (C) for the protection of subsequent winters' supplies, the Company may require each ratepayer to restrict his monthly consumption to a volume authorized by the Company.~~

~~A gas shortage curtailment shall be made only after a minimum 96-hour written notice to the ratepayer given by certified mail and specifying its authorized monthly consumption to which such curtailment applies. The Company will authorize monthly consumption levels from the Company's supplies only to ratepayers then currently purchasing commodity or standby service from the Company. Ratepayers that acquire their own gas supplies and that do not purchase standby service will be entitled to consume only the volumes they have delivered to the Company, less any gas that the Company is authorized to seize for consumption by other ratepayers.~~

~~If a ratepayer exceeds its authorized consumption during a period of gas shortage curtailment, then the ratepayer shall be subject to penalties as set forth under this Rule 17.~~

~~Actual consumption in any month in excess of the volume authorized in the notice of gas shortage curtailment shall operate to reduce the volume authorized for the second succeeding month by the amount of such excess; during the first month following the month of excess consumption a ratepayer may use less than the volume authorized for that month and receive a credit up to but not exceeding the amount of such reduction, to be applied to the reduced volume authorized for the second month.~~

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

RULES AND REGULATIONS17. PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS (continued)~~Excess Consumption Penalty Related to Gas Shortage Curtailment~~

~~As used herein, the term "excess consumption" means the volume by which a ratepayer's actual consumption: (a) in any month during a gas shortage curtailment exceeds his authorized monthly volume specified in a notice of curtailment or as reduced pursuant to this Rule 17; or (b) in an emergency curtailment period, exceeds his authorized volume for the emergency period pursuant to this Rule 17.~~

~~Excess consumption shall be billed at the rates prescribed by this tariff plus a penalty according to the following schedule:~~

<del>Actual Usage as a Percentage of Total Authorized Volumes</del>	<del>Penalty For Excess Consumption</del>
---	---

<del>Greater than 103% but not in excess of 110%</del>	<del>\$10 per Mcf</del>
--	-------------------------

<del>Greater than 110% but not in excess of 125%</del>	<del>\$20 per Mcf</del>
--	-------------------------

<del>Greater than 125%</del>	<del>\$50 per Mcf</del>
------------------------------	-------------------------

~~The Company shall have the right to waive any penalty for unauthorized use of gas.~~

~~There shall be excluded from the volumes subject to penalty under a gas shortage curtailment volumes for which the ratepayer has previously been penalized pursuant to overruns during emergency curtailment.~~

~~A penalty paid by a ratepayer for excess consumption in any month in connection with a gas shortage curtailment shall be refunded to that ratepayer if: (a) the ratepayer's actual consumption in either the first or the second month thereafter is less than his authorized monthly volume by an amount equal to the volume of such excess consumption or (b) the ratepayer's combined actual consumption in the first and second months thereafter does not exceed his combined authorized monthly volume for both months. Excess consumption penalties resulting from emergency curtailment overruns are not subject to refund.~~

~~As of December 31 of each year, the Company shall subtract the total of all overrun penalties paid that year to the Company's suppliers from excess consumption penalties collected from ratepayers during the year which are not subject to gas payback refund provisions set forth above. The Company will then distribute among its curtailed ratepayers who did not incur overruns all penalties collected in excess of those paid by the gas Company to its suppliers.~~

~~The amount of reimbursement due a ratepayer shall be determined by dividing the total amount to be redistributed by the total volume of sales during the twelve-month period to all ratepayers eligible for reimbursement. This quotient shall represent the factor which, when multiplied by an eligible ratepayer's total purchase volume during the twelve-month period, will equal the amount to be credited to that ratepayer's gas account. However, no reimbursement shall be made to ratepayers who have terminated service during the year.~~

~~The Company will compute the reimbursement credit for each eligible ratepayer to the nearest one cent. If the total amount credited to eligible ratepayer's gas accounts, as calculated above, is more or less than the total amount to be redistributed, the difference shall be retained as a debit or credit in the excess consumption penalty account, and shall be subtracted from or added to the next ensuing excess consumption penalty redistribution amount.~~

~~At least ten (10) days prior to the billing month in which each eligible ratepayer's account shall be credited, the Company will file with the Commission a detailed report itemizing the penalties paid, penalties received, and the computation of the redistribution credit, if any.~~

RULES AND REGULATIONS**17. EMERGENCY CURTAILMENT (continued) PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS (continued)**Allocation of Excess Gas

~~If, in the Company's judgment, sufficient gas supply is available to permit deliveries in addition to the monthly authorized entitlement in any month, the Company will provide all ratepayers with as much advance notice as possible of the amount of such additional gas anticipated to be available. Such gas shall be apportioned by the Company to all ratepayers of the highest priority being curtailed.~~

~~To the extent that a ratepayer has exceeded the sum of its authorized entitlements for any period, penalties shall not be assessed for any excess volumes authorized pursuant to the provisions of this sections.~~

Emergency Curtailment

~~An emergency exists whenever the aggregate demand of firm service customers on the Company's system or confined segment of the system exceeds or threatens to exceed the gas supply or capacity that is actually and lawfully available to the Company to meet the demands, and the actual or threatened excess creates an immediate threat to the Company's system operating integrity with respect to Priority-One customers. If this occurs, the Company is unable to fulfill the daily requirements of all its ratepayers because of reasons unrelated to long-range supplies, the Company may require each commercial and industrial ratepayercustomer, who is not a Priority-One customer, to reduce its consumption of gas. The reduction required shall be determined by the Company without regard to priorities of use, as necessary to minimize the potential threat to public health and safety; however, the authorized volume shall provide only the minimum volume of firm service necessary for the prevention of damage to plant equipment.~~

~~When all other service has been curtailed except for Priority-One service and the Company continues to be unable to meet Priority-One requirements, the Company shall exercise its judgment as to any further curtailment that may be necessary and shall utilize measures designed to minimize harm to customers if curtailments to plant protection use are found to be necessary.~~

The Company will specify in a notice of emergency curtailment the authorized daily consumption until further notice. An emergency curtailment may be made after oral notice to the ratepayercustomer effective when so given and confirmed in writing within 48 hours thereafter.

If a ratepayercustomer exceeds its authorized consumption during a period of emergency curtailment, then a ratepayercustomer shall be subject to penalties as set forth below:

<u>Actual Usage as a Percentage of Emergency Authorized Consumption</u>	<u>Penalty for Excess Takes(in Dollars Per Mcf)</u>
Greater than 103% but not in excess of 110%	10
Greater than 110%	25

The Company shall have the right to waive any penalty for unauthorized use of gas.

The number of days of emergency curtailment multiplied by the authorized daily consumption volume shall be the ratepayercustomer's authorized consumption for the emergency curtailment period. The Company will determine actual consumption during the emergency curtailment period by actual measurement at the beginning and end of the emergency curtailment.

Discontinuance of Service and Curtailment

~~When the evidence available to the Company reasonably indicates that a customer is using gas in violation of this rule or an order of the Commission, the Company will discontinue all service to such customer unless the use causing such violation is discontinued within ten days after written notice from the Company. This provision shall not affect the~~

Company's right or obligation to discontinue service under other provisions of this tariff, the rules and regulations of the Pennsylvania Commission, or for any other lawful right or reason. The Company will inform the Commission of any termination pursuant to this rule.

**ISSUED:** January 28, 2019

**EFFECTIVE:** March 29, 2019

RULES AND REGULATIONS17. EMERGENCY CURTAILMENT (continued) PRIORITY OF SERVICE AND CURTAILMENT FOR RETAIL RATEPAYERS (continued)Appendix A to Rule 17DEFINITIONS FOR TERMS USED IN EMERGENCY CURTAILMENT THE PRIORITY OF SERVICE CATEGORIES

1. Alternate Fuel: Any fuel other than natural gas.
2. Alternate Fuel Capability: ~~The ability to use an alternate fuel whether or not the facilities for such use have actually been installed. For purposes of this definition, alternate fuel means any fuel other than natural gas.~~ The installed and operable ability to use any fuel other than natural gas on a time sensitive basis.
3. Commercial Use: Gas usage by ~~ratepayer~~customers engaged primarily in the sale of goods or services including but not limited to consumption by office buildings, institutions, and governmental agencies. ~~Commercial use shall not include use of gas for manufacturing or electric power generation.~~
4. Critical Uses: Gas usage where natural gas is the only feasible form of energy due to its combustion characteristics, controllability, or chemical properties.
5. Essential Human Needs Use: Gas usage by ~~ratepayer~~customers for service to any buildings where persons normally dwell, including but not limited to residences, apartment houses, dormitories, hotels, hospitals, and nursing homes.
6. Firm Service: Natural gas service offered to consumers under tariffs or contracts that anticipate no interruption.
7. Industrial Use: Gas usage by ~~ratepayer~~customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product, including the generation of electric power.
8. Interruptible Service: Natural gas services that can be temporarily discontinued under terms and conditions specified by tariff or contract.
9. NGDC: Natural gas distribution company.
10. NGS: Natural gas supplier.
11. Noncritical Use: Gas usage where natural gas is not the only feasible form of energy, that is, where the user has alternate fuel capability.
12. Plant Protection Use: Minimum usage of natural gas required to prevent physical harm to an industrial or commercial consumer's facility, or danger to personnel at the facility when such protection cannot be afforded through the use of an alternate fuel. Plant protection use includes usage necessary for the protection of the material in process as would otherwise be destroyed, but does not include deliveries required to maintain production.
13. Residential Use: Gas usage in a residential dwelling or unit for space heating, air-conditioning, cooking, water heating, or other domestic purposes.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****18. PRIORITY OF SERVICE CURTAILMENT**

Upon issuance of an order to initiate priority-based curtailments, the available gas supplies to the Company shall be allocated among its customers in accordance with the priorities of use listed below. Customers in higher priority will not be curtailed until all customers falling into the lower classifications have been completely curtailed; where only partial curtailment of any one classification is required, the implementation of curtailment shall be prorated, to the extent possible under the circumstances, based upon recent consumption data. The ability to curtail a Priority-One customer is not affected by whether the customer pays for standby service under Rate GS-SB. Following are the priority categories and subcategories listed in descending order. Small commercial and industrial customers as described below are those customers that use less than 25,000 Mcf per year. Large commercial and industrial customers as described below are those customers that use 25,000 Mcf per year or more:

1. a. Residential.

1. b. Firm critical commercial essential human needs.

2. a. Firm small commercial requirements, excluding critical essential human needs requirements in category 1., and firm large commercial and industrial requirements for plant protection.

2.b. Firm small industrial requirements.

2.c. Firm large critical commercial and industrial requirements, excluding firm critical commercial essential human needs requirements in category 1 and excluding firm large commercial and industrial requirements for plant protection in category 2.

2.d. Firm large noncritical commercial and industrial requirements other than requirements for boiler fuel use.

2.e. Firm large noncritical commercial and industrial requirements for boiler fuel use.

2.f. Contractually interruptible use.

**19. SALES OF GAS FOR RESALE**

All gas sales to residential ~~ratepayer~~customers are to the ultimate purchaser and are not to be resold for profit.

**20. SERVICE AGREEMENT & FLEXIBLE RATES**

Service agreements for delivery services are not required unless the customer consumes more than 50,000 Mcf per year or has negotiated a delivery rate less than the maximum rate. When a service agreement is required, an agreement for a minimum of one year must be executed by each Applicant as a condition to receiving delivery service, unless the Company agrees to a shorter term. The Service Agreement, when required, shall include but not be limited to: 1) the point(s) at which the Company will receive customer's gas; 2) the points at which the Company will deliver customer's gas to customer's facilities; 3) pressure, maximum and minimum daily volumes and annual delivery service volumes. Delivery of gas will not begin until a Service Agreement is fully executed.

Specific components of a customer's rate may be lowered or waived if such an adjustment is required to meet competition from an alternative fuel source, for economic development purposes, or for service to new facilities. Determination of eligibility for a flexible rate will be made by the Company and execution of a contract by the customer. When the discount is based on competition from an alternative fuel source, the customer will be required to certify the existence of the alternative fuel source. Prior to flexing distribution charges for distribution service customers, the Company may reduce charges that are for recovery of balancing charges, AVC capacity charges, and/or the retainage percentage applied to the gas received on behalf of the distribution service customer.

**SPECIAL RULES APPLICABLE TO ALTOONA  
AND JOHNSTOWN AND VICINITY (Rules ~~19-21~~ and ~~2220~~)**

**21. CONNECTION FOR SERVICE**

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stony creek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 4 above: The meter and all pipes, fittings, and stop cocks furnished by the Company on the premises shall remain the property of the Company which shall have the free right and privilege of ingress and egress at all reasonable times, to lay, maintain, inspect, operate, repair, and finally reclaim its property and for reading and change of meters.

**22. LEAKS AND WASTE**

In the city of Altoona, Blair County, and the city of Johnstown, boroughs of Ferndale, Westmont, Lorain, Dale, Southmont, and townships of Lower Yoder, Upper Yoder, and Stonycreek, and vicinity in Cambria County, and not elsewhere, the following rule has been adopted and is applicable in place of Rule 7 above: The ratepayercustomer shall use all due care to prevent waste of gas. It is the responsibility of the ratepayercustomer to exercise all due care in the detection of leaks and defects in the service pipes, meter, fittings, and stop cocks on the ratepayercustomer's premises and in case of failure or deficiency of gas, leakage, excess pressure, or other dangerous developments incident to the handling of gas, the ratepayercustomer agrees to give immediate notice thereof to the Company at its office and to take the necessary precaution to prevent explosion and fire, and the failure of the ratepayercustomer to do so, should loss or injury follow, shall be evidence of the ratepayercustomer's negligence and shall relieve the Company from liability for such loss or injury.

**23. ORDER OF GAS DELIVERIES THROUGH THE METER FOR BILLING PURPOSES**

(C)

For purposes of billing more than one type of service provided by the Company to a ratepayercustomer through one meter, the following order of application of rates shall be used:

- a. Rate GS-T
- b. Firm Retail or Standby
- c. Rate CER

**24. OPERATIONAL FLOW ORDERS**

To the extent the Company issues an operational flow order (OFO) pursuant to Rule 4 of its Supplier Tariff, a transportation ratepayercustomer shall comply (or direct its NGS to comply) with the same OFO conditions, including the penalty provisions, outlined in the Company's Supplier Tariff Rule 4. The Company may waive the penalties applicable under the Company's Supplier Tariff Rule 4, for transportation ratepayercustomers.

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

RULES AND REGULATIONS25. SELECTION OF NGS

- a. When the Company receives notice that a ratepayercustomer has elected to switch NGSs or to return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of ratepayercustomer's billing cycle.
- b. RatepayerCustomers can obtain information at any time on the ability to select an NGS other than the Company by contacting the Company via letter, phone, e-mail, or by visiting the Company's internet web site. The Company will also periodically mail to ratepayercustomer information on the opportunity to choose an alternate supplier.
- c. Disclosure Requirements: If a ratepayercustomer selects an NGS, the ratepayercustomer should note that the NGS is required pursuant to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, to disclose certain information to the ratepayercustomer, including but not limited to, agreed-upon pricing in the Company's standard pricing unit, conditions of pricing availability, the length of the agreement, cancellation provisions, and the three-day right of rescission.
- d. Selection and Set-up: The ratepayercustomer, or person or entity that is authorized to act on the ratepayercustomer's behalf, should contact their chosen NGS to initiate the request. When a ratepayercustomer, person or entity authorized to act on the ratepayercustomer's behalf contacts the Company with a request, the Company will inform such party to contact the NGS directly. After the Company has received notification from the NGS of the ratepayercustomer's request, the Company shall mail out a confirmation letter to the ratepayercustomer by the end of the next business day after the date the Company receives notification by the NGS of the new ratepayercustomer, asking the ratepayercustomer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include the ratepayercustomer's NGS, the applicable billing option, the approximate date when service from the new NGS will begin and the date that the first bill will be mailed, and notification that service may be terminated for failure to pay NGS supply charges. The confirmation letter also shall include the notice of a five (5) ~~(G)~~ day waiting period in which the request may be cancelled by the ratepayercustomer before the change of the NGS takes place. The five (5) day waiting period shall start on the day the confirmation letter is mailed. ~~(G)~~

Should the Company receive notification from ratepayercustomer within the five (5) calendar days required under ~~(G)~~ the confirmation letter that ratepayercustomer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by ratepayercustomer of such error, the Company shall continue billing ratepayercustomer under ratepayercustomer's current billing arrangement. Should the Company receive notification from ratepayercustomer that ratepayercustomer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise ~~(G)~~ the ratepayercustomer to contact the NGS to request cancellation and if requested by ratepayercustomer the Company will treat this as an alleged slamming complaint under Rule 264.

Should the Company receive notification by more than one NGS within a one-month period that the ratepayercustomer has elected said NGS to supply ratepayercustomer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the ratepayercustomer informs the Company such NGS is in error.

RULES AND REGULATIONS26. COMPLAINT PROCEDURES

- a. General Complaints - Inquiries and complaints from any ratepayercustomer will be received and processed in a timely manner. Residential ratepayercustomer inquiries and complaints will be handled in conformance with Chapter 56 of the Commission's Rules. When a ratepayercustomer inquiry or complaint relates to services provided by an NGS, the Company will refer the ratepayercustomer to the NGS for a response. If a ratepayercustomer inquiry or complaint involves issues or services provided by both the Company and the ratepayercustomer's NGS, the Company will coordinate the response to the ratepayercustomer inquiry or complaint from both parties. If a ratepayercustomer is dissatisfied with the Company's response, or indicates dissatisfaction with the NGS's response to the ratepayercustomer with respect to the NGS's services, the Company will inform the ratepayercustomer of the right to file an informal appeal with the Bureau of Consumer Services (BCS) at the Commission and provide the ratepayercustomer with the toll-free telephone number and mailing address of the Commission.
- b. Alleged Slamming Complaints – To the extent a ratepayercustomer contacts the Company and alleges that its Supplier has been changed without the ratepayercustomer's consent, the Company shall:
- i. Consider the matter a ratepayercustomer registered dispute;
  - ii. Investigate and respond to the dispute consistent with the requirements found in §§56.151 and 56.152 (relating to utility company dispute procedures) of the Commission's regulations.
  - iii. Within 10 days of notification or mailing of a utility company report, ratepayercustomer may file an informal complaint with BCS at the Commission.
  - iv. Potential Remedies Available to RatepayerCustomer:
    1. If the ratepayercustomer's dispute has been registered within the first two billing periods since the ratepayercustomer should reasonably have known of a change of suppliers and the dispute investigation establishes that the change occurred without the ratepayercustomer's consent, the Company shall return the ratepayercustomer to the previous commodity provider. Further, the ratepayercustomer will not be responsible for any supplier charges rendered during that period and the Company responsible for initiating the change of supplier shall issue a complete refund within 30 days of the close of the dispute. The refund or credit provision shall only apply to the supplier.
    2. Further, the BCS or the Commission may direct that a ratepayercustomer who has had a supplier changed without having consented to that change may be switched back to the original supplier for no additional fee. Any charges involved in the switch back to the prior supplier shall be the responsibility of the Company that initiated the change without the ratepayercustomer's consent.

In addition to ratepayercustomer-specific remedies, the Commission may, after investigation and decision, assess fines pursuant to Chapter 33 of the Public Utility Code, 66 Pa. C.S. §§3301, et seq., and initiate proceedings to revoke the license of any supplier that demonstrates a pattern of violating the Commission regulations. The Commission may order a particular supplier that has a pattern of violating the Commission regulations to obtain written authorization from every new ratepayercustomer as a condition of providing service in this Commonwealth.

RULES AND REGULATIONS27. REQUEST FOR INFORMATION

- a. Upon ratepayercustomer request, the Company shall provide to its residential and small business ratepayercustomers appliance energy efficiency information that is readily available to the Company.
- b. Upon request, the Company shall provide to a residential or small business ratepayercustomer or the ratepayercustomer's designee, historical billing data, to the extent such information is readily available on Company's billing system. Historical billing data shall be conveyed in Mcf, and associated charges for the current billing period, and for the year preceding the current billing period. The initial request per year shall be provided at no charge to ratepayercustomer.

28. RELEASE OF RATEPAYERCUSTOMER INFORMATION

- a. The Company shall notify residential and small business ratepayercustomers of its intent to release private ratepayercustomer information before it releases such information to a third party, excluding those instances noted below in paragraph (c). The notification to ratepayercustomer shall provide a convenient method of notifying the Company of the ratepayercustomer's desire to restrict the release of the private information. RatepayerCustomer shall be permitted to restrict information as specified in this section by returning a signed form, orally or electronically. If the ratepayercustomer changes its election on the restriction of the release of information, the ratepayercustomer must inform the Company in a signed form. The Company shall use its best efforts to ensure that any request or a change in request for restricted information be processed in a timely and expeditious manner.

For all other ratepayercustomers, the Company will not disclose ratepayercustomer information to a third party, excluding those instances noted below in paragraph (c), without the consent of the ratepayercustomer. except to the extent necessary to comply with a Commission or court order.

Nothing herein shall preclude the Company from releasing aggregated customer information or non-private customer information to a third-party.

- b. Residential and small business ratepayercustomers may request that the release of its private information be restricted based on one of the following two restrictions:
  - i. Restrict the release of only the ratepayercustomer's historical billing data in the Company's standard pricing unit, or
  - ii. Restrict the release of all private ratepayercustomer information including name, billing address, service address, rate class, rate sub-class, account number and historical billing data in the Company's standard pricing unit.

If ratepayercustomer does not choose to restrict the release of information based on one of the two restrictions above, then all of the ratepayercustomer's private information may be released to a third party except for the telephone number. Telephone numbers may not be released to third parties under any circumstances.

  - iii. Nothing in this section prohibits the Company from performing its mandatory obligations to provide natural gas service as specified in the disclosure statement and in the Public Utility Code.

- c. The Company may release private information to (i) law enforcement officers, as part of a legal process (such as in response to a warrant, subpoena, or grand jury investigation issued by a court or governmental agency); (ii) to contractors providing utility-related services on behalf, of Peoples, but only to the extent necessary to render the service and subject to confidentiality and security obligations; (iii) to governmental agencies with jurisdiction over Peoples, when they require such information; (iv) to a third-party bill payment company, for the sole purpose of facilitating electronic payments to a natural gas account as requested by a customer; (v) to others as required by court order or by applicable laws, rules, or regulations governing Peoples; and (vi) to credit reporting agencies, and to collection agencies (if a natural gas account is assigned for collection).

d. The Company will retain Personal Information for as long as is reasonably necessary to meet its business needs and regulatory and compliance obligations.

## **29. AUTHORIZATION**

A ratepayercustomer may identify persons authorized to make changes to the ratepayercustomer's account. To accomplish this, the ratepayercustomer must provide the Company with a signed document identifying, by name, those persons who have the authority to initiate any change to the ratepayercustomer's account, including a change of the ratepayercustomer's NGS.

## **30. RULES PART OF CONTRACT**

These rules (1 to 29, inclusive), insofar as applicable, are hereby made a part of any contract for public utility service provided by the Company.

### **Contact Information.**

A Customer is responsible for providing, and updating when necessary, accurate contact information including telephone number(s), billing address and email addresses, if provided. If a customer's contact information changes and the customer does not timely provide updated contact information, the Customer agrees and understands that the Company shall not be liable for any notices, statements or other communications that are otherwise undeliverable to the Customer.

The Company may use contact information to reach the customer to discuss their natural gas account, to respond to an inquiry that the customer sent to the Company or to keep the customer informed about the services, products and programs offered by the Company, and its affiliates and partners. By providing an e-mail address to the Company, the customer consents to receive communications from the Company electronically. If the customer provides the Company with a cell phone number, the customer expressly agrees that the Company may contact the customer at this number to discuss their natural gas account. The customer also agrees to receive, from the Company and the Company's service providers, calls and messages, including prerecorded messages, calls from automated dialing systems and text messages. Normal cell phone charges may apply.

