

**BEFORE THE PENNSYLVANIA PUBLIC UTILITY  
COMMISSION**

**Peoples Natural Gas Company LLC**

**Docket No. R-2023-3044549**

**Volume 5**

**Exhibits 12 – 13**

INSERT TAB EXHIBIT 12

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

- 5. Submit a schedule showing the sources of gas supply associated with annualized MCF sales.

\* \* \* \* \*

The following schedule shows the sources of supply expected to be used to meet Peoples’ sales requirements during the twelve-month period ending September 30, 2024. Peoples’ expects a similar supply for the twelve-month period ending September 30, 2025:

Source (in MMcf)	TME 9/30/24
Local Pennsylvania Purchases	6,392
Interstate Purchases	52,252
Storage – On and Off-System	
Withdrawals	22,317
Injections	(22,181)
(Net) Storage	136
TOTAL	58,916

**Peoples Natural Gas Company LLC**  
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18. If the utility has a Fuel Adjustment Clause:
- a. State the base fuel cost per MCF chargeable against basic customers' rates during the test year. If there was any change in this basic fuel charge during the test year, give details and explanation thereof.
  - b. State the amount in which the fuel adjustment clause cost per MCF exceeds the fuel cost per MCF charged in base rates at the end of the test year.
  - c. If fuel cost deferment is used at the end of the test year, give
    - i. The amount of deferred fuel cost contained in the operating statement that was deferred from the 12-month operating period immediately preceding the test year.
    - ii. The amount of deferred fuel cost that was removed from the test period and deferred to the period immediately following the test year.
  - d. State the amount of Fuel Adjustment Clause revenues credited to the test year operating account.
  - e. State the amount of fuel cost charged to the operating expense account in the test year which is the basis of Fuel Adjustment Clause billings to customers in that year. Provide summary details of this charge.
  - f. From the recorded test year operating account, remove the Fuel Adjustment Clause Revenues. Also remove from the test year recorded operating account the excess of fuel cost over base rate fuel charges, which is the basis for the Fuel Adjustment charges. Explain any difference between FAC Revenues and excess fuel costs. [The above is intended to limit the operating account to existing customers' base rate revenues and expense deductions relative thereto].

\* \* \* \* \*

Peoples does not have a Fuel Adjustment Clause.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

23. Submit a schedule showing fuel cost in excess of base compared to fuel cost recovery for the period two months prior to test year and the test year.

\* \* \* \* \*

Peoples does not have fuel costs in excess of base.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

24. Supply a detailed analysis of Purchased Gas for the test year and the twelve month period prior to the test year.

\* \* \* \* \*

**Twelve Months Ended August 31, 2023**

Line No.	Acct No.	Description	Volumes (Mcf)	Costs (\$)
1	801	<b>Natural Gas Field Line Purchases</b> Natural Gas Field Line Purchases	6,196,567	\$ 20,932,868.30
2	803	<b>Natural Gas Transmission Line Purchases</b> Interstate Gas Costs - Commodity Purchases and Capacity	58,536,282	\$ 190,665,589.42
3		Storage - Demand	-	\$ 37,765,406.89
4		Storage - Usage	-	\$ 675,167.46
5		Interstate Gas Costs - Non Deferrable Off-System Sales	4,415,796	\$ 17,450,876.24
6	804	<b>Natural Gas City Gate Purchase - Buybacks</b>	1,174,765	\$ 4,289,586.96
7	805	<b>Other Gas Purchases</b>	85	\$ 2,453.95
	806	<b>Exchange Gas (Net)</b>		
8		Exchange Gas Misc	(83,939)	\$ 207,795.64
9		Exchange Gas Transporter Imbalance	(8,123)	\$ (220,003.55)
	808	<b>Storage Activity</b>		
10		Gas Withdrawn from Storage	22,105,589	\$ 130,819,953.33
11		Gas Delivered to Storage	(24,715,958)	\$ (80,615,004.68)
12	858	<b>Transmission/Compression Gas by Others</b>	-	\$ 100,568,186.92
13		<b>Total Gas Purchased Expense</b>	<u>67,621,064</u>	<u>\$ 422,542,876.88</u>

**Twelve Months Ended August 31, 2022**

Line No.	Acct No.	Description	Volumes (Mcf)	Costs (\$)
1	801	<b>Natural Gas Field Line Purchases</b> Natural Gas Field Line Purchases	6,837,279	\$ 35,849,239.30
2	803	<b>Natural Gas Transmission Line Purchases</b> Interstate Gas Costs - Commodity Purchases and Capacity	55,316,656	\$ 312,409,548.12
3		Storage - Demand	-	\$ 37,815,260.59
4		Storage - Usage	-	\$ 602,761.44
5		Interstate Gas Costs - Non Deferrable Off-Sys Sales	3,978,386	\$ 19,466,378.74
6	804	<b>Natural Gas City Gate Purchase - Buybacks</b>	1,593,681	\$ 8,663,807.33
7	805	<b>Other Gas Purchases</b>	-	\$ -
	806	<b>Exchange Gas (Net)</b>		
8		Exchange Gas Misc	39,756	\$ (116,991.95)
9		Exchange Gas Transporter Imbalance	(47,867)	\$ 5,991.99
	808	<b>Storage Activity</b>		
10		Gas Withdrawn from Storage	23,668,873	\$ 70,862,395.96
11		Gas Delivered to Storage	(22,666,157)	\$ (157,104,264.26)
12	858	<b>Transmission/Compression Gas by Others</b>	-	\$ 104,252,951.31
13		<b>Total Gas Purchased Expense</b>	<u>68,720,607</u>	<u>\$ 432,707,078.57</u>

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

26. Submit detailed calculations for bulk gas transmission service costs under supply and/or interconnection agreements.

\* \* \* \* \*

Peoples' has no bulk gas transmission agreements.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

30. Provide a schedule showing suppliers, MCF purchased, cost (small purchases from independent suppliers may be grouped); emergency purchases, listing same information; curtailments during the year; gas put into and taken out of storage; line loss, and any other gas input or output not in the ordinary course of business.

\* \* \* \* \*

Refer to Ex. 12, Sch. 4 - 53.53 III.E.24 and Ex. 12, Sch. 4 - 53.53 IV.B.14.



**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

36. State the amount of gas, in Mcf, obtained through various suppliers in past years.

\* \* \* \* \*

Refer to 53.53 III.E 24 and 53.53 IV.B.14.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

25. Submit calculations supporting energy cost per MCF and operating ratio used to determine increase in costs other than production to serve additional load.

\* \* \* \* \*

Refer to Exhibit No. 2, Schedule No. 4 (53.53 III.A.17) and Exhibit No. 12, Schedule No. 9 (53.53 III.E.31).

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

- 31. Provide a schedule showing the determination of the fuel costs included in the base cost of fuel.

\* \* \* \* \*

Purchased gas cost rates effective October 1, 2023, excluding the Gas Cost Adjustment (“GCA”) rate component, are used in determining pro forma revenues and pro forma purchased gas cost expense for the historic and future test years in this case. The GCA rate component is excluded because Peoples accelerated the refund of the over collections of gas cost commodity costs experienced during the 2022/2023 winter by decreasing the GCA charge to customers for the period of October 1, 2023 through December 31, 2023. This was approved by the Commission in Peoples 2023 -1307(f) annual gas cost proceeding at Docket No. R-2023-3037928.

Refer to pages 2 & 3 of this response for the calculations supporting the October 1, 2023 purchased gas cost rates.

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

Quarterly 1307(f)  
October 1, 2023

Line No.		Costs and Volumes	\$/Mcf Rates
1	DC = Projected Annual Capacity Costs (excluding AVC Capacity)	\$80,587,529	
2	MINUS: Projected Balancing Revenue Credits	<u>\$9,932,532</u>	
3	Projected Annual "Current" Period Capacity Costs (line 1 - line 2)	\$70,654,997	
4	S + SBAC = Projected Annual Sales and Standby Volumes - October 2023 through September 2024 (Mcf) (page 14)	<u>69,125,116</u>	
5	Projected "Current" Period Capacity Costs per Mcf (line 3 / line 4)		\$1.0221
6	Capacity Over/(Under) "E-Factor" Collection (page 5)	(\$550,964)	
7	S + SBAC = Projected Annual Sales and Standby Volumes - October 2023 through September 2024 (Mcf)(page 14)	<u>69,125,116</u>	
8	Capacity "E-Factor" Cost per Mcf (line 6 / line 7)		<u>(\$0.0080)</u>
9	Projected Total Capacity Cost of Gas per Mcf (line 5 - line 8)		<b>\$1.0301</b>
10	CC = Projected Commodity Costs (page 4)	\$171,481,172	
11	S = Projected Sales Volumes October 2023 through September 2024 (Mcf) (page 18)	<u>58,686,317</u>	
12	Projected Commodity Cost of Gas per Mcf (line 10 / line 11)		\$2.9220
13	MINUS: Current Commodity Over/(Under) Collection	\$0	
14	S = Projected Annual Sales Volumes (Mcf) (page 18)	<u>58,686,317</u>	
15	Current Commodity Over/(Under) Collection Commodity Cost of Gas per Mcf (line 13 / line 14)		<u>\$0.0000</u>
16	Projected Commodity Cost of Gas per Mcf (line 12 - line 15)		<b>\$2.9220</b>
17	Total Projected Cost of Gas per Mcf (line 9 + line 16)		<b>\$3.9521</b>
18	Total Prior Period Over/(Under) Collection Balance (page 5) 1/	<u>\$0</u>	
19	S = Projected Annual Sales Volumes (Mcf) (page 18)	<u>58,686,317</u>	
20	MINUS: E = Prior Period Over/(Under) Collection Rate per Mcf (line 18 / line 19)		<b>\$0.0000</b>
21	<b>Overall Gas Cost Rate per Mcf (line 17 - line 20 - line 21)</b>		<b>\$3.9521</b>

1/ Per the settlement in Docket No. R-2023-3037928, the GCA amount for the period October 2022 through September 2023 will be flowed back to ratepayers through an Accelerated Refund. The refund will be flowed back over the period October 2023 through December 2023. Note that the accelerated GCA refund is not included in the Price-to-Compare ("PTC"). See page xx for details.

Quarterly 1307(f)  
October 1, 2023

Peoples Natural Gas Company

**AVC Capacity Charge Rate Calculation for October 1, 2023**

	<u>Total</u>	<u>RS</u>	<u>RS Rate</u>	<u>SGS</u>	<u>SGS Rate</u>	<u>MGS</u>	<u>MGS Rate</u>	<u>LGS</u>	<u>LGS Rate</u>
Oct 23 - Sept 24 Projected AVC Capacity Costs	\$53,547,044	\$35,474,916		\$6,393,517		\$6,955,761		\$4,722,849	
Less: Competitive Contribution		\$0		\$593		\$25,184		\$424,508	
Subtotal	\$53,096,760	\$35,474,916	\$0.7003	\$6,392,924	\$0.6741	\$6,930,577	\$0.4478	\$4,298,341	\$0.2664
Over/(Under) Collection through September 2023	<u>(\$2,920,572)</u>	<u>(\$2,594,170)</u>	<u>\$0.0512</u>	<u>(\$408,520)</u>	<u>\$0.0431</u>	<u>(\$101,001)</u>	<u>\$0.0065</u>	<u>\$183,119</u>	<u>(\$0.0113)</u>
Net AVC to be Recovered	\$56,017,332	\$38,069,087		\$6,801,443		\$7,031,579		\$4,115,221	
Volumes to be Charged AVC Capacity Cost	91,751,343	<u>50,654,549</u>		<u>9,483,776</u>		<u>15,477,351</u>		<u>16,135,666</u>	
<b>Projected AVC Rate to be effective October 1, 2023</b>			<b>\$ 0.7515</b>		<b>\$ 0.7172</b>		<b>\$ 0.4543</b>		<b>\$ 0.2550</b>

**Peoples Natural Gas Company LLC**  
§ 53.53 IV.B.

11. Supply the net fuel clause adjustment by month for the test year.

\* \* \* \* \*

Peoples does not have a Fuel Adjustment Clause.

**Peoples Natural Gas Company LLC**  
§ 53.53 I.C

- 1. Provide, with respect to the scope of operations of the utility, a description of all property, including an explanation of the system’s operation, and all plans for any significant future expansion, modification, or other alteration of facilities.

This description should include, but not be limited to the following:

- a. If respondent has various gas service areas, indicate if they are integrated, such that the gas supply is available to all customers.
- b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company’s service area.
- c. Explain how respondent obtains its gas supply, as follows:
  - i. Explain how respondent stores or manufactures gas; if applicable.
  - ii. State whether the company has peak shaving facilities.
  - iii. Provide details of coal-gasification programs, if any.
  - iv. Describe the potential for emergency purchases of gas.
  - v. Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).
  - vi. Provide the amount of gas in MCF supplied from company-owned wells during the test year.
- d. Provide plans for future gas supply, as follows:
  - i. Supply details of anticipated gas supply from respondent’s near-term development of gas wells, if any.
  - ii. Provide gas supply agreements and well development ventures and identify the parties thereto.
- e. Indicate any anticipated curtailments and explain the reasons for the curtailments.
- f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility.

\* \* \* \* \*

- a. If respondent has various gas service areas, indicate if they are integrated, such that the gas supply is available to all customers.

The vast majority of Peoples facilities are integrated. There are several isolated service territories. Grove City (the largest), Greene County, and Claysburg require special gas supply arrangements but are all served using common contracted transportation capacity and storage.

- b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company's service area.

Refer to 53.53 III.E.39

- c. Explain how respondent obtains its gas supply, as follows:

- i. Explain how respondent stores or manufactures gas; if applicable.

Peoples does not manufacture gas. Peoples stores gas in five on-system storage pool in western Pennsylvania and through contracted storage services provided by Columbia Transmission, Eastern Gas Transmission & Storage, Equitrans and National Fuel Gas Supply. Generally, gas is purchased, delivered and injected into these underground storage reservoirs during the summer and withdrawn during the following winter to meet weather affected increases in customer demand.

- ii. State whether the company has peak shaving facilities.

Peoples storage facilities are generally operated in a manner which provides for gas to be withdrawn throughout the winter season. On days when demand levels are increased due to cold weather, the capability to withdraw gas for serving those increased demands is also increased. By this coincident occurrence, all on-system storage pools in the system provide a "peaking service".

- iii. Provide details of coal-gasification programs, if any.

Peoples has no coal-gasification programs.

- iv. Describe the potential for emergency purchases of gas.

Peoples does not anticipate any emergency purchases.

- v. Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).

Refer to the responses to 53.53.III.E.24 and 53.53.IV.B.14 for the quantities of gas, in Mcf, supplied by various suppliers.



