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File #: 171313

October 7, 2019

***VIA ELECTRONIC FILING***

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

**Re: PA Public Utility Commission v. Peoples Natural Gas Company LLC**  
**Docket No. R-2018-3006818**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of Peoples Natural Gas Company LLC (“Peoples” or the “Company”) are Supplement No. 2 to Tariff Gas – PA PUC No. 47 (“Retail Tariff Supplement”) and Supplement No. 2 to Tariff Gas – PA PUC No. S-3 (“Supplier Tariff Supplement”). The Retail Tariff and Supplier Tariff Supplements are being filed in compliance with the Order of the Pennsylvania Public Utility Commission (“Commission”) entered in the above-referenced proceeding on October 3, 2019. The Retail Tariff Supplement and Supplier Tariff Supplement are being filed with an issue date of October 7, 2019 and an effective date of October 29, 2019. Peoples notes that Paragraph 5 of the October 3, 2019 Order authorizes the Company to file these tariff supplements on one day’s notice.

The base distribution rates included in the Retail Tariff Supplement are the same base distribution rates that were included in the pro forma retail tariff that was included with the Settlement. The proof of revenues supporting the Settlement rates that were approved by the Commission was included as Appendix D to the Settlement.

Peoples notes that it has made several changes to the Retail Tariff Supplement that was included with the Settlement to reflect changes authorized by the Commission’s October 3, 2019 Order, to update rates for certain riders and to make a correction to the footnote on page 57 of the Retail Tariff to more accurately reflect the retainage rates that were approved by the Commission in the Company’s most recent purchased gas cost (“PGC”) proceeding. These updates are discussed in more detail below. In addition, the Company has included red-lined versions of the Retail Tariff

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Supplement as compared to the pro-forma version that was filed with the Settlement. There are no changes to the Supplier Tariff that was included with the Settlement.

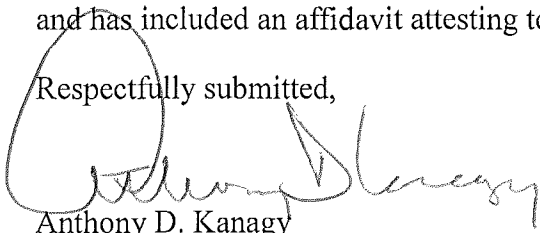
In the Commission's October 3, 2019 Order, it approved the Company's residential main line extension proposal. The Company did not include this proposal in the pro forma Retail Tariff filed with the Settlement because the proposal was contested. The Company has included language from its original filing implementing the main line extension proposal on First Revised Page No. 20, in compliance with the Commission's October 3, 2019 Order.

In addition, the Company has included several interim updates that were approved by the Commission after the Settlement was filed. These updates include the Rider Supplier Choice Rate. This rate was updated in the Company's October 1, 2019 1307(f) compliance filing for each Division, and these updated rates have been combined in the Retail Tariff Supplement. Rider Merchant Function Charge was updated to reflect the October 1, 2019 1307(f) compliance filing and further updates to reflect the rate case write-off factors. Rider Universal Service was updated to reflect the October 1, 2019 1307(f) compliance filing and further updated to reflect changes that were reflected in the rate case, including updating the bad debt offset percentage, the new CAP enrollment level of 32,300, increased Low Income Usage Reduction Program spend and an updated payment compliance percentage. Peoples has included workpapers showing the updated universal service calculation with this compliance filing.

Finally, the Company has also revised the footnote on page 57 of the Retail Tariff to more accurately reflect the retainage rates that were approved by the Commission in the Company's most recent PGC proceeding at Docket Nos. R-2019-3007612 and R-2019-3007617. The Company notes that it previously provided this revised language to all of the parties in this base rate proceeding, and all of the parties have indicated that they do not oppose this revision.

Copies of the Compliance Filing are being provided as indicated on the Certificate of Service. The Company is also posting the Retail Tariff and Supplier Tariff Supplements on its Web Page and has included an affidavit attesting to that fact.

Respectfully submitted,

  
Anthony D. Kanagy

ADK/jl  
Enclosures

cc: Honorable Joel H. Cheskis  
Certificate of Service

## CERTIFICATE OF SERVICE

**Docket No. R-2018-3006818**

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

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**VIA FIRST CLASS MAIL**

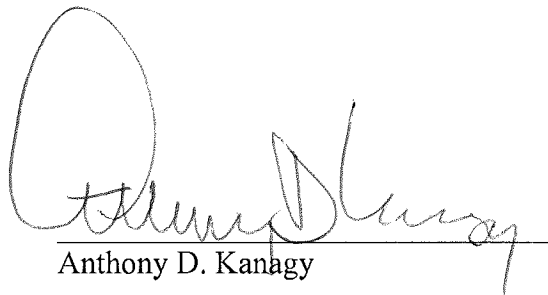
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Date: October 7, 2019



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