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****31. GAS QUALITY**

Unless otherwise agreed to by the Company through separate agreement, gas delivered by a supplier or producer shall not contain more than:

- (a) Seven (7) pounds of water per million cubic feet on an approved dew point apparatus.
- (b) Two (2) percent by volume of carbon dioxide.
- (c) Four (4) percent by volume total inerts including carbon dioxide, nitrogen, argon, and helium provided that total carbon dioxide content shall not exceed two (2) percent by volume.
- (d) Twenty-five hundredths (0.25) grains of hydrogen sulfide per 100 cubic feet.
- (e) Ten (10) grains of total sulfur per 100 cubic feet.
- (f) Two tenths (0.2) percent by volume oxygen.

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by calorimeter test @ 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to customers shall meet Commission heating value requirements and the Company may charge for this.

**32. OTHER FEES AND SERVICES**

The following customer requested services will require a fee as defined below:

Temporary Customer Service Line Installation – If service to a premises would be discontinued due to a customer service line leak and gas service is required to serve essential human needs, the customer or occupant may request the installation of a temporary customer service line. If the Company is able to install such a line, at the occupant's or customer's request, the Company may charge a fee of \$300. The line shall be placed only for a temporary period and the Company reserves the right to identify the temporary period and remove the line if that period is exceeded.

~~Remote Meter Reading Devices—A remote meter reading device and associated meter can be installed at a customer's premise upon request for the fee of \$80.—~~

~~Split Load—If operationally appropriate, a single metered multi-consumer premises can be converted to separate meters attached to a single manifold. This modification is by customer request and will be charged a fee of \$91.—~~

~~Field Visit Fee—If the customer or their representative schedules a non-emergency field visit and fails to prepare for the Company's arrival, a fee of \$30 may be charged.~~

Excess Flow Valve – At the Customer's request, the Company will install an excess flow valve. If the customer requests installation of the excess flow valve and the Company has not scheduled the location for a service line replacement or a new service line, or the customer requests the installation prior to the Company's scheduled installation time, the customer shall be responsible for the cost of the materials and installation to be paid prior to installation.

High Bill Investigation Fee – At the Customer's request, the Company will provide a scheduled visit to the customer's home to conduct an investigation into the usage measured and billed to the Customer for service. If the investigation identifies an error in the measurement of gas used, the fee will be waived. The fee for this service is \$75.

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. **47**  
**ORIGINAL** PAGE NO. 36**RATE RS**  
**RESIDENTIAL SERVICE****AVAILABILITY**

This rate is available to residential ratepayercustomers (other than those that the Company determines shall acquire service under Rate GS-SB) located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to residential ratepayercustomers.

**RATE TABLE**

Customer Charge per meter per month	\$ <del>13.95</del> <u>20.00</u>
-------------------------------------	----------------------------------

Delivery Charge per Mcf	\$ <del>3.133</del> <u>03.875</u> 3
-------------------------	--

The currently effective gas cost charges under Rider B-Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

**MINIMUM MONTHLY BILL**

The minimum monthly bill per meter shall be the customer charge per ratepayercustomer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a ratepayercustomer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayercustomer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

**SURCHARGES**

All applicable riders to this tariff.

**LATE-PAYMENT CHARGE**

~~The Company will assess a late payment charge of 1.50 percent per month when the Company receives the customer's full payment more than five days after the bill's due date. A late payment charge of 1.50 percent per month will be made for failure to make payment in full, for all charges billed by the Company, within five days after the due date shown on the bill.~~

This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

**RULES AND REGULATIONS**

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

**WAIVER**

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the ratepayercustomer's load characteristics.

ISSUED: **January 28, 2019**EFFECTIVE: **March 29, 2019**

**CUSTOMER ASSISTANCE PROGRAM (CAP)****AVAILABILITY**

Rate CAP is a program designed to enroll residential ~~ratepayer~~customers who satisfy the criteria set forth below. Please refer to ~~the~~ Peoples' Universal Service and Energy Conservation Plan on file with the PA PUC for a full description of the CAP program terms and conditions. In addition to the terms and conditions in this Tariff, Peoples' Universal Service and Energy Conservation Plan shall govern the provision of service under this rate category

1. Processing and verification by authorized agencies upon referral by the Company's offices, Customer Assistance Referral Evaluation Service (CARES) representatives, other agencies, or BCS.
2. ~~Ratepayer~~Customer of the Company and using natural gas for space heating.
3. Annual income no greater than 150 percent of the federal poverty level. The Company will accept a ~~ratepayer~~customer's participation in an electric CAP program as verification of income, if the Company is satisfied that the electric company verifies income. For payment purposes, the ~~ratepayer~~customers will be defined as follows:
  - a. Group A - ~~Ratepayer~~Customers whose annual income has been verified as being from 0 to 50 percent of poverty.
  - b. Group B - ~~Ratepayer~~Customers whose annual income has been verified as being from 51 to 100 percent of poverty.
  - c. Group C - ~~Ratepayer~~Customers whose annual income has been verified as being from 101 to 150 percent of poverty.
4. A ~~ratepayer~~customer who meets the eligibility criteria for the Low Income Home Energy Assistance Program- (LIHEAP) should complete an application for a LIHEAP grant when available.
5. The company will monitor the usage of CAP ~~ratepayer~~customers on an ongoing basis. Any unjustified excess CAP usage or unjustified CAP credit (designed as the difference between the CAP payment amount, including CAP Plus, and the current charges as billed under Rate RS) that exceeds a maximum of \$1,000 per year will be billed to the CAP ~~ratepayer~~customer. An increase in CAP usage or annual CAP credit over \$1,000 may be justified if the CAP ~~ratepayer~~customer can demonstrate the household has experienced the addition of a family member; a member of the household experienced a serious illness; energy consumption was beyond the ability of the household to control; or the household is located in housing that is or has been condemned or has housing code violations that negatively affect energy consumption. Before responsibility for the excess CAP usage is imposed on the household, the Company shall notify the customer of the grounds for exemption and assure that the customer has received and understands the grounds for exemption.
6. Agreement by ~~ratepayer~~customer to apply for any other energy assistance programs, if available, as referred to by the Company.
7. ~~Ratepayer~~Customers will automatically be enrolled in CAP if:
  - a. the ~~ratepayer~~customer has defaulted on a payment arrangement, and
  - b. the ~~ratepayer~~customer has received a LIHEAP payment within the past two years.

**CUSTOMER ASSISTANCE PROGRAM (CAP)****RATE TABLE**

RatepayerCustomers will pay a specified percentage of their monthly income or \$2125/month, whichever is greater. The applicable percentage by Group follows:

<u>Group</u> <sup>1</sup>	<u>Percentage</u>
A	8%
B	9%
C	10%

If the ratepayercustomer's monthly CAP payment, as calculated above, exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the CAP payment. The Company will review any ratepayercustomer account where usage exceeds 125% of the ratepayercustomer's annual usage. In cases where the Company determines that the increase in a CAP ratepayercustomer's usage is unjustified, the Company will provide the ratepayercustomer with conservation information, refer the ratepayercustomer to a usage reduction program, and bill the ratepayercustomer for excess usage.

**CAP Plus**

Effective November 1, 2011, LIHEAP receipts for customers participating in the CAP program for the previous LIHEAP heating season will be divided by the total of (1) current active CAP and E-CAP participants; and (2) the projected average number of CAP and E-CAP participants to be added for the projected quarter to arrive at a calculated CAP Plus amount. The calculated CAP Plus amount, up to a maximum of \$5 per month, will be added to the calculated monthly CAP or E-CAP payment described above for all participating CAP and E-CAP customers.

**PAYMENTS TOWARD ARREARAGE**

In addition to the ratepayercustomer's obligation under the Rate Table above, the ratepayercustomer also shall make payments of \$2 per month toward any pre-program arrearage.

**SURCHARGES**

All riders to this tariff, as would otherwise be applicable to Rate RS with the exception of Rider Universal ServiceF.

**LATE-PAYMENT CHARGES**

No late-payment charges shall be applied to arrearages existing at the time the ratepayercustomer begins receiving service under Rate Schedule CAP. Late-payment charges will not be applied during participation in the CAP program.

1/ Defined under Availability Criteria 3.

**CUSTOMER ASSISTANCE PROGRAM (CAP)****RULES AND REGULATIONS**

1. | RatepayerCustomer must recertify income eligibility annually.
2. | If, at any time after acceptance into CAP, a ratepayercustomer's family size or income changes, the ratepayercustomer must notify the Company of the change within 30 days of the change. Failure to do so may result in the Company ending the ratepayercustomer's opportunity to receive service under CAP.
3. | If a ratepayercustomer no longer satisfies the criteria set forth under Availability, with the exception of Item 4, the ratepayercustomer will no longer be eligible to receive service under CAP.
4. | At the time of application for CAP, the ratepayercustomer will be advised of the importance of timely payments and energy conservation. The CAP screening administrator will review relevant assistance programs and offer help in applying for programs such as weatherization or energy assistance as appropriate. Energy saving tips will be provided and all participants will be advised that usage will be reviewed on an ongoing basis. Unjustified excess CAP usage will be billed to the CAP ratepayercustomer.
5. | If a ratepayercustomer fails to allow access to the Company's meter or fails to provide meter readings in four consecutive months, the ratepayercustomer will no longer receive service under CAP.
6. | Failure to make payments will result in the Company returning the participant to the regular collection cycle and may lead to termination of service. To avoid termination, the participant must pay the amount set forth in the termination notice prior to the scheduled termination date.
7. | A ratepayercustomer whose service has been terminated pursuant to Rule 56 will be required to pay all CAP arrearages prior to reinstatement and will be advised of appropriate energy assistance programs, including LIHEAP, LIHEAP Crisis and Dollar Energy Fund, which that are available to assist in restoration of service.
8. | RatepayerCustomers who have been dropped from CAP for the reasons outlined above will be subject to normal termination procedures. The ratepayercustomer will receive a ~~telephone call and/or a warning letter communication~~ providing an opportunity to correct the problem before being removed from CAP.

**PILOT EXTENDED CUSTOMER ASSISTANCE PROGRAM (E-CAP)**

This Rate is established as a Pilot and will close for new participation three years after this rate is approved by the Commission. All provisions of Rate CAP will additionally apply to participants of E-CAP.

**AVAILABILITY**

Rate E-CAP is a program designed to enroll residential ratepayercustomers who satisfy the criteria set forth below.

- a. RatepayerCustomer of the Company, using natural gas for space heating, who has a significant delinquent balance, broken payment arrangement, termination notice or lack of utility service.
- b. Annual income verified annually as being between 151 and 200 percent of the federal poverty level..
- c. Agreement by ratepayercustomer to apply for any other energy assistance programs, if available, as referred to by the Company and before enrolling in E-CAP.

**RATE TABLE**

RatepayerCustomers will pay 11% of their monthly income as their E-CAP Payment. If the ratepayercustomer's monthly E-CAP payment exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the E-CAP payment.

**CAP Plus**

Effective November 1, 2011, LIHEAP receipts for customers participating in the CAP program for the previous LIHEAP heating season will be divided by the total of (1) current active CAP and E-CAP participants; and (2) the projected average number of CAP and E-CAP participants to be added for the projected quarter to arrive at a calculated CAP Plus amount. The calculated CAP Plus amount, up to a maximum of \$5 per month, will be added to the calculated monthly CAP or ECAP payment described above for all participating CAP and E-CAP customers.

**PAYMENTS TOWARD ARREARAGE**

In addition to the ratepayercustomer's obligation under the Rate Table above, the ratepayercustomer also shall make payments of \$5 per month toward any pre-program arrearage.

**SURCHARGES**

All riders are applicable to this tariff, as would otherwise be applicable to Rate RS, with the exception of Rider Universal ServiceF.

**LATE-PAYMENT CHARGES**

No late-payment charges shall be applied to arrearages existing at the time the ratepayercustomer begins receiving service under Rate Schedule E-CAP. Late-payment charges will not be applied during participation in the E-CAP program.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 40**RATE SGS**  
**SMALL GENERAL SERVICE****AVAILABILITY**

This rate is available to commercial, industrial, and NGDC ~~ratepayer~~customers consuming less than 1,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff and shall be applied to consumption for each month determined in accordance with Rule 10.

This rate will be used for provision of supplier of last resort service to all commercial, industrial and NGDC ~~ratepayer~~customers.

For purposes of this Rate SGS schedule, Transitional Industrial customers shall consist of Peoples Division Industrial Ratepayers that took service on the Peoples Division Rate SGS rate schedule as of March 29, 2019. No other customers will be eligible for the Transitional Industrial rates. In addition, Transitional customers will not retain their Transitional status upon any discontinuance of service and will not be able to transfer their Transitional status to any other entity. These transitional customers may switch between rate schedules based upon their usage.

**RATE TABLE**

Customer Charge per meter per month:

For <del>Commercial ratepayer</del> customers (including Transitional Industrial) with annual consumption less than 500 Mcf	<del>\$14.88-25.00</del>
---	--------------------------

For customers (including Transitional Industrial) with annual consumption greater than 500 Mcf but less than 1,000 Mcf	<del>\$40.00</del>
--	--------------------

<del>For Industrial ratepayers with annual consumption less than 500 Mcf</del>	<del>\$20.00</del>
--	--------------------

For <del>ratepayer</del> customers (including Transitional Industrial) with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	<del>\$40.00-27.00</del>
---	--------------------------

Delivery Charge per Mcf <del>—Commercial Ratepayer</del> customers	<del>\$2.19-392.8312</del>
--	----------------------------

Delivery Charge per Mcf — Transitional Industrial <del>Ratepayer</del> customers	<del>\$1.76-232.4430</del>
--	----------------------------

The currently effective gas cost charges under Rider ~~B-Purchased Gas Cost~~ and all charges under other applicable tariff riders are set forth on the Summary of Rates on page No. 3 of this tariff.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 41**RATE SGS**  
**SMALL GENERAL SERVICE****MINIMUM MONTHLY BILL**

The minimum monthly bill per meter shall be the customer charge per ratepayercustomer per month. In the event of an emergency, curtailment in the delivery of gas by the Company to a ratepayercustomer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayercustomer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

**SURCHARGES**

All applicable riders to this tariff

**LATE-PAYMENT CHARGE**

A late-payment charge of 1.50 percent per month for commercial ratepayercustomers and 2.00 percent per month for industrial (C) ratepayercustomers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

**RULES AND REGULATIONS**

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

**WAIVER**

The Company reserves the right to waive the customer charge per meter for additional meters. An example of when such waiver may occur is when the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the ratepayercustomer's load characteristics.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 42**RATE MGS**  
**MEDIUM GENERAL SERVICE****AVAILABILITY**

This rate is available to commercial, industrial, and NGDC ~~ratepayer~~customers consuming between 1,000 and 24,999 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each MGS ~~ratepayer~~customer in order to assess the appropriate customer charge. -This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC ~~ratepayer~~customers.

For purposes of this Rate MGS schedule, Transitional Industrial customers shall consist of Peoples Division Industrial Ratepayers that took service on the Peoples Division Rate MGS rate schedule as of March 29, 2019. No other customers will be eligible for the Transitional Industrial rates. In addition, Transitional customers will not retain their Transitional status upon any discontinuance of service and will not be able to transfer their Transitional status to any other entity. These transitional customers may switch between rate schedules based upon their usage.

**RATE TABLE**Customer Charge per meter per month:Customer Charges:

For ~~commercial and NGDC ratepayer~~customers (including Transitional Industrial) with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf

~~\$50.00~~100.00

For ~~commercial ratepayer~~customers (including Transitional Industrial) with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf

~~\$77.00~~200.00

~~For industrial ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf, the charge, per ratepayer per month is-~~

~~\$50.00~~~~\$77.00~~

~~For industrial ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf, the charge per per ratepayer per month-~~

~~\$2.190~~42.4794

Delivery Charge per Mcf – ~~Commercial Ratepayer~~customers

~~\$1.524~~32.1315

Delivery Charge per Mcf – Transitional Industrial Ratepayercustomers

The currently effective gas cost charges under Rider Purchase Gas CostB and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 43**RATE MGS**  
**MEDIUM GENERAL SERVICE****MINIMUM MONTHLY BILL**

The minimum monthly bill per meter shall be the customer charge per ratepayercustomer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a ratepayercustomer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayercustomer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

**SURCHARGES**

All applicable riders to this tariff.

**LATE-PAYMENT CHARGE**

A late payment charge of 1.50 percent per month for commercial ratepayercustomers and 2.00 percent per month for industrial ratepayercustomers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

**RULES AND REGULATIONS**

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

**WAIVER**

The Company reserves the right to waive the ratepayer customer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the ratepayercustomer.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RATE LGS**  
**LARGE GENERAL SERVICE**

**AVAILABILITY**

This rate is available to commercial, industrial, and NGDC ~~ratepayer~~customers consuming greater than 25,000 Mcf annually (other than those that the Company determines shall acquire service under Rate GS-SB or those that use natural gas as a motor vehicle fuel), located throughout the territory described in the "Description of Territory" in this tariff, and shall be applied to consumption for each month determined in accordance with Rule 10.

The Company shall determine the annual consumption of each LGS ~~ratepayer~~customer in order to assess the appropriate customer charge. This rate will be used for provision of supplier of last resort service to commercial, industrial, and NGDC ~~ratepayer~~customers.

~~For purposes of this Rate LGS schedule, Transitional Industrial customers shall consist of Peoples Division Industrial Ratepayers that took service on the Peoples Division Rate LGS rate schedule as of March 29, 2019. No other customers will be eligible for the Transitional Industrial rates. In addition, Transitional customers will not retain their Transitional status upon any discontinuance of service and will not be able to transfer their Transitional status to any other entity. These transitional customers may switch between rate schedules based upon their usage.~~

**RATE TABLE**

~~Commercial Ratepayers:~~ Customer Charge per meter per month:

For ~~ratepayer~~customers (including Transitional Industrial) with annual consumption equal to or

greater than 25,000 Mcf but less than 50,000 Mcf \$~~443.00~~700.00

For ~~ratepayer~~customers (including Transitional Industrial) with annual consumption equal to or

greater than 50,000 Mcf but less than 100,000 Mcf \$~~545.00~~1,300.00

For ~~ratepayer~~customers (including Transitional Industrial) with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf

\$~~793.00~~1,400.00

For ~~ratepayer~~customers (including Transitional Industrial) with annual consumption equal to or

greater than 200,000 Mcf \$~~1,215.00~~1,600.00

Delivery Charge per Mcf \$~~2.39~~13

~~For customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf~~ ~~\$2.4581~~

~~For customers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf~~ ~~\$2.4109~~

~~For customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf~~ ~~\$2.3636~~

~~For customers with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf~~ ~~\$2.2454~~

~~For customers with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf~~ ~~\$1.9617~~

~~For customers with annual consumption equal to or greater than 2,000,000~~ ~~\$1.5127~~

~~Industrial Ratepayers: Customer Charge per ratepayer per month~~

~~—\$443.00~~

~~For ratepayers with annual consumption equal to or greater~~

<del>than 25,000 Mcf but less than 50,000 Mcf</del>	<del>—\$545.00</del>
<del>For ratepayers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf</del>	
<del>For ratepayers with annual consumption equal to or greater than 100,000 Mcf by less than 200,000 Mcf</del>	<del>\$1,144.00</del>
<del>For ratepayers with annual consumption equal to or greater than 200,000 Mcf</del>	<del>\$2,009.00</del>
<u>Transitional Industrial Delivery Charge per Mcf</u>	
<u>For customers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf</u>	<u>\$2.1248</u>
<u>For customers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf</u>	<u>\$2.0840</u>
<u>For customers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf</u>	<u>\$2.0432</u>
<u>For customers with annual consumption equal to or greater than 200,000 Mcf but less than 750,000 Mcf</u>	<u>\$1.9409</u>
<u>For customers with annual consumption equal to or greater than 750,000 Mcf but less than 2,000,000 Mcf</u>	<u>\$1.7533</u>
<u>For customers with annual consumption equal to or greater than 2,000,000</u>	<u>\$1.5127</u>

The currently effective gas cost charges under Rider ~~B~~ Purchased Gas Cost and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

**ISSUED:** January 28, 2019

**EFFECTIVE:** March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 45**RATE LGS**  
**LARGE GENERAL SERVICE****MINIMUM MONTHLY BILL**

The minimum monthly bill per meter shall be the customer charge per ratepayercustomer per month. In the event of an emergency curtailment in the delivery of gas by the Company to a ratepayercustomer pursuant to Rule 17, or complete or partial suspension of operation by the ratepayercustomer due to fire, flood, explosion, or other similar acts of God, the minimum monthly bill may be reduced in direct proportion to the ratio of the number of days of curtailed service or complete or substantial suspension of operation to the number of days in the billing period.

**SURCHARGES**

All applicable riders to this tariff.

**LATE-PAYMENT CHARGE**

A late-payment charge of 1.50 percent per month for commercial and NGDC ratepayercustomers and 2.00 percent per month for industrial ratepayercustomers shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

**RULES AND REGULATIONS**

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

**WAIVER**

The Company reserves the right to waive the ratepayercustomer charge per meter for additional meters. An example of when this charge may be waived is if the Company determines that such meters have been installed principally and primarily for the Company's convenience and not due to the load characteristics of the ratepayercustomer.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RATE GS-T**  
**GENERAL SERVICE - TRANSPORTATION**

**AVAILABILITY**

This service is available to provide for the delivery of transportation volumes to residential, commercial, (other than those that use natural gas as a motor vehicle fuel), industrial, and natural gas distribution company ratepayercustomers regulated by the Commission. Priority-one customers (as defined in Rule 17), must purchase standby service in accordance with the terms and conditions of GS-SB.

**RULES AND DELIVERY TERMS**

- (1) | The entity to whom the Company delivers the transported gas shall be considered the ratepayercustomer under this rate schedule. The ratepayercustomer is responsible for paying the Company's bill unless the Company agrees to receive payment from a third party.
- (2) | Any ratepayercustomer consuming less than 500 Mcf per year who wishes to acquire transportation service may do so as long as the ratepayercustomer agrees to collectively pool supplies for balancing purposes on the Company's System, in order to make provision of transportation service to these small consumers administratively feasible.
- (3) | A single-entity ratepayercustomer is a ratepayercustomer with multiple meters and/or multiple locations within the Company's service territory which, in the sole determination of the Company, shall be recognized as one ratepayercustomer for administrative purposes. Any retail or standby service shall be billed as if an equal amount of gas passed through each meter of the single-entity ratepayercustomer each month. Only one bill will be issued each month to a single-entity ratepayercustomer.
- (4) | The ratepayercustomer will pay for any investment costs required to receive the ratepayercustomer's gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.
- (5) | A Transportation Agreement, as prepared by the Company, must be executed by the ratepayercustomer(s) with competitive alternatives to whom Rate GS-T is made available at less than maximum rate. This Agreement shall be for a minimum term of one year, unless the Company agrees otherwise. This Agreement may set forth the maximum daily volumes that may be transported and other negotiated conditions of service.
- (6) | This service will be provided by the Company only if the ratepayercustomer provides gas of reasonable quality to the Company. The volumes, pressures, and receipt points will be agreed upon by the parties in advance and set forth in the Transportation Agreement or in the Company's pooling agreement with the NGS providing gas supply service to the ratepayercustomer.
- (7) | Unless otherwise agreed to by the customer and the Company, the ratepayercustomer or its NGS is responsible for all arrangements required to acquire and to deliver the ratepayercustomer's natural gas to the receipt points set forth in the Transportation Agreement.
- (8) | On those days when the transportation gas of an individual industrial ratepayercustomer who uses at least 50,000 Mcf annually is not received into the Company's system at its nominated level, or if the said transportation ratepayercustomer has failed to arrange for deliveries to be made into the Company's system on its behalf, and the Company determines that it may not be able to satisfy all the demands of its firm retail and transportation ratepayercustomers without exceeding its pipeline contract level, then the Company may declare an "upset day."  
 | On an upset day, those ratepayercustomers described in this subparagraph No. 8, whose transportation volumes are not received at all or at the nominated level into the Company's system shall be restricted to the following consumption levels:
  - 1) | Transportation gas volumes received by the Company on the ratepayercustomer's behalf on that day; and

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RATE GS-T**  
**GENERAL SERVICE - TRANSPORTATION**

**RULES AND DELIVERY TERMS (Continued)**

- 2) All standby volumes contracted for the month by the ratepayercustomer.
- Transportation ratepayercustomers 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 ratepayercustomer. After contact is attempted by the Company with the three persons designated by the ratepayercustomer, 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 ratepayercustomers.
- a. Available System Capacity for Transportation Service: Capacity for the transportation of ratepayercustomer-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 ratepayercustomers, 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 ratepayercustomer-owned gas or is available but restricted, the Company will provide its transportation ratepayercustomer or the ratepayercustomer'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 ratepayercustomers without regard to the sources of the ratepayercustomers' 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 ratepayercustomer learns of any disruption or interruption in its supply of gas, the ratepayercustomer 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 ratepayercustomer'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 6.6 percent of the total volume of gas received into its system on behalf of all ratepayercustomers 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: (H)

**RATE GS-T**  
**GENERAL SERVICE - TRANSPORTATION**

**RULES AND DELIVERY TERMS (Continued)**

- 1) If ratepayercustomer can obtain alternate transportation service via direct bypass;
- 2) If ratepayercustomer receives transportation service through Company-owned facilities which do not produce the retainage percentage set forth in this rate schedule;
- 3) If ratepayercustomer has a competitive offer from a non-PUC-jurisdictional entity;
- 4) If ratepayercustomer can demonstrate economic development or job retention considerations are present; or
- 5) If ratepayercustomer has a bona fide competitive offer from an alternative energy source.