Attachment A is a sample of a standard Base Contract for interstate gas purchases. The Base Contract provides the general terms and conditions for the purchase and sale of natural gas. The parties agree to abide by the terms of the Base Contract to enter into a transaction. Transaction confirmations, when executed, are similar in format to the confirmation in Exhibit A in the attachment. Generally, confirmations for one month or less are not memorialized. However, details of transactions are recorded telephonically or electronically in the event there is a need for dispute resolution. There are numerous transactions, samples of which can be made available upon request.

Attachment B is a sample of Peoples' Base Gas Purchase Contract (GPC) for local Pennsylvania purchases. Due to the large number of local gas purchase contracts, they have been excluded from this response. Copies of these contracts can be made available upon request.

- vi. Provide the amount of gas in MCF supplied from company-owned wells during the test year.

Peoples has no company-owned wells.

- d. Provide plans for future gas supply, as follows:

- i. Supply details of anticipated gas supply from respondent's near-term development of gas wells, if any.

Peoples has no plans to develop company-owned wells.

- ii. Provide gas supply agreements and well development ventures and identify the parties thereto.

Peoples has no well development ventures.

- e. Indicate any anticipated curtailments and explain the reasons for the curtailments.

Peoples does not anticipate any curtailments.

- f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility.

There are none.

# ATTACHMENT A

## Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: \_\_\_\_\_

The parties to this Base Contract are the following:

PARTY A PEOPLES NATURAL GAS COMPANY LLC	PARTY NAME	PARTY B
375 North Shore Drive, Suite 300 Pittsburgh PA 15212	<i>ADDRESS</i>	
<a href="http://www.peoples-gas.com">www.peoples-gas.com</a>	<i>BUSINESS WEBSITE</i>	
	<i>CONTRACT NUMBER</i>	
00-791-6208	<i>D-U-N-S® NUMBER</i>	
<input checked="" type="checkbox"/> US FEDERAL: <u>26-3349481</u> <input type="checkbox"/> OTHER: _____	<i>TAX ID NUMBERS</i>	<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER: _____
Pennsylvania	<i>JURISDICTION OF ORGANIZATION</i>	
<input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____	<i>COMPANY TYPE</i>	<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
	<i>GUARANTOR (IF APPLICABLE)</i>	
<b>CONTACT INFORMATION</b>		
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Gas Procurement</u> TEL#: <u>412-208-6591</u> FAX#: _____ TEL#: <u>412-208-6570</u> FAX#: _____ EMAIL: <u>joseph.e.schurer@peoples-gas.com</u> EMAIL: <u>donald.a.melzer@peoples-gas.com</u>	▪ <b>COMMERCIAL</b>	ATTN: _____ TEL#: _____            FAX#: _____ TEL#: _____            FAX#: _____
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Gas Procurement</u> TEL#: <u>412-208-6591</u> FAX#: _____ EMAIL: <u>joseph.e.schurer@peoples-gas.com</u>	▪ <b>SCHEDULING</b>	ATTN: _____ TEL#: _____            FAX#: _____ TEL#: _____            FAX#: _____
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Manager, Gas Supply</u> TEL#: <u>412-208-6525</u> FAX#: _____ EMAIL: <u>steven.p.kolich@peoples-gas.com</u>	▪ <b>CONTRACT AND LEGAL NOTICES</b>	ATTN: _____ TEL#: _____            FAX#: _____ EMAIL: _____
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Gas Procurement</u> TEL#: <u>412-208-6591</u> FAX#: _____ EMAIL: <u>joseph.e.schurer@peoples-gas.com</u>	▪ <b>CREDIT</b>	ATTN: _____ TEL#: _____            FAX#: _____ EMAIL: _____
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Gas Scheduling</u> TEL#: <u>412-208-6591</u> FAX#: _____ E-Fax: _____    E-fax #: _____ EMAIL: <u>joseph.e.schurer@peoples-gas.com</u>	▪ <b>TRANSACTION CONFIRMATIONS</b>	ATTN: _____ TEL#: _____            FAX#: _____ EMAIL: _____
<b>ACCOUNTING INFORMATION</b>		
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Mark Stewart</u> TEL#: <u>412-208-6633</u> FAX#: <u>412-208-6815</u> EMAIL: <u>mark.j.stewart@peoples-gas.com</u>	▪ <b>INVOICES</b> ▪ <b>PAYMENTS</b> ▪ <b>SETTLEMENTS</b>	ATTN: _____ TEL#: _____            FAX#: _____ EMAIL: _____
BANK: <u>JP Morgan Chase</u> ABA: <u>021000021</u> ACCT: <u>849096359</u> OTHER DETAILS: _____	<i>WIRE TRANSFER NUMBERS (IF APPLICABLE)</i>	BANK: _____ ABA: _____            ACCT: _____ OTHER DETAILS: _____
BANK: <u>JP Morgan Chase</u> ABA: <u>021000021</u> ACCT: <u>849096359</u> OTHER DETAILS: _____	<i>ACH NUMBERS (IF APPLICABLE)</i>	BANK: _____ ABA: _____            ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	<i>CHECKS (IF APPLICABLE)</i>	ATTN: _____ ADDRESS: _____

# Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

<b>Section 1.2</b> Transaction Procedure <input checked="" type="checkbox"/> Oral (default) OR <input type="checkbox"/> Written	<b>Section 10.2</b> Additional Events of Default <input type="checkbox"/> No Additional Events of Default (default) <input type="checkbox"/> Indebtedness Cross Default <input type="checkbox"/> Party A: _____ <input type="checkbox"/> Party B: _____ <input checked="" type="checkbox"/> Transactional Cross Default <u>Specified Transactions:</u> <u>"Any physical or financial commodity contract or transportation between the parties for any energy or energy related products."</u>
<b>Section 2.7</b> Confirm Deadline <input checked="" type="checkbox"/> 2 Business Days after receipt (default) OR <input type="checkbox"/> _____ Business Days after receipt	<b>Section 3.2</b> Performance Obligation <input checked="" type="checkbox"/> Cover Standard (default) OR <input type="checkbox"/> Spot Price Standard
<b>Section 2.8</b> Confirming Party <input type="checkbox"/> Seller (default) OR <input type="checkbox"/> Buyer <input checked="" type="checkbox"/> Peoples Natural Gas	
<b>Note: The following Spot Price Publication applies to both of the immediately preceding.</b> <b>Section 2.31</b> Spot Price Publication <input checked="" type="checkbox"/> Gas Daily Midpoint (default) OR <input type="checkbox"/> _____	
<b>Section 6</b> Taxes <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) OR <input type="checkbox"/> Seller Pays Before and At Delivery Point	<b>Section 10.3.1</b> Early Termination Damages <input checked="" type="checkbox"/> Early Termination Damages Apply (default) OR <input type="checkbox"/> Early Termination Damages Do Not Apply
<b>Section 7.2</b> Payment Date <input checked="" type="checkbox"/> <b>25<sup>th</sup> Day</b> of Month following Month of delivery (default) OR <input type="checkbox"/> Day of Month following Month of delivery	<b>Section 10.3.2</b> Other Agreement Setoffs <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) <input checked="" type="checkbox"/> Bilateral (default) <input type="checkbox"/> Triangular OR <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
<b>Section 7.2</b> Method of Payment <input checked="" type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check	<b>Section 15.5</b> Choice Of Law <hr style="border: 1px solid black;"/> <b style="text-align: center;">New York</b>
<b>Section 7.7</b> Netting <input checked="" type="checkbox"/> Netting applies (default) OR <input type="checkbox"/> Netting does not apply	<b>Section 15.10</b> Confidentiality <input checked="" type="checkbox"/> Confidentiality applies (default) OR <input type="checkbox"/> Confidentiality does not apply
<input checked="" type="checkbox"/> <b>Special Provisions</b> Number of sheets attached: <u>Three (3)</u> <input type="checkbox"/> <b>Addendum(s):</b> _____	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

<b>PEOPLES NATURAL GAS COMPANY LLC</b>	<i>PARTY NAME</i>	<b>[INSERT COUNTERPARTY LEGAL ENTITY NAME]</b>
By: _____	<i>SIGNATURE</i>	By: _____
_____	<i>PRINTED NAME</i>	[Insert Name]
_____	<i>TITLE</i>	[Insert Title]
_____	<i>DATE</i>	_____
<b>Approved by Legal:</b> _____	_____	_____

# General Terms and Conditions

## Base Contract for Sale and Purchase of Natural Gas

### SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

**The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.**

**Oral Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

**Written Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

### SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

- 2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.
- 2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.
- 2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.
- 2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

### SECTION 3. PERFORMANCE OBLIGATION

- 3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

**The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.**

**Cover Standard:**

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

**Spot Price Standard:**

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be

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

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

## SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

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

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

## SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

## SECTION 6. TAXES

**The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.**

### **Buyer Pays At and After Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

### **Seller Pays Before and At Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

## SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

## SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.



9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

## SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

**The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.**

**Early Termination Damages Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

**Early Termination Damages Do Not Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially

reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

**The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.**

**Other Agreement Setoffs Apply:**

**Bilateral Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

**Triangular Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

**Other Agreement Setoffs Do Not Apply:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

## SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

## SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

## SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

## SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

**DISCLAIMER:** The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

TRANSACTION CONFIRMATION  
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____, ____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
<b>SELLER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	<b>BUYER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$ _____/MMBtu or _____				
Delivery Period: Begin: _____, ____ End: _____, ____				
<b>Performance Obligation and Contract Quantity:</b> (Select One) <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top; padding: 5px;"> <b>Firm (Fixed Quantity):</b>                      _____ MMBtus/day  <input type="checkbox"/> EFP                 </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> <b>Firm (Variable Quantity):</b>                      _____ MMBtus/day Minimum                      _____ MMBtus/day Maximum                      subject to Section 4.2. at election of  <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller                 </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> <b>Interruptible:</b>                      Up to _____ MMBtus/day                 </td> </tr> </table>		<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day
<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day		
<b>Delivery Point(s):</b> _____ (If a pooling point is used, list a specific geographic and pipeline location):				
<b>Special Conditions:</b> _____ _____ _____				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			

**MASTER INTERCONNECT AND MEASUREMENT AGREEMENT**

**THIS MASTER INTERCONNECT AND MEASUREMENT AGREEMENT** is entered into this \_\_\_\_ day of \_\_\_\_\_ 2023, by and between **Peoples Natural Gas Company LLC**, a Pennsylvania limited liability company, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as “Peoples”), and **[PRODUCER]**, a \_\_\_\_\_ [state] \_\_\_\_\_ [type of company], with an office at [ADDRESS] (hereinafter referred to as “Producer”). As used in this Agreement, Peoples and Producer are also referred to individually as a "Party" and collectively as the "Parties.”

**WHEREAS**, Peoples owns and operates certain Gas facilities and pipelines located in the Commonwealth of Pennsylvania (the “Peoples’ System”);

**WHEREAS**, Producer has available certain supplies of Gas which it desires to have delivered onto Peoples’ System;

**WHEREAS**, this Agreement shall supersede, in its entirety, and terminate without cause, any previously executed Agreement(s) between the Parties for the transport and/or purchase of Gas for the Receipt Point(s) identified herein, including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions.

**NOW THEREFORE**, in consideration of the promises and covenants contained herein, Peoples and Producer hereby agree as follows:

**ARTICLE I**  
**PURPOSE AND PROCEDURES**

1.01 **Master Agreement**. This Master Agreement establishes the general terms and conditions under which Producer will deliver Gas onto Peoples’ System at specified Receipt Point(s) through Interconnection Facility(ies), and thereafter the Gas shall either be transported through Peoples’ System or sold directly to Peoples for whatever use deemed necessary and appropriate by Peoples.

1.02 **Exhibits**. The terms and conditions of each particular transaction whereby Producer will deliver Gas onto Peoples’ System at specified Receipt Point(s) shall be included in individual Exhibits (hereinafter “Exhibit” or “Exhibits”). Information contained in the Exhibits shall include, but not be limited to:

- (a) The designation for the transportation or sale of Gas for specific Receipt Point(s);
- (b) The meter number and location at the Receipt Point;
- (c) The time period (hereinafter “Service Term”) during which the Gas is to be sold to Peoples or delivered onto Peoples’ System;
- (d) Applicable prices, rates and associated fees; however, the Parties agree that the Construction and Installation Fees, and any other operation, installation, or maintenance

types fees addressed in the Master Agreement, shall not be included on the Exhibit and shall instead be identified in separate written format(s), such as an invoice;

1.03 **Appendices and Exhibits as Part of Agreement.** Appendices to the Master Agreement establish additional terms and conditions required as a part of the Master Agreement. The entire agreement between the Parties shall include those provisions contained in the Master Agreement, the Appendices, and any effective Exhibits. The Appendices and each duly executed Exhibit are hereby incorporated into and made a part of this Master Agreement. The provisions of each respective Exhibit shall apply only to the Producer Sales Volume(s) subject to such Exhibit; however, the provisions of this Master Agreement and Appendices shall apply to all volumes in all Exhibits.

## **ARTICLE II** **DEFINITIONS**

2.01 **Definitions.** For the purposes of this Master Agreement, the following terms, when capitalized herein, shall have the meanings set forth below:

- (a) "**Authorizations**" means any and all approvals, permits, licenses, franchises, or other authorizations required by any federal or state governmental authority which are necessary for the performance of a Party's obligations hereunder.
- (b) "**Btu**" means a British thermal unit.
- (c) "**Commission**" means the Pennsylvania Public Utility Commission that regulates the intrastate sales and transportation of Gas.
- (d) "**Construction and Installation Fee**" means the fees charged to Producer for the actual labor, tools, materials, equipment and overhead expenses for the development, design and construction activities relative to completing the New Facilities contemplated by this Master Agreement.
- (e) "**Contract Price**" means, in the instance in which Gas is sold to Peoples by Producer, the price paid for Gas delivered and taken as set forth in any then-effective Exhibit.
- (f) "**Day**" means a period of twenty-four (24) consecutive hours, coextensive with a "day" as defined by the North American Energy Standards Board ("NAESB").
- (g) "**Dekatherm**" means one million (1,000,000) Btus or one MMBtu.
- (h) "**Existing Facility(ies)**" means Producer owned, operated or managed equipment and facilities, including, but not limited to, any measurement equipment transferred from Peoples to Producer pursuant to this Agreement, installed upstream of the Interconnect prior to October 29, 2019 that involve, at a minimum: (i) measurement equipment of whatever type used to determine the Producer Sales Volumes; (ii) any gas quality device of whatever type used to determine the quality of the gas being delivered to Receipt Point(s); (iii) any over-pressure control system of whatever type being used to protect Peoples' System's maximum pressure limitations; and (iv) any and all other equipment and devices installed from Producer's pipeline riser coming out of the ground from Producer's pipeline system through the measurement equipment and to the Interconnect. This term includes all of the above Producer owned, operated or managed equipment and facility(ies) (i) sold or assigned to an affiliated or legally associated company of that producer; or (ii)



required to be moved to another Peoples' pipeline as a result of the abandonment of a Peoples pipeline pursuant to Sections 6.07, 10.17.

