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September 22, 2020

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

**Re: Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063**  
**Peoples Natural Gas Company LLC**  
**Supplement No. 3 to Gas – PA PUC No. S-3**  
**Compliance Filing to Update POR Eligibility**

Dear Secretary Chiavetta:

Supplement No. 3 to Gas – PA PUC No. S-3 is being filed by Peoples Natural Gas Company LLC (“Peoples Natural”) in compliance with the Order entered January 24, 2020 in Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063. In that order the Commission approved the acquisition of the Peoples Companies by Aqua America Inc. One of provisions of the approved settlement in that proceeding was for the Peoples Companies to revise the purchase of receivables eligibility for small business customers from 300 Mcf annually to 1,000 Mcf annually. This tariff supplement is proposed to make that change in compliance with the order.

Copies of this filing have been served in accordance with the attached Certificate of Service. Thank you for your attention to this matter.

Respectfully submitted,

Carol Scanlon  
Enclosure

cc: Certificate of Service

**SUPPLEMENT NO. 3 TO  
Gas - PA PUC No. S-3**

**PEOPLES NATURAL GAS COMPANY LLC**

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

**ISSUED: September 22, 2020**

**EFFECTIVE: September 23, 2020**

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

**NOTICE**

Revision to Purchase of Receivables under Rate SBS in Compliance with the  
Commission Order entered January 24, 2020 in  
Docket Nos. A-2018-3006061, A-2018-3006062 and A-2018-3006063

**LIST OF CHANGES**

| <b>Page</b> | <b>Page Description</b> | <b>Revision Description</b>  |
|-------------|-------------------------|--|
| Cover Page  | Cover Page              | Company President updated.   |
| 2           | List of Changes         | List of Changes  |
| 39          | Rate SBS                | Revise terms of purchase of receivables to increase SGS customer eligibility from 300 Mcf annually to 1,000 Mcf annually, in accordance with the settlement in Docket Nos. A-2018-3006061, A-2018-3006062 and A-2108-3006063, approved by Commission Order entered January 24, 2020. |

**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 an NP-1 pool opts to participate in the POR program, the Company shall purchase receivables for only residential and small business Customers consuming less than 1,000 Mcf annually. NGSs serving NP-1 (C) 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 2.49%. The discount rate for commercial and industrial Customer receivables is 0.21%. 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% 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

## VERIFICATION

I, Carol Scanlon, hereby state that I am Manager, Rates and Regulation, of Peoples Natural Gas Company LLC; that I am authorized to and make this verification for it; that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that Peoples Natural Gas posted Supplement No. 3 to Gas-PA PUC No. S-3 on its Web Page in accordance with the Commission's Secretarial Letter of March 30, 1998. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: September 22, 2020

A handwritten signature in blue ink, appearing to read "Carol Scanlon", is written over a horizontal line.

(Signature)

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

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Date: September 22, 2020



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