As used in this rate schedule, "alternative energy source" shall not include natural gas service from other Natural Gas Distribution Companies.

- (13) RatepayerCustomer-owned locally produced gas received into the Company's system will be available as nominated by the (C) ratepayercustomer or his agent in the current month. Nominations will be accepted if determined to be reasonable by the Company. Reconciliation of the actual volumes delivered to the Company's system to nominated volumes will be (C) made in the first month available.

- (14) Monthly Balancing Provisions Applicable to Rate GS-T Customers Not Served by a Pool ~~(C)~~

The Company will bank for one month following the month that the ratepayercustomer's gas is available for the ratepayercustomer's use, up to 3.5 percent of the volumes delivered on the ratepayercustomer's behalf (net of the payback of advanced gas). Banked gas shall precede current deliveries of gas through the ratepayercustomer's meter during the month following the banking period. The Company will balance ratepayercustomer's daily deliveries with ratepayercustomer's actual daily consumption during the month. The Company will advance up to 3.5 percent of the volumes received on the ratepayercustomer's behalf in any month. The first gas received on the ratepayercustomer's behalf in the succeeding month will be deemed the payback of advanced gas. Any ~~(C)~~ difference between the ratepayercustomer's consumption and deliveries shall be subject to the following charges:

Negative Monthly Imbalance - A negative imbalance fee will be assessed on consumption by the ratepayercustomer in excess of gas deliveries plus gas advanced and any contracted for standby service. The negative imbalance volume will be sold by the Company at the highest Midpoint price published in Platts, Gas Daily publication, under the heading ~~(C)~~ Appalachia, Dominion, South Point for the month multiplied by 1~~20~~15%.\_ Volumes sold by the Company are subject to applicable taxes.

Positive Monthly Imbalance - If the ratepayercustomer fails to use at least 96.5 percent of the volumes delivered to the Company on ratepayercustomer's account in any month, then the Company may buy the gas which has remained in the bank longer than the banking period or in excess of the amount used and banked in the month from the ratepayercustomer. The positive imbalance volume will be purchased by the Company at the lowest Midpoint price published in Platts, Gas Daily ~~(C)~~ publication, under the heading Appalachia, Dominion, South Point for the month multiplied by 85%.

**RATE GS-T**  
**GENERAL SERVICE - TRANSPORTATION**

**RULES AND DELIVERY TERMS (Continued)**

A balancing charge will be assessed against each Mcf of gas transported at \$0.3848 per Mcf for small and medium general service ratepayercustomers and \$0.0812 per Mcf for large general service ratepayercustomers. This rate will be ~~(D)~~ recalculated in each of the Company's annual 1307(f) gas cost proceedings.

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

- (15) Backup service is available to ratepayercustomers under this rate schedule only under Rate GS-SB, unless the ratepayercustomer qualifies for service under Rate CER or unless otherwise agreed under paragraph (17) below.
- (16) The Company reserves the right, as a condition of service under this rate schedule, to require any ratepayercustomer requesting service under this rate schedule to install and bear the costs of enhanced metering capability. The Company also reserves the right to require installation of such metering capability, at the ratepayercustomer's expense, as a condition of continuation of service under this rate schedule.
- (17) When the ratepayercustomer purchasing service under this rate is using natural gas for generating power or steam for use by third parties, ratepayercustomer and the Company ~~may require shall enter into~~ a separate (operating) agreement by which the ratepayercustomer and the Company will agree to, among other things, set limits on hourly or daily consumption; require provision of notice of ratepayercustomer's specific plans concerning intent to consume natural gas, the volume that will be used, the time period of which such consumption will occur, and when usage will end; establish criteria for interruption of all or part of ratepayercustomer's planned consumption, whether through transportation or retail service; establish penalties for failure of ratepayercustomer to adhere to agreed-upon usage levels or to interrupt consumption as agreed upon by the parties; and agree upon the availability of retail service and establish and impose any other rules or restrictions necessary to ensure reliable service for all customers. ~~In negotiating the rate for provision of transportation service under Rate GS-T with a ratepayer using natural gas to generate power or steam, the parties may agree to establish fixed levels of minimum daily, monthly, or annual consumption for which ratepayer shall pay the negotiated rate regardless of actual consumption.~~
- (18) The Company will from time to time make pipeline capacity available for release to transportation ratepayercustomers. Each release transaction will be made in accordance with and subject to applicable pipeline tariff requirements and necessary regulatory requirements.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 50

**RATE GS-T**  
**GENERAL SERVICE - TRANSPORTATION**

**RATE TABLE**

Customer Charge - The Company shall determine the annual consumption of each General Service ratepayercustomer in order to assess the appropriate customer charge.

~~\$13.95~~20.00 Customer Charge per month per meter for all Residential ratepayercustomers.

~~\$14.88~~25.00 Customer Charge per month per meter for all ~~Commercial or~~ NGDC ratepayercustomers consuming less than 500 Mcf annually.

~~\$20.00~~ ~~Customer Charge per month per ratepayercustomer for Industrial ratepayercustomers consuming less than 500 Mcf annually.~~

~~\$27.00~~40.00 Customer Charge per month per meter for ~~Commercial or~~ NGDC ratepayercustomers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf.

~~\$27.00~~ ~~Customer Charge per month per ratepayercustomer for Industrial ratepayercustomers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf.~~

~~\$50.00~~100.00 Customer Charge per month per meter for ~~Commercial or~~ NGDC ratepayercustomers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf.

~~\$50.00~~ ~~Customer Charge per month per ratepayercustomer for Industrial ratepayercustomers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf.~~

~~\$77.00~~200.00 Customer Charge per month per meter for ~~Commercial Service - Large or~~ NGDC ratepayercustomers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf.

~~\$77.00~~ ~~Customer Charge per month per ratepayercustomer for Industrial ratepayercustomers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf.~~

~~\$443.00~~700.00 Customer Charge per month per meter for ~~Commercial, or~~ NGDC ratepayercustomers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf.

~~\$443.00~~ ~~Customer Charge per month per ratepayercustomer for Industrial ratepayercustomers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf.~~

~~\$545.00~~1,300.00 Customer Charge per month per meter for ~~Commercial or~~ NGDC ratepayercustomers with annual consumption equal to or greater than 50,000 but less than 100,000 Mcf

~~\$545.00~~ ~~Customer Charge per month per ratepayercustomer for Industrial ratepayercustomers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf.~~

~~\$793.00~~1,400.00 Customer Charge per month per meter for ~~Commercial or~~ NGDC ratepayercustomers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf.

~~\$1,144.00~~ ~~Customer Charge per month per ratepayercustomer for Industrial ratepayercustomers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf.~~

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 51**RATE GS-T**  
**GENERAL SERVICE - TRANSPORTATION**~~(Continued)~~

~~\$1,215.00~~ \$1,600.00 Customer Charge per month per meter for ~~Commercial or~~ NGDC ~~ratepayer~~ customers with annual consumption greater than 200,000 Mcf annually.

~~\$2,009.00~~ Customer Charge per month per ratepayer ~~customer for Industrial ratepayer~~ customers with annual consumption equal to or greater than 200,000 Mcf.

Delivery Charge, Per Mcf - the delivery charge will be negotiated by the Company and the ~~ratepayer~~ customer and expressed in the Transportation Agreement.

The following is the maximum charge per Mcf for transportation service:

For Residential Service ~~Ratepayer~~ Customers ~~\$3.133~~ \$3.8753

For Small General Service ~~Commercial and NGDC Ratepayer~~ Customers ~~\$2.193~~ \$2.8312

~~For Small General Service Industrial Ratepayer~~ Customers ~~\$1.7623~~

For Medium General Service ~~Commercial and NGDC Ratepayer~~ Customers ~~\$2.190~~ \$2.4794

~~For Medium General Service Industrial Ratepayer~~ Customers ~~\$1.5243~~

For Large General Service ~~Commercial and NGDC Ratepayer~~ Customers with annual consumption ~~equal to or~~ greater than 25,000 Mcf ~~but less than 50,000 Mcf.~~ ~~\$2.391~~ \$2.4581

~~For Large General Service Customers with annual consumption~~ \$2.4109  
~~greater than 50,000 Mcf. but less than 100,000 Mcf~~

~~For Large General Service Customers with annual consumption~~ \$2.3636  
~~greater than 100,000 Mcf. but less than 200,000 Mcf~~

~~For Large General Service Customers with annual consumption~~ \$2.2454  
~~greater than 200,000 Mcf. but less than 750,000 Mcf~~

~~For Large General Service Customers with annual consumption~~ \$1.9617  
~~greater than 750,000 Mcf. but less than 2,000,000 Mcf~~

~~For Large General Service Customers with annual consumption~~ \$1.5127  
~~greater than 2,000,000 Mcf~~

~~The following is the maximum charge per Mcf for transportation service for Transitional Industrial Customers:~~

~~For Large General Service Customers with annual consumption~~ \$2.1248  
~~greater than 25,000 Mcf. but less than 50,000 Mcf~~

~~For Large General Service Customers with annual consumption~~ \$2.0840  
~~greater than 50,000 Mcf. but less than 100,000 Mcf~~

~~For Large General Service Customers with annual consumption~~ \$2.0432  
~~greater than 100,000 Mcf. but less than 200,000 Mcf~~

~~For Large General Service Customers with annual consumption~~ \$1.9409  
~~greater than 200,000 Mcf. but less than 750,000 Mcf~~

~~For Large General Service Customers with annual consumption greater than 750,000 Mcf. but less than 2,000,000 Mcf~~ ~~\$1.7533~~

~~For Large General Service Customers with annual consumption greater than 2,000,000 Mcf~~ ~~\$1.5127~~

~~For Large General Service Industrial Ratepayer Customers with annual consumption equal or greater to 25,000 Mcf.~~ ~~\$1.7553~~

- | The delivery charge will be assessed on all volumes at the time of delivery to the ~~ratepayercustomer~~, including current transportation and storage volumes withdrawn and delivered to the Company. A transportation standby charge will be applicable to all volumes transported under Rate Schedule GS-T for Priority One ~~ratepayercustomers~~ (refer to Rate Schedule GS-SB).
- | The currently effective gas cost charges under Rider ~~Purchased Gas CostsB~~ and all charges under other applicable tariff riders are set forth on the Summary of Rates located on Page No. 3 of this tariff.

### **LATE-PAYMENT CHARGE**

A late-payment charge of 1.50 percent per month for residential ~~ratepayercustomers~~ will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 2.00 percent per industrial ~~ratepayercustomers~~ and 1.50 percent per month for commercial and NGDC ~~ratepayercustomers~~ shall be applied for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges. The overdue portion of the bill may include NGS supply charges purchased by the Company under the purchase of receivables provisions set forth in Rate SBS of the Company's Supplier Tariff.

**ISSUED: January 28, 2019**

**EFFECTIVE: March 29, 2019**

THE PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 52**RATE GS-T  
GENERAL SERVICE - TRANSPORTATION****SURCHARGES**

All applicable riders to this tariff.

**CURTAILMENT**

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

**LIABILITY**

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

**ARRANGEMENT OF INTERSTATE TRANSPORTATION**

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

**ACCESS TO STORAGE SERVICE**

(C)

The Company shall provide Non-Priority One ratepayercustomers and suppliers with access to storage capacity held by the Company on the Allegheny Valley Connector ("AVC") system, an interstate pipeline system subject to the regulation of the FERC, that was previously provided under Rate ST and ST-SW. Non-Priority One ratepayercustomers and suppliers shall have the annual option to accept all or a portion of such access to storage capacity offered by the Company. Unless Company and ratepayercustomer agree otherwise, Company shall not release more than 1/12<sup>th</sup> of the ratepayercustomer's annual usage. The Company shall assign and release such capacity to Non-Priority One ratepayercustomers or suppliers at an equivalent storage rate of \$0.83/Mcf. Company's release of such capacity shall, in all respects, be in accordance with the FERC Gas Tariff governing service on the AVC system and the applicable rules and regulations of FERC regarding the release of capacity, including FERC's posting and bidding requirements. The Non-Priority One ratepayercustomer or supplier is responsible for paying the pipeline for the capacity assigned under these provisions, which payments shall include all applicable surcharges for service on the AVC system. The Company shall not reimburse the Non-Priority One ratepayercustomer or supplier for these pipeline capacity charges.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RATE GS-SB**  
**GENERAL SERVICE - STANDBY****AVAILABILITY**

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

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

Priority One ratepayercustomers 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 ratepayercustomers shall be provided pursuant to the applicable retail rate schedules.

Non-Priority-One Transportation RatepayerCustomers

The ratepayercustomer 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. RatepayerCustomers 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 ratepayercustomer is using the Company as back-up service to service from an alternative supplier, the Company shall charge the ratepayercustomer 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 ratepayercustomer 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 ratepayercustomer and require that the ratepayercustomer 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	\$0.9953	(D)
SGS Capacity Charge per Mcf	\$0.9953	(D)
MGS Capacity Charge per Mcf	\$0.9953	(D)
LGS Capacity Charge per Mcf	\$0.9953	(D)

Standby Charges for Priority One Transportation RatepayerCustomers

For ratepayercustomers 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 ratepayercustomers 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 ratepayercustomer'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.

**RATE GS-SB  
GENERAL SERVICE - STANDBY****RATE TABLE (continued)**Standby Charges For Non Priority One ~~RatepayerCustomers~~ With a Standby Contract

Standby volumes delivered to the ~~ratepayercustomer~~ will be billed at the applicable supplier of last resort rates, excluding the pipeline demand component that has been paid through the capacity charge up to the contracted for monthly volumes in the standby contract. Volumes consumed in excess of contracted for volumes will be billed using the imbalance fee formula shown in Rate GS-T, paragraph 13, plus applicable taxes.

~~RatepayerCustomers~~ Using The Company as a Back-up Supplier

Any ~~ratepayercustomer~~ using the Company as back-up service to service from an alternative supplier shall be subject to the charges set forth below. The following charges shall be assessed in lieu of any other standby charges applicable under this rate schedule.

Monthly Capacity Charge – In order to recover demand related purchased gas costs incurred by the Company, the ~~ratepayercustomer~~ shall be charged a monthly capacity charge equal to the ~~ratepayercustomer~~'s projected annual natural gas usage divided by twelve and multiplied by the capacity charges set forth above in this Rate Table. The projected annual natural gas usage shall reflect the estimated volumes assuming that all of the ~~ratepayercustomer~~'s natural gas consumption is served by the Company. The Company may waive this fee if the ~~ratepayercustomer~~ is receiving gas supplies from a NGS and the ~~ratepayercustomer~~ can demonstrate that its NGS has agreed to serve its peak day usage requirements. This charge will be assessed instead of the Capacity Charge applicable under other rate schedules.

Standby Customer Charge – In order to recover the fixed non-purchased gas charges incurred by the Company, the ~~ratepayercustomer~~ shall be charged a standby customer charge on a monthly basis. The standby customer charge shall be ~~the higher of the applicable charge set forth below or~~ the ~~ratepayercustomer's~~ Monthly Customer Charge otherwise applicable under other rate schedules.

~~\$ 34.00 per month per meter for all Residential ~~ratepayercustomers~~.~~

~~\$ 41.00 per month per meter for Commercial or NGDC ~~ratepayercustomers~~ with usage less than 1,000 Mcf/yr~~

~~\$ 41.00 per ~~ratepayercustomer~~ per month for Industrial ~~ratepayercustomers~~ with usage less than 1,000 Mcf/yr.~~

~~\$ 72.00 per month per meter for Commercial or NGDC ~~ratepayercustomers~~ with usage of 1,000 to 24,999 Mcf/yr~~

~~\$ 72.00 per ~~ratepayercustomer~~ per month for Industrial ~~ratepayercustomers~~ with usage of 1,000 to 24,999 Mcf/yr,~~

~~For Commercial, Industrial or NGDC ~~ratepayercustomers~~ with usage greater than 25,000 Mcf/year, the appropriate (C) standby customer charge shall be the higher of \$146 or the ~~ratepayercustomer's~~ Monthly Customer Charge otherwise applicable under other rate schedules.~~

**SURCHARGES** - All applicable riders to this tariff.

ISSUED: **January 28, 2019**

EFFECTIVE: **March 29, 2019**

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 55**RATE GS-SB**  
**GENERAL SERVICE - STANDBY****(Continued)****LATE-PAYMENT CHARGE**

A late-payment charge of 1.50 percent per month for residential ratepayercustomers will be made for failure to make payment in full for all charges billed by the Company within five days after the due date shown on the bill. A late-payment charge of 1.50 percent per month for commercial and NGDC ratepayercustomers and 2.00 percent for industrial ratepayercustomers will be made ~~(C)~~ for failure to make payment in full for all charges billed by the Company by the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 56**RATE NGPV****NATURAL GAS POWERED VEHICLES****AVAILABILITY**

This rate schedule applies to use of natural gas retail or transportation service as a motor vehicle fuel to the operator of a public fueling station.

**RULES AND DELIVERY TERMS**

If transportation service is provided hereunder, the applicable rules and delivery terms under rate schedule GS-T apply.

**RATES**

Retail or Transportation service provided to an operator of a public fueling station, shall be made pursuant to a contract for service under this rate schedule. The contract may provide for a negotiated customer charge and either a fixed commodity charge or a methodology for determining the commodity charge.

If retail service is provided hereunder, the negotiated rate shall be no lower than the Company's average cost of gas, as determined from the Company's Section 1307(f) gas cost calculation. Any gas cost revenue collected as a result of providing retail service under this rate schedule will be reflected in the company's 1307(f) mechanism.

Gas purchased under this rate schedule shall be separately metered and not used interchangeable with gas purchased under any other schedule.

**SURCHARGES**

All applicable riders to this tariff.

**LATE PAYMENT CHARGE**

A late-payment charge of 1.50 percent shall be applied for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill.

**RULES AND REGULATIONS**

The Company's Rules and Regulations in effect from time to time, where not inconsistent with any specific provision hereof, are a part of this rate schedule.

ISSUED: **January 28, 2019**EFFECTIVE: **March 29, 2019**

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 57**RATE APPALACHIAN GATHERING SERVICE****AVAILABILITY**

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

- (1) a Master Interconnect and Measurement Agreement ("MIMA") has been executed between the Company and the party; and
- (2) the party is in compliance the MIMA, the provisions of this Rate Schedule and with all other provisions of this Tariff.

**RATES**

The gathering rate (\$/Mcf) will be set on a monthly basis in an amount equal to 12.4% of the beginning of the month price (\$Dth) published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point, but in no event shall be less than \$0.26 per Mcf, plus applicable retainage. The gathering rate shall not exceed the fully allocated cost of service associated with gathering system, as determined in the most recent base rate case proceeding.

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

**TERM**

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

**CHARACTER OF SERVICE**

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

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

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 58RATE GL - GAS LIGHTSAPPLICABILITY

This rate shall be applicable throughout the territory served by the Company.

AVAILABILITY

Available for any gas lighting where the gas is not measured by meter.

USAGE

Consumption per light will be assumed at:

Residential 1.8 Mcf/Month

Commercial and Industrial 2.8 Mcf/Month

These volumes will be billed monthly under the customer's otherwise applicable rate schedule.

SURCHARGES AND RIDERS

Customers served under this rate schedule are subject to Rider Distribution System Improvement Charge (DSIC) except that the DSIC rate may be reduced or eliminated for any customer with competitive alternatives or negotiated contracts.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied only to lamps furnished, erected, and maintained by the customer and equipped with devices satisfactory to the Company. Consumption and billing will be assumed to be continuous until customer notifies Company that gas light(s) has been permanently shut off and Company verifies to its satisfaction that service has been disconnected. Company may require gas lights to be metered except in instances where it is not economically feasible or is otherwise impractical, to be determined solely at the discretion of the Company.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 59

THIS PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 60**RATE CER**  
**COMPETITIVE ENERGY RATE****AVAILABILITY**

This Rate Schedule CER - Competitive Energy Rate is a firm service available in the Company's sole discretion to residential, commercial, and industrial ratepayercustomers who would not request service from the Company but for the availability of service under this rate and whose competitive options are not solely limited to other NGDCs.

**RULES AND DELIVERY TERMS**

Any qualified ratepayercustomer taking service under this Rate Schedule shall do so by agreement.

The agreement shall set forth the percentage of consumption to be made available under this rate schedule. Volumes taken by the ratepayercustomer in excess of the percentage specific on this contract shall be billed at applicable retail rates.

The magnitude of service hereunder shall not exceed that service replaced or subject to replacement.

**RATE**

The rate will be negotiated between the ratepayercustomer and the Company and may be subject to periodic redetermination. The negotiated rate shall be no lower than the Company's commodity cost of gas at the time the contract is negotiated, as determined from the Company's Section 1307(f) gas cost calculation.

**SURCHARGES**

All applicable riders to this tariff.

**LATE-PAYMENT CHARGE**

A late-payment charge of 2 percent per month for industrial ratepayercustomers and 1.50 percent for commercial ratepayercustomers will be made for failure to make payment in full, for all charges billed by the Company, by the due date shown on the bill. A late-payment charge of 1.50 percent per month for residential ratepayercustomers will be made for failure to make payment in full within five days after the due date shown on the bill. This charge is to be calculated on the overdue portion of the bill, excluding any unpaid late-payment charges.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 61**RIDER A**  
**STATE TAX SURCHARGE**

There shall be added to gas bills rendered by the utility for retail gas service a surcharge of (0.~~0023~~)% percent applied to the maximum delivery charge under tariff rate schedules Rate RS, Rate SGS, Rate MGS, Rate LGS, Rate GS-T, and Rate NGPV to reflect changes and new taxes imposed by the General Assembly.