- (i) **"FERC"** means the Federal Energy Regulatory Commission or any successor federal agency that regulates, or has the authority to regulate, the transportation of Gas in interstate commerce by pipeline.
- (j) **"Gas"** means a mixture of hydrocarbon and non-hydrocarbon gases that satisfies the requirements of Article IX of this Master Agreement.
- (k) **"Gathering Rate"** means for any Gas delivered by Producer onto Peoples' System at a Receipt Point which is subject to this Master Agreement, Producer shall pay to Peoples a gathering fee as set forth in an Exhibit hereto.
- (l) **"Interconnect"** means the point of connection between the Producer's Existing Facility(ies) or New Facility(ies) and Peoples' System, comprised of the insulator, pipeline extension, riser, and the isolation valves installed downstream of the insulator, all owned by Peoples.
- (m) **"Interconnect Facility(ies)"** means the Producer-owned Existing Facility(ies) and New Facility(ies) connected to Peoples' System at the Interconnect in accordance with the Master Agreement as amended from time-to-time.
- (n) **"Mcf"** means one thousand (1,000) cubic feet of Gas.
- (o) **"MMBtu"** means one million (1,000,000) Btu's or one Dekatherm.
- (p) **"Modification to an Existing Facility"** means any non-emergency replacement, upgrade or downgrade on Existing Facility(ies).
- (q) **"New Facility(ies)"** means Producer owned, operated or managed equipment and facilities (i) installed upstream of the Interconnect after October 29, 2019 through which Producer will deliver Gas onto Peoples' System at specified Receipt Point(s) and (ii) approved, designed, constructed and operated as set forth in herein, including any Existing Facility(ies) sold or assigned to a non-affiliated party of Producer or a party with whom Peoples does not have a current master interconnection and measurement agreement with Peoples.
- (r) **"Peoples Approved Vendor"** means any vendor Peoples has approved to provide the services required by the Master Agreement to be performed on behalf of the Producer by an independent contractor to comply with the Master Agreement; a list of approved vendors is posted on Peoples website, which list may change from time-to-time.
- (s) **"PIOGA"** means the Pennsylvania Independent Oil & Gas Association, its successors and assigns.
- (t) **"Producer Sales Volume(s)"** means the volume(s) of Gas measured at and credited to the Producer's Receipt Point(s) for the Production Period as determined and reported to Peoples by the Producer Chart Process, or as measured in accordance with Section 10.11.

- (u) **“Production Period”** means a span of approximately thirty (30) days, which may or may not conform to the calendar month, during which time Producer’s Gas will be measured for delivery and purchase payment purposes. Production Periods shall be identified by the name of the month in which the period ends.
- (v) **“Production Statement”** means the statement generated each calendar month by Peoples that details the Production Period and, for each Receipt Point, Producer Sales Volume(s) in Mcfs and MMBtus.
- (w) **“Receipt Point(s)”** means the point(s) of receipt, or meter(s), of Producer’s supplied Gas as set forth in the Exhibit specific to said point of receipt.
- (x) **“Retainage Percentage”** means, for any Gas delivered by Producer onto Peoples' System at a Receipt Point which is subject to this Master Agreement, Peoples shall withhold a retainage percentage as set forth in an Exhibit hereto.

### ARTICLE III

#### **APPLICATION FOR NEW FACILITIES AND MODIFICATION TO EXISTING FACILITIES**

3.01 **Application/Notification.** Producer shall submit to Peoples in writing the application for connecting a New Facility, and a notification request for any Modification to an Existing Facility.

3.02 **Application to Connect New Facility.** Within the application for connection of a New Facility, the Producer shall provide accurate information to Peoples concerning the following: (i) the location of the proposed connection utilizing the latitude and longitude coordinates on a USGS map; (ii) well plats, if applicable; (iii) the proposed maximum allowable operating pressure of the Producer’s gathering line that will feed into the Receipt Point; (iv) the desired date for completion of the connection; (v) the Producer’s estimated maximum, minimum and average amount of Gas to be delivered through the connection on a daily basis; (vi) the source of Gas; (vii) the Producer’s estimated maximum, minimum and average receipt pressure through the connection; and (viii) any other information required by Peoples for the specific connection, including, but not limited to, Gas quality and odor intensity test results.

3.03 **Consideration of Application to Connect New Facility.** Peoples shall respond to the feasibility of Peoples’ System’s accepting delivery of Gas through the proposed New Facility connection and whether the application is approved, rejected or requires additional information or consideration. If the application is approved, Producer shall advance the application according to Article IV. If the application is rejected, Peoples shall explain the reason(s) for the rejection and may suggest alternatives that may, in Peoples’ commercially reasonable discretion, be acceptable to Peoples, and Producer shall respond to the alternatives. If the application is acceptable but requires additional information or consideration, Peoples shall specify the additional information that, in Peoples’ commercially reasonable discretion, may be required or the concerns requiring additional consideration for approval, and Producer shall provide the additional information or address the concerns requiring additional consideration. Thereafter Peoples shall approve the application if (1) its concerns have been satisfied and (2) no material changes in System conditions have occurred which would render the application no longer acceptable to Peoples.

3.04 **Modification to Existing Facilities.** Producer shall provide notice of Modification to an Existing Facility which shall include the current Peoples’ meter station name, PO # being utilized to identify the existing Interconnect, and the details of the Modification. Provided the Modification is in accordance with the conditions in this Agreement and such Modification does not cause operational, safety or service related concerns, as determined by Peoples using commercially reasonable discretion, Peoples shall approve the Modification by providing written notice to Producer.

**ARTICLE IV**  
**INTERCONNECT DESIGN, INSTALLATION, ACTIVATION AND MAINTENANCE**

4.01 **New Facility Design Specifications.** After approval of an application a for a New Facility connection, Producer shall submit to Peoples, for approval, the complete design, specifications and construction plans for the proposed New Facility. Producer agrees to make those changes to such design and construction plans as Peoples, in its commercially reasonable discretion, believes are necessary for the safe and reliable delivery of Gas into the Peoples' System. If the plans are approved, Peoples' response shall provide the Producer with the construction date when Peoples will endeavor to make the tap onto Peoples' System. If the plans require modification, Peoples shall specify the modifications that Peoples, in its commercially reasonable discretion, believes are necessary for the safe and reliable delivery of Gas into the Peoples' System. Producer shall resubmit the plans that address the modifications that Peoples requests and Peoples shall respond whether the resubmitted plans are approved or denied.

4.02 **Equipment Requirements for New Facility.**

- (a) The New Facility shall be comprised of equipment that includes: (i) Gas measurement equipment; (ii) two forms of overpressure protection; (iii) certain interconnect piping facilities including a check valve and an insulated/welded tie-in connection; and (iv) such other equipment as may be required by Peoples at the New Facility. Peoples shall specify the type of equipment to be provided by Producer and Producer shall not install any non-Peoples approved equipment at the New Facility. The minimum engineering and technical specifications for the New Facility are further detailed in Appendix A.
- (b) Unless waived in writing by Peoples, all costs associated with the New Facility shall be the Producer's responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee. If Producer does not remit payment for the Construction and Installation Fee within thirty (30) days after receiving Peoples' invoice for same, then Peoples may, at its sole option, shut-in the Interconnect until payment is made and may require all future payments for other operation, installation, or maintenance related work to be made in advance.

4.03 **New Facility Construction.** Scheduling of installation of the New Facility must be coordinated with Peoples. No New Facility construction shall commence until Producer has satisfied all of its prerequisite obligations under this Master Agreement and Peoples has notified Producer in writing that construction may commence. Producer and Peoples shall coordinate the construction of their respective facilities (New Facility and Interconnect).

4.04 **Activation of New Facility and Interconnect.** Producer shall notify Peoples in writing that Producer is ready to activate the New Facility and Interconnect. Activation of the New Facility and Interconnect shall be contingent upon readiness of Peoples, Peoples' acceptance of Gas analysis results as submitted by Producer, and completion of construction as specified and agreed upon by and between Peoples and Producer. Peoples shall have the right to conduct a separate Gas analysis for verification purposes. Peoples and Producer shall coordinate the installation, testing, and physical final tie-in to Peoples' System: Peoples shall perform the physical tie-in and Producer shall set the meter and commence the flow of Gas. Peoples shall develop all operations associated with purging the meter set and piping into service and, after physical tie-in, coordinate and oversee all such operations. After completion of all such operations, the New Facility and Interconnect shall be activated.

4.05 **Commencement of Operation of New Facility and Interconnect.** Producer shall notify Peoples, in writing, when the New Facility and Interconnect is complete, tested, and ready for operation.

Unless otherwise indicated, deliveries of Gas through the New Facility and Interconnect may commence as soon after activation as all Authorizations have been granted, the requisite documents have been submitted, and Producer has satisfied the terms and conditions of this Master Agreement.

4.06 **Debris and Obstructions.** At all times, Producer’s New Facilities and Existing Facilities shall be cleared of all debris and obstructions.

4.07 **Maintenance.** Producer is responsible for, and shall assume the initial costs of landscaping, sign posting, painting, and final, post-construction cleanup at and around the New Facility.

4.08 **Identification.** A meter set identification sign shall be posted at each New Facility, and if not already done so, at each Existing Facility location. The sign shall, at a minimum, list the name of the Producer and the telephone number (including area code) where the Producer, or its operator, can be reached at all times (i.e. emergency contact number). Producer shall be responsible to replace and/or update the notification information as it changes, from time-to-time.

4.09 **As-built Drawings.** If requested by Peoples, Producer shall develop an “as-built” location drawing of the New Facility. The “as-built” drawing shall include all equipment from the inlet side of the Gas measurement equipment to the tie-in with Peoples’ System. This detailed drawing shall include centerline measurements, valve, regulator, meter identification, pipe size(s) and type(s), and telemetering details. Producer shall provide a copy of this drawing (AutoCAD format) to Peoples, upon request. Upon request, Producer shall provide an “as-built” location drawing of any Existing Facility, when Peoples determines that such drawing is needed, in its commercially reasonable discretion, to rectify operational, safety or service related concerns.

4.10 **Telemetry.**

- (a) For a New Facility electronic Gas measurement and communications equipment installed as part of the New Facility shall include equipment for monitoring, recording, and transferring data deemed essential by Peoples. Producer shall acquire, install and pay the on-going operating expenses for the electronic Gas measurement and communications equipment to provide Peoples, at a minimum, real-time information related to pressure, temperature, Gas flow and Gas quality (i.e., chromatograph) provided however that for any Receipt Point with a daily volume below 1,000 mcf/day, Producer may request an exception to the telemetry requirement. Upon receiving such request, Peoples and Producer shall engage in a good faith discussion to determine if alternative(s) to telemetry equipment are available.
- (b) For an Existing Facility, electronic Gas measurement and communications equipment shall be required when Peoples provides at least sixty (60) days advance notice to Producer detailing required modifications to the existing telemetry equipment, if any, which are required, as determined by Peoples’ commercially reasonable discretion, to rectify operational, safety or service related concerns. In which case, the telemetry equipment shall be modified to include equipment for monitoring, recording, and transferring data deemed essential by Peoples. Producer shall acquire, install and pay the on-going operating expenses for the electronic Gas measurement and communications equipment to provide Peoples, at a minimum, real-time information related to pressure, temperature, Gas flow and Gas quality (examples of such equipment shall include, but not be limited to a chromatograph or in-line moisture analyzer).

**ARTICLE V**  
**FACILITIES OWNERSHIP**

5.01 **Peoples' Facilities.** Peoples shall own, and Peoples or its designee shall design, install, operate, and maintain, all facilities and equipment on the downstream side of the isolation valve which connects the Peoples' System to the Producer's New Facility or Existing Facility as more specifically described in the Appendices and on the Typical Gas Purchase Meter Set drawing, a copy of which is maintained on the Peoples' producer services section of its website.

5.02 **Producer's Facilities.** Producer shall own, and Producer or its designee shall design, install, operate, and maintain all facilities and equipment upstream of the Interconnect. The location and positioning of the New Facility or Existing Facility shall be in accord with Peoples' standard design specifications as more specifically described in the Appendices and on the Typical Gas Purchase Meter Set drawing, a copy of which is maintained on the Peoples' producer services section of its website.

## **ARTICLE VI** **INTERCONNECTION OPERATIONS**

6.01 **Gathering Obligations.** Peoples will receive Gas from Producer at the Receipt Point, provided that if any person or entity besides Producer is flowing Gas through the Interconnect, all such persons or entities utilizing the Interconnect have entered into valid agreements with Peoples. Peoples shall receive Gas from the Receipt Point and permit that Gas to flow against the existing pressure in Peoples' facilities. Peoples shall not be obligated to lower existing line pressure by compression or otherwise to accommodate receipts from the point of interconnection. As set forth elsewhere in this Agreement, it is expressly understood that Peoples may restrict the flow or discontinue the taking of Gas temporarily. Peoples shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide the services hereunder. Nothing in this Master Agreement or any applicable Exhibit shall limit Peoples' right to interrupt service or to take other action on a non-discriminatory basis as may be required to alleviate conditions which threaten the integrity of its system.

6.02 **Environmental Responsibility.** Each Party represents that no hazardous substance as that term is defined in the Federal Comprehensive Environmental Response Compensation Liability Act (CERCLA), petroleum or petroleum products, "asbestos material" as that term is defined in 40 CFR 61.41 (1987), polychlorinated biphenyls (PCBs), or "solid waste" as that term is defined in the Federal Resource Conservation Recovery Act (RCRA), will be leaked, spilled, deposited or otherwise released by either Party on the other Party's property. In the event that any of said above referenced materials are discovered on said property, each Party shall immediately notify the other Party of the discovery and existence of said materials. In the event of either Party's breach of the representations contained in this section, the full responsibility for the handling, remediation, treatment, storage or disposal of any such hazardous substance, petroleum or petroleum product, asbestos material, PCBs or solid waste discovered on said property, including the handling of such materials in compliance with all environmental laws including federal, state and local laws, rules and regulations, shall remain with such Party and such Party shall indemnify the other Party for any loss, injury, theft, damage to persons or property, or fines, penalties or compliance order issued by any governmental agency relating to pollution or protection of the environment including without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, waste petroleum, toxic substances and hazardous substances occurring on said property. This section shall survive the termination of this Master Agreement.

6.03 **Facility Improvements.** Peoples retains the unilateral right to change the operations of its System and/or upgrade its System; provided, however, that such changes must be consistent with good utility practices and not violate local, state or Federal requirements. Such operational changes may require the adjustment and/or addition of equipment to an Existing Facility or a New Facility by the Producer in order to maintain delivery of Gas volumes; the cost of such adjustment and/or addition of equipment to will be borne entirely by the Producer.