The utility will recompute this surcharge whenever any of the tax rates used in calculation of the surcharge are changed. Any recomputation of this surcharge will be submitted to the Commission within ten days after the occurrence of the event or date which occasions such computation. If the recomputed surcharge is less than the one then in effect, the utility will, and if the recomputed surcharge is more than the one then in effect, the utility may, accompany such recomputation with a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be ten days after filing.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
**ORIGINAL** PAGE NO. 62**RIDER B**  
**RECOVERY OF PURCHASED GAS COSTS (1307(f) RATES)****COMPUTATION OF PURCHASED GAS COSTS**

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

$$\text{Demand} = \frac{\text{DC} - \text{B} - \text{DOU}}{\text{S} + \text{P1AC} + \text{SBC}}$$

$$\text{Commodity} = \frac{\text{CC} - \text{R}}{\text{S} + \text{SBR}}$$

$$\text{Over/Under Collection} = \frac{\text{E}}{\text{S} + \text{SBR} + \text{MR}}$$

$$\text{AVC Capacity} = \frac{\text{AVC} - \text{AVCOU}}{\text{S} + \text{P1AC} + \text{NP1}}$$

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

The purchased gas cost rates are as follows:

SALES Rate Schedule	Capacity Charge – Demand 1/	Gas Cost Adjustment Charge – (Over)/Under Collection	Natural Gas Supply Charge – Commodity	AVC Capacity Charge 1/
Rate RS	\$0.9953 <del>(D)</del>	(\$0.0372) <del>(D)</del>	\$3.8865 <del>(+)</del>	\$0.6225
Rate SGS	\$0.9953 <del>(D)</del>	(\$0.0372) <del>(D)</del>	\$3.8865 <del>(+)</del>	\$0.5745
Rate MGS	\$0.9953 <del>(D)</del>	(\$0.0372) <del>(D)</del>	\$3.8865 <del>(+)</del>	\$0.3750
Rate LGS	\$0.9953 <del>(D)</del>	(\$0.0372) <del>(D)</del>	\$3.8865 <del>(+)</del>	\$0.2151

TRANSPORTATION P1 Rate Schedule	Capacity Charge	AVC Capacity Charge 1/
GS-T Residential	\$0.9953 <del>(D)</del>	\$0.6225
GS-T Commercial SGS	\$0.9953 <del>(D)</del>	\$0.5745
GS-T Commercial MGS	\$0.9953 <del>(D)</del>	\$0.3750
GS-T Commercial LGS	\$0.9953 <del>(D)</del>	\$0.2151

TRANSPORTATION NP1 Rate Schedule	AVC Capacity Charge 1/
GS-T Commercial SGS	\$0.5745
GS-T Industrial SGS	\$0.5745
GS-T Commercial MGS	\$0.3750
GS-T Industrial MGS	\$0.3750
GS-T Commercial LGS	\$0.2151
GS-T Industrial LGS	\$0.2151

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

~~(continued)~~

ISSUED: **January 28, 2019**EFFECTIVE: **March 29, 2019**

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 63

## RIDER B

RECOVERY OF PURCHASED GAS COSTS (1307(f) RATES)DEFINITIONS

- "AVC" The projected capacity costs associated with the Allegheny Valley Connector Interstate Pipeline System.
- "AVCOU" Experienced net overcollection or undercollection of the AVC Capacity costs.
- "DC": The projected demand or capacity cost of purchased gas (excluding AVC Capacity Charges).
- "CC": The projected commodity cost of purchased gas.
- "DOU" Experienced net overcollection or undercollection of the demand or capacity cost (excluding the AVC Capacity Charges) of purchased gas, including any interstate pipeline refunds of demand costs. Any changes in demand costs will be reflected in this calculation.<sup>1</sup>
- "E": Experienced net overcollection or undercollection of the commodity cost of purchased gas<sup>1</sup>.
- "S": Projected retail sales in Mcf during the application period.
- "NP1" | Projected volumes in Mcf for NP-1 transportation ratepayercustomers and any ratepayercustomer served by  
a NP-1 Supplier.
- "P1A" | Projected volumes in Mcf for P-1 transportation ratepayercustomers who are assigned capacity.
- "SBC": Projected contracted standby volumes in Mcf by NP-1 transportation ratepayercustomers.
- "SBR": Projected retail commodity standby volumes in Mcf.
- "R": Shared (savings) or costs for demand charge recovery from the capacity-release program.
- "B": Balancing recovery.
- "MR": | Projected transportation volumes, in Mcf, subject to Rider D.
- "Projected" refers to the twelve-month period beginning with October 1 of the year that the calculation is made.

**ADJUSTMENT TO BASE RATES** Whenever a change occurs in the calculation rates for collection of purchased gas costs, a corresponding change will occur in the base rates of applicable rate schedules.

FILING WITH THE COMMISSION

The Company shall meet all the filing requirements set forth in the regulations implementing Section 1307(f) of the Public Utility Code.

REPORTING REQUIREMENTS

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed.

-----  
<sup>1</sup>Interest will be applied in accordance with the applicable law.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 63A**RIDER B**  
**AVC CAPACITY CHARGE**

The AVC Capacity Charge is applicable to all ratepayercustomers with the exceptions defined below under Discounted Rate Customers and relates to the recovery of capacity costs incurred by the Company for firm transportation and storage service provided on the Allegheny Valley Connector (“AVC”) System. The AVC system represents certain transmission and storage assets formerly owned and operated by the Company that are necessary to provide services by the Company to its customers. Upon Commission approval and implementation of the AVC Capacity charge, all ratepayercustomers shall receive an initial and one-time reduction to rates related to the elimination of costs for the transmission and storage assets formerly owned and operated by the Company.

The AVC Capacity Charge shall recover fixed demand charges and applicable surcharges assessed to the Company under the FERC Gas Tariff for firm transportation and storage services on the AVC System. The AVC Capacity Charge shall be adjusted to reflect ongoing changes in charges assessed to the Company. The AVC Capacity Charge shall not recover fixed demand charges related to storage capacity on the AVC system that is released to and paid for by Non-Priority One ratepayercustomers or suppliers. Applicable volumetric and fuel charges for service on the AVC System shall not be recovered through the AVC charge and such charges shall be paid for by the shipper utilizing the AVC capacity.

**RATES**

Refer to page 62 for the currently effective AVC Capacity Charge rates.

These rates will be recalculated on an annual basis in conjunction with the other Rider Purchase GasB costs and reported on as applicable in the annual filing as required in the regulations implementing Section 1307(f) of the Public Utility Code. The rates shall be calculated by customer class based on the results of the allocation factors set forth below and applicable billing determinants for each class.

**ALLOCATION OF AVC CAPACITY COSTS**

The fixed demand and applicable surcharges assessed to the Company for services on the AVC system shall be allocated to customer classes based on the allocation factors below.

The AVC Capacity Charge allocation factors are as follows:

<u>Rate Class</u>	<u>Allocation</u>
Residential	66.25%
SGS	11.94%
MGS	12.99%
LGS	8.82%

The Company will review the appropriateness of the AVC Capacity Charge allocation factors on an annual basis and such factors will be subject to review in the Company’s 1307(f) gas cost proceeding.

**ANNUAL RECONCILIATION**

The AVC Capacity Charge costs will be subject to over/undercollection tracking and reconciled annually.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 63B

## RIDER B

AVC CAPACITY CHARGE (continued)DISCOUNTED RATE CUSTOMERS

Upon Commission approval and implementation of the AVC Capacity Charge, all ~~ratepayer~~customers receiving a negotiated discount delivery charge under Rate GS-T shall: 1) receive an initial and one-time delivery charge reduction equal to the reduction applicable to all customers within its rate class; and 2) be assessed an initial AVC Capacity Charge equal to the AVC charges set forth immediately below. To the extent that a customer is receiving a discounted delivery rate that is less than the initial AVC charge set for below, such customer shall receive a delivery charge reduction that is equal to its discounted delivery charge and be assessed an initial AVC charge that is equal to its discounted delivery charge.

<u>Rate Class</u>	<u>Initial AVC Charge</u>
Residential	\$0.5063
SGS	\$0.5032
MGS	\$0.3306
LGS	\$0.0996

To the extent permitted under the customer's discounted rate contract, the Company may recover ongoing increases to the initial AVC charge from such customers.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

## RIDER C

TRANSITION COST RECOVERY MECHANISM

1. This Rider establishes a mechanism for the recovery of nongas transition costs from the Company's ~~ratepayercustomers~~, (C) except to the extent that a ~~ratepayercustomer~~ uses transportation service under Rate GS-T for the delivery of gas transported solely on intrastate pipeline facilities. Nongas transition costs are defined as pipeline gas supply realignment costs and stranded costs.
2. For purposes of nongas transition costs recovery, the Company will assign its recoverable transition costs and any reconciliations of transition costs between two groups of ~~ratepayercustomers~~--those ~~ratepayercustomers~~ whom the Company designates as "competitive" and those ~~ratepayercustomers~~ whom the Company designates as "noncompetitive." For purposes of this recovery mechanism, competitive ~~ratepayercustomers~~ shall include all ~~ratepayercustomers~~ to whom the Company charges less than its maximum tariffed retail or transportation rates in order to gain or maintain the ~~ratepayercustomers~~' patronage in the face of competitive pressures. For purposes of this recovery mechanism, noncompetitive ~~ratepayercustomers~~ shall include all of the Company's ~~ratepayercustomers~~ who are not competitive.
3. The assignment of nongas transition cost responsibility to the Company's competitive ~~ratepayercustomers~~ shall be equal to that portion of the revenues that those ~~ratepayercustomers~~ contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff, and that is designated, either through prearrangement or open bidding, as "transition costs." Notwithstanding the foregoing, the Company may charge a volumetric surcharge to competitive ~~ratepayercustomers~~. Any additional recovery from competitive ~~ratepayercustomers~~ shall be credited against the nongas transition costs allocated to the Company's noncompetitive ~~ratepayercustomers~~. The assignment of transition cost responsibility to the Company's noncompetitive ~~ratepayercustomers~~ shall be equal to the difference between the Company's total nongas transition cost liability and the amount of that liability that is allocated to competitive ~~ratepayercustomers~~.
4. A surcharge for the recovery of nongas transition costs from noncompetitive ~~ratepayercustomers~~ will be recalculated every three months, with the recalculations to be effective on or around January 1, April 1, July 1, and October 1 of each year. The Company will file the January 1, April 1, and July 1 recalculations on one day's notice to the Commission, and these filings are referred to in this rider as the "quarterly recalculation," and will file the October 1 recalculation on thirty days' notice to the Commission.
5. The surcharge will be designed to recover (a) those nongas transition costs that have been billed to the Company by interstate pipelines and (b) those costs that have been approved by the Federal Energy Regulatory Commission to be billed to the Company during the 12-month period following the surcharge filing date.
6. At the time of each quarterly recalculation of the surcharge, the Company will reconcile its actual billed costs over the three-month period that ends one month prior to the filing of the recalculation against the costs that had been projected for that same period and will incorporate the reconciliation within its recalculations; however, no adjustment will be made to reflect variations in billed throughput during such periods. The Company will accompany its recalculation of the surcharge that will become effective on October 1, 1994, with a reconciliation of actual transition cost revenues recovered from the Company's ~~ratepayercustomers~~ from the effective date of the surcharge through July 31, 1994, against the revenues projected to have been recovered over the same period, including adjustments to reflect volumetric variations. The Company will accompany its recalculations of the surcharges that will become effective on or around each October 1 after 1994 with a reconciliation of actual transition cost revenues recovered from its ~~ratepayercustomers~~ over the 12 months ending July 31 of the particular year against the revenues projected to have been recovered over the same 12-month period.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

## RIDER C

TRANSITION COST RECOVERY MECHANISM

7. The Company will reduce the recoverable nongas transition costs allocated to its noncompetitive ratepayercustomers by the portion of the revenues that those ratepayercustomers are projected to contribute under the Company's program for the release of firm transportation pipeline capacity as set forth in this tariff and that is designated, either through prearrangement or open bidding, as transition costs. The Company will calculate the unit surcharge rates applicable to noncompetitive ratepayercustomers by dividing the recoverable nongas transition costs allocated to them, net of any reconciliations (including any additional nongas transition costs recovered by the Company from competitive ratepayercustomers under paragraph 3), and net of capacity release revenues as described in this paragraph, by the retail and transportation volumes projected to be consumed by noncompetitive ratepayercustomers, exclusive of those volumes of Pennsylvania-produced natural gas supplies transported by noncompetitive ratepayercustomers.

8. The surcharge rates applicable to noncompetitive ratepayercustomers are as follows:

Retail	\$0.0000/Mcf
Transportation	\$0.0000/Mcf

The surcharge rates, if any, applied to competitive ratepayercustomers will be determined on an individual ratepayercustomer basis.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 66**RIDER – SUPPLIER CHOICE**

This Rider has been established to recover costs associated with Supplier Choice. The initial filing includes costs related to implementation and administration of the Account Number Access Mechanism per the Commission's Final Order at Docket No. M-2015-2468991 entered June 30, 2016 and costs associated with the implementation and administration of the Supplier Bill in accordance the Commission's Final Order entered August 20, 2015 at Docket No. M-2015-2474802.

The charges assessed per this rider shall be assessed to ratepayercustomers served under rate schedules RS, Commercial SGS, Industrial SGS, Rate GS-T – Residential, Rate GS-T Commercial SGS, and Rate GS-T Industrial SGS. Charges assessed per this rider shall not be applicable to ratepayercustomers served in the Company's CAP or Pilot E-CAP (E-CAP) program.

The Company shall provide a reconciliation of actual costs with actual revenues recovered under Rider – Supplier Choice for the twelve month period ended August 31. The rate will be adjusted annually for the resulting over/undercollection to be effective October 1.

Application of the Supplier Choice Charge shall be subject to review and audit by the Commission at intervals that it shall determine. The Commission shall review the level of charges produced by the Supplier Choice Charge and the costs included therein.

No interest shall be included in the Supplier Choice Charge.

The Supplier Choice Rider shall become effective upon Commission approval and shall remain in effect until otherwise directed by the Commission and until the final reconciliation statement is approved and charges fully recovered.

**Supplier Choice Charge per Month**      **\$0.0067415**

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 67**RIDER E****MERCHANT FUNCTION CHARGE (MFC)**

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

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

For residential customers receiving service under Rate RS and Rate GS-T, the MFC shall equal the write-off factor of ~~2.59649~~ 2.1664% times the gas cost charges as set forth in Peoples' Rider ~~Purchase Gas Cost B and Rider D~~. The current MFC applicable to Rate RS customers is:

Capacity Charge per Mcf	\$0.02 <u>48</u>
Gas Cost Adjustment Charge per Mcf	(\$0.00 <u>09</u> )
Commodity Charge per Mcf	<u>\$0.09684009</u>
Total MFC per Mcf	\$0. <u>12074257</u>

For Small, Medium, and Large General Service customers receiving service under Rate SGS, MGS, LGS and Rate GS-T, the MFC shall equal the write-off factor of 0.21664% times the gas cost charges as set forth in Peoples' Rider ~~Purchase Gas Cost B and Rider D~~. The current MFC applicable to these ~~ratepayer~~ customers is:

SGS, MGS, LGS

Capacity Charge per Mcf	\$0.00 <u>2166</u>
Gas Cost Adjustment Charge per Mcf	(\$0.000 <u>12</u> )
Commodity Charge per Mcf	<u>\$0.0082257</u>
Total MFC per Mcf	\$0. <u>01020324</u>

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RIDER F**  
**UNIVERSAL SERVICE**

This rider shall be applicable to all residential customers except for any residential ratepayercustomer served in the Company's Customer Assistance Program (CAP). This rider recovers costs related to the Company's universal service programs.

**RATE**

Rider F-Universal Service per Mcf \$0.40945479

The charges assessed per this rider shall be assessed to residential ratepayercustomers served under rate schedules Rate

RS and Rate GS-T. Charges assessed per this rider shall not be applicable to ratepayercustomers served in the Company's CAP or Pilot E-CAP (E-CAP).

Costs related to the following universal service programs shall be calculated and recovered per this rider: CAP; Low Income Usage Reduction Program (LIURP); Community Partnership for Weatherization; and the Emergency Furnace and Houseline Repair Program.

CAP Costs will be calculated to include the following components:

1. Projected CAP Credit – The difference between the total Rate RS bill, excluding Rider Universal ServiceF, and the CAP or E-CAP payment amount which is comprised of the sum of the percentage of income payment or minimum bill, whichever is greater, plus the CAP Plus amount. The projected CAP Credit shall be calculated based on current rates, current CAP or E-CAP payment amounts and projected normalized annual volumes for CAP and E-CAP participants. Separate CAP credit costs will be calculated for: 1) current active CAP and E-CAP participants; and 2) the projected average net change in the number of CAP and E-CAP participants for the projected quarter.
2. Pre-Program Arrearage Forgiveness – Projected CAP and E-CAP pre-program arrearage forgiveness costs for the projected annual period.

Costs for the LIURP, Community Partnership for Weatherization and Emergency Furnace and Houseline Repair programs will be calculated based on the projected number of eligible participants for the projected annual period. Recoverable CAP credit and arrearage forgiveness amounts will be reduced by 3.272.49% times the average CAP credit and arrearage forgiveness of existing CAP customers times the incremental number of CAP participants in excess of 16,725 CAP customers. Historical payment statistics will be utilized in the development of projected CAP credit and arrearage forgiveness amounts. Third party costs for the purposes of CAP administration and Universal Service call management will be included in the calculation of the Rider.

The applicable unit for this rider shall be determined by dividing the total costs universal service plan costs by the annual projected non-CAP residential volumes established in the most recent 1307(f) gas cost recovery proceeding. For bill display purposes, the unit rate calculated under this rider shall be included in a single delivery charge that also includes the residential delivery charge set forth in rate schedules Rate RS and Rate GS-T.

**QUARTERLY ADJUSTMENT**

Effective with each quarterly 1307(f) gas cost change, the unit rate under this rider shall be recalculated to reflect current cost data for the cost components outlined above. The updated rate will be filed to be effective one day after the filing.

**ANNUAL RECONCILIATION**

As part of the quarterly adjustment filing effective on April 1 of each year, the Company shall include a reconciliation of actual revenues recovered under Rider FUniversal Service and actual universal service costs incurred for the twelve month period ended December 31. The resulting over/undercollection will be included in the quarterly Rider Universal ServiceF rate adjustment to be effective April 1.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 69**RIDER ~~G~~**  
**GAS PROCUREMENT CHARGE**

For bill presentment purposes, the Gas Procurement Charge (GPC) shall be added to the Commodity Gas Cost Charge applicable to sales rate schedules Rate RS, Rate SGS, Rate MGS, Rate LGS and any other applicable sales service rate schedule under this tariff.

**Recoverable Costs**

The GPC shall include gas procurement costs incurred by the Company solely on behalf of its sales service customers. The GPC shall exclude any costs recovered through Rider B-Purchase Gas Cost - 1307(f) gas cost recovery mechanism. The GPC shall exclude any gas procurement costs incurred by the Company in support of transportation or shopping customers or programs.

**Recalculation of the GPC**

The costs to be included in the GPC shall be calculated in accordance with Commission regulations and shall be determined and updated in each base rate case filed by the Company. The GPC shall not be subject to reconciliation for any prior-period or over-or-under collections.

GPC Charge per Mcf \$~~0.1055~~0801/Mcf

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. 47  
ORIGINAL PAGE NO. 70

THIS PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

**THIS PAGE INTENTIONALLY LEFT BLANK****RIDER H**  
**RATEPAYER TRUST RATE CREDIT**

~~The Ratepayer Trust was established on February 1, 2010 as part of the settlement of the transfer of the capital stock of Peoples to PNG Companies LLC. On that date, \$35 million was deposited into an Irrevocable Trust exclusively for the benefit of Peoples' ratepayers. The Trust will be flowed back to ratepayers as a distribution rate credit over three years.~~

~~The rate credit shall not be applied to any competitive customer receiving a discounted rate.~~

**Calculation of the Distribution Rate Credit**

~~The Year One rate credit will be effective on the effective date of new base rates established in Peoples' 2010 general rate proceeding~~

~~The balance of funds in the Trust, plus interest, net of taxes and Trust expenses, shall be divided by three to establish the amount to be returned to ratepayers in Year One of the required three-year flow-back.~~

~~This amount would then be allocated to rate classes based on the amount of revenue increase assigned to each rate class as a proportion to the overall approved revenue increase approved by the Commission in Peoples' 2010 general rate proceeding. The distribution rate credit will be allocated to the residential, commercial large, and industrial classes through both the monthly customer charge and the volumetric delivery charge. The distribution rate credit will be allocated to the commercial small class through the monthly customer charge only.~~

~~Of the total residential credit, \$1.50 will be applied to the monthly residential customer charge. The remainder of the annual credit assigned to the residential class will be distributed through the volumetric delivery charge. This volumetric rate will be determined by dividing the credit not assigned to the customer charge by the projected annual usage for the residential class as established in Peoples' 2010 rate case. The distribution credit for the SGS class will be determined by dividing the annual rate credit assigned to the commercial (C) small class by the total estimated annual number of non-competitive customers within that class as established in Peoples' 2010 rate case. The distribution credit for the MGS and LGS classes will be (C) determined by first dividing the total distribution credit allocated to the commercial large class by two (C) in order to establish two portions. The first portion will be divided by the total estimated annual number of non-competitive customers within the class as established in Peoples' 2010 rate case to determine the monthly customer charge credit. The second portion will be divided by the projected annual usage for non-competitive commercial large customers as established in Peoples' 2010 rate case to determine the volumetric adjustment to the delivery charge. (C)~~

~~The ratepayer credit for Year Two would become effective one year after new rates are established in Peoples' 2010 general rate proceeding. The Year Two ratepayer credit will be determined by first dividing by two the estimated balance available in the Trust at the end of the first year of distributions. Next, this amount would then be allocated to rate classes based on the amount of revenue increase assigned to each rate class as a proportion to the overall approved revenue increase approved by the Commission in Peoples' 2010 general rate proceeding. The Year Two allocation by class will be prepared in the same manner as described in the paragraph above. Beginning with the remaining balance after the Year Two distributions, this method would also be utilized to distribute the Year Three rate credit.~~

~~During the distribution of the ratepayer credit in Year Three, if Peoples determines that all of the available funds from the Trust will be distributed prior to the end of the Year Three distribution period, Peoples will discontinue distribution of the ratepayer credits. At the end of Year Three, the rate credits will terminate.~~

~~(Cont.)~~

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

THIS PAGE INTENTIONALLY LEFT BLANKRIDER H  
RATEPAYER TRUST RATE CREDIT (Cont.)Year One Rate Credit

<del>Residential Ratepayers</del>	<del>\$0.00</del>	<del>per Customer Charge</del>	<del>(I)</del>
<del>Residential Ratepayers</del>	<del>\$0.0000</del>	<del>per Mcf</del>	<del>(I)</del>
<del>Rate SGS</del>	<del>\$0.00</del>	<del>per Customer Charge</del>	<del>(I)</del>
<del>Rate MGS</del>			
<del>    ≥1,000&lt;2,500 Mcf / year</del>	<del>\$0.00</del>	<del>per Customer Charge</del>	<del>(I)</del>
<del>    ≥2,500&lt;25,000 Mcf / year</del>	<del>\$0.00</del>	<del>per Customer Charge</del>	<del>(I)</del>
<del>    MGS Ratepayers)</del>	<del>\$0.0000</del>	<del>per Mcf</del>	<del>(I)</del>
<del>Rate LGS – Commercial</del>			
<del>    ≥25,000&lt;50,000 Mcf / year</del>	<del>\$0.00</del>		<del>(I)</del>
<del>    ≥50,000&lt;100,000 Mcf / year</del>	<del>\$0.00</del>		<del>(I)</del>
<del>    ≥100,000&lt;200,000 Mcf / year</del>	<del>\$0.00</del>		<del>(I)</del>
<del>    ≥200,000 Mcf / year</del>	<del>\$0.00</del>		<del>(I)</del>
<del>Commercial Ratepayers</del>	<del>\$0.0000</del>	<del>per Mcf</del>	<del>(I)</del>
<del>Rate LGS – Industrial</del>			
<del>    ≥25,000&lt;50,000 Mcf / year</del>	<del>\$0.00</del>		<del>(I)</del>
<del>    ≥50,000&lt;100,000 Mcf / year</del>	<del>\$0.00</del>		<del>(I)</del>
<del>    ≥100,000&lt;200,000 Mcf / year</del>	<del>\$0.00</del>		<del>(I)</del>
<del>    ≥200,000 Mcf / year</del>	<del>\$0.00</del>		<del>(I)</del>
<del>Industrial Ratepayers</del>	<del>\$0.0000</del>	<del>per Mcf</del>	<del>(I)</del>

~~Any over or under ratepayer credit amounts remaining at the end of Year Three shall be flowed through to ratepayers in Peoples' next quarterly 1307(f) gas cost filing. Within 60 days of termination of the distribution of the ratepayer credit, Peoples shall file with the Commission and provide a copy to all parties to the sale proceeding settlement a final reconciliation of all ratepayer credit amounts.~~

THIS PAGE INTENTIONALLY LEFT BLANKRIDER JRager Mountain Storage Rate Credit

~~The Rager Mountain Storage Rate Credit was established as part of the settlement in Peoples' Application to Lease Storage Capacity at its Rager Mountain Storage Facility and related Affiliated Interest Agreements at Docket Nos. A-2010-2203699, G-2010-2203161 and G-2010-2203162. The rate credit is based on Peoples' ratepayer's 50% share of the net proceeds received from the sale of unused working gas and the sale of transferred base gas (Shared Revenues).~~

~~The rate credit shall not be applied to any competitive customer receiving a discounted rate.~~

Calculation of the Rager Mountain Storage Rate Credit

~~The Shared Revenues will be distributed to all non-competitive distribution customers (i.e., customers that pay full, non-discounted distribution rates) as a monthly volumetric base rate credit for a period of approximately one year until the Shared Revenues are exhausted. The credit will be calculated on the assumption that the funds will be available to apply for one year, but the credit will terminate when the funds for each class have been exhausted.~~

Rager Mountain Storage Rate Credit

<del>Residential</del>	<del>\$0.0000/Mcf</del>
<del>Rate SGS-Commercial and NGDC</del>	<del>\$0.0000/Mcf</del>
<del>Rate SGS-Industrial</del>	<del>\$0.0000/Mcf</del>
<del>Rate MGS-Commercial and NGDC</del>	<del>\$0.0000/Mcf</del>
<del>Rate MGS-Industrial</del>	<del>\$0.0000/Mcf</del>
<del>Rate LGS-Commercial and NGDC</del>	<del>\$0.0000/Mcf</del>
<del>Rate LGS-Industrial</del>	<del>\$0.0000/Mcf</del>

~~Any over or under ratepayer credit amounts remaining after the rate credit is terminated shall be flowed through to ratepayers in Peoples' next quarterly 1307(f) gas cost filing.~~

PEOPLES NATURAL GAS COMPANY LLC

GAS-PA PUC NO. 47  
**ORIGINAL** PAGE NO. 74**RIDER K****Distribution System Improvement Charge (DSIC)**

In addition to the net charges provided for in this Tariff, a charge of 50.00% will apply consistent with the Commission Order dated May 23, 2013 at Docket No. P-2013-2346161 approving the DSIC.

**Purpose:** To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

**Eligible Property:**

- Gathering Lines (account 332);
- Storage Lines (account 353);
- Transmission Lines (account 367);
- Piping (account 376);
- Couplings (account 376);
- Gas service lines (account 380) and insulated and non-insulated fittings (account 378);
- Valves (account 376);
- Excess flow valves (account 376);
- Risers (account 376);
- Meter bars (account 382);
- Meters (accounts 334,369,381);
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities; and
- Other related capitalized costs (accounts 303, 387, 391.02 and 392)

**Effective Date:** The DSIC will become effective for bills rendered on and after 7/1/2013.

**Computation of the DSIC**

The initial DSIC, effective July 1, 2013, shall be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service during the (*three-month period ending one month prior to effective date*). Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month period ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

<u>Effective Date of Change</u>	<u>Date to which DSIC-Eligible Plant Additions Reflected</u>
July 1	March 1 through May 31
October 1	June 1 through August 31
January 1	September 1 through November 30
April 1	December 1 through February 28

**Determination of Fixed Costs:** The fixed costs of eligible distribution system improvements will consist of depreciation and pre-tax return, calculated as follows:

1. **Depreciation:** The depreciation expense shall be calculated by applying the annual accrual rates employed in the Company's most recent base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded to the original cost of DSIC-eligible property.

ISSUED: **January 28, 2019**EFFECTIVE: **March 29, 2019**

**RIDER ~~K~~ (cont.)**  
**Distribution System Improvement Charge (DSIC)**

**2. Pre-tax return:** The pre-tax return shall be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day for the three-month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission in the most recent Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

**Application of DSIC:** The DSIC will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for distribution service under the Company's otherwise applicable rates and charges, excluding amounts billed for Rider State Tax Adjustment Surcharge (Rider A), and Rider Purchased Gas Costs (Rider B), Ratepayer Trust (Rider H), and Rager Mountain Credit (Rider J). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by one-fourth of the Company's annual projected revenue for distribution service (including all applicable clauses and riders), exclusive of Rider State Tax Adjustment Surcharge and Rider Purchased Gas Costs A, B, H, and J.

**Formula:** The formula for calculation of the DSIC is as follows:

$$\text{DSIC} = \frac{(\text{DSI} * \text{PTRR}) + \text{Dep} + \text{S}}{\text{PQR}} + \frac{\text{e}}{\text{PQR}}$$

Where:

- DSI = Original cost of eligible distribution system improvement projects net of accrued depreciation.
- PTRR = Pre-tax return rate applicable to DSIC-eligible property.
- Dep = Depreciation expense related to DSIC-eligible property.
- e = Amount calculated under the annual reconciliation feature or Commission audit, as described below.
- S = Synergy fees/(revenues); cost assessed (revenue received) for serving customers of another legal entity approved at G-2014-2448803.
- PQR = Projected annual revenues for distribution service (excluding Riders A, B, H and J) from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period will be divided by four to arrive at a quarterly revenue figure.

**Quarterly Updates:** Supporting data for each quarterly update will be filed with the Commission and served upon the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, Office of Small Business Advocate, and Commission's Bureau of Audits at least (10) days prior to the effective date of the update.

**Customer Safeguards:**

- 1. Cap:** The DSIC is capped at 5.0% of the amount billed to customers for distribution service (including all applicable clauses and riders) as determined on an annualized basis.
- 2. Audit/Reconciliation:** The DSIC is subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, *et seq*, shall be credited to customer accounts. The DSIC is subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC including Synergy fees received, for the reconciliation period will be compared to the Company's eligible costs, including Synergy fees paid, for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on over-collections and credits will be calculated at the residential mortgage lending specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, *et seq.*) and will be refunded in the same manner as an over-collection.

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

**RIDER ~~K~~ (cont.)**  
**Distribution System Improvement Charge (DSIC)**

**Customer Safeguards (cont.):**

3. **New Base Rates:** The DSIC will be reset to zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had previously been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base will be reflected in the quarterly updates of the DSIC.
4. **Customer Notice:** Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.
5. **All Customer Classes:** The DSIC shall be applied equally to all customer classes, except that the Company may reduce or eliminate the Rider DSIC K to any customer with competitive alternatives or potential competitive alternatives and customers having negotiated contracts with the Company, if it is reasonably necessary to do so.
6. **Earnings Reports:** The DSIC will also be reset to zero, if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings reports show that the Company would earn a rate of return that would exceed the allowable rate of rate of return used to calculate its fixed costs under the DSIC as described in the pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearning on one-day's notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the Utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.
7. **Residual E-Factor Recovery Upon Reset to Zero:** The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any overcollection to customers and is entitled to recover any undercollections as set forth in Section 4.B. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS-PA PUC NO. 47  
ORIGINAL PAGE NO. 77**PILOT RATE MLX  
MAINLINE EXTENSION SERVICE**

The Company, at its discretion, may offer service under this rider to a residential or commercial Applicant or group of Applicants who require extension of the Company's facilities to serve the Applicant(s) under Rule 4 of the Rules and Regulations Section of this tariff. This Rate provides the Applicant(s) with an option to pay a delivery rate set by the Company from the delivery rate tiers below in lieu of providing a contribution in aid of construction ("CIAC") determined in accordance with Rule 4 using rates RS or SGS. All Applicants at the time of construction as well as any future Applicants serviced by a facility extended under this rate will pay the same rate as the original Applicants. Future extensions of mainline from a previous Rate MLX project will be evaluated separately and assigned the greater of the MLX rate for the existing project or the MLX rate tier that will justify the project under Rule 4 on a standalone basis.

This Rider is established as a Pilot and will close for new participation five years after this rate is approved by the Commission.

**Residential and Commercial Customers MLX Delivery Charge**

The charges under this Rate will include the otherwise applicable RS or SGS customer charge and riders. Only the delivery rate will differ as is shown below.

Pilot Rate MLX delivery rates will be applied for each Mcf of gas used. The applicable rate will be selected from one of the tiers below for the entire extension. The Company will select the rate tier based on the minimum delivery rate required to cover the investment costs in accordance with Rule 4.

MLX Rate Tier	Residential	Commercial
1	\$ 6.79	\$ 5.10
2	\$ 7.23	\$ 5.54
3	\$ 7.67	\$ 5.98
4	\$ 8.11	\$ 6.42
5	\$ 8.55	\$ 6.86
6	\$ 8.99	\$ 7.30
7	\$ 9.43	\$ 7.74
8	\$ 9.87	\$ 8.18
9	\$ 10.31	\$ 8.62

**Customer Service Line Costs**

The rate chosen by the Company will include the cost of the customer's service line (curb to meter). The customer will maintain ownership of, and maintenance of, the curb to meter portion of the service line thereafter.

For customers tapping into a Pilot Rate MLX project after the initial construction, the cost of the curb to meter portion of the service line will be limited to the average cost of curb to meter installations for customers who were connected at the time of the mainline installation paid by the Company.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

Rider TCJA - TCJA SURCHARGE

To implement the effects of the Tax Cuts and Jobs Act (TCJA), on March 15, 2018 the Pennsylvania Public Utility Commission (Commission) issued a Temporary Rates Order at Docket No. M-2018-2641242 directing the utility to file its current base rates and riders as temporary rates, pursuant to Section 1310(d) of the Public Utility Code. 66 Pa. C.S. § 1310(d). Subsequently, on May 17, 2018 and June 14, 2018, the Commission entered Orders superseding the March 15, 2018 Temporary Rates Order directing the utility to establish temporary rates, as follows:

The TCJA rate is currently suspended. Within 60 days of the effective date of the new base rates, established in Docket No. R-2018-3006818, the Company will calculate the final refund due to customers including the:

- 1) refund of the tax savings associated with TCJA for the period January 1, 2018 through June 30, 2018 and
- 2) accumulated over or under collection while rate TCJA was in effect.

These above amounts due to customers will be refunded by means of a one-time bill credit within 120 days of the effective date of the new base rates.

~~— A negative surcharge of 5.2290% will apply as a credit for intrastate service to all customer bills rendered on and after January 1, 2019. This negative surcharge will be distributed equally among the utility's various customer classes, exclusive of STAS and automatic adjustment clause revenues.~~

~~— This negative surcharge will be reconciled at the end of each calendar year and will remain in place until the utility files and the Commission approves new base rates for the utility pursuant to Section 1308(d) that include the effects of the TCJA tax rate changes.~~

~~Interest on over or under collections shall be computed monthly at the residential mortgage lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P.S. §§ 101, et seq.) from the month that the over or under collection occurs to the mid-point of the recovery period.~~

~~Upon determination that the negative surcharge, if left unchanged, would result in a material over or under collection, the Company may file with the Commission, on at least 10 days' notice, for an interim revision of the TCJA Temporary Surcharge.~~

~~The TCJA Temporary Surcharge will be filed with the Commission by December 1 of each year to become effective the following January 1.~~

**Original Tariff Gas - PA PUC No. S-3**  
 **Cancels and Supersedes Tariff Gas – PA PUC No. S-2 and 46**

# PEOPLES NATURAL GAS COMPANY LLC

## RATES AND RULES GOVERNING THE FURNISHING OF SERVICE TO NATURAL GAS SUPPLIERS

ISSUED: **January 28, 2019**

EFFECTIVE: **March 29, 2019**

By: **Morgan K. O'Brien**  
**President**  
**225-375 North Shore Drive**  
**Pittsburgh, PA 15212**

### NOTICE

**This tariff combines Tariff Natural Gas Suppliers – PA PUC No. S-2 for the Peoples Division and the supplier tariff provisions in Tariff Gas – PA PUC No. 46 for the Equitable Division. Upon approval of this Tariff Natural Gas Suppliers – PA PUC No. S-3, all Peoples Natural Gas suppliers (including the former Peoples and Equitable Divisions) will be subject to the rates and rules set forth herein.**

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

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
**ORIGINAL** PAGE NO. 2**LIST OF CHANGES**

<b><u>Page</u></b>	<b><u>Page Description</u></b>	<b><u>Revision Description</u></b>
<u>Cover Page</u>	<u>Cover Page</u>	<u>Company address updated.</u>
<u>2, 2A</u>	<u>List of Changes</u>	<u>List of Changes</u>
<u>4</u>	<u>Definition of Terms</u>	<u>Dekatherm and Customer definitions added, "Ratepayer" changed to "Customer", "S" in Supplier capitalized.</u>
<u>5</u>	<u>Definition of Terms</u>	<u>"Ratepayer" changed to "Customer". Ratepayer definition deleted. "S" in Supplier capitalized.</u>
<u>6</u>	<u>Definition of Terms</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>7</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer"; "S" in Supplier capitalized. Rule 2, (b) language updated.</u>
<u>7A</u>	<u>Rules and Regulations</u>	<u>Critical day planning language shortened. Additional language added for operational alert. Curtailment language shortened. "S" in Supplier capitalized.</u>
<u>8</u>	<u>Rules and Regulations</u>	<u>OFO Procedures – Section i modified, Section iii deleted. "S" in Supplier capitalized.</u>
<u>9</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". "S" in Supplier capitalized.</u>
<u>10</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". "S" in Supplier capitalized.</u>
<u>11</u>	<u>Rules and Regulations</u>	<u>Additional language added to Section 6 – Creditworthiness, part c.</u>
<u>12</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". "S" in Supplier capitalized.</u>
<u>13</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>14</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>15</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>16</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". Added language to section (i) and deleted sections (ii) through (v).</u>
<u>16A</u>	<u>Rules and Regulations</u>	<u>Nomination and Reconciliation of Local Production Volumes – additional sections iv, v, and vi added.</u>
<u>16B</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer". "S" in Supplier capitalized.</u>
<u>17</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "customerCustomer". "S" in Supplier capitalized.</u>
<u>18</u>	<u>Rules and Regulations</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>19</u>	<u>Rate P-1</u>	<u>Assignment of Capacity language added for Pool Operators with Peak Day Demand &lt; 2,000 Dth per day. "Ratepayer" changed to "Customer".</u>
<u>20</u>	<u>Rate P-1</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>20A</u>	<u>Rate P-1</u>	<u>"Ratepayer" changed to "Customer". "S" in Supplier capitalized.</u>
<u>21</u>	<u>Rate P-1</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>27</u>	<u>Rate P-1</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>28</u>	<u>Rate P-1</u>	<u>"Ratepayer" changed to "Customer".</u>
<u>29</u>	<u>Rate P-1</u>	<u>Negative Daily Imbalance and Positive Daily Imbalance Language modified.</u>
<u>30</u>	<u>Rate P-1</u>	<u>Pooling Fee and Pool-to-Pool Transfer Fee Eliminated.</u>
<u>31</u>	<u>Rate NP-1</u>	<u>AVC Capacity language modified. "Ratepayer" changed to "Customer".</u>

ISSUED: **January 28, 2019**EFFECTIVE: **March 29, 2019**

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 2ALIST OF CHANGES (CONTINUED)

<u>31A</u>	<u>Rate NP-1</u>	<u>Rule 3 renamed. Rules 4 and 5 added.</u>
<u>34</u>	<u>Rate NP-1</u>	<u>Rule 6 language modified.</u>
<u>34A</u>	<u>Rate NP-1</u>	<u>Rule numbering modified.</u>
<u>35</u>	<u>Rate NP-1</u>	<u>Rule numbering modified. Monthly balancing role eliminated. Daily Load Forecasting and Balancing language modified. "S" in Supplier capitalized.</u>
<u>35A</u>	<u>Rate NP-1</u>	<u>Rule numbering modified. Negative Daily Imbalance and Positive Daily Imbalance Language modified.</u>
<u>35B</u>	<u>Rate NP-1</u>	<u>Rule 8 moved to page 35A. Page deleted.</u>
<u>37</u>	<u>Rate LGA</u>	<u>Rules 3 and 4 modified. Aggregation and Pool-to-Pool Transfer Fee Eliminated.</u>
<u>38</u>	<u>Rate SBS</u>	<u>"Ratepayer" changed to "Customer". Rule 3, item (c) language modified.</u>
<u>39</u>	<u>Rate SBS</u>	<u>Discount rates updated.</u>
<u>40</u>	<u>Rate SBS</u>	<u>"Ratepayer" changed to "Customer".</u>

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

TABLE OF CONTENTS

List of Changes Made by Tariff ..... 2 (C)

Table of Contents ..... 3

Definition of Terms ..... 4

Rates Available Under This Tariff ..... 6

Rules and Regulations ..... 7

Rate P-1 ..... 19

Rate NP-1 ..... 31

Rate LGA ..... 36

Rate SBS ..... 38

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

**DEFINITION OF TERMS**

The following is a list of some of the most commonly used terms in this Tariff. In the event of a conflict between any of the definitions set forth below or those contained in a more specific provision of this Tariff, the definition contained in the more specific provision shall prevail.

**Aggregate Daily Consumption Volume** - The aggregate quantity of gas estimated by the Company to be consumed by all ~~ratepayer~~Customers served by the NGS on any day or the direct end user in an OFO situation under Rule 4 of the Tariff.

**Aggregate Monthly Consumption Volume** - The aggregate quantity of gas actually consumed by all Customers of Pool Operator's pool over their respective Billing Cycles for the month as determined by the Company through actual or estimated meter readings.

**Aggregator** - A broker, marketer or producer of natural gas which aggregates locally produced gas, injected directly into the Company's lines, into a pool.

**Billing Cycle** - The period that occurs between actual or estimated meter readings taken by the Company for billing purposes.

**Calendar Month Pool Sendout** - The sum of (1) the Aggregate Monthly Consumption Volumes plus (2) Pool-to-Pool Volumes nominated for the month.

**Calendar Month Pool Supply** - The sum of the Daily Available Volumes during the month as adjusted for any gas received from other Pool Operators during the month and any imbalance sales to or purchases from the Company.

**Chapter 56** – The Commission regulations that govern, among other things, metering, billing and collections for residential gas and electricity service.

**Commodity Charge** – A charge designed to recover the cost of producing or procuring natural gas.

**Commodity Service** – Service provided by the Company or a natural gas ~~s~~Supplier which involves the purchase of gas commodity by the ~~ratepayer~~Customer.

**Company** – The entity doing business as Peoples Natural Gas Company LLC.

**Customer** – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ~~customer~~Customer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. A ~~customer~~Customer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under the Company's Retail Tariff.

**Daily Available Volume** - The total quantity of gas available to be allocated by the NGS for delivery by the Company to all Customers on any day. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account on that day, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes and/or the reconciliation of monthly volumes as set forth in Rates P-1 and NP-1.

**Day** – A 24-hour period beginning at 10 a.m. and ending at 10 a.m. or as subsequently defined by natural gas industry standards promulgated by FERC.

**Dekatherm (Dth)** – 10 therms or 1,000,000 British thermal units ("Btu")

**Direct End User** – A ~~ratepayer~~Customer that receives distribution service from the Company and purchases commodity service from a natural gas ~~s~~Supplier who does not pool supplies under the Company's Rate P-1 or Rate NP-1.

ISSUED: **January 28, 2019**

EFFECTIVE: **March 29, 2019**

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 5**DEFINITION OF TERMS (continued)**

**Local Gas Aggregation Agreement** - The Local Gas Aggregation Agreement between the Company and the NGS.

**Mcf** – 1,000 cubic feet of gas. This is a measure of gas usage.

**Measurement Operating Agreement** - The agreement between a producer of natural gas and the Company which sets forth the obligations and responsibilities for owning and operating measurement equipment for designated measuring stations.

**Monthly Available Volume** - The total quantity of gas available to be allocated by the NGS for delivery by the Company to all Customers for the applicable month. This quantity is equal to the total volume of gas actually delivered to the Company for the NGS's account for the applicable month, less an appropriate retainage percentage, plus any adjustments associated with the reconciliation of local gas volumes.

**Natural Gas Supplier (NGS)** – An entity that has received a license from the Commission and that sells natural gas to Customers that is delivered through the distribution lines of the Company.

**Non-Priority One Pool Operator** – A pool operator which aggregates natural gas supplies needed to satisfy the full requirements of one or more Non-Priority One transportation Customers of the Company.

**Non-Priority One Pooling Agreement** - The Non-Priority-One Pooling Agreement between the Company and the Pool Operator.

**Pool Operator** – A broker, marketer or producer of natural gas licensed as a gas sSupplier by the Pennsylvania Public Utility Commission which has executed a Priority-One or Non-Priority One Pooling Agreement with the Company.

**Priority One Pool Operator** – A pool operator which aggregates natural gas supplies needed to satisfy the full requirements of Priority One transportation Customers of the Company.

~~**Ratepayer** – Any person, partnership, association, corporation, or other entity (i) in whose name a service account is listed, (ii) who occupies or is the ratepayer for any premises, building, structure, etc. or (iii) is primarily responsible for payment of bills. A ratepayer includes anyone taking Supplier of Last Resort Service and/or Distribution Service under the Company's Retail Tariff.~~

**Small Business Customer** – A Customer receiving natural gas service for commercial or industrial use whose annual usage is equal to or less than 300 MCF.

**Supplier** – Shall include, but is not limited to, aggregators, brokers, marketers, natural gas distribution companies, natural gas suppliers or producers.

**Supplier of Last Resort** – The Company or another entity that provides natural gas supply services to ~~ratepayer~~Customers that do not elect another sSupplier or choose to be served by the sSupplier of last resort, ~~ratepayer~~Customers that are refused service from another natural gas supplier, or ~~ratepayer~~Customers whose natural gas sSupplier fails to deliver the required gas supplies. Currently, the Company is the sSupplier of last resort for all Priority-One ~~ratepayer~~Customers under the terms of this tariff. Each ~~ratepayer~~Customer may only have one sSupplier of last resort.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 6**RATES AVAILABLE UNDER THIS TARIFF**

Service is made available to NGSs under the rules, regulations, rates and terms contained in this tariff .  
The following rates are made available to NGSs:

**Rate P-1 - Priority One Pooling Service**

This rate is available to any broker, marketer or producer of natural gas which aggregates natural gas supplies needed to satisfy the full requirements of Priority One (P-1) transportation ~~ratepayer~~Customers of the Company.

**Rate NP-1 - Non-Priority One Pooling Service**

This rate is available to any broker, marketer or producer of natural gas which aggregates natural gas supplies needed to satisfy the full requirements of Non-Priority One (NP-1) transportation ~~ratepayer~~Customers of the Company.

**Rate LGA - Local Gas Aggregation Service**

This rate is available to any broker, marketer or producer of natural gas which aggregates locally produced gas injected directly into the Company's pipeline system.

**Rate SBS – NGS Billing Service**

This rate is available to the NGS which receives service under Rate P-1 or Rate NP-1 and elects to have the Company bill ~~ratepayer~~Customers for natural gas sold by the NGS.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****1. Sources of Supply**

The Company agrees to receive, for the NGS's account, upstream pipeline transportation volumes, local gas volumes, storage volumes, Pool-to-Pool Volumes and Imbalance Trading Volumes.

In determining the volumes available for delivery to Customers in the applicable month, the Company may retain an appropriate percentage, as set forth in the Company's Retail Tariff, as gas used in Company operations and unaccounted for gas from upstream pipeline transportation volumes and local gas volumes as they are received by the Company. For purposes of determining storage inventory volumes, the retainage percentage shall be applied to volumes at the time the volumes are nominated for injection into storage. Pool-to-Pool Volumes and Imbalance Trading Volumes shall be added to the adjusted volumes.

Suppliers will pay for any investment costs and any other agreed-upon fees relating to the delivery of gas into the Company's system. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

**2. Measurement and Quality of Gas**

All gas delivered shall be measured by meter. The term "mcf" as used in the Company's schedule of rates, shall mean 1,000 cubic feet of gas at no more than 8 ounces above an assumed atmospheric pressure of 14.4 pounds at whatever temperature the gas may be during the period of measurement. If gas is supplied from a low-pressure distribution system in which the pressure of the gas is regulated not to exceed 8 ounces, the measurement will be at whatever pressure the gas may be during the period of measurement. If gas is delivered from a high-pressure system, measurement will be corrected to a pressure base of 14.73 psia. If measurement is corrected for temperature, measurement will be corrected to 60°F.