6.04 **Peoples Shut-in of Interconnect.** Peoples retains the unilateral right to immediately shut-in or cause Producer to shut-in any Interconnect that, in Peoples' sole judgment, using commercially reasonable discretion, threatens the integrity and safe operation of Peoples' System. Additionally, if Peoples is purchasing the Gas from a particular Receipt Point, upon thirty (30) days advance written notice, Peoples may shut-in or cause Producer to shut-in that Receipt Point for economic reasons.

6.05 **Producer Shut-in and Discontinuance.**

- (a) Producer shall not shut-in or discontinue delivery of Gas at any Receipt Point without first obtaining Peoples' consent, which consent will not be unreasonably withheld, but may be conditioned in the event the shut-in or discontinuance of the Gas delivery may, as determined by Peoples using commercially reasonable discretion, result in an operational, safety or service related concern on Peoples' System.
- (b) Producer shall provide thirty (30) days advance notice to Peoples of its intention to shut-in or discontinue delivery of Gas at any Receipt Point, after which notice the Parties shall engage in a good-faith discussion to determine if Peoples consent must be conditioned or withheld. If the shut-in or discontinuance is caused by an emergency event, Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event.
- (c) If a shut-in occurs, Peoples shall have the right to remove its facilities at the Interconnect Point and terminate the Exhibit governing that Receipt Point.

6.06 **Notice of Interruption of Gas Delivery at Receipt Point.**

- (a) Peoples shall be notified of any and all repairs, changes, or other actions that may result in any interruption or discontinuance of Gas delivery at a Receipt Point as set forth in this paragraph. Unless caused by an emergency event, Producer shall advise Peoples in writing at least five (5) business days before taking the Receipt Point out of service for repairs or for any other reason that is anticipated to last more than seven calendar (7) days. When an emergency event occurs at the Receipt Point Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event. After Producer has completed all repairs to the Receipt Point or is otherwise prepared to resume delivery of Gas at the Receipt Point, Producer shall immediately reconnect the Receipt Point to Peoples' System and resume service, subject to ten (10) days' advance notification to Peoples, provided that the notice may be less than ten (10) days, however, Peoples may require the full ten (10) days to arrange for the reinstated flow of Gas through the Receipt Point.

6.07 **System Abandonment.** In the event Peoples should ever abandon, retire or cease to operate, in whole or in part, facilities used to purchase and/or transport Gas on a system-wide basis, or throughout a geographic portion of its system, (as opposed to one-off facility abandonments that are addressed in subsection 10.17(c)), Peoples shall advise the Producer(s) of the abandonment, retirement or cessation of operation as soon as reasonably practicable. Peoples may, in its commercially reasonable discretion, either terminate this Master Agreement, or terminate an Exhibit specific to the Receipt Point(s) impacted, upon at least ninety (90) days' written notice to Producer. During such ninety (90) day period, Peoples and Producer shall continue to engage in good-faith discussions, if so requested by Producer, to reasonably assist Producer in locating alternative delivery points for the Gas flowing through the impacted Receipt Point(s).

**ARTICLE VII**  
**OPERATIONAL COSTS AND PAYMENTS TO BE BORNE BY PRODUCER**

7.01 **Gas Quality and Monitoring Costs.** Producer agrees to install, operate and keep in efficient operating condition, at Producer's own expense, the equipment necessary to insure that the gas delivered from each well hereunder meets the gas quality and other operational standards and requirements contained in this Master Agreement, Producer also agrees to install, own, operate and keep in efficient operating condition, equipment necessary, including, but not limited to, Type OSE Slam-Shut Valves if required by Peoples, to avoid excessive pressure in Peoples' and/or Producer's line. Producer shall be solely responsible for all costs and charges associated with monitoring, ensuring and maintaining the quality of Gas delivered into Peoples' System to meet the requirements in Article IX and all costs associated with quality remediation for Gas that does not meet those requirements. Peoples shall have access to Producer's Interconnect Facility and shall have the right, but not the obligation, to operate such Facility in the event Peoples determines, using commercially reasonable discretion, that its operation is required to prevent or alleviate operational, safety or service related concerns on Peoples' System; in such event, Peoples shall provide notice to the Producer of such operation as soon as practical and in-advance, when reasonable. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of Peoples' access or operation of the Facility.

7.02 **Producer Interconnect Facilities Costs.** Producer shall be solely responsible for all costs and charges associated with monitoring, ensuring and maintaining the safe and reliable operation of pipeline, measurement, compression, regulation, dehydration, and any other appurtenant equipment associated with the Interconnect Facilities, which are upstream of the Interconnect. Peoples reserves the right to refuse receipts and/or deliveries through the Interconnect if Peoples, in its sole judgment, using commercially reasonable discretion, deems the operation of these facilities to threaten the safety or reliability of the Peoples' System.

7.03 **Royalty Payments.** Producer shall be solely responsible for all royalty, overriding royalty, and working interest payments attributable to Gas delivered to Peoples under this Master Agreement. In no event shall Peoples be obligated to make any royalty, overriding royalty, or working interest payments for Gas purchased under this Master Agreement.

## **ARTICLE VIII** **ADDITIONAL WELLS**

8.01 **Completion of Wells.** No well shall be added to any existing Receipt Point(s) without first obtaining the prior written consent of Peoples. All requests for new well additions shall be accompanied by a well plat, completion report, estimated flow rate and Gas quality sample, at the meter, and/or at the new well location, to evaluate the feasibility if adding the Gas deliveries from the new well to the existing Receipt Point(s). Peoples reserves the right, at its sole discretion, to request other information to inform its evaluation concerning the new well.

8.02 **Introduction of Well Gas.** At the time of introduction of Producer's well Gas into Peoples' System, a Peoples' representative shall operate the valves at the meter. During this operation, Producer and Peoples shall provide experienced personnel at the meter site.

8.03 **Producer's Facilities.** Producer shall promptly furnish the pipe, and shall construct and place in operation a suitable gathering pipeline to connect those wells currently or subsequently included under this Master Agreement to Peoples' System at the Receipt Point(s). Producer's meter site shall be cleared of all debris and obstructions before it is connected at the Receipt Point(s). Producer shall install all drips complete with automatic shut off and other devices necessary to separate fluids from the Gas in

Producer's gathering pipelines. Producer shall operate such drips and other devices so that all Gas delivered under this Master Agreement will meet at all times Peoples' gas quality specifications set forth in Article IX or Peoples' transporter's gas quality specifications. Peoples shall have access to such drips and other devices at the meter site and shall have the right, but not the obligation, to operate such drips and other devices in the event Peoples determines, using commercially reasonable discretion, that its operation is required to prevent or alleviate an operational, safety or service related concerns on the Peoples system; in such event, Peoples shall provide notice to the Producer of such operation as soon as practical.

8.04 **New Well Costs.** Producer shall be solely responsible for all costs associated with drilling, operating, and connecting new wells including, but not be limited to, hook-up fees; usage fees; all costs associated with the construction of gathering lines, tie-in lines, drip lines, measurement, compression, regulation and connection facilities; and all costs attributable to rentals, except as otherwise provided in this Master Agreement.

8.05 **General.** The wells located upstream of Receipt Point(s) shall remain continuously connected to Producer's gathering lines for production deliveries, except to the extent that disconnection is required for well repairs. Producer's Gas which is governed by an Exhibit A for the purchase of Gas cannot be diverted to other buyers without the express written consent of the Peoples, which consent shall not be unreasonably withheld, but may be conditioned in the event the deviation of gas may, as determined by Peoples using commercially reasonable discretion, result in an operational, safety or service related concern on the Peoples system. Producer shall provide ninety (90) days advance notice to Peoples of its intention to divert gas from upstream wells to other buyers; after which notice the Parties shall engage in a good-faith discussion to determine if Peoples consent must be conditioned or withheld. Producer shall operate such wells in a reasonable and prudent manner at all times and shall keep such wells in good condition in order to ensure the gas delivered onto the Peoples system meets the requirements and standards set forth in this Agreement, including any Appendixes, Exhibits, Addendums, Schedules and Amendments.

8.06 **Timing of Well Repairs.** To the extent possible, Producer shall make all necessary well repairs between May 1 and October 31 of the calendar year.

8.07 **Notice of Well Repairs.** Unless caused by an emergency event Producer shall advise Peoples in writing at least five (5) business days before taking any well located upstream of Receipt Point(s) out of production for repairs which are anticipated to last for more than seven calendar (7) days. When an emergency event occurs which impacts the availability of the Receipt Point, Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event. After Producer has completed all repairs, Producer shall immediately reconnect the well and resume production, subject to authorization for turn-in by Peoples' field personnel.

## ARTICLE IX **PRESSURE, GAS QUALITY AND HEATING VALUE**

9.01 **Regulation.** Peoples may require regulation and shall require over-pressure protection at the Receipt Point(s) under this Master Agreement. Such regulation shall maintain delivery pressures suitable to pressures in Peoples' System. Peoples shall specify and/or approve the type of regulators to be used and shall specify pressure ranges, and operating settings. All costs associated with such equipment, including installation costs, shall be the Producer's responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee.



9.02 **Compression.** Producer shall not use any mechanical means or accessory equipment to pump or compress Gas to aid its delivery into Peoples' System without first obtaining and executing the Peoples' standard Compression Agreement.

9.03 **Pressure in Peoples' System.**

- (a) Peoples makes no representations concerning the pressure that will be maintained in its pipeline system from time-to-time, or any other factors, which may affect the quantity of Gas that Producer may be able to deliver to Peoples. Subject to Section 6.03 Peoples has the right to upgrade, when necessary, pipeline operating pressures with no obligation to Producer other than providing notification of such matters.
- (b) Although regulators are part of Producers' Interconnect Facilities and therefore owned by Producers, Peoples shall operate these regulators as provided by this Master Agreement. Accordingly, Peoples shall indemnify and hold harmless Producers for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the regulators when setting the maximum allowable pressure set points within the Interconnect Facilities. Peoples shall replace, fix and repair, at its cost, any portion of Producers' Interconnect Facilities that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating the regulators within the Facilities.

9.04 **Gas Quality.** All Gas delivered through an Interconnect into Peoples' System shall at all times meet or exceed the Gas quality specifications set forth in Appendix B hereto, as well as any quality and heat content requirements established by the operator of the downstream pipeline system(s) on which the Gas is ultimately transported.

9.05 **Siloxane.** All Gas delivered through an Interconnect into Peoples' System that includes Gas from landfill well(s) or gathering lines fed by landfill gas sources shall at all times meet, or exceed, the Gas quality siloxane specifications set forth in Appendix B hereto, as well as any siloxane specifications established by any operator of the downstream pipeline system(s) on which the Gas is ultimately transported. Before Peoples permits any flow of any amount of Gas into the Peoples' system, Producer shall provide Peoples with a certified siloxane analysis from a Peoples-approved agency denoting that the Gas proposed to be delivered into Peoples' System meets and/or exceeds those requirements. Peoples shall require monthly siloxane analysis tests performed by the Producer and timely submitted to Peoples. Peoples shall have the right to witness siloxane sampling and witness custody of that sample from source to destination. In the event Producer does not provide siloxane analysis, Peoples reserves the right to shut-in the Interconnect until said analysis is provided.

In the event Producer Gas quality, including, but limited to, siloxane causes damage to Peoples System, equipment, downstream pipeline, downstream equipment, downstream customer pipeline and/or downstream customer equipment, the Producer will be responsible for all costs to remedy the damage upon documentation proving Producer has caused the damage.

9.06 **Temperature.** Gas delivered through an Interconnect into Peoples' System shall not exceed 100° F. Gas having a temperature greater than 100° F may be delivered into Peoples' System only upon prior written approval by Peoples.

9.07 **Gas Taken and Co-mingled.** Peoples shall accept Gas taken and measured at the Receipt Point(s) in accordance with this Master Agreement. Such Gas shall be taken in its natural state, except as otherwise provided in this Master Agreement, subject to any modification thereof required by this Master

Agreement, at the pressure of the Gas flowing from Producer's pipelines into Peoples' System, against the varying pressures from time to time maintained therein.

**ARTICLE X**  
**MEASUREMENT**

10.01 **Measurement Equipment.**

- (a) Gas delivered to or received from Peoples' System through the Interconnect shall be measured at a site satisfactory to Peoples using measurement equipment designated by Peoples and owned by Producer. The requirements in this Section 10.01 shall not apply to any Existing Facility, unless the meter is nonfunctioning or inaccurate which requires Producer to immediately self-shut-in until the meter is replaced or Peoples provides at least sixty (60) days advance notice to Producer detailing modifications to the existing Interconnection Facilities which are required, in Peoples' commercially reasonable discretion, to rectify accuracy, operational, safety or service related concerns.
- (b) The measurement facilities will be required to use electronic gas measurement (EGM), and the Producer is required to forward monthly EGM item trail(s) and audit trail(s) to one of Peoples' approved integration companies (which list of approved companies shall be maintained on the Peoples website) by the 28<sup>th</sup> of the month. The integration company will forward corrected volume(s) to Peoples once a month for processing of credit/payment. Producer is required to use the same integration company for both volume collection and meter testing.
- (c) The measurement equipment for New Facilities shall be designed, installed, operated, maintained and owned by: (i.) Producer; or (ii.) Producer's designee as set forth in the Appendices. Producer is responsible for maintaining the accuracy of the measurement equipment and shall do so according to the Annual Measurement Equipment Testing requirement in Appendix B, Section 1.07. If Peoples determines, using commercially reasonable discretion, the measurement equipment is not accurate, Peoples may shut in the Interconnect until Producer corrects the deficiency. If repeated defects occur, Peoples reserves the right to shut in the Interconnect indefinitely. At any time after the termination of an Exhibit, Peoples shall have the right to remove its Interconnect facilities associated with the Receipt Point(s) identified in the terminated Exhibit. Producer shall be solely responsible for and shall bear the full costs of delivering Gas to the Receipt Point(s). Producer shall not modify the measurement equipment without the prior written consent of Peoples.

10.02 **Pipeline Safety.** Producer agrees to operate, maintain, test, and repair the meter set as a prudent operator in accordance with 49CFR DOT Part 192, PAPUC Chapter 59, and all other applicable state regulations and requirements, applicable industry codes and standards at Producer's expense.

10.03 **Check Measurement.** Producer may install, maintain and operate, at its sole cost and expense, check measuring equipment; provided, however, that such equipment shall be installed in a manner that will not interfere with the operation of the measuring equipment required by this Master Agreement.

10.04 **Orifice Meters.** Orifice meters installed in such measuring stations shall be constructed and operated in accordance with American National Standard Institute ("ANSI") standards, American Petroleum Institute ("API") 2530, American Gas Association ("AGA") AGA Report No. 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent modifications and amendments thereto.

10.05 **Positive Displacement Meters.** Positive Displacement Meters installed at the measurement site shall be constructed and operated in accordance with provisions of AGA Measurement Committee Report No. 6 (AGA Report No. 6) dated January 1971 and any subsequent amendment or revisions thereto.