Gas delivered into the Company's system should be free from oil, water, salt, gum, dust, and other foreign substances that might interfere with the marketability of the gas. Unless otherwise agreed to by the Company, the gas delivered shall contain not less than 967 Btu per cubic foot and shall not exceed 1,100 Btu per cubic foot (as determined by calorimeter test @ 60 degrees Fahrenheit and saturated with water vapor). Gas accepted by the Company that contains less than 967 Btu per cubic foot will be enhanced to ensure that gas delivered by the Company to Customers shall meet Commission heating value requirements, and the Company may charge for this.

Unless otherwise agreed to by the Company through separate agreement, gas delivered by a sSupplier shall not contain more than:

- (a) Seven (7) pounds of water per million cubic feet on an approved dew point apparatus.
- (b) ~~Three (3)~~ Two (2) percent by volume of carbon dioxide.
- (c) Twenty-five hundredths (0.25) grains of hydrogen sulfide per 100 cubic feet.
- (d) Ten (10) grains of total sulfur per 100 cubic feet.

The Company may enter into agreements with suppliers whereby the Company will agree to treat gas on behalf of a sSupplier in order to meet such gas quality requirements outlined above. Should the sSupplier not enter into such an agreement and fail to meet these gas quality requirements, the Company may refuse to accept gas delivered by the sSupplier and should a sSupplier cause damage to any metering, regulating and/or other equipment or interruption of service, the sSupplier shall reimburse the Company for the costs to repair such damage and for any related costs which the Company may incur to restore service to ~~ratepayer~~ Customers and/or repair facilities, including payments made by the Company to Customers in settlement of claims arising out of interruption of gas service. The sSupplier agrees to allow the Company to make necessary gas samples to permit testing of the delivered gas to determine quality of gas delivered by the supplier.

RULES AND REGULATIONS**3. Critical Day Planning**

As events occur that could develop into system emergencies or lead to a threatening of system integrity, the Company may request and/or require NGSs or Customers to take certain actions to protect, maintain, or reestablish the safe operation of the system. ~~The communication procedures established for Critical Day Planning, are set forth in more detail in the Company's Communications Protocol.~~

- a. Maintenance Alerts (MA) – A maintenance alert is an announcement of actual or pending events related to various physical connections to the Company's system. These communications shall occur on an as needed basis and shall be communicated via the electronic bulletin board as soon as practical.
- b. Operational Alert (OA) – An operational alert may be called during periods of projected increased or decreased consumer demand for natural gas. An "OA" is a request for specific action on the part of an individual NGS, or all NGSs. The NGSs are expected to respond to "OAs" as soon as practical by giving notice to the Company of their intended action. These communications shall occur on an as needed basis and shall be communicated via the electronic bulletin board and/or through email as soon as practical
- c. Operational Flow Order (OFO) – An OFO is defined in paragraph 4 of the Supplier Tariff. NGSs are expected to comply with an OFO.
- d. Curtailment – In the event of an emergency curtailment of Customer consumption, the Company will alert the appropriate NGS, and if appropriate, will coordinate with them responses to media and elected officials.

~~A gas shortage curtailment shall be made only after a minimum 96-hour written notice to the ratepayer given by certified mail and specifying its authorized monthly consumption to which such curtailment applies. The Company will authorize monthly consumption levels from the Company's supplies only to ratepayers then currently purchasing commodity or standby service from the Company. Ratepayers that acquire their own gas supplies and that do not purchase standby service will be entitled to consume only the volumes they have delivered to the Company, less any gas that the Company is authorized to seize for consumption by other ratepayers.~~

RULES AND REGULATIONS**4. Operational Flow Orders****a. Issuance of OFOs**

The Company may issue, in its sole discretion, an OFO (Operational Flow Order) in any of the following circumstances: To the extent possible, the Company will provide a 24-hour prior notice of an OFO in situations where a prior indication of the need to issue an OFO exists.

- i. to alleviate conditions that threaten the operational integrity of the Company's system; or
- ii. to maintain pressures necessary for the Company's operations; or
- iii. to insure adequate flowing supplies are delivered to specific receipt points on the Company's system; or
- iv. to alleviate operational problems arising from overdeliveries or underdeliveries by NGSs or Customers transporting supplies for their own consumption ("Direct End User"), in violation of their agreements or Company tariffs.

**b. OFO Procedures**

In the event of the issuance of an OFO, NGSs and Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO) will be directed to maintain its supply according to the steps set forth below.

- i. The NGS or the Direct End User must adjust supply nominations, including any Pool-to-Pool Volumes to equal Aggregate Daily Consumption Volume, with gas delivered at the points specified by the Company. The Company shall provide such estimates via the electronic bulletin board and/or through email as soon as practical, no later than 10:00 am of the same day.
- ii. Upon the NGS or Direct End User request, the Company will consider, if time permits, adjustments to the Aggregate Daily Consumption Volume or the Daily Available Volume to the extent such adjustment, in the Company's discretion, benefits system operations during the OFO event and if such adjustment is confirmable the Company.
- ~~iii. During an OFO, to the extent the NGS or a Direct End User has gas in storage, the maximum storage withdrawal shall equal the maximum withdrawal requirements or any further limitation as the Company in its discretion finds necessary to impose in accordance with reasonable and standard industry practice during the OFO event.~~

**RULES AND REGULATIONS****4. Operational Flow Orders (continued)****c. OFO Penalties**

Failure to comply with an OFO may result in the following:

- i. The immediate recall of capacity assigned by the Company to the NGS or a Direct End User, if any, throughout the remainder of the OFO period. Further, in the event the NGS/Direct End User's failure to comply with an OFO contributes to the Company using other ~~Customers~~' flowing supplies to meet the needs of end-use ~~ratepayer~~Customers of the NGS/Direct End User's and/or the Company's Retail Sales Demand, the Company may, at its sole discretion, recall or otherwise withdraw any capacity rights assigned to the NGS/Direct End User upon five (5) days written notice to the NGS/Direct End User (unless already recalled under the provisions of this section).
- ii. The billing of the incremental charges set forth below times the OFO shortfall which is defined as the imbalance between Daily Available Volume and its Aggregate Daily Consumption Volume as calculated by the Company, on those days subject to the OFO.

The OFO incremental charges shall equal:

- (1) the payment of a gas cost equal to the highest incremental cost paid by the Company on the date of noncompliance; ~~and~~
- (2) one month's demand charges and/or otherwise applicable storage and overrun costs. This charge shall not be imposed more frequently than twelve times in any thirty-day period; ~~and~~
- (3) the payment of all other charges incurred by the Company on the date of the OFO shortfall that are associated with the OFO shortfall; and,
- (4) in the Company's discretion, an appropriate penalty charge, not to exceed \$15/Mcf.

The penalties set forth herein shall be billed to NGSs serving ~~ratepayer~~Customers under Rates P-1 or NP-1, or to Direct End Users (or a Supplier that the Direct End User has arranged with and designated to the Company to receive notification of the OFO).

- iii. In the event the NGS/Direct End User's failure to comply with an OFO contributes to the Company using other ~~customer~~Customers' flowing supplies to meet the needs of any ~~ratepayer~~Customer and/or the Company's retail sales demand, the Company may terminate the NGS's rights to operate on the Company's system under the applicable pooling and/or transportation agreements upon ten (10) days written notice to the NGS.

**5. Billing and Payment**

Each calendar month the Company shall render a statement of account to the NGS summarizing the charges due the Company, including any purchases by the Company.

The NGS shall pay the Company by wire transfer of federal funds unless the NGS and the Company mutually agree upon a method of payment other than wire transfer which will result in timely receipt of payment by the Company.

ISSUED: **January 28, 2019**

EFFECTIVE: **March 29, 2019**

**RULES AND REGULATIONS****5. Billing and Payment (continued)**

Charges previously billed to the NGS by the Company, for which payment has not been received by the Company by the due date, will be assessed a late-payment charge of two percent (2%) per month on the unpaid balance.

If the Company has not received payment from the NGS for any services or charges, including late-payment charges, within fifteen (15) days of the statement date, the Company may deduct this unpaid amount from any payments accruing to the NGS under any agreement between the NGS and the Company or take gas in kind from the NGS in satisfaction of obligations and/or terminate the agreement with the NGS upon ten (10) days written notice to the NGS.

**6. Creditworthiness**

The Company shall not commence service or continue service to the NGS if the NGS fails to meet the creditworthiness criteria outlined in this Section.

The Company will base its creditworthiness evaluation on the financial information provided in response to the "Financial Information" and "Certificate" sections below.

- a. Financial Information - In consideration of the opportunity to supply gas to the Company's ~~ratepayer~~Customer~~s~~ and in order for the Company to accept the NGS as the ~~s~~Supplier of gas to ~~ratepayer~~Customer~~s~~ of the Company, the NGS must provide the following financial information, provided, however, that such financial information will not be required by the Company if the NGS has obtained a Natural Gas Supplier License from the Commission within one year prior to the date it submits an application to the Company for approval to become a NGS of gas to ~~ratepayer~~Customer~~s~~ of the Company and that such information has been provided to the Company:

~~The NGS shall provide the following financial information:~~

- i. Financial statements, annual report or Form 10-K for the most recent fiscal year-end.
  - ii. Current interim financial statements.
  - iii. Listing of parent company, affiliates and subsidiaries.
  - iv. Any reports from credit reporting and bond rating agencies which are available.
  - v. A bank reference and at least two trade references.
- b. Certificate: The NGS shall deliver a certificate of a duly elected officer or authorized representative certifying the following:
- i. The NGS is not operating under any chapter of the bankruptcy laws and is not subject to liquidation under any state law.
  - ii. The NGS is not subject to the uncertainty of pending or threatened litigation in state or federal courts or regulatory proceedings which could (1) cause a substantial deterioration in its financial condition, (2) cause a condition of insolvency, or (3) endanger its ability to exist as an ongoing business.
  - iii. The NGS does not have outstanding lawsuits, actions or judgments, which, individually or in the aggregate, could jeopardize its ability to remain solvent.

RULES AND REGULATIONS**6. Creditworthiness (continued)**

- iv. The NGS has the power and authority to transact the business it transacts and proposes to transact, has obtained and holds a Natural Gas Suppliers License from the Commission and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which failure to be in good standing would not, individually or in the aggregate, reasonably be expected to jeopardize its ability to transact the business it transacts or to remain solvent.
- v. The NGS has no delinquent balances outstanding for billings made previously by the Company or its affiliate, and the NGS must have paid its account in the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
- c. The NGS has a continuing obligation to notify the Company in writing, within two business days, of the occurrence of any event which would render the NGS unable to provide the certificate required in paragraph (b) of this "Creditworthiness" section, as of the date such event occurred and within two business days of any other significant deterioration of its financial fitness or creditworthiness, including if the NGS's Credit Rating is downgraded below Ba3 from Moody's or BB- from S&P or Fitch. "Credit Rating" means the rating assigned to the NGS's unsecured, senior long-term debt obligations (not supported by third party security) by Moody's, S&P, or Fitch. The NGS shall also provide the Company a copy of the financial statements as specified in paragraph (a) of this "Creditworthiness" section upon request by the Company.

**d. Evaluation Process to Determine Financial Fitness:**

To the extent the Company determines that the NGS's financial condition under paragraph (a) is questionable or the NGS cannot supply the certificate required under paragraph (b) above, the Company will require the establishment of a security enhancement based on the financial exposure imposed on the Company by the NGS for all service fees applicable per the rate schedules governed by this tariff. The amount of the security enhancement shall include the following components and shall be calculated based on the projected peak winter month usage served by the NGS:

1. All applicable pooling and aggregation fees;
2. All applicable billing fees; and
3. Projected imbalance fees using the maximum imbalance price multipliers and assuming that the NGS fails to delivery gas supplies during the peak month.

The Company shall consider the forms of security enhancements as set forth in 52 Pa. eCode §§ 62.102 – 62.114. The Company may also consider as a form of security such amounts collected by the Company on behalf of the NGS under Rate SBS of this tariff or such other security as is mutually acceptable to both the Company and the NGS. The Company reserves the right to determine which of these financial instruments shall be established as a security enhancement.

All information submitted or provided to the Company will remain confidential and be used solely for the purpose of evaluating the financial fitness or creditworthiness of the NGS. The amount of the security enhancement may be reviewed and modified based on the criteria established at 52 Pa. eCode §§ 62.102 – 62.114.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****7. Bonding Requirement**

In addition to any creditworthiness requirements as set forth in Rule 6, the Company may also require that the NGS post a performance bond or any other security suitable to the Company, to cover any costs associated with the NGS prematurely discontinuing service to Customers or the NGS default of payments of Commission imposed financial penalties and restitution to Customers. The amount of the performance bond or other security shall be equal to \$2 times the volumes the NGS is expected to serve during the month of January. The level of the bond shall be recalculated annually.

The bonding requirement will be waived for that portion of the NGS's load used to serve Non-Priority One ratepayerCustomers whose annual consumption is 300 Mcf or more, but in such circumstance, the Company shall not be responsible to provide those ratepayerCustomers service as sSupplier of last resort and the Company shall have none of the obligations arising under Section 2207(a) and (k) of the Public Utility Code. The Company may waive the bonding requirement related to delivery failure for the NGS that demonstrates to the Company's satisfaction that it will assign the gas supply contract to the Company in the event of a default. With regard to the latter, the Company, in its sole discretion, which shall not be unreasonably exercised, may waive the bonding requirement related to delivery failure if the NGS assigns its gas supply contracts acquired for purposes of serving its Customers on the Company's system (and if applicable, any related financial risk management contracts) to the Company in the event the NGS prematurely discontinues service to its Customers. Such waiver shall be subject to the following conditions:

- a. The NGS's sSupplier agrees to assign applicable gas supply to the Company.
- b. The Company is satisfied with the relevant contract assignment language and applicable reasonable terms and conditions.
- c. The Company is satisfied with the NGS's supplier's credentials or the security of supply;
- d. The NGS agrees to reimburse the Company for any losses the Company suffers as a result of agreeing to the assignment of contracts, including, but not limited to, losses from a differential in the assigned gas prices and the NGS's contracted price with its Customers and losses resulting from the NGS's sSupplier refusing to assign the relevant gas supply

**8. Procedures when a NGS Exits the System**

Prior to exiting the Company's system the NGS shall provide the Company with two months prior notice. Upon the NGS's exit from the Company's system, the Company will serve the NGS's former Customers at the Company's sSupplier of last resort rates, or at the agreed-to NGS price for the remainder of the billing cycle if the NGS discontinues service prior to the beginning of the next billing cycle. Any differences between the cost incurred by the Company and the NGS's price shall be recovered from the NGS. Any capacity or supplies previously assigned to the NGS will revert to the Company, including gas held in storage. If the NGS had used capacity not assigned by the Company to bring gas on to the Company's system, then the NGS agrees to offer to assign said capacity, including gas held in storage, to the Company, which the Company may, at its sole discretion, accept or reject.

Balancing for NP-1 and P-1 pools of both interstate and local supplies for the exiting NGS's final month of service shall be performed in accordance with the Balancing provisions under Rate NP-1. No imbalance price multipliers will be applied.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****9. Dispute Resolution Process**

The Company and each NGS will designate specific personnel for responding to complaints and disputes under this process.

The Company and the NGS shall use good faith and commercially reasonable efforts to informally and timely resolve all disputes that may develop between them. Failing such informal resolution, either party may initiate this Dispute Resolution Process by presenting a written Notice of Dispute that includes the names of the Parties and ~~ratepayer~~Customer(s), if any, involved and a brief description of the matters in dispute.

Within five (5) days of the Company's and/or the NGS's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.

In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.

If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.

Any party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.

**10. Standards of Conduct**

- a. The Company shall apply its tariffs in a nondiscriminatory manner to its affiliated NGS and any nonaffiliated NGS.
- b. The Company shall not apply a tariff provision in any manner that would give its affiliated NGS an unreasonable preference over other NGSs with regard to matters such as scheduling, balancing, transportation, storage, curtailment, capacity release and assignment, or nondelivery, and all other services provided to its affiliated NGS.
- c. Mandatory tariff provisions shall not be waived by the Company for any NGS absent prior approval of the Commission.
- d. If a tariff provision is not mandatory or provides for waivers, the Company shall grant the waivers without preference to its affiliated NGS or non-affiliated NGS.
- e. The Company shall maintain a chronological log of tariff provisions for which it has granted waivers. Entries shall include the name of the party receiving the waiver, the date and time of the request, the specific tariff provision waived and the reason for the waiver. The chronological log shall be open for public inspection during normal business hours and the Company shall post the log on its website for a period of at least three (3) months.
- f. The Company shall process requests for distribution services promptly and in a nondiscriminatory fashion with respect to other requests received in the same or a similar period. The Company shall maintain a chronological log showing the processing of requests for transportation services. The chronological log shall be open for public inspection during normal business hours.

**RULES AND REGULATIONS****10. Standards of Conduct (continued)**

- g. If the Company provides a distribution service discount, fee waiver or rebate to its favored ratepayerCustomers, or to the favored ratepayerCustomers of its affiliated NGS, the Company shall offer the same distribution service discount, fee waiver or rebate to other similarly situated ratepayerCustomers. Offers shall not be tied to any unrelated service, or incentive or offer on behalf of either the natural gas distribution company or its affiliated NGS. A chronological log shall be maintained showing the date, party, time and rationale for the action. The chronological log shall be open for public inspection during normal business hours.
- h. Subject to ratepayerCustomer privacy or confidentiality constraints, the Company shall not disclose, directly or indirectly, any ratepayerCustomer proprietary information to its affiliated NGS unless authorized by the ratepayerCustomer. To the extent that the Company does disclose ratepayerCustomer information without ratepayerCustomer authorization, it shall first seek the permission of the ratepayerCustomer consistent with the Company's tariff, any contractual obligations with the ratepayerCustomer and Section 62.78 of the Pennsylvania Code, and if the ratepayerCustomer grants permission, the Company shall contemporaneously provide this same information to other similarly situated NGSs in a similar fashion so as not to selectively disclose, delay disclosure, or give itself or its affiliated NGS any advantage related to the disclosure. A chronological log shall be maintained showing the date, time and rationale for the disclosure. The chronological log shall be open for public inspection during normal business hours. This provision does not apply to the disclosure of Customer information made under a Customer assistance program mandated by state law or regulation.
- i. The Company shall justly and reasonably allocate to its affiliated NGS the costs or expenses for general administration or support services provided to its affiliated NGS.
- j. The Company shall not condition or tie the provision of any product, service or price agreement by the Company (including release of interstate pipeline capacity) to the provision of any product or service by its affiliated NGS.
- k. The Company shall not give its affiliated NGS preference over a nonaffiliated NGS in the provision of goods and services including processing requests for information, complaints and responses to service interruptions. The Company shall provide comparable treatment in its provision of such goods and services without regard to a Customer's chosen NGS.
- l. The Company and its affiliated NGS shall maintain separate books and records. Further, transactions between the Company and its affiliated NGS shall not involve cross-subsidies. Any shared facilities shall be fully and transparently allocated between the Company function and the affiliated NGS function. The Company accounts and records shall be maintained such that the costs incurred on behalf of an affiliated NGS may be clearly identified.
- m. The Company employees who have responsibility for operating the distribution system, including natural gas delivery or billing and metering, as well as those responsible for marking and Customer service, shall not be shared with an affiliated NGS, and their offices shall be physically separated from the office(s) used by those working for the affiliated NGS. Such Company employees may transfer to an affiliated NGS provided such transfer is not used as a means to circumvent these interim standards of conduct.

**RULES AND REGULATIONS****10. Standards of Conduct (continued)**

- n. Neither the Company nor its affiliated NGS shall directly or by implication, falsely and unfairly represent to any ~~ratepayer~~ Customer, the NGS or third party that an advantage may accrue to any party through use of the Company's affiliates or subsidiary, such as:
- i. That the Commission regulated services provided by the Company are of a superior quality when services are purchased from its affiliated NGS; or
  - ii. That the merchant services (for natural gas) are being provided by the Company when they are in fact being provided by an affiliated NGS;
  - iii. That the natural gas purchased from a nonaffiliated NGS may not be reliably delivered;
  - iv. That natural gas must be purchased from an affiliated NGS to receive Commission regulated services.
- o. When affiliated NGSs market or communicate to the public using the Company's name or logo, it shall include a legible disclaimer that states:
- i. That the affiliated NGS is not the same company as the Company.
  - ii. That the prices of the affiliated NGS are not regulated by the Commission; and
  - iii. That a Customer does not have to buy natural gas or other products from the affiliated NGS in order to receive the same quality service from the Company.

When an affiliated NGS advertises or communicates verbally through radio or television to the public using the Company name or log, the affiliated NGS shall include at the conclusion of any such communication a legible disclaimer that includes all of the disclaimers listed in this paragraph.

- p. Except in competitive bid situations, the Company shall not (a) jointly market or jointly package its Commission regulated services with the services of an affiliated NGS or (b) offer or provide to its affiliated NGS products or services, including bill inserts in its Company bills promoting an affiliated NGS's services or a link from the Company's web site, unless the Company offers or provides the products or service to all nonaffiliated NGSs on the same terms and conditions.
- q. The Company shall not offer to sell natural gas commodity or capacity to its affiliated NGS without simultaneously posting the offering electronically on a source generally available to the market or otherwise making a sufficient offer to the market. The Company shall maintain a chronological log of these public disseminations. The chronological log shall be open for public inspection during normal business hours.
- r. The Company shall utilize, unless otherwise agreed to by the affected parties, the following complaint and dispute resolution procedure for dealing with any alleged violations of any of the standards of conduct, with the exception of paragraph (i.), which are exclusively under the purview of the Commission:

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****10. Standards of Conduct (continued)**

- i. In the event a NGS alleges a violation of any of these Standards of Conduct provisions, the NGS must provide the Company with a written Notice of Dispute that includes the names of the Parties and ~~ratepayer~~Customer(s), if any, involved and a brief description of the matters in dispute. The dispute procedures in Section 9 shall apply to any Notice of Dispute issued per Section 10(i). A complainant bears the burden of proof consistent with 66 Pa. C.S. Section 332 (relating to Public Utility Code) in regard to the allegations and the Commission may impose penalties for such violations pursuant to 66 Pa. C.S. Section 3301.
- ~~ii. Within five (5) days of the Company's and/or the NGS's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.~~
- ~~iii. In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.~~
- ~~iv. Any party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.~~
- ~~v. A complainant bears the burden of proof consistent with 66 Pa. C.S. Section 332 (relating to Public Utility Code) in regard to the allegations and the Commission may impose penalties for such violations pursuant to 66 Pa. C.S. Section 3301.~~
- s. The Company shall keep a chronological log of any complaints, excepting paragraph (i.), regarding discriminatory treatment of NGS. This chronological log shall include the date and nature of the complaint and the resolution of the complaint. The chronological log shall be open for inspection during normal business hours.

**11. Nomination Procedures****a. General Procedures**

- i. All Transportation Volumes received for NGS's pool account at upstream pipeline transportation receipt points, local production volumes received for NGS's or Aggregator's account at local production receipt points and Pool-to-Pool transfer volumes shall be nominated to the Company in advance according to the procedures outlined in this section.
- ii. Nominations are to be transmitted to the Company via the Company's Electronic Nominations System and are to be received by the Company by the dates and times specified on the Company's Electronic Nomination System.

**b. Nomination of Upstream Pipeline Volumes**

- i. Upstream pipeline nominations must conform, in content and format, with Company specifications for transportation volume nominations, which shall include, at a minimum: NGS's contract number; upstream pipeline contract number; and requested daily transportation volume.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****b. Nomination of Upstream Pipeline Volumes (cont.)**

- ii. The Company will either confirm, in total or in part, or reject NGS's transportation volume nomination based on the Company's operating conditions, the limits and requirements of the Company's system and facilities, previously confirmed nominations and timely confirmation by upstream pipelines. Accepted transportation volumes will be posted on Company's Electronic Nomination System. In order to support system operations, maintain system integrity, and minimize positive or negative imbalance volumes, the Company may request NGS to nominate and deliver transportation volumes to designated transportation receipt points. Such request shall be posted in advance on Company's Electronic Nomination System or through direct communication with the NGS. If, in Company's sole discretion, voluntary compliance by NGS fails to correct operational deficiencies, the Company may exercise its authority under Rule 4 of the Rules and Regulations to issue NGS specific and/or system wide OFOs.
- iii. Confirmed nominations will become effective on the date specified in the NGS's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by the Company from upstream pipeline of the confirmed volume, unless superseded by a subsequent transportation volume nomination or limited by operational conditions as mentioned above.
- iv. Nominations made in accordance with this Section do not relieve NGS of the obligation to submit corresponding nominations for service with an upstream pipeline.