10.06 **Turbine Meters.** Turbine Meters installed at the measurement site shall be constructed and operated in accordance with the provisions of AGA Measurement Committee Report No. 7 (AGA Report No. 7), First Revision, dated November 1984, and any subsequent modifications and amendments thereto.

10.07 **Ultrasonic Meters.** Ultrasonic Meters installed at the measurement site shall be constructed and operated in accordance with the provisions of AGA Measurement Committee Report No. 9 (AGA Report No. 9), dated June 1998 and any subsequent modifications and amendments thereto.

10.08 **Electronics.** When and where electronic equipment and flow computers are installed at the measurement site, the Gas may have its volume, mass and/or energy content determined and computed in accordance with the applicable industry standards including, but not limited to, API 21.1, AGA Report Nos. 3, 5, 6, and 7 and any subsequent modifications and amendments thereto.

10.09 **Testing and Calibration:**

- (a) Peoples shall have the right, at any time, to verify the accuracy of measurement equipment beyond the Producer Annual Measurement Equipment Testing requirements in Appendix B, Section 1.04, on all Receipt Points used in the measurement of Gas hereunder and shall do so at its expense. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the measurement equipment when verifying the accuracy of the measurement equipment. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facilities that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of verifying the accuracy of the measurement equipment within the Facilities. Producer may request a special test be performed as described in Section 10.10 below.
- (b) If during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate through each meter run in excess of two percent (2%) of the correct flow rate (whether positive or negative and using the correct flow rate as the percent error equation denominator), then any previous recording of such equipment shall be corrected to zero error in computing deliveries for any period during which the error existed (and which is either known definitely or agreed to by both Parties) and the total flow for the period predetermined in accordance with the provisions of Section 10.11 below. If the period of error cannot be determined or agreed upon between the Parties, such correction shall be made over a period extending over the last one-half (1/2) of the time elapsed since the date of the latest test, not exceeding a correction period of six (6) months.
- (c) If, during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate which does not exceed two percent (2%) of the adjusted flow rate (as described in part (b) of this Section), all prior recording shall be considered to be accurate for quantity determination purposes.
- (d) All equipment shall, in any case, be adjusted at the time of the test to record correctly.

10.10 **Special Test.** In the event Producer desires a special test (a test not scheduled by Peoples under the provisions of subsection 10.9(a) above) of any measuring equipment, seventy-two (72) hours advance notice in writing shall be given to Peoples, and both Parties shall cooperate to secure a prompt test of the accuracy of such equipment. If the measuring equipment tested is found to fall under the provisions of Paragraph 10.9(b) above or if an inspection of the primary measurement equipment indicates no problems, Peoples shall have the right to bill Producer for the cost of such special test including any labor, and other costs pertaining to such special test and Producer shall pay such costs.

10.11 **Measuring Adjustment.** If, for any reason, any measurement equipment is: (i) out of adjustment; (ii) out of service; or (iii) out of repair, and the total calculated hourly flow rate through each meter run is found to be in error by an amount of the magnitude described in subsection 10.9(b) above, the Producer Sales Volume(s) may be determined by Peoples in accordance with the first of the following methods which is, in Peoples' sole opinion, feasible:

- (a) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as described in subsection 10.9(a) above);
- (b) where parallel multiple meter runs exist, by calculation using the registration of such parallel meter runs; provided that they are measuring Gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering;
- (c) by correcting the error by re-reading of the official charts, or by straightforward application of a correction factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or
- (d) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Peoples will not be required to use check measurement, parallel measurement, re-read charts or estimates for more than three (3) consecutive billing periods. If Producer fails to fix the measurement equipment, Peoples may, at its discretion, upon advance notice, cause the shut in of the Interconnect. Failure to shut in will result in no credit for Gas delivered through a Receipt Points that is not recording for more than three (3) consecutive billing periods.

The estimated readings or deliveries so determined shall be used in determining the Producer Sales Volumes delivered for any known or agreed upon applicable period. In case the period is not known or agreed upon, such estimated deliveries shall be used in determining the quantities of Gas delivered hereunder during the latter half of the period from the date of the immediately preceding test to the date the measurement equipment has been adjusted to record accurately. The recordings of the measurement equipment during the first half of said period shall be considered accurate in computing Producer Sales Volumes.

10.12 **Measurement Corrections.** If an error is discovered in the Producer Sales Volumes, such error shall be adjusted within thirty (30) days of the determination thereof; provided, however, that any claim for adjustment shall be made within twenty-four (24) months of the Production Period in which the claimed error occurred. Such time limits shall not apply in the case of a deliberate act of omission or misrepresentation, or mutual mistake of fact.

10.13 **Termination.** If in Peoples' reasonable judgment, the Producer has tampered with the measurement equipment so as to misrepresent the actual volume of Gas delivered through the Receipt Point,

Peoples has the right to immediately shut-in the Interconnect Facility for an indefinite period of time. The Interconnect will remain shut-in until Peoples and Producer reach an agreement as to the most accurate Producer Sales Volumes during the period in question and the Producer provides restitution to the satisfaction of Peoples. If Peoples determines, using commercially reasonable discretion, that measurement equipment has been tampered with by Producer, Peoples reserves the right to remove its facilities at the Interconnect and, in its commercially reasonable discretion, terminate this Master Agreement and any other agreement(s) between Producer and Peoples, or any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Peoples Gas KY LLC, Peoples Gas WV LLC, and Delta Natural Gas Company, Inc.

10.14 **Data and Records Retention.** Peoples and Producer shall retain and preserve for a period of at least two (2) years all measurement data, original test data, charts, and other similar records, in such Party's possession and shall provide requested documentation to the other Party upon thirty (30) days' written notice.

10.15 **Volume and Quality Determination.** The measurement of the quantity and quality of all Gas received and delivered hereunder shall be conducted in accordance with the following:

- (a) Unit of Volume. The unit of volumetric measurement shall be a standard cubic foot of Gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees (60°) Fahrenheit (five hundred twenty degrees (520°) absolute) and without adjustments for water vapor. The unit of volume for measurement shall be one (1) cubic foot of Gas. To determine the Gross Heating Value of the unit of volume, such measured volumes will be converted to Mcf by multiplying by 1,000 and then, at the Company's discretion, multiplied by either (i) the Company's system average MMBtu/Mcf factor if the Receipt Point heat value has not been determined or (ii) the Receipt Point's Gross Heating Value per thousand cubic foot determined by a Gas sample analysis or Gas chromatograph to determine the MMBtus received, delivered and credited as the Producer Sales Volume at the Receipt Point hereunder. The Parties agree that nothing in this Master Agreement shall preclude either Party from proposing a modification to the unit of volume components defined herein in a future purchase Gas cost proceeding at the Commission.
- (b) Orifice Meter Volume Computations. Computations of Gas Volumes from measurement data shall be made in accordance with ANSI/API2530 (AGA Report No. 3), Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent amendments or revisions.
- (c) Positive Displacement Meter Volume Computation. Computation of Gas Volumes from data shall be in accordance with the AGA Measurement Committee Report No. 6 (AGA Report 6), dated January 1971, and any subsequent amendments or revisions.
- (d) Turbine Meter Volume Computations. Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 7 (AGA Report 7), First Revisions, dated November 1984, and any subsequent amendments or revisions.
- (e) Ultrasonic Meter Volume Computations. Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 9 (AGA Report 9), dated June 1998, and any subsequent amendments or revisions.

- (f) Electronic Devices and Flow Computers Volume Computations. Computation of Gas Volumes from data or devices shall be in accordance with API 21.1, AGA Measurement Committee Report Nos. 3, 5, 6, and 7 and any subsequent amendments or revisions.
- (g) Assumed Atmospheric Pressure. In connection with the use of any type of measuring device, an atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed, with no allowance for variation in atmospheric pressure. The flowing Gas temperature may be recorded at Peoples' discretion. In the absence of a flowing Gas temperature recorder, a temperature of sixty degrees (60°) Fahrenheit will be assumed.
- (h) Gross Heating Value. At least yearly, the Gross Heating Value of the Gas stream at each Receipt Point hereunder shall be determined by calculating the Gross Heating Value from an in-line chromatograph or a Gas analysis of a spot or continuous Gas sample except that for Receipt Point(s) with daily volumes below 1,000 mcf/day, the Gross Heating Value determination shall be required every five (5) years after the initial determination. The spot or continuous sample shall be taken at a suitable point to be representative of the Gas being analyzed.
- (i) Other Tests. Other tests to determine water content, sulfur, and other impurities in the Gas shall be conducted by Peoples as necessary and shall be conducted in accordance with standard industry testing procedures.
- (j) New Test Methods. If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement, such new method or technique may be substituted for the method set forth in this Article when such methods or techniques are in accordance with the currently accepted standards of the American Gas Association, if mutually agreed upon by the Parties.

10.16 **Right of Inspections.** Peoples shall have the right to inspect equipment installed on the Interconnect Facility, measurement charts and other measurement or testing data at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done by Producer, or its designee, unless agreed to otherwise by the Parties.

10.17 **Low Volumes for Receipt Points.**

- (a) In the event that Producer does not deliver to Peoples an average of three (3) Dekatherms of Gas per Day at each Receipt Point during any ninety (90) consecutive day period, then Peoples may permit the low volume delivery to continue or notify Producer of the low volume situation to initiate a discussion of the operational and commercial circumstances of the Receipt Point, including line pressures impacting the Receipt Point. The Parties shall engage in a good-faith discussion to determine if there is a mutually agreeable basis for the Receipt Point to remain on Peoples' System. If a resolution is not possible, the Receipt Point may be terminated, in which case Peoples may remove its Interconnect facilities, as they relate to such Receipt Point(s), by giving Producer notice in writing sixty (60) days prior to the effective date of termination.
- (b) In the event that the amount of Gas, or the quality of Gas, passing through any Receipt Point(s) is less than the measurement equipment minimum design requirements for accurate measurement, Peoples shall have the right to shut-in service from Producer until: (i) Producer has provided adequate supply to meet such design requirements and has proven to Peoples that such volumes exist; and/or (ii) the measurement equipment and Interconnect Facilities

have been redesigned and installed for the effective and efficient measurement of the revised volumes within the accuracy allowed and required by Peoples; and/or (iii) Producer has proposed, and Peoples has accepted in its sole discretion, an alternate method to accurately measure the volumes.

- (c) Peoples may in its sole discretion, for operational, safety or unaccounted for Gas mitigation reasons, abandon pipelines connected to any Receipt Point. Prior to the abandonment, Peoples shall provide sixty (60) days advance notice to the Producer of its intention to abandon the facilities and, during such sixty (60) day period, shall engage in a good-faith discussion with Producer to determine if there is a mutually agreeable arrangement by which the Receipt Point(s) impacted by the abandonment may remain on the system. If a resolution during said period is not possible, Peoples may proceed with the pipeline abandonment and Interconnect termination. The Producer in its sole discretion may reconnect to Peoples at the nearest pipeline not affected by the abandonment.

## **ARTICLE XI** **TERM**

11.01 **Term.** This Term of this Master Agreement shall become effective upon its execution by both Parties and shall continue in full force and effect for a period of five (5) years thereafter (“Master Agreement Term”), unless earlier terminated as provided herein. At the end of the Master Agreement Term, the Master Agreement shall automatically renew on a month-to-month basis until terminated by either party upon thirty (30) days’ prior written notice to the other party.

The term of service for each specific Receipt Point shall be as set forth in Exhibit A (the “Service Term”). To the extent that the Service Term for any specific Interconnection extends beyond the Master Agreement Term, then the Master Agreement shall remain in full force and effect for the specific Interconnection until the expiration or termination of the applicable Service Term.

The obligations of (i) Producer to indemnify Peoples and (ii) Peoples to indemnify Producer pursuant hereto shall survive the termination or cancellation of this Master Agreement and the Exhibits. Termination of this Master Agreement will result in the termination of all Exhibits and the disconnection of all Receipt Points governed by Exhibit A’s. Costs associated with disconnection will be the responsibility of the Producer.

Upon termination of this Master Agreement, Peoples shall have the right to remove all its facilities from the Interconnect of the Receipt Point(s) identified in the Exhibit As hereto.

## **ARTICLE XII** **BILLING AND PAYMENT**

12.01 **Quantities Deemed Conclusive.** The Production Statement of the Producer Sales Volume(s) shall be deemed conclusive unless Producer forwards an objection to Peoples in writing within sixty (60) days after the receipt of the Statement.

12.02 **Withholding Payments** In the event of any adverse claim to or against the proceeds of this Master Agreement or any Gas delivered under this Master Agreement, or any part thereof, or against the proceeds of any other Gas supply and/or delivery contract that Peoples, any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Peoples Gas KY LLC, Peoples Gas WV LLC, and Delta Natural Gas Company, Inc., has with Producer, is made by any person, Peoples may, upon written notice to Producer, refuse to receive Gas under this Master Agreement, as the

case may be, until the dispute is settled by agreement between Producer and such adverse claimant or by a final decree of a court of competent jurisdiction.

In the event the Producer fails to comply with any of the covenants or terms herein contained, Peoples may immediately withhold, without liability for interest, all payments due to Producer under the terms of this Master Agreement.

12.03 **Adjustments.** In the event that Peoples mistakenly overpays or underpays Producer for Gas purchased under this Master Agreement, and such overpayment or underpayment is the result of a mistake of law or fact, miscalculation, coercion, duress, fraud, governmental or regulatory constraint, then Producer or Peoples, as the case may be, shall promptly, upon demand by the other Party, make appropriate refund or adjustment in such overpayments or underpayments, without liability for the payment of any interest by either Party; provided, however, that the obligation of either Party to make restitution under this Master Agreement shall be limited to mistaken payments made within the period commencing four (4) years prior to the date on which demand for refund or adjustment is made. In the event of Producer's refusal or inability to refund any overpayments, Peoples may withhold payment for Gas purchased under this Master Agreement or any other contract between Peoples, any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Peoples Gas KY LLC, Peoples Gas WV LLC, and Delta Natural Gas Company, Inc., and Producer in an amount equivalent to the overpayment, without liability for the payment of any interest on the amount withheld. Nothing in this Master Agreement shall be construed as a waiver or relinquishment by Peoples or Producer of its rights to recover any such overpayments or underpayments.

12.04 **Late Payments.** Charges billed to Producer, for which payment has not been received by Peoples in full by the due date indicated on the invoice, will be assessed a late-payment charge of two percent (2%) per month on the unpaid balance. If Producer's failure to pay any undisputed amount continues for fifteen (15) days after the due date, then Peoples, in addition to any other remedy it may have, may (a) shut in the Receipt Point until Peoples has received payment in full; (b) deduct the unpaid amount from any payments accruing to Producer under any agreement between the Producer and Peoples; (c) take Gas in kind from Producer in satisfaction of obligations; or, (d) terminate the Exhibit associated with the Receipt Point and/or terminate the entire Master Agreement, upon ten (10) days written notice to Producer. Peoples reserves its rights to exercise any and all remedies at law appropriate to collect any amounts due hereunder, including interest, not timely paid by Producer.

### **ARTICLE XIII** **FAILURE TO PERFORM**

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

Producer shall reimburse Peoples for any damages caused by Producer failing to comply with any of the covenants contained in this Master Agreement, including payments made by Peoples to other affected



customers in settlement of claims arising out of such service if Producer was notified that Peoples was invoking indemnification under Section 13.03 and Producer was given the opportunity to defend against the claim prior to such settlement agreement. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, otherwise obtaining an adequate remedy is inconvenient and the liquidated damages constitute a reasonable approximation of the harm or loss.

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

13.02 **Damages.** IN NO EVENT WILL EITHER PARTY BE LIABLE OR RESPONSIBLE FOR, EITHER UNDER THIS ARTICLE XIII, UNDER ANY THEORY OF LIABILITY OR UNDER ANY OTHER TERM OR PROVISION OF THIS MASTER AGREEMENT, FOR ANY LOSS OF PROFITS, LOSS OF BUSINESS, INTERRUPTION OF BUSINESS OR FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13.03 **Indemnity.**

- (a) Producer agrees to indemnify, hold harmless and provide a defense for Peoples, its officers, directors, affiliates, agents, employees and contractors against any third party claims for any liability, loss or damage whatsoever (including, without limitation, claims for royalties, taxes, fees or other charges) occurring in connection with or relating in any way to: (i) breach of this Master Agreement by Producer; (ii) the negligence, willful misconduct or other tortious act(s) or omission(s) by Producer, its officers, directors, affiliates, agents, employees or contractors; (iii) the Gas prior to its delivery to Peoples at the Interconnect Facility; and/or (iv) the Gas to the extent the claim, liability, or damage arises as a result of the quality of the Gas delivered by Producer or other condition of the Gas. Such indemnification shall include, but not be limited to, all costs and reasonable attorneys' fees, whether or not such liability, loss or damage results from any demand, claim, action, or cause of action, by any person, association or entity, public or private, that is not a party to this Master Agreement.
- (b) Peoples agrees to indemnify, hold harmless and provide a defense for Producer, its officers, directors, affiliates, agents, employees and contractors against any third party claims for any liability, loss or damage whatsoever occurring in connection with or relating in any way to: (i) the negligence, willful misconduct or other tortious act(s) or omission(s) by Peoples' when accessing, operating, adjusting, changing, or repairing any Producer-owned facilities or equipment in accordance with Peoples' rights to do so granted by this Master Agreement and (ii) the negligence, willful misconduct or other tortious act(s) or omission(s) by Peoples' when accessing, operating, adjusting, changing, or repairing any of the Producer facilities not pursuant to Peoples' rights to do so granted by this Master Agreement. Such indemnification shall include, but not be limited to, all costs and reasonable attorneys' fees, whether or not such liability, loss or damage results from any demand, claim, action, or cause of action, by any person, association or entity, public or private, that is not a party to this Master Agreement.

13.04 **Shut-In Remedy.** In any instance set forth in this Master Agreement in which Peoples has the right to shut-in an Interconnect, Peoples shall further have the right to remove its facilities associated

with the Interconnect and terminate this Master Agreement if whatever action resulted in the shut-in has not been remedied in the amount of time set forth in this Master Agreement, or if no exact time is set, within a reasonable timeframe as determined by Peoples.

#### **ARTICLE XIV** **REGULATORY APPROVALS**

14.01 **Initial Regulatory Filing Requirements.** Both Peoples and Producer are responsible for identifying and obtaining any governmental and/or regulatory approvals that may be required for construction and operation of the facilities contemplated by this Master Agreement.

14.02 **Changes in Regulation Results in Material Adverse Effect.** If any other governmental agency, whether state or federal, takes any action or issues any determination that directly or indirectly results in a material adverse change to any provision of this Master Agreement, then the materially adversely affected Party (hereinafter "Affected Party") may either:

- (a) continue to fulfill its obligations under this Master Agreement as altered by the change in regulation; or
- (b) seek to renegotiate the affected terms of this Master Agreement by giving notice to the other Party within thirty (30) days of the material adverse change. If the Affected Party elects to renegotiate the terms of this Master Agreement, both Parties shall be obligated to renegotiate in good faith.

#### **ARTICLE XV** **GENERAL REPRESENTATIONS AND WARRANTIES**

15.01 **Producer's General Representations and Warranties.** Producer makes the following general representations and warranties:

- (a) Producer is duly organized, validly existing, and in good standing under the laws of the state in which it is organized and/or has full power and authority to execute and deliver this Master Agreement and to perform its obligations hereunder;
- (b) Producer holds all necessary corporate authorizations and by the execution and delivery of this Master Agreement will not violate its Articles of Incorporation, Limited Liability Company Agreement or other applicable governing agreement or any applicable laws or regulations;
- (c) There is no litigation, investigation, administrative proceeding or other action existing, pending, or threatened that would materially adversely affect the ability of Producer to fulfill its obligations under this Master Agreement;
- (d) Producer's signatories possess authority to execute this Master Agreement such that a legal, valid, and binding obligation enforceable against Producer is created; and
- (e) Producer shall be deemed to be in control and possession of the Gas hereunder until it shall have been delivered to Peoples at the Receipt Point. Producer assumes the full cost and expense, as well as full and complete liability and responsibility, for collecting, gathering, and transporting the Gas to the Receipt Point hereunder at the quality hereinafter specified.

15.02 **Peoples' General Representations and Warranties.** Peoples makes the following general representations and warranties:

- (a) Peoples is duly organized, validly existing, and in good standing under the laws of the state in which it is organized and/or has full power and authority to execute and deliver this Master and to perform its obligations hereunder;
- (b) Peoples holds all necessary corporate authorizations and by the execution and delivery of this Master Agreement will not violate its Articles of Incorporation, Limited Liability Company Agreement or other applicable governing agreement or any applicable laws or regulations;
- (c) There is no litigation, investigation, administrative proceeding or other action existing, pending, or threatened that would materially adversely affect the ability of Peoples to fulfill its obligations under this Master Agreement; and
- (d) Peoples' signatories possess authority to execute this Master Agreement such that a legal, valid, and binding obligation enforceable against Producer is created.

#### **ARTICLE XVI** **ASSIGNMENT**

16.01 **Assignment of this Master Agreement.** This Master Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective Parties hereto, and the covenants, conditions, rights and obligations of this Master Agreement shall run for the full term of this Master Agreement. No assignment of this Master Agreement, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any transfer and assumption, the transferor shall not be relieved of or discharged from any obligations hereunder.

Producer shall give prompt notice in writing to Peoples of any sale or assignment or other disposition of all or any part of its interest in the Interconnect Facilities hereinbefore described and covered by this Master Agreement and Exhibit(s). Producer shall furnish to Peoples copies of any relevant documents evidencing the transfer or assignment of said Producer's interest. Until said notice and relevant documents have been given and furnished to Peoples, Peoples, upon written notice to Producer, may shut-in the Interconnect hereunder, and/or escrow any payments required hereunder, without liability. In the event that Producer fails to promptly provide said notice and relevant documents, Peoples shall have the right to terminate this Master Agreement, and/or any Exhibits, upon fifteen (15) days' notice.

#### **ARTICLE XVII** **NOTICE**

17.01 **Notices.** Following execution and activation of this Master Agreement, all communications, invoices and payments ("Notices") required hereunder may be sent by a nationally recognized overnight courier service, hand delivered, by electronic mail, or by First Class U.S. mail; provided that for any Notices sent via electronic mail, a duplicate copy must also be sent via one of the other delivery methods described herein.

Peoples Natural Gas Company LLC  
375 North Shore Drive  
Pittsburgh, PA 15212  
Attention: Director Gas Supply  
Phone: 412-208-6525  
Email: steven.p.kolich@peoples-  
gas.com

Producer: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

With a copy to:  
Peoples  
375 North Shore Drive  
Pittsburgh, PA 15212  
Attention: Senior Counsel  
Email: jennifer.petrisek@peoples-  
gas.com

17.02 **Receipt of Communications.** Any notice required or permitted under this Master Agreement shall be in writing. Notice shall be deemed to have been received: (i) when sent by overnight mail or courier, on the next business day after it was sent or such earlier time as is confirmed by the receiving Party; (ii) when delivered by hand, at the time it is delivered to an officer or to a responsible employee of the receiving Party; and (iii) when delivered via First Class U.S. Mail, two (2) business days after mailing. Either Party may change its address or telephone number at any time by promptly giving notice of such change to the other Party. Either Party may modify any notice information specified above by written notice to the other Party.

**ARTICLE XVIII**  
**MISCELLANEOUS**

18.01 **Choice of Law.** This Master Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the State’s conflict of laws principles. This Master Agreement shall be deemed to have been executed in Pennsylvania.

18.02 **Construction of this Master Agreement.** No presumption shall operate in favor of or against either Party as a result of any responsibility either Party may have had for drafting this Master Agreement.

18.03 **Execution.** This Master Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. As used herein, the singular of any term shall include the plural.

18.04 **Captions.** The article and section captions of this Master Agreement are for purposes of reference only and shall not affect the meaning of any provision of this Master Agreement.

18.05 **Amendments.** This Master Agreement may only be amended or modified by written instrument signed by the duly authorized representatives of Producer and Peoples.

18.06 **Severability.** If any provision of this Master Agreement is held by any court of competent jurisdiction to be illegal, invalid, unenforceable, or in conflict with any law of the Commonwealth of Pennsylvania, the validity of the remaining provisions of this Master Agreement shall not be affected, and the rights and obligations of the Parties shall continue in full force and effect to the full extent permitted by law. If any provision of this Master Agreement is held invalid, illegal, unenforceable or in conflict with any

Pennsylvania law, the Parties shall meet promptly and negotiate in good faith a replacement provision to effectuate the intent of the Parties.

18.07 **Confidentiality.** This Master Agreement and all notices, statements, correspondence, and other communications or documents relating to the negotiation and administration of this Master Agreement are non-public, confidential, and proprietary (“Proprietary Information”). Each Party shall keep such Proprietary Information strictly confidential for a period ending two (2) years after the expiration or termination of this Master Agreement, except as may be required to comply with any statute or order of a court or government agency having subject matter jurisdiction, the Parties shall not disclose, reveal or divulge any Proprietary Information to any person or entity without the prior written consent of the other Party.

18.08 **Audits.**

- (a) **Accounting Audits:** Peoples shall have the right to audit Producer’s accounting records and other documents relating to materials delivered by or on behalf of Producer for Peoples’ account for any calendar year within the twenty-four (24) month period following the end of such calendar year. This provision shall continue in full force and effect for a period of twenty-four (24) months from the effective date of termination of this Master Agreement.
- (b) **Field Audits:** Producer gives Peoples permission to periodically come onto Producer’s property in order to audit the Interconnect Facility to determine if it is in compliance under the terms of this Master Agreement. Permission for ingress/egress includes personnel, vehicles, and other equipment deemed necessary by Peoples. Peoples shall have permission to perform all operating and maintenance functions associated with verifying the integrity and functionality of equipment, piping, and appurtenances. If, in Peoples’ judgment, modifications are necessary in order to assure proper operation of the equipment, Peoples shall notify Producer and describe the modifications and shut in the Interconnect. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities resulting from Peoples’ or its designee’s intentional or negligent actions during a field audit. Peoples shall replace, fix or repair, at its cost, any portion of Producer’s Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating or attempting to maintain the Producer’s Interconnect Facility.

18.09 **Waiver.** Any waiver by either Party of performance due by the other Party under the terms of this Master Agreement shall not operate as a waiver of any or all of such Party’s rights with respect to all prior or subsequent obligations of the other Party.

18.10 **Incorporation of Appendices.** Each Appendix hereto is made subject to the terms and conditions hereof, and is fully incorporated into this Master Agreement by reference.

18.11 **Entire Agreement.** The entire agreement between the Parties shall include those provisions contained in this Master Agreement, which includes the Appendices and any effective Exhibit. In the event of a conflict between the terms of any Appendix and the terms of this Master Agreement, the terms of the Master Agreement shall govern. In the event of a conflict between the terms of any Exhibit and the terms of this Master Agreement, which includes the Appendices, the terms of the Exhibit shall govern.

18.12 **Force Majeure** In the event either party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Master Agreement, other than demand payments of amounts due hereunder, then the obligations of such party, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused. However, the party claiming the existence

of force majeure shall use all reasonable efforts to remedy any situation, which may interfere with the performance of its obligations hereunder. The term "Force Majeure" as used herein, and as applied to either party hereto, shall mean acts of the law, acts of God, strikes, lockouts, or other labor disturbances, acts of the public enemy, war, blockades, insurrections, riots, epidemics, fires, floods, washouts, arrests, and restraint of rulers and people, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, partial or entire failure of such wells, or any other cause, whether of the kind herein enumerated, or otherwise, not reasonably within the control of the party claiming suspension. It is understood that settlement of strikes, lockouts, or labor disturbances shall be entirely within the discretion of the party having the difficulty and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or labor disturbances by acceding to the demands of the opposing party when such course is inadvisable in the discretion or judgment of the party having the difficulty.

This Master Agreement, as amended from time to time, constitutes the entire agreement between the Parties for the transportation and/or purchase and sale of Gas and supersedes all previous offers, negotiations, understandings and agreements between the Parties with respect to the transportation and/or purchase and sale of Gas. There are no agreements, modifications, conditions or understandings, written or oral, expressed or implied, pertaining to the transportation and/or purchase and sale of Gas which are not contained in this Master Agreement.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS**

IN WITNESS WHEREOF, Peoples and Producer have duly executed this Master Agreement to be effective as of the day and year first written above.

**PEOPLES NATURAL GAS COMPANY LLC**

**[PRODUCER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX A TO MASTER AGREEMENT  
MINIMUM ENGINEERING & TECHNICAL SPECIFICATIONS**

**SECTION I  
DESIGN OF INTERCONNECT FACILITIES**

1.01 **General.** Producer shall be responsible for all aspects of the design and construction of a New Facility, subject to the terms and conditions of the Master Agreement, unless specifically noted otherwise by Peoples. Producer shall be responsible for maintaining any Existing Facility and New Facility to the specifications set forth in the Master Agreement, including all Appendices and Exhibits. Peoples reserves the right to inspect an Existing Facility and a New Facility to ensure it complies with the specifications and is operable; in the event said facility does not meet with the specifications or is inoperable, the Interconnect may be shut-in until the Producer remedies the deficiency(ies).

1.02 **Materials.** All material and equipment furnished for a New Facility shall be new and shall satisfy: (i) the generally accepted industry standards; and (ii) the specifications set forth in this Appendix.