**c. Nomination and Reconciliation of Local Production Volumes**

- i. No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month for the metering stations identified in the agreement or other point of interconnection into the Company's System. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided (within 2 days) by the NGS or Local Gas Aggregator and confirmed by the Company. The confirmed GPP volume shall be used for reconciling local gas nominations and actual production.
- ii. The NGS or Local Gas Aggregator may request to change its GPP nomination during the month in accordance with the Company's Operating Rules for Local Gas Aggregation Service. The Company may, at its discretion, ask for additional justification for any nomination, which may result in an adjustment to the nomination.
- iii. Confirmed GPP nominations will be credited to the NGS's or Local Gas Aggregator's account on the date specified in the GPP nomination. When actual local gas aggregation volumes delivered into the Company's system are known, any discrepancies between actual and GPP nominations will be reconciled, in the first full calendar month following the determination of actual local gas aggregation volumes (the "Adjustment Month").
- iv. The volumetric discrepancy between the actual local gas aggregation volumes and the local gas aggregation nominations will be reconciled in the Adjustment Month by adjusting the NGS's or Local Gas Aggregator's monthly available volume or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.
- v. In the event that a pool ceases its existence and due to this, a negative imbalance results, the pool will be cashed out at the first of the month IFERC DTI Appalachia Index.
- vi. Unless otherwise agreed upon by the Company, monthly volumes delivered out of the pool must be baseloaded proportionately with regard to the number of days in the month.

**RULES AND REGULATIONS****d. Nomination of Pool-to-Pool Volumes**

- i. Nominations must conform, in content and format, with the Company's specifications for Pool-to-Pool Volume nominations, as specified in the Company's Electronic Nominations System.
- ii. Such transfers may be used to resolve current daily imbalances created by the NGS's inability to match Daily Available volumes with the projected Aggregate Daily Consumption Volume and shall not be used to resolve daily imbalances occurring for any prior day or days.
- iii. Subject to the limits of the Company's operating conditions and facilities, and the reasonableness of the NGS's nomination as determined solely by the Company, the Company will either confirm, in total or in part, or reject the NGS's Pool-to-Pool Volume nomination.

**e. Nomination of Assigned Pennsylvania-Produced Supplies**

- i. All Pennsylvania-produced supplies assigned or sold to the NGS for a given month will be divided by the number of days of that month and automatically credited to the pool operator's Daily Available Volumes.

**12. Confirmation of ~~Ratepayer~~Customer Enrollment**

When the Company receives notice that a ~~ratepayer~~Customer has elected to switch NGSs or return to the Company's Supplier of Last Resort service, the Company shall initiate the confirmation procedure described herein. Such changes shall coincide with the start of ~~Customer~~'s next billing cycle.

- a. The NGS must maintain either a mainframe computer or a personal computer that meets the processing capabilities required by the Company.
- b. The NGS shall notify the Company of new or deleted ~~ratepayer~~Customers via e-mail file in approved spreadsheet format. The NGS should notify the Company only of additions or deletions to its ~~ratepayer~~Customer list; existing ~~ratepayer~~Customers shall not be included.

RULES AND REGULATIONS**12. Confirmation of RatepayerCustomer Enrollment (continued)**

- c. Notification from the NGS of a new or deleted ratepayerCustomer shall consist of the following information: RatepayerCustomer name, Service Address, the Company Account Number, Date and Time of file preparation, the NGS's assigned Pool Code (rather than the NGS name) and the NGS's assigned Rate Numbers, if the Company is billing on behalf of the NGS.
- d. The NGS may submit additions, changes or deletions from its ratepayerCustomer list to the Company on a daily basis. Such additions, changes or deletions from the ratepayerCustomer list will become effective for the service period reflected in the second bill issued following the date such additions, changes or deletions are submitted to the Company.
- e. The Company shall notify the NGS with a report via the Internet if a new ratepayerCustomer is not processed. The circumstances in which a ratepayerCustomer will not be processed may include, but are not limited to, the information provided by the NGS does not match the Company's required data elements, the ratepayerCustomer submitted by the NGS is not eligible for the requested service, and the ratepayerCustomer is no longer receiving service from the Company. Such report will be issued on the Company's web site following processing and will include the reason the ratepayerCustomer has not been processed.
- f. Once a prospective ratepayerCustomer's request has been processed, the Company shall mail out a confirmation letter to each ratepayerCustomer by the end of the next business day after the date the Company receives notification from the NGS that the ratepayerCustomer has elected to switch NGSs or return to the Company's sSupplier of last resort service, asking the ratepayerCustomer to notify the Company if information in the confirmation letter is inaccurate. Such confirmation letter shall include, if appropriate, the ratepayerCustomer's pool operator choice as stated by the NGS, the applicable billing option, the approximate date when transportation service is to begin and the date that the first bill will be mailed.
- g. Should the Company receive notification from a ratepayerCustomer within the five (5) calendar days required under the confirmation letter that the ratepayerCustomer's gas service or gas supply election as described by the NGS is in error, the Company shall so notify the NGS. In case of notification by ratepayerCustomer of such error, the Company shall continue billing the ratepayerCustomer under the ratepayerCustomer's current billing arrangement. Should the Company receive notification from the ratepayerCustomer that the ratepayerCustomer's gas service or gas supply election as described by the NGS is in error, but not receive such notification within the five (5) calendar days period, the Company shall advise the ratepayerCustomer to contact the NGS to request cancellation, and if requested by the ratepayerCustomer, the Company will treat this as an alleged slamming complaint.
- h. On or about the eighteenth (18th) of the month, the Company will post on its web site, a list of ratepayerCustomers for the forthcoming month. Additions and removals from the NGS will also be reported on a daily basis in an activity file.
- i. Should the Company receive notification by more than one NGS within a one-month period that the ratepayerCustomer has elected said NGS to supply ratepayerCustomer's natural gas, the Company shall proceed with the confirmation process using the first NGS which notifies the Company, unless the ratepayerCustomer informs the Company otherwise.
- j. The Company will issue, at a minimum, a monthly report of ratepayerCustomers who have discontinued service with the NGS via Internet, which shall include discontinuances initiated by the incumbent NGS, the ratepayerCustomer or ratepayerCustomer's new NGS.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RULES AND REGULATIONS****13. Customer Service, Information Requirements and Slamming Complaints**

- a. NGSs shall refer to the Commission's Guidelines for Maintaining Customer Services at the Same Level of Quality Pursuant to 66 Pa. C.S. §2206 (a), Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. §§2207 (b), 2208 (e) and (f) and Addressing the Application of Partial Payments at Docket No. M-00991249F0003, for requirements relating to credit determination, deposits, initiation and disconnection of service.
- b. NGSs shall refer to the Commission's Customer Information Disclosure Guidelines at Docket No. M-00991249F0005, for requirements relating to disclosure of terms of service, marketing, advertising and sales practices, and privacy of Customer information.
- c. NGSs shall refer to the Commission's Guidelines to Ensure Customer Consent to a Change of Natural Gas Suppliers at Docket No. M-00991249F0006, for requirements on handling Customer slamming complaints.

**14. Customer Contact**

The NGS must maintain a twenty-four (24) hour answering service or a telephone answering machine which informs all callers that if they smell gas or there is any other emergency regarding gas service, the callers should call their gas utility immediately.

If the NGS receives a telephone call from a ratepayerCustomer which should be directed to the Company, the NGS shall direct the ratepayerCustomer to the appropriate contact within the Company.

The NGS shall handle all calls regarding commodity charges and associated rates.

NGSs must coordinate with the Company in resolving ratepayerCustomer inquiries or complaints which involve services provided by both the Company and NGSs.

**15. Miscellaneous**

- a. The NGS shall be deemed to be in control and possession of the gas transported to Company until the gas has been delivered to Company at the agreed-upon delivery point.
- b. The NGS warrants the title of the gas delivered to Company and shall indemnify the Company for and save Company harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or attributable to the adverse claims of any and all other persons or parties to the gas delivered to Company.
- c. The NGS shall be subject to the Liability provisions contained in Company's Retail Gas Tariff.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 19

**RATE P-1**  
**PRIORITY ONE POOLING SERVICE**

**AVAILABILITY**

Unless otherwise agreed to by the Company, an NGS that operates a P-1 and a NP-1 pool must serve its P-1 Customers from its P-1 pool and serve its NP-1 Customers from its NP-1 pool. Service under this rate schedule is available to any Priority One Pool Operator who has entered into a Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements. RatepayerCustomers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

**RULES AND CONDITIONS****1. Assignment of Capacity****Pool Operators with Peak Day Demand < 2,000 Dth per Day**

Pool Operators who take service under this rate schedule and have a peak day demand of 2,000 Dth per day or less will not be assigned their pro-rata or other agreed upon share of the pipeline and storage capacity. In lieu of such capacity assignment, the Company will deliver the Pool Operator's required daily gas supplies. The Company will bill the Pool Operator monthly at the first of the month IFERC DTI Appalachia Index plus associated delivery charges.

**Pool Operators with Peak Day Demand > 2,000 Dth per Day**

Pool Operators who take service under this rate schedule 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 ratepayerCustomer's commodity service requirements. Assigned capacity shall be subject to recall to the extent that the Pool Operator is unable to deliver necessary gas supplies, in which case the Company will provide for the delivery of necessary gas supplies pursuant to the terms of the standby rate schedule. More specific terms with respect to capacity assignment requirements are set forth in the following sections. However, such additional terms with respect to capacity assignment requirements shall be subject to review in the Company's annual Section 1307(f) proceeding.

**Assignment of Pennsylvania –Produced Supplies**

Pennsylvania gas produced from wells under gas purchase contracts for sale to the Company and for ultimate delivery into the Company's system may be assigned or sold to the NGS as agent for the ratepayerCustomer of the NGS's Priority-One Pool. The assignment shall be structured at a monthly weighted average purchase cost of the assigned Pennsylvania-produced supplies. Such purchased gas cost shall include any volumetric delivery and fuel charges incurred by the Company for local production volumes delivered to the Company via interstate pipelines. The term of the assignment shall be from the first month in which the NGS renders commodity service to the Customer until the NGS's supply agreement with Customer expires, or as otherwise provided herein.

Assigned Pennsylvania-produced supplies shall be recallable by the Company only under the following circumstances:

- (1) the ratepayerCustomer on whose behalf the supplies have been assigned is no longer served by the NGS or
- (2) the NGS has failed to comply with terms and conditions set forth herein.

**Assignment of Upstream Pipeline Capacity**

This section applies to the Company's upstream pipeline capacity on Dominion Transmission, Inc. ("DTI"), Texas Eastern (TETCO), Equitrans, and any other pipelines on which the Company may contract for capacity from time to time, excluding National Fuel Gas Supply Corporation.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RATE P-1**  
**PRIORITY ONE POOLING SERVICE**

**1. Assignment of Capacity (continued)**

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company shall be assigned to the NGS as agent for the Customers of the NGS's Priority-One Pool. The assignment shall be structured as a zero cost release of capacity provided, however, that the NGS should be responsible for paying all usage based pipeline charges. The term of the release shall be on a monthly basis, commencing with the first month in which the NGS rendered commodity service to the Customer to the earlier of the end of the seasonal period (Winter releases shall terminate March 31 and summer releases shall terminate October 31.) or the termination date of the contract(s) between the Company and the upstream pipeline or the last month in which the NGS renders commodity service to the Customer on whose behalf the capacity had been assigned; provided however, the Company may in its discretion release such capacity on a monthly basis. The NGS must comply with all upstream pipeline requirements to become an eligible shipper on the upstream pipeline system. The NGS is responsible for paying all upstream pipeline variable charges incurred on the upstream pipeline.

The firm transportation capacity released pursuant to the previous section shall be recallable by the Company only under the following circumstances:

- a. the Customer on whose behalf the capacity has been assigned is no longer served by the NGS or
- b. the NGS has failed to comply with the terms and conditions set forth herein.

Consistent with FERC rules and regulations for capacity releases under state retail choice programs, upstream pipeline storage capacity held by the Company shall be assigned to the NGS as agent for the ~~ratepayer~~Customers of the NGS's Priority-One Pool. The assignment shall be structured as a release of capacity at zero cost and may be subject to conditions of release (including, but not limited to, injection and withdrawal rights) that differ from the applicable upstream pipeline storage service. The release shall terminate at the end of the then-current storage season pursuant to the applicable upstream pipeline rate schedule terms and conditions; provided however, the Company may in its discretion release such capacity on a monthly basis.

Capacity released pursuant to this section shall be recallable by the Company only upon failure of the NGS to comply with the terms and conditions set forth herein or in connection with a buyback of gas by the Company as set forth in paragraph 2 of this rate schedule.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 20A

RATE P-1  
PRIORITY ONE POOLING SERVICE

**Assignment of Other Supplies**

The Company reserves the right to assign or sell other gas supplies that are under contract with the Company and used to satisfy its ~~s~~Supplier of last resort obligation to Priority-One ~~ratepayer~~Customers. To the extent that a Priority-One ~~s~~Supplier receives an assignment of the Company's capacity it holds on the Equitrans System, the Company shall provide Priority-One suppliers with an option to purchase from the Company a pro-rata share of the firm gas supplies available to the Company under its gas supply agreement with EQT Energy, LLC. Such purchase shall also occur if the Company determines that, as a result of the Priority One ~~ratepayer~~Customer's migration from supply service provided by the Company to supply service provided by P-1 NGSs, the amount of gas supplies under long term firm purchase contracts are in excess of the usage requirements of ~~s~~Supplier of last resort ~~ratepayer~~Customers currently served by the Company.

Such gas shall be sold to the NGS as agent for the ~~ratepayer~~Customer of the NGS's Priority One Pool. The sale shall be structured at the actual purchase cost of the supplies associated with firm purchase contracts.

Supplies sold under this section shall be discontinued by the Company under the following conditions:

1. The ~~ratepayer~~Customer on whose behalf the supplies have been sold is no longer served by the NGS; or
2. The NGS has failed to comply with terms and conditions set forth herein.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

RATE P-1  
PRIORITY ONE POOLING SERVICE

1. Assignment of Capacity (continued)

*Determination of Assignment Quantities*

Unless provided otherwise herein, assignments of Pennsylvania-produced and other supplies, upstream pipeline firm transportation capacity and upstream pipeline storage capacity shall be assigned on a *pro rata* basis in accordance with the supply portfolio held by the Company at the time of assignment to serve its Priority-One **Customers**; provided however, the Company shall not be required to assign capacity that is de minimis in nature. The Company will endeavor to accommodate a Priority-One supplier's request for particular upstream pipeline capacity on a first-come first-served basis.

The Company will evaluate the capacity and supply assignments made to the NGS as agent for **ratepayerCustomer**s of the NGS's Priority-One Pool monthly based on the methodology set forth above. The evaluation will include an assessment of whether the upstream pipeline storage capacity assignments are adequate to serve the needs of the **Customers** of the Pool Operator at that time. To the extent that the evaluation so indicates, revisions to the upstream pipeline storage and storage capacity assignments will be made effective with the summer period. To the extent that the winter evaluation so indicates, the Company may require the NGS to secure additional reliable natural gas commodity, capacity and delivery service to meet the needs of the NGS's **Customers**. In addition to the preceding, the Company will evaluate the capacity assignments made pursuant to this section from time to time to ensure adequate compliance with its provisions.

Capacity assigned to the NGS hereunder by the Company may be traded with other Priority-One NGSs as long as each NGS retains an aggregate amount determined by the Company to be necessary to satisfy the total demands of the NGS's **Customers**. Such trading may occur no more frequently than twice per calendar year unless otherwise agreed to by the Company. Any capacity trades must be reduced to writing and provided to the Company for final approval.

Any assignments made pursuant to this tariff are made subject to any order of the Commission. Should the Commission, or any body authorized by law require a disallowance in the Company's rates that is directly attributable to the Company's assigning or transferring gas supplies to the NGS pursuant to these procedures, the NGS agrees to reimburse to the Company within 30 days of notification of any monies disallowed by the Commission or such other body that are directly attributable to the NGS. The Company shall provide such notification no later than thirty (30) days after a final order is entered by the Commission or other such body.

2. Nomination Procedures

*Refer to Rule 11 of the Rules and Regulations.*

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 22

PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 23

PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 24

PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 25

PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 26

PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

RATE P-1  
PRIORITY ONE POOLING SERVICE

**3. Storage Gas Transfers**

Storage Gas Sold by the Company

- a. Storage gas transfers may be required by the Company under the following conditions:
  - i. The NGS is unable to attain the storage inventory level required by the upstream storage service as a result of ~~ratepayer~~Customers initially receiving service from the NGS after the commencement of the Summer Period; or,
  - ii. The NGS is assigned upstream pipeline storage capacity during the Winter Period as a result of ~~ratepayer~~Customer initially receiving service from the NGS during the Winter Period.
- b. The maximum volume of storage gas transfers for the applicable month shall be determined as follows:
  - i. For assigned upstream pipeline storage capacity, the maximum storage gas transfer shall be the upstream pipeline storage capacity incrementally assigned for the month multiplied by the estimated beginning of the month percentage of the Company's upstream pipeline storage inventory level to the Company's upstream pipeline storage capacity.

Storage gas transfers shall not be allowed if in the Company's sole discretion it determines such transfers would be detrimental to the operation of the Company's system or its ability to meet Retail Sales Demand in a cost effective manner.

The storage gas transfer price each month shall be at the Company's estimated commodity cost of storage gas for the year, plus any applicable taxes. The storage gas transfer price shall be reconciled each calendar year to take into account the actual commodity cost of gas injected into storage net of withdrawals for the current year and, as applicable, the commodity cost of gas from previous years' LIFO inventory layers. The Company shall bill such additional costs as soon as practicable. With respect to storage gas transfers from upstream pipeline storage capacity, the NGS will pay an additional charge equal to the upstream pipeline storage capacity injection and storage fuel charges.

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 27ARATE P-1  
PRIORITY ONE POOLING SERVICE**3. Storage Gas Transfers (Cont.)**Storage Gas Purchased by the Company

In the event: 1) the NGS's Priority-One Pooling Agreement is terminated or canceled or 2) the NGS is no longer serving **Customers** on whose behalf the storage capacity has been assigned and to the extent the Company in its sole judgment determines it operationally requires such storage capacity to serve the returning **Customers**, the Company shall have the right, but not the obligation to purchase up to the remaining storage gas in upstream pipeline storage inventories or up to the volumes in storage attributable to the NGS's load loss, respectively. The buyback rate shall be the lower of: 1) Storage Gas Transfer Price or 2) the midpoint index price for gas delivered to Dominion Transmission, Inc.'s ("DTI") Appalachian South Point as published on the effective date of the buyback plus firm transportation charges to bring the gas to the Company's system, including applicable fuel retainage.

To the extent this provision is invoked and the NGS's storage gas in inventory is below the minimum inventory levels required by these procedures and the Company is required to purchase additional gas supplies on the open market, the NGS agrees to pay the Company an amount equal to the deficiency in volumes from the required inventory levels multiplied by the difference between the price the Company paid and the buyback rate.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 28

**RATE P-1**  
**PRIORITY ONE POOLING SERVICE**

**4. Load Forecasting**

The Company will provide the Pool Operator with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the ratepayerCustomers in the pool (Aggregate Daily Consumption Volume) at least two days in advance of when Pool Operators must deliver volumes to the Company. The Company may issue OFOs consistent with the terms of the Company's tariff and, as a result, may provide the Pool Operator with daily projections less than two days in advance.

In a format suitable to the Company, the Pool Operator will provide sufficient information about the Priority-One transportation ratepayerCustomers, whose natural gas requirements shall be supplied by the Pool, for the Company to identify them in the Company's billing system. In the event that those ratepayerCustomers shall vary during the term of the Priority One Agreement, Pool Operator shall provide an updated list of ratepayerCustomers to the Company as soon as reasonably possible.

Each of the ratepayerCustomers of Pool Operator's Priority-One Pool must have all of their natural gas consumption over the entire ratepayerCustomer Billing Cycle supplied by Priority-One Pool volumes nominated by Pool Operator. Seven business days prior to the first nomination period, the Company shall provide Pool Operator an initial listing of the end-use ratepayerCustomer accounts to be served by the Pool Operator's Priority-One Pool during the period to which the nominations apply and one week prior to the nomination period for each subsequent month, a listing with additions and deletions from the initial list.

Each Monday through Friday before 10:00 a.m., the Company will provide a projection of the Aggregate Daily Consumption Volume of the ratepayerCustomers of the Pool Operator's Priority-One Pool for the current and subsequent two days. During periods in which no Operational Flow Orders have been issued, the Company will use the following schedule to establish the Aggregate Daily Consumption Volume for which the Pool Operator will be held accountable:

<u>The Projection Provided On:</u>	<u>Will Be Used to Establish the Aggregate Daily Consumption Volume Accountability for the Following:</u>
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Saturday
Friday	Sunday, Monday and Tuesday

- a. During periods in which an OFO is in effect, the Company shall establish the Aggregate Daily Consumption Volume no later than 10:00 a.m. of the same Day; or,
- b. During periods when the mean average temperature is projected to be below 20 degrees Fahrenheit and the mean average temperature projection changes to be colder by at least 4 degrees Fahrenheit, the Company may establish the Aggregate Daily Consumption Volume for a particular day by giving 24 hour notice to the Pool Operator.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 29

**RATE P-1**  
**PRIORITY ONE POOLING SERVICE**

**5. Daily Gas Deliveries and Balancing**

The Pool Operator must acquire an adequate supply of natural gas (including any assigned volumes) of a quality acceptable to the Company, including allowances for any retention required by upstream pipelines and the Company, and arrange for the delivery of such gas supply to delivery points specified by the Company.

Any differences between the Aggregate Daily Consumption Volume and the Daily Available Volumes during periods in which no OFOs have been issued shall be subject to the following balancing charges:

Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the shortfall occurs multiplied by 120%. Volumes sold by the Company are subject to applicable taxes

Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the excess occurs multiplied by 85%.

~~Negative Daily Imbalance - A negative imbalance fee will be assessed on the shortfall of the Daily Available Volumes relative to the Aggregate Daily Consumption Volume. The negative imbalance will be sold by the Company at a price equal to the midpoint price of gas for the day using the Gas Daily index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachian South Point multiplied by 115%. Volumes sold by the Company are subject to applicable taxes.~~

~~Positive Daily Imbalance - A positive imbalance fee will be assessed on the Daily Available Volumes in excess of the Aggregate Daily Consumption Volume. The positive imbalance will be purchased by the Company at a price equal to the midpoint price of gas for the day using the Gas Daily index price (converted to Mcf) for gas delivered to Dominion Transmission, Inc.'s Appalachian South Point multiplied by 85%.~~

In the event Pool Operator fails to provide cumulative Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 75% of cumulative daily pool requirements over two or more consecutive months, the Company may, at its sole discretion in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Pool Operator upon five (5) days written notice to the Pool Operator and terminate the Agreement upon ten (10) days written notice to Pool Operator.

In the event the Pool Operator fails to provide Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 50% of daily pool requirements for five or more days in each of two consecutive month the Company may, at its sole discretion in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Pool Operator upon five (5) days written notice to the Pool Operator and terminate the Agreement upon ten (10) days written notice to Pool Operator.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 30

**RATE P-1**  
**PRIORITY ONE POOLING SERVICE**

**6. Reconciliation of Monthly Volumes**

The difference between aggregate monthly consumption volume and the sum of the aggregate daily consumption volume, as adjusted for any prior month billing corrections, shall be reconciled monthly. The difference shall be reconciled in the next calendar month following its determination (the "Adjustment Month") by adjusting the NGS's aggregate daily consumption volume on each day in the Adjustment Month by an amount equal to the difference divided by the number of days in the Adjustment Month or by other methods as made available by the Company, including, but not limited to, selling or purchasing additional supplies, transferring gas in storage, or pool-to-pool transfer.

7.

**RATE TABLE**

<b>Pooling Fee:</b>	<del>\$0.0436 pooling charge per 1,000 cubic feet (mcf) for each mcf delivered into a pool each month, net of retainage, subject to a minimum charge of \$400.00 per month, except that the pooling charge shall only be assessed to the pool which receives gas via a pool-to-pool transfer and shall not be assessed to the pool which supplies gas in a pool-to-pool transfer.</del>
<b>Pool-to-Pool Transfer Fee:</b>	<del>\$0.04 per 1,000 cubic feet (mcf) up to a maximum amount of \$100 per month charged to the pool which supplies volumes of gas to another pool that balances on a daily basis.—Pool-to-Pool transfers may be nominated at any time during the calendar month.</del>

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 31

RATE NP-1  
NON-PRIORITY ONE POOLING SERVICE

AVAILABILITY

Service under this rate schedule is available to any Non-Priority One Pool Operator who has entered into a Non-Priority One Pooling Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements.

RatepayerCustomers must assign their rights provided under the applicable transportation rate schedules to said Pool Operators.

Unless otherwise agreed to by the Company, an NGS that operates both a P1 and NP-1 pool must serve its P1 Customers from its P1 pool and serve its NP-1 Customers from its NP-1 pool. If the Non-Priority One Pool Operator supplies Priority One ratepayerCustomers with a total annual consumption greater than 30,000 mcf and does not operate a P1 pool, then the Non-Priority One Pool Operator shall establish a separate Priority One Pool for these ratepayerCustomers or eliminate sufficient Priority One ratepayerCustomers from the Non-Priority One Pool to reduce the total annual consumption by Priority One ratepayerCustomers to an amount less than 30,000 mcf.

RULES AND CONDITIONS1. Scheduling of Service

All transportation volumes received for Pool Operator's account at transportation receipt points shall be nominated in advance according to the procedures set forth below. Pool Operators may not nominate volumes in excess of the total maximum daily volumes of its ratepayerCustomers as determined by the Company or as set forth in a ratepayerCustomer's transportation contract with the Company, times the number of days in the month. The Company may issue Operational Flow Orders consistent with the terms of the Company's tariff.

2. Assignment of AVC Capacity

~~NGSs who take service under this rate schedule must take assignment of a pro-rata or otherwise agreed upon by the Company share of the pipeline and storage capacity held by the Company on the Allegheny Valley Connector ("AVC") pipeline system, an interstate pipeline system subject to the regulation of FERC, that would otherwise be utilized by the Company to meet the ratepayer's commodity service requirements. Assigned capacity shall be subject to recall to the extent that the NGS is unable to deliver necessary gas supplies, in which case the Company will provide for the delivery of necessary gas supplies under its supplier of last resort obligation. The capacity assignment requirements shall be subject to review in the Company's annual 1307(f) proceeding.~~

Consistent with FERC's rules and regulations for capacity releases under state retail choice programs, upstream pipeline firm transportation capacity held by the Company on the Allegheny Valley Connector ("AVC") pipeline system may be assigned to the NGS as agent for the ratepayerCustomers of the NGS's Non-Priority-One Pool. The assignment shall be structured as a zero cost release of capacity, provided, however, that the NGS should be responsible for paying all usage based pipeline charges. ~~Assigned capacity shall be subject to recall to at the Company's discretion. The term of the release may be on a seasonal basis commencing with the first month in which the NGS renders commodity service to the ratepayer to the earlier of the end of the seasonal period (winter releases shall terminate March 31 and summer releases shall terminate October 31) or the termination date of the Company's contract for service on the AVC system or the last month in which the NGS renders commodity service to the ratepayer on whose behalf the capacity has been assigned; provided however, the Company may in its discretion release such capacity on a monthly basis.~~

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 31A

RATE NP-1  
NON-PRIORITY ONE POOLING SERVICE

**3. Assignment of AVC Storage Capacity (Cont.)**

Upstream pipeline firm storage capacity held by the Company on the AVC pipeline system may be assigned to the NGS as agent for the ratepayers of the NGS's Non-Priority One Pool. With regard to capacity that represents storage service formerly provided under Rate ST and Rate ST-SW, the Company may release storage capacity on the AVC system at less than maximum rates. The release shall terminate at the end of the then-current storage season pursuant to the applicable rate schedule terms and conditions for service on the AVC system; provided however, the Company may at its discretion release such capacity on a monthly basis. Company's release of such capacity shall, in all respects, be in accordance with the FERC Gas Tariff governing service on the AVC system and the applicable rules and regulations of FERC regarding the release of capacity, including FERC's rules for capacity releases occurring as part of a state retail choice program.

The NGS must comply with all pipeline tariff requirements to become an eligible shipper on the AVC pipeline system. The NGS is responsible for paying the pipeline directly for capacity assigned under these provisions, which payments shall include all applicable surcharges for service on the AVC system. To the extent that the NGS's Customers are paying equivalent capacity charges in accordance with the Company's Retail Tariff, the Company will reimburse the NGS's for these pipeline capacity charges.

The capacity released under this section shall be recallable by the Company under the following conditions:

1. The ratepayer on whose behalf the supplies have been assigned is no longer served by the NGS; or
2. The NGS has failed to comply with terms and conditions set forth herein.

**4. Supply Option**

The Company may make available gas supplies to Non-Priority One pools upon request. Supplies sold under this section may be recalled by the Company upon 24-hour notice.

**5. Nomination Procedures**

Refer to Section 11 of the Rules and Regulations.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 32

PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 33

PAGE INTENTIONALLY LEFT BLANK

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 34**RATE ~~NP-1 NON-PRIORITY ONE~~  
NON-PRIORITY ONE POOLING SERVICE****6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes****AVAILABILITY**

The Company will make available for purchase by Non-Priority One pool volumes used by the Company to provide balancing services for Non-Priority One Customers.

The Company will purchase balancing volumes based on the Summer Period schedule set forth below. Such volumes shall be purchased by the Company at the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report*. The Company will sell balancing volumes on the Winter Period schedule set forth below. Such monthly volumes shall be sold to Non-Priority One pools at a price equal to the sum of:

1. Weighted average cost of balancing volumes purchased during the summer season;
2. The Company's carrying costs associated with balancing volumes purchased by the Company to be sold to Non-Priority One pools. The rate used to calculate the carrying costs shall be based on the Company's actual short-term debt cost rate ; and
3. Any applicable interstate pipeline volumetric charges and fuel associated with the delivery of any balancing volumes to the Company's system.

All of the revenues generated by the sale of balancing gas to the Non-Priority One pools shall be credited to ~~ratepayer~~Customers through the 1307(f) mechanism.

The amount of balancing volumes to be made available for purchase by each Non-Priority One pool will be determined based on the percentage of ~~projected balancing fee revenues annual volumes~~ served by each Non-Priority One pool to total ~~projected balancing fee revenues annual volumes~~ served by all Non-Priority One pools, based on February business of each year. The Company will inform each Non-Priority One pool of its allocation of balancing volumes available for purchase no later than nine business days before the end of March and each Non-Priority One pool must inform the Company of the amount of balancing volumes to be purchased, up to 100 percent of its allocated volumes, no later than six business days before the end of March. Any balancing volumes not accepted for purchase by a Non-Priority One pool shall be utilized by the Company and will not be made available to other Non-Priority One pools throughout the winter season. The amount of balancing volumes accepted by a Non-Priority One pool shall be final for the ensuing winter period and shall fix the volume of balancing to be purchased and which the Non-Priority One pool is obligated to utilize throughout the entire winter period.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 34A**6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes (cont.)****SUMMER PERIOD PURCHASE**

Balancing volumes will be purchased by the Company according to the following schedule, with daily purchase volumes in a given month determined by dividing the monthly amount by the number of days in the month:

April and October - 1/12<sup>th</sup> of allocated balancing volumes  
May – September - 1/6<sup>th</sup> of allocated balancing volumes

**WINTER PERIOD SALE**

Balancing volumes shall be sold by the Company according to the following schedule, with daily volumes in a given month determined by dividing the monthly amount by the number of days in the month:

November - 9 percent of allocated balancing volumes  
December - 17 percent of allocated balancing volumes  
January - 27 percent of allocated balancing volumes  
February - 27 percent of allocated balancing volumes  
March - 20 percent of allocated balancing volumes

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 35

RATE ~~NP-1 NON-PRIORITY ONE~~  
NON-PRIORITY ONE POOLING SERVICE

**6. Terms and Conditions for Non-Priority One Pool Access to Balancing Volumes (continued)**

**OTHER PROVISIONS**

Annual Level of Balancing Volumes to be Made Available for Purchase

On an ongoing annual basis, the Company shall review the total level of balancing volumes made available for sale to Non-Priority One pools and, based on changes in the total annual volumes served by all Non-Priority One pools, may revise from year to year the total level of available balancing volumes. Any proposed revisions to the total level of balancing volumes shall be reflected in the Company's annual 1307(f) filings and will be determined by multiplying a factor of 46.7% times forecasted January Non-Priority One transportation usage. The Company shall, for a period of three years, notify active Non-Priority One suppliers of any proposed revision to the total level of balancing volumes at the time of any annual 1307(f) filing containing such a revision.

Calendar Month Pool Supply

Balancing gas volumes purchased will be considered as part of the Monthly Available Volumes and will have the priority immediately following pay-back of prior month advanced and banked volumes.

All Supplier Tariff provisions shall apply to Non-Priority One pool access to balancing volumes unless otherwise modified herein.

**~~5. Monthly Balancing~~**

~~Until March 31, 2016, The Company shall provide a monthly balancing service to Non-Priority One Pools~~

~~Any difference between the customers' Aggregate Monthly Consumption Volume and the total Monthly Available Volumes shall be subject to monthly balancing.~~

~~Negative Monthly Imbalance — The negative imbalance volume will be sold by the Company at a price equal to the highest midpoint price published in Platts, Gas Daily publication, under Appalachia DTI Southpointe for the month multiplied by 115%.~~

~~Positive Monthly Imbalance — The positive imbalance volume will be purchased by the Company at a price equal to the lowest midpoint price published in Platts, Gas Daily publication, under Appalachia DTI Southpointe for the month multiplied by 85%.~~

**7. Daily Load Forecasting and Balancing**

~~Effective April 1, 2016, the Company shall provide daily load forecasting and balancing for Non-Priority One Pools~~

The Company will provide the Pool Operator with a daily projection of the amount of gas to be delivered to the Company to satisfy the estimated daily consumption of all the ~~ratepayer~~Customers in the pool (Aggregate Daily Consumption Volume) at least 7 days in advance of the start of the month. This projection will be based on estimated monthly usage divided by the number of days within the month. The Aggregate Daily Consumption Volume will remain the same throughout the month and any difference in actual monthly usage will be reflected in the calculation of the following month's Aggregate Daily Consumption Volume. The Company reserves the right to adjust the Aggregate Daily Consumption Volume due to weather or large known consumption variations.

ISSUED: January 28, 2019

EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 35A

**RATE ~~NP-1 NON-PRIORITY ONE~~**  
**NON-PRIORITY ONE POOLING SERVICE (cont.)**

**7. Daily Load Forecasting and Balancing (Cont.)**

Any difference between the Customers' Aggregate Daily Consumption Volume and the Daily Available Volumes, during periods in which no OFOs have been issued, shall be subject to the following balancing charges:

Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the shortfall occurs multiplied by 120%. Volumes sold by the Company are subject to applicable taxes.

Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the excess occurs multiplied by 85%

~~Negative Daily Imbalance - The negative imbalance volume will be sold by the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the shortfall occurs multiplied by 115%. Volumes sold by the Company are subject to applicable taxes~~

~~Positive Daily Imbalance - The positive imbalance volume will be purchased by the Company at Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the excess occurs multiplied by 85%.~~

In the event Pool Operator fails to provide cumulative Daily Available Volumes plus pool-to-pool transferred volumes equal to at least 75% of cumulative daily pool requirements over two or more consecutive months, the Company may, at its sole discretion, in accordance with reasonable and standard industry practice, terminate the Pooling Agreement.

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

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 35B**RATE ~~NP-1 NON-PRIORITY ONE~~  
NON-PRIORITY ONE POOLING SERVICE****8. Reconciliation of Local Gas Volumes**

~~Refer to Rule 11, part (c), for nomination and reconciliation details.~~

~~No later than five days prior to the end of each month, the Company will set a Gross Production Projection (GPP) nomination for the following month. The initial GPP nomination shall be based on recent available production data but may be subject to adjustment by the Company to reflect known and anticipated production changes provided by the Pool or Local Gas Aggregator and confirmed by the Company. The confirmed volumes will be used for reconciling local gas nominations and actual production. Confirmed GPP nominations will be credited to Pool Operator's account on the date specified in the Pool Operator's nomination. When actual local gas volumes delivered to the Company are known, any discrepancies between actual and nominated local gas volumes will be reconciled in the first full calendar month following the determination of actual local gas volumes (the "Adjustment Month") by adjusting the Pool Operator's monthly available volume.~~

~~The volumetric discrepancy between the actual produced local gas volumes and the nominated local gas volumes will be reconciled in the Adjustment Month by adjusting the Pool Operator's Monthly Available Volume in the Adjustment Month by an amount equal to the volumetric discrepancy.~~

~~Local gas volumes supplied from a Local Gas Aggregation Pool are not subject to this reconciliation.~~

**RATE TABLE**

~~**Pooling Fee** \$0.0436 pooling charge per 1,000 cubic feet (mcf) for each mcf delivered into a pool each month, net of retainage, subject to a minimum charge of \$800.00 per month. The pooling charge shall only be assessed to the pool which receives gas via a pool-to-pool transfer and shall not be assessed to the pool which supplies gas in a pool-to-pool transfer and/or an imbalance trade.~~

~~**Pool-to-Pool Transfer Fee:** \$0.04 per 1,000 cubic feet (mcf) up to a maximum amount of \$100 per month assessed to the pool which supplies volumes of gas to another pool balancing on the same basis, either daily or monthly. Pool-to-Pool Transfers occurring during a calendar month may be nominated at any time during the calendar month but no later than by 5:00 p.m. on the second business day of the following calendar month.~~

~~**Imbalance Trading Fee For Monthly Balanced Pools** \$0.04 per 1,000 cubic feet (mcf) up to a maximum of \$100 per month charged to the pool which supplies volumes of gas to another Non-Priority One pool or Priority One pool that balances on the same basis. These fees shall also apply to the pool that transfers storage inventory volumes to a Priority One pool after the end of the calendar month. Imbalance trades must be nominated by 5:00 p.m. on the fourth full business day after the Company provides actual consumption volumes to the Pool Operator.~~

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 36

RATE LGA  
LOCAL GAS AGGREGATION SERVICE

**AVAILABILITY**

Service under this rate schedule is available to any Aggregator who has entered into a Local Gas Aggregation Agreement with the Company and demonstrates to the Company's satisfaction that it has met the Company's creditworthiness standards and bonding requirements.

The locally produced gas nominated out of the Local Gas Aggregation Pool will be balanced monthly with actual production delivered into the Company's system.

**RULES AND CONDITIONS****1. Points of Receipt**

The points of receipt for local gas aggregation shall be those metering stations identified by the Aggregator in its Measurement Operating Agreement with the Company or any other designated point where gas is delivered into the Company's system. The Aggregator will pay for any investment costs required to receive gas into the Company's system at agreed-upon transportation gas receipt points. The Company will own and maintain each natural gas connection's tapping tee or pipe and valve.

**2. Nomination of Aggregated Production**

Refer to Rule 11 of the Rules and Regulations.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 37

**RATE LGA**  
**LOCAL GAS AGGREGATION SERVICE**

**3. Aggregation Balancing**

Volumes nominated into a Local Gas Aggregation Pool shall equal the volumes delivered out of the Local Gas Aggregation Pool. Aggregators will not be permitted to deliver more gas out of the pool than is nominated into the pool in any given month. If daily volumes nominated into a Local Gas Aggregation Pool are greater than the daily volumes delivered out of the Local Gas Aggregation Pool, those volumes shall be sold to the Company at the Midpoint price published in Platts, Gas Daily publication, under the heading Appalachia, Dominion, South Point on the day the excess occurs multiplied by 85%. a price using the first of the month IFERC DTI Appalachia Index multiplied by 85%.

**4. Procedures When a Local Gas Aggregator Exits the System**

Refer to Rule 11, part (c).

Balancing of local supplies for the exiting aggregator's final month of service shall be performed in accordance with the "Monthly Balancing" provisions under Rate NP-1. No imbalance price multipliers will be applied.

**Rate Table**

**Aggregation Fee:** \$0.0436 aggregation charge per 1,000 cubic feet (mcf) for each mcf delivered out of the Local Gas Aggregation Pool each month subject to a minimum charge of \$100 per month. The aggregation fee will not be applied to volumes supplied to a Non-Priority One, Priority One Pool, or Local Gas Aggregation Pool which will be subject to a pooling/aggregation fee. The aggregation fee shall not be applied to volumes delivered off system by Peoples. Gas volumes delivered off system by Peoples shall be subject to an off system transportation fee.

**Pool-to-Pool Transfer Fee** \$0.04 per 1,000 cubic feet (mcf) up to a maximum amount of \$100 per month charged to any Local Gas Aggregation pool which supplies volumes of gas to another Local Gas Aggregation pool.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 38**RATE SBS  
SUPPLIER BILLING SERVICE****AVAILABILITY**

Service under this rate schedule is available to the NGS which receives service under Rate P-1 or Rate NP-1 and elects to have the Company bill Customers for natural gas supplied by the NGS.

**RULES AND CONDITIONS****1. Limitations**

The Company shall provide service under this rate schedule provided that its billing systems have the capacity and capability to bill the rate plans offered by the NGS. The Company shall maintain a limited amount of billing system space and accordingly, shall offer only a limited number of price plans per NGS. The Company shall not be required to make programming changes to accommodate the NGS's rate structure.

**2. Notifications**

Prior to the NGS commencing marketing, the NGS shall provide a written copy of its rate structure to the Company. All rate information received by the Company shall be confidential.

The NGS shall be notified within ten (10) business days after the Company receives a written copy of the NGS's rate structure if such rate structure can (or cannot) be accommodated by the Company's billing system. The NGS shall not commence marketing until it receives a positive affirmation that its rate structure can be accommodated by the Company.

The NGS must provide fifteen (15) day's notice to the Company of any rate changes, which changes shall be subject to the Company's approval based on the Company's ability to accommodate such changes in its programming. Approved rate changes shall be effective on the ~~customer~~Customer's next billing date.

**3. Bill Content**

The bill sent to the ~~ratepayer~~Customer shall be provided under the following conditions:

- a. The NGS's name, phone number, business address and internet address shall appear on the bill so the NGS can answer any Customer questions regarding commodity charges.
- b. The billing envelope shall not provide space for inserts from the NGS. The bill shall not include messages from the NGS.
- c. The bill shall contain the NGS's Commodity charges. The Company shall not be required to bill any charges other than gas commodity charges.
- d. The Company will house, bill and display sales tax on the commodity and remit sales tax to the state. The NGS appoints the Company as its agent for the limited purpose of collecting and remitting the NGS's sales tax, and further agrees to indemnify and hold the Company harmless for any claims, suits and/or damages that arise due to the Company acting as the NGS's agent in collecting and remitting such taxes.
- e. The Company shall offer a separate billing option for residential Customers to equalize monthly payments.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019

**RATE SBS**  
**SUPPLIER BILLING SERVICE**

**4. Purchase of Receivables**

NGSs that receive service under this rate schedule may elect to have the Company purchase its accounts receivables. The NGS's option to participate or not participate in the Purchase of Receivables (POR) program is limited to once per year. If an existing NGS elects to participate in the POR program, the Company will not purchase accounts receivable balances that existed prior to the NGS's election to participate in the POR program.

**Purchase of Receivables Option**

The following operating rules will apply to any NGS electing to participate in the POR program:

1. The POR program is only available to NGSs that operate a P-1 or NP-1 pool. The Company shall purchase receivables for all Customers in a participating pool. All Customers served from a P-1 pool are eligible to have their receivables purchased by the Company. If a NP-1 pool opts to participate in the POR program, the Company shall purchase receivables for only residential and small business Customers (as defined in § 62.72 of the Commission's Regulations). NGSs serving NP-1 Customers and participating in the POR program must operate a separate NP-1 pool for residential and small business Customers (POR pool) and a separate NP-1 pool for all other Customers;
2. The NGS must include all of its accounts receivable related to commodity sales in its P-1 pool or its NP-1 POR pool. (Refer to Availability under Rate P-1 and Rate NP-1.)
3. Only receivables associated with basic gas supply will be eligible for purchase by the Company. Basic gas supply does not include a non-gas supply product, carbon-neutral products not tied to the actual provision of natural gas to Customers or security deposits assessed by a natural gas supplier. For residential accounts, basic gas supply shall also not include early contract cancellation fees or late fees;
4. In order to participate in the POR program, the NGS must use consolidated billing services under this rate schedule. Should the NGSs participating in the POR program, wish to offer products that are bundled with non-basic services, or where the Company's billing service cannot accommodate the NGS's charge for basic supply, the NGS may issue a separate bill for such service or product for that Customer. NGS separately billed items will not be included in the POR program;
5. The Company will purchase NGS receivables at a discount rate equal to the write-off factor used to derive the Merchant Function Charge. The discount rate for residential Customer receivables is ~~3.552~~4.9%. The discount rate for commercial and industrial Customer receivables is ~~0.2177~~%. The discount rate applicable to each POR pool (Pool Discount Rate) shall be established by the Company and shall be based on the weighted average of the class specific accounts receivables and the class specific discount rates stated above. The Company shall have the right to review and adjust the Pool Discount Rate on a monthly basis to reflect the actual mix of Customers served by the pool;
6. An administrative adder of ~~0.0213~~4.47% will also be applicable to purchased receivables. The administrative adder will be eliminated once actual costs of establishing the POR program are recovered;
7. The Company shall terminate for the full amount of purchased receivables and require full payment for reconnection in accordance with the service termination provisions of Chapter 14 of the PA Public Utility Code and Chapter 56 of the Commission's regulations;
8. The Company shall inform all eligible Customers by separate bill insert of the policy for termination of service and that service may be terminated for failure to pay NGS supply charges. Further, the enrollment letter sent to Customers selecting a NGS shall state that service may be terminated for failure to pay NGS supply charges;
9. The NGS must confirm to the Company that their Customer terms and conditions are appropriately revised to reflect their collection rights; and

PEOPLES NATURAL GAS COMPANY LLC

GAS—PA PUC NO. S-3  
ORIGINAL PAGE NO. 40

**RATE SBS**  
**SUPPLIER BILLING SERVICE**

**Purchase of Receivables (continued)**

10. The NGS will not deny service to residential Customers whose accounts are included in POR for credit-related reasons and will not ask residential Customers for deposits separate from any deposit required by the Company pursuant to Commission regulations.

**Non-Purchase of Receivables Option**

The Company will remit to the NGS on a monthly basis all amounts actually paid to the Company by the ratepayerCustomer relating to the charges billed to the ratepayerCustomer on behalf of the NGS, net of amounts due to the Company from the NGS. The amounts remitted to the NGS shall also conform to requirements on the Application of Partial Payments – Rule 5.

**5. Application of Partial Payments**

The Company will apply partial payments in accordance with Commission guidelines. The following order for the application of partial payments shall apply to all residential ratepayerCustomers and for other ratepayerCustomers whose gas supply contract does not specify the application of partial payments:

- a. Payment agreement for pre-existing balance;
- b. Current company charges;
- c. NGS charges;
- d. Non-basic service charges; and
- e. Hardship energy fund contribution

**RATE TABLE**

**Billing Fee:** \$0.15 billing charge per Customer per month.

To the extent the NGS has provided the eCompany with inaccurate or erroneous information which requires an adjustment to ratepayerCustomer's bills, the NGS agrees to pay the Company \$2.00 per bill for bill credits and \$4.00 per bill for any ratepayerCustomer's bill that must be canceled and rebilled. The Company may assess a nominal fee to a NGS for reproduction copies of any daily or monthly file previously provided by the Company.

ISSUED: January 28, 2019EFFECTIVE: March 29, 2019