1.03 **Site/Land Acquisition**

- (a) Producer shall provide Peoples with the necessary rights-of-way, permits, and related surface rights including the rights of ingress, egress and regress necessary for Peoples to access the location of the New Facility. Producer shall also provide, if required, a right of way necessary for the tie-in of proposed New Facility to Peoples' System that is free of all costs and from all claims and liabilities for damages arising out of installation or the construction of the New Facility. To the extent that Producer has not previously provided Peoples with the necessary rights-of-way, permits, and related surface rights including the rights of ingress, egress and regress necessary for Peoples to access the location of an Existing Facility, and Peoples is hindered from accessing the location, Peoples shall have right to shut in the Interconnection, remove its facilities associated with the Interconnect and terminate the portion of the Exhibit applicable to the Interconnection.
- (b) Producer and Peoples must agree beforehand to the location of the New Facility as well as the final tie-in location.
- (c) Producer shall satisfy itself as to the character and types of surface and subsurface materials to be encountered in construction of the New Facility.
- (d) Producer's right-of-way shall be cleared of all debris and obstructions before the New Facility is tied into Peoples' System. For Existing and New Facilities, Producer's right-of-way shall be maintained such that regular access to the Interconnection may be obtained.
- (e) A New Facility shall be readily accessible, located in an area that is not susceptible to vehicular or other damage but as near as practical to the final tie-in point. Peoples reserves the right to require that a New Facility be enclosed within a locked fence or building. In the event of safety or operational concerns, Peoples reserves the right to require that an Existing Facility be enclosed within a locked fence or building.
- (f) The meter set shall be readily accessible, located in an area that is not susceptible to vehicular or other damage but as near as practical to the final tie-in point



- (g) All costs associated with Producer’s obligations under this section shall be the Producer’s responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee.
- (h) To the extent that Peoples is at any time required to pay for such rights-of-way or such costs or claims or liabilities, then such amounts and related expenses shall be incorporated within the Initial Construction and Installation payment made under this Master Agreement.

**1.04 Responsibility for Interconnect Facility Equipment.** The following table establishes the design, construction, operation, maintenance and cost responsibility for certain aspects of the Interconnect Facilities. All of the following design specifications designated as the Producer’s responsibility shall be incorporated into the design and construction of the Receipt Point at Producer’s sole cost unless waived by Peoples. Excluding Measurement Equipment, for which requirements are set forth in Section 10.01 of the Master Agreement, and Pressure/Flow Control Equipment, for which requirements are set forth in Section 4.01 of the Master Agreement, the Parties specifically agree that the design specifications identified in this Section 1.04 shall not apply to any Existing Facility(ies), unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the existing Receipt Point(s).

RECEIPT POINT SPECIFICATIONS							
STATION EQUIPMENT	REQ-UIRED	DESIGN	INSTALL	OWNER-SHIP	OPERATE	MAINTAIN	SPECIAL PROVISIONS/ EQUIPMENT SPECS.
<b>PIPING</b>							
Pipeline-Tap & Valve	Yes	PG	PG	PG	PG	PG	
Inlet & Station Piping	Yes	S/T	S/T	S/T	S/T	S/T	Demarcation PT – TBD
Outlet & Station Piping	Yes	S/T	S/T	S/T	S/T	S/T	Demarcation PT - TBD
<b>GAS CONDITIONING</b>							
Filter Separator	TBD	S/T	S/T	S/T	S/T	S/T	
Liquid Level Shutoff	Yes	S/T	S/T	S/T	S/T	S/T	
<b>MEASUREMENT</b>							
Meter & Meter Runs	Yes	S/T	S/T	S/T	S/T	S/T	
Meter & Flow Control Risers, Valves, etc.	Yes	S/T	S/T	S/T	S/T	S/T	
Electronic Measurement	Yes	S/T	S/T	S/T	S/T	S/T	
<b>GAS QUALITY</b>							
Chromatograph	TBD	TBD	TBD	TBD	TBD	TBD	
Continuous Sampler	TBD	TBD	TBD	TBD	TBD	TBD	
H2O Dew Point Analyzer	TBD	S/T	S/T	S/T	S/T	S/T	
<b>PRESSURE / FLOW CONTROL</b>							
Primary Pressure Control	Yes	S/T	S/T	S/T	PG	S/T	Regulators
Overpressure Device	Yes	S/T	S/T	S/T	PG	S/T	Regulators
Slam Shut Valve	TBD	S/T	S/T	S/T	PG	S/T	
Emergency Valve	TBD	PG	PG	PG	PG	PG	
Flow Control Valve	TBD	TBD	TBD	TBD	TBD	TBD	

Heat	TBD	TBD	TBD	TBD	TBD	TBD	
Check Valve	Yes	S/T	S/T	S/T	S/T	S/T	
<b>ODORIZATION</b>							
Odorizer & Controls	TBD	S/T	S/T	S/T	PG	PG	
<b>MISCELLANEOUS</b>							
Communication service	TBD	PG & S/T	PG & S/T	PG & S/T	PG & S/T	PG & S/T	Each maintain own communication service
Electrical Service	TBD	S/T	S/T	S/T	S/T	S/T	

**PG = Peoples; S/T = Producer**

**TBD = To be determined at the Design Specification Stage per Section 4.01 of the Agreement.**

1.05 **Inlet Filter.** Filter/filter-separator facilities installed upstream of the Interconnect Facility at Receipt Point(s) must be considered and based upon specific Gas analysis. This Section 1.05 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility,

1.06 **Freeze Prevention.** In circumstances where heavier hydrocarbons and/or water vapor may be present within the Gas stream, Producer shall incorporate freeze protection measures into the design of the Interconnect Facility. The method and design of the freeze protection measures shall be submitted to the Peoples for approval and no construction shall commence until such time as Producer receives written approval from Peoples. If Producer’s freeze protection measures involve the use of Gas for fuel, then the tap for such fuel supply line shall be made upstream of the measuring equipment, such that Producer bears the costs of the fuel. This Section 1.06 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility. Freeze protection measures which may be acceptable to Peoples include the following:

- (a) Methanol Injection – should be installed downstream of meters
- (b) Catalytic heaters / heat trace - for regulator bodies
- (c) Indirect water bath heaters – for large pressure cuts and large flow volumes
- (d) All Gas provided and delivered to Peoples shall have a temperature of no less than 45° F.

1.07 **Regulating and Overpressure Protection.** Peoples may require regulation and shall require over-pressure protection for all Receipt Point(s) under this Master Agreement. Such regulation shall deliver pressures suitable to pressures in Peoples’ System. Peoples shall specify and/or approve the type of regulators to be used and shall specify pressure ranges, and operating settings. Producer will contract with a Peoples Approved Vendor to perform annual inspection and lock up test of each regulating and overpressure device, and provide inspection reports to Peoples.

- (a) A primary pressure-limiting device shall be required whenever the Peoples’ System has the possibility of realizing pressures exceeding the Peoples’ pipeline MAOP.
- (b) Overpressure protection devices shall be set such that pressures may not exceed the maximum allowable operating pressure for the facility into which Producer is delivering Gas.

- (c) Overpressure protection devices must be designed to prevent a single incident from affecting the operation of the Interconnect.
- (d) Security valves, monitor regulators, or control valves should be used for overpressure protection.
- (e) Overpressure protection devices shall consist of a stand-alone valve operating on a pneumatic signal taken directly from the pipeline.
- (f) If pilot loaded valves are used, the pilots shall not bleed when they are not operating. Pilot bleeds should be routed to downstream piping.

1.08 **Control Valves**

- (a) Control valves shall be sized using the highest flow rate compounded with the lowest delivery pressure.
- (b) All flow control valves should be installed to fail in the open position or in the last set positions, as applicable.
- (c) Peoples shall approve the type and brand of control valve.
- (d) Downstream taps for pressure control valves shall be noted on detail drawings, and shall also possess a pressure transducer for stations designed with telemetry.

1.09 **Miscellaneous Valves and Piping**

- (a) Blow-down valves shall be installed to provide for venting of all sections.
- (b) Meter header piping shall be sized for 1.5 times the total combined area of the total meter runs.
- (c) Isolation valves will be installed on either side of regulators, meters, and control valves.
- (d) Piping shall be Standard Weight unless approved otherwise by Peoples.

1.10 **Emergency Valve.** The design and installation shall include an emergency valve (ball valve preferred) located at least twenty-five (25) lineal feet (point to point) but not to exceed fifty (50) lineal feet from the tie-in with Peoples' System. The emergency valve shall be readily accessible, easily operated, and sufficiently marked for quick identification.

1.11 **Peoples Tie-in and Tap Sizing.** Peoples shall provide for the sizing and actual installation of tap for tie-in of a New Facility to Peoples' System. Producer shall provide data necessary for the sizing of the tap.

1.12 **Gas Chromatograph.** Auxiliary equipment may be required for measurement of Btu variations. Peoples shall have the final decision as to the type of Gas analysis required.

1.13 **Dehydration.** Gas received by Peoples at Receipt Point(s) shall be consistent with the requirements in Appendix B, Schedule 1 and contain no free liquids. In accordance with Section 7.01 of the Master Agreement, Peoples has the right to discontinue and/or terminate any Receipt Point(s) where Gas delivered contains free liquids.

1.14 **Dew Point Tester.** When deemed necessary by Peoples, Producer shall incorporate an on-line dew point tester as part of the Interconnect Facility. The unit shall be set such that any Gas volumes detecting

water content levels in excess of contractual specifications shall result in the automatic closure of an in-line valve thereby preventing further delivery of Gas into system. Valve shall remain closed until an acceptable water moisture content of the Gas can be provided. This Section 1.14 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility.

1.15 **Corrosion Coupon Tap.** When specified by Peoples, Producer shall provide for an in-line valve tap for installing corrosion coupons.

1.16 **Check Valve.** All Interconnect Facilities shall be installed with a check valve of some type so as to assure Gas flows in the direction proposed by this Master Agreement. Producer will contract with a Peoples Approved Vendor to perform annual inspection of each check valve and, in accordance with Appendix B, Section 1.07, shall provide the inspection report to Peoples.

1.17 **Building, fences, and site security**

- (a) Buildings, or shelters, shall be provided to protect electronic Gas measurement and control equipment, as well as to act as noise barriers, protection from damage, and for meeting compliance with local ordinances. All buildings, shelters, fences, or the like, shall be designed to permit safe access around all facility piping and equipment. Designs for buildings, shelters, fences, or the like shall be submitted to Peoples' approval prior to installation or modification.
- (b) Unless waived by Peoples in its reasonable discretion, all Interconnect Facility shall be fenced, consisting of chain link fencing eight feet (8') in height complete with three (3) strands of barbed wire, and at a minimum; one pedestrian gate and one truck gate installed at opposing ends of the site. This sub-section 1.17(b) shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility.
- (c) The site selected must be large enough to hold all equipment and accommodate all activities required for normal and maintenance operations.

1.18 **Power and telephone.** If required, Producer shall provide electric power and telephone at site.

**SECTION II**  
**INSTALLATION, TESTING, and INSPECTION**

2.01 **Testing**

- (a) All measurement equipment shall be tested in accordance with specifications provided by Peoples. Peoples shall specify minimum test pressure and test duration. Tests shall be conducted using a recording chart of which Peoples shall receive the original or a clear copy of the original test chart.
- (b) Peoples shall not activate the New Facility and Interconnect until a copy (or original) of the test chart has been received and approved.

2.02 **Inspection**

- (a) Peoples reserves the right to inspect all New Facilities during construction.

- (b) Prior to startup of construction, Producer shall provide three (3) days' notice to Peoples.
- (c) All girth welds must be 100% radiographically inspected and approved.
- (d) Producer shall be responsible for all expenses, including inspection by Peoples, relative to construction inspections of the New Facilities.

**APPENDIX B TO MASTER AGREEMENT  
INSPECTIONS AND GAS QUALITY**

**SECTION I  
ROUTINE INSPECTIONS OF INTERCONNECT FACILITIES**

1.01 **Interconnect Facility(ies) Maintenance.** Peoples shall have the right to periodically inspect Producer's records and the Interconnect facilities to verify that all operating and maintenance functions are being performed effectively. If Producer cannot provide adequate documentation, or if Producer's operating and maintenance procedures are inadequate as determined by Peoples, Producer will have seventy-two (72) hours to produce proper documentation and/or revise inadequate procedures. If, after the seventy-two hour period, documentation is not provided and/or procedures are not modified, Peoples retains the right to take further action as it deems necessary including the right to shut-in the Interconnect until adequate documentation/procedures have been verified and secured.

1.02 **Changes to Interconnect Facility.** The Producer has an obligation to notify Peoples in writing 24 hours prior to changes to Producer Interconnect facilities that would require modifications to an Interconnect, Peoples' System or Gas composition, and Peoples shall have the right to reject changes to the Interconnect Facility. Peoples retains the right to take action as it deems necessary in its reasonable discretion, including the right to shut-in the Interconnect, in the event notification does not occur. The cost of any damages as a result of changes to Producer's Interconnect Facility will be borne entirely by the Producer; provided, that if Peoples or its designee accesses and operates Producer's Interconnect Facility, Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of Peoples' accessing or operating the Facility.

1.03 **Interconnect Facility Operations.** Peoples shall have the right to shut-in the Interconnect immediately if meter set equipment is not operating properly, an overpressure condition exists, design limitations are exceeded, or safe operating conditions are compromised. Furthermore, Peoples has the right to keep the Interconnect shut-in until the Producer makes the necessary provisions to rectify the situation. If the abnormal conditions repeatedly arise, Peoples has the right to shut-in the Interconnect indefinitely.

1.04 **Interconnect Facility Inspections.** Peoples shall have the right to inspect the Interconnect Facility including, but not limited to, the following: calibrate the meter; inspect regulators; inspect valves; and inspect and calibrate Gas quality facilities. If during the course of these inspections, Peoples determines, using commercially reasonable discretion, that installation procedures were not followed, equipment was not maintained, or equipment was modified to not comply with specifications established in this Master Agreement, Peoples has the right to shut-in the Interconnect until corrective actions by the Producer occur and additional inspections performed. If continued inspection violations occur, Peoples has the right to shut-in the Interconnect indefinitely. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's inspection in calibrating the meter, inspecting regulators, inspecting valves, and inspecting and calibrating gas quality equipment within the Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of the activities described above.

1.05 **Reserved.**

1.06 **Reserved.**

1.07 **Annual Measurement Equipment Testing.** All measurement equipment shall be inspected and tested by a Peoples Approved Vendor once each calendar year not to exceed fifteen (15) months from the previous inspections at Producer's expense. This annual inspection must be completed by technicians trained to operate pressure regulating equipment in accordance with the manufacturer's procedures and specifications. Peoples reserves the right to request documentation for regular testing and technician training. The annual testing shall include, but is not limited to the following equipment: Check Valve, Regulator(s) Lock-up test, Electronic corrector (EGM) calibration, meter calibration and spot sample Gas analysis (frequency according to section 2.01 of this Appendix B) at the Interconnect. Inspection reports shall be submitted, within 30 days after the yearly inspection date, to Peoples. In the event the Producer fails to submit the yearly inspection reports, Peoples shall have the right to periodically inspect Producer's records to determine if measuring equipment has been inspected and tested, as required by the Master Agreement. If Producer cannot provide documentation, within five (5) days of Peoples' request, Producer is required to immediately shut-in the Interconnect at which measurement and testing records are deficient, for a period of one week, or until the Producer can provide proof that the measuring equipment has been inspected and tested, and is working properly, whichever is longer. If Producer cannot provide documentation that its measuring equipment has been inspected and tested on additional occasions, Peoples retains the right to take further action at its discretion, including the right to require the shut-in of the applicable Interconnect for additional time periods. If Producer repeatedly violates this provision, Peoples has the right to permanently discontinue accepting Gas from wells that Producer has dedicated to said Interconnect Facility.

## **SECTION II** **GAS QUALITY REQUIREMENTS**

2.01 **General.** Before Peoples permits the flow of Gas from a New Facility into the Peoples' System, Producer will provide a Gas sample analysis by a Peoples Approved Vendor and Peoples shall review the Gas sample analysis to verify that it is of marketable quality. Producer will contract with a Peoples Approved Vendor to perform an initial (within one (1) year of the execution of this Agreement) Gas quality sample analysis and provide inspection report to Peoples for each Interconnect Facility that have not otherwise been tested by Producer or Peoples within the year prior to the execution of this Agreement. Receipt Point(s) with daily volumes at or above 1,000 mcf/day will be required to have a Gas quality sample analysis conducted on an annual basis. Receipt Point(s) with daily volumes below 1,000 mcf/day will be required, after obtaining the initial analysis, to have a Gas quality sample analysis' conducted every five (5) years thereafter, unless the Gas sample analysis does not meet Peoples specifications, requirements and/or standards, as set forth in this Agreement, including any Appendixes, Exhibits, Addendums, Schedules and Amendments, in which case, Peoples will require the Interconnect to be shut in until Gas sample meets Peoples specifications. Peoples reserves the right to require more frequent Gas quality sample analyses in order to address operational, safety or service related issues. The initial and ongoing Gas sample analyses shall include testing for water vapor, N<sub>2</sub>, O<sub>2</sub>, CO<sub>2</sub>, CH<sub>4</sub> (methane through pentane), heating value (BTU - dry and saturated), specific gravity by a certified tester using GPA 2261-13 and GPA 2172-09 standards and shall conform with the following specifications:

- (a) **Liquids** – The Gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the Gas is delivered.
  
- (b) **Moisture Content** – The Gas shall not have water content in excess of seven (7) pounds of water per million cubic feet of Gas measured at standard conditions of 14.73 psia and 60°F, unless otherwise approved by an authorized representative of Peoples or as set forth in Schedule 1. The moisture content of the Gas shall be such that it is of marketable quality, and does not cause any safety or operational problems or other adverse effects on Peoples' System or any downstream systems to which the Gas may flow. Producer will be advised of any additional or specific moisture content limits for the Interconnect, or of any changes in such limits, should they be required.

- (c) Water Vapor – Peoples will authorize water content according to the chart attached as Schedule 1 to this Appendix B. However, Peoples maintains the right to require a lower (more stringent) water vapor content than the level set forth in Appendix B if the water vapor levels at specific Receipt Point(s) are detrimentally affecting customer service or creating operational issues.
- (d) Carbon Dioxide and Other Inerts – The Gas shall not contain more than four percent (4%) by volume of total combined inerts such as carbon dioxide, nitrogen, argon, and helium; provided that the total carbon dioxide content shall not exceed two percent (2.0%) by volume.
- (e) Dust, Gums and Solid Matter – The Gas shall be commercially free of dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the Gas in the course of transportation through pipeline.
- (f) Heating Value – Unless otherwise approved, in writing, by Peoples, the Gas delivered shall contain not less than 967 BTU per standard cubic foot and shall not exceed 1,100 BTU per standard cubic foot of Gas calculated as the gross saturated value at 14.73 psia and 60° Fahrenheit, and a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%), the utilization factor being defined as that number obtained by dividing the heating value of the Gas by the square root of its specific gravity. 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 its end-use customers shall meet the heating value requirements set forth in applicable regulations, orders or laws. The Producer may be responsible for the costs of such enhancement.
- (g) Temperature – The temperature of the Gas delivered into the Peoples’ System shall not exceed 100°F unless approved by an authorized representative of Peoples. The temperature shall not be less than 40°F as delivered to Peoples’ System after passing through all regulation, measuring and over protection equipment.
- (h) Oxygen – The Gas shall not contain more than 2,000 parts per million (0.2% of one percent) of oxygen by volume.

Should circumstances warrant more in-depth Gas sample analyses, such as the suspected or known presence of other constituents, Peoples reserves the right to require testing for additional compounds including not limited to the following:

- (a) Hydrogen Sulfide – The Gas shall not contain more than four (4) parts per million on a volumetric basis, or three-tenths (0.3) of a grain of hydrogen sulfide per one hundred (100) cubic feet.
- (b) Total Sulfur – The Gas shall not contain more than 170 parts per million, on a volumetric basis, or ten (10.0) grains of total sulfur per one hundred (100) standard cubic feet.
- (c) Carbon Monoxide – The Gas shall not contain more than one-tenth percent (0.1%) by volume of carbon monoxide.
- (d) Gasoline - Not contain more than two-tenths (0.2) of a gallon of gasoline per one thousand (1,000) standard cubic feet unless otherwise approved by an authorized representative of Peoples.
- (e) Bacteria – The Gas, including any associated liquids, shall not contain any microbiological organism, active bacteria, or bacterial agent capable of causing or contributing to: (i) injury to Peoples’ pipelines, meters, regulators, or other facilities and appliances through which Producers Gas flows; or (ii) interference with the proper operation of Peoples’ System. Microbiological organisms, including, but not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (ACB), when considered as a possibility, shall be tested for their existence utilizing the



American Petroleum Institute test method API-R38 or other acceptable test method as determined by both Parties.

- (f) Siloxane – All Gas delivered through an Interconnect into Peoples’ System that includes Gas from landfill well(s) or gathering lines fed by landfill Gas sources shall meet the following on-going testing protocol:

Test Results, mg of SI / Nm <sup>3</sup>	Action
≤ 0.4	November through February = once per week March through October = twice per month
0.40 - 0.60	Test daily until results are below 0.40
3 consecutive results ≥ 0.60 or a single test ≥ 1.0	Shut in gas until start-up conditions are re-established

2.02 **Gas Odorant.** Peoples will perform Gas odorant tests to confirm that the Gas delivered at the Producer’s Interconnect Facility is properly odorized. If is found to have insufficient odor, then Producer will be required to purchase and install odorizing units and monitoring equipment according to Peoples’ specifications and as set forth herein. The Producer is also responsible for the maintenance of this facility including the costs of odorant supply needed to maintain a sufficient odor in all Gas delivered at the Producer’s Interconnect Facility. Odorizing units and monitoring equipment specifications

- (a) Equipment and Ownership. The Producer will own the odorizer with associated equipment necessary to operate and deliver odor (odorizer system) and is responsible for all costs associated with operating the system. Peoples will approve the design of the odorizer system, whereinafter the Producer will purchase and install the odorizer system. Peoples may choose to be present for the installation and shall have the right to test the system after its installation. Thereafter, Peoples will operate and maintain the odorizer systems and, where applicable, a thermal electric generator (unless a public electric power supply can be made available to the site), together with necessary valves, tubing and fittings, in order to properly odorize Gas delivered to measurement equipment. If the odorizer system is located outside of the Interconnect Facility location, the Producer shall provide site access to Peoples, as described in Section 1.03 of Appendix A, for the site where the odorization system is located. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples’ or its designee’s accessing or operating Producer’s odorizer system. Peoples shall also replace, fix and repair, at its cost, any portion of Producer’s odorizer system that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating the odorizer system.
- (b) Upgrades. If Producer should desire to upgrade or replace any of the currently existing odorizers or generators, all equipment must be subject to the review and approval of Peoples.
- (c) Refill. Peoples will manage the filling and refilling (or tank exchange) of the odorant to make sure, that sufficient odorant is available for Gas delivered to the measurement equipment.
- (d) Odorant Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the cost of odorant, including all future tank refills.
- (e) Odorizer Site. Producer will provide and maintain, at its own cost, perimeter fencing around the Odorizer sites to enclose and protect the odorizers and related equipment.

- (f) Communication Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the monthly cost of public telephone or cellular service for the communications equipment used to monitor the operation of the odorizers and the odorant level and for the monthly cost of electrical service used to operate and maintain the odorizers, if electric power is provided to the odorizers from a public supplier.
- (g) Maintenance Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the cost of any regular, periodic, and other odorizer maintenance service, including all labor and necessary replacement parts or equipment, to assure the continued efficient operation of the odorizers. This includes reserve parts held in Peoples' stock to enable timely and proficient resolutions.

2.03 Gas Quality Inspections. If Gas sample analysis indicates that any of the Gas quality specifications, requirements and/or standards set forth in this Master Agreement have not been met, Peoples may refuse deliveries until the Producer makes the necessary provisions to fully comply with the Gas quality requirements.

2.04 Gas Quality Inspections. After initial deliveries are received, Peoples reserves the right to periodically sample Gas at the measurement equipment to validate the Gas quality. If the analysis indicates that Gas quality specifications, requirements and/or standards set forth in this Master Agreement are not met, Peoples has the right to shut in the Interconnect indefinitely until the Producer makes the necessary provisions to fully comply. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's accessing Producer's measurement equipment. Peoples shall also replace, fix and repair, at its cost, any portion of Producer's measurement equipment that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of accessing the equipment.

2.05 Remedies. Should any of the above substances enter Peoples' System and cause damage to metering, regulating and/or other equipment, or interruption of service, Producer shall reimburse Peoples for the costs to repair such damage and for any related costs which Peoples may incur to restore service to, and/or repair facilities of, its customers, including payments made by Peoples to customers in settlement of claims arising out of interruption of Gas service; provided that Producer was notified that Peoples was invoking indemnification under Section 13.03 and Producer was given the opportunity to defend against the claim prior to such settlement agreement.. Any such costs may be deducted from payments due Producer for Gas delivered. In addition, if the Gas delivered fails, in Peoples' reasonable opinion, using commercially reasonable discretion, to meet the quality specifications set forth herein, Peoples may elect to refuse to take all or any portion of such Gas until the Producer bring the Gas into conformity with such specifications. In the case of any such refusal, Producer agrees to exercise all due diligence to bring such Gas into conformance with the specifications set forth herein. Peoples has the right to shut in the Interconnect indefinitely until the Producer makes the necessary provisions to meet the Gas quality standards. Peoples may also elect to require continuous Gas quality monitoring with fail safe shut off as a provision to accept existing or new deliveries. Damages as a result of Gas quality violations are the responsibility of the Producer and the Interconnect shall be shut-in until damages are paid in full.

**SCHEDULE 1 TO  
APPENDIX B TO MASTER AGREEMENT  
WATER VAPOR CONTENT**

**PEOPLES NATURAL GAS DIVISION**  
**ALLOWABLE WATER VAPOR LEVEL (#/MMSCF) VS. REGULATOR SET PRESSURE (PSI)**

<i>PSI</i>	<i>#/mmscf</i>
1	543
2	511
3	482
4	457
5	434
6	413
7	394
8	377
9	361
10	347
11	334
12	321
13	310
14	299
15	289
16	280
17	271
18	263
19	256
20	248
21	241
22	235
23	229
24	223
25	218
26	212
27	207
28	203
29	198
30	194
31	190
32	186
33	182
34	178
35	175
36	171
37	168
38	165
39	162
40	159
41	156
42	154
43	151
44	149
45	146
46	144
47	142
48	139
49	137
50	135

<i>PSI</i>	<i>#/mmscf</i>
51	133
52	131
53	129
54	128
55	126
56	124
57	122
58	121
59	119
60	118
61	116
62	115
63	113
64	112
65	111
66	109
67	108
68	107
69	106
70	104
71	103
72	102
73	101
74	100
75	99
76	98
77	97
78	96
79	95
80	94
81	93
82	92
83	91
84	90
85	89
86	88
87	88
88	87
89	86
90	85
91	85
92	84
93	83
94	82
95	82
96	81
97	80
98	80
99	79
100	78

<i>PSI</i>	<i>#/mmscf</i>
105	75
110	72
115	70
120	67
125	65
130	63
135	61
140	59
145	57
150	56
155	54
160	53
165	52
170	50
175	49
180	48
185	47
190	46
195	45
200	21
205	21
210	20
215	20
220	20
225	19
230	19
235	19
240	18
245	18
250	18
255	17
260	17
265	17
270	16
275	16
280	16
285	16
290	16
300	15
310	15
320	14
330	14
350	13
375	13
400	12

Peoples reserves the right to require more stringent water vapor standards in limited and specific situations where Peoples has determined through water vapor testing that the water vapor levels at identified production meter points are affecting customer service or creating operational issues.

**SCHEDULE 1 TO  
APPENDIX B TO MASTER AGREEMENT  
WATER VAPOR CONTENT**

**EQUITABLE GAS DIVISION**  
**ALLOWABLE WATER VAPOR LEVEL (#/MMSCF) VS. LOCATION**

1. Producer meters connected to Equitable Gas Division’s pipelines north of Creighton Compressor will be subject to 40#/mmscf water vapor standard.
2. Producer meters connected to Equitable Gas Division’s pipeline south of Creighton Compressor will be subject to 20#/mmscf water vapor standard.

Peoples reserves the right to require more stringent water vapor standards in limited and specific situations where Peoples has determined through water vapor testing that the water vapor levels at identified production meter points are affecting customer service or creating operational issues.

Creighton Station



Front Street, Creighton PA 15030  
Latitude: 40.583586, Longitude: -79.775129

**EXHIBIT A- [REDACTED]**  
**to**  
**Master Agreement**

**Additional Terms and Conditions Governing Transportation of Gas**

This Exhibit A ("Exhibit") is made part of and is subject to the terms and conditions of the Master Agreement made and entered into by and between **Peoples Natural Gas Company LLC**, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as "Peoples"), and **[Producer]** with and office at [Address] (hereinafter referred to as "Producer"). Producer and Peoples are also referred to herein individually as a "Party" and collectively as the "Parties."

This Exhibit A- [REDACTED] shall supersede, in its entirety, and terminate without cause, any the previously executed Agreement(s) between the Parties for the transport of Gas for the Receipt Point(s) identified herein including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions.

The Service Term Start Date for each individual Receipt Point shall be the latter of \_\_\_\_\_ or the first day of the immediately succeeding Production Period in which Producer delivers Gas to Peoples at the Receipt Point. The Service Term End Date for each individual Receipt Point shall be \_\_\_\_\_. After this initial term, this Exhibit will automatically renew for month-to-month periods unless either Producer or Peoples provides written notice of termination to the other party at least (thirty) 30 days prior to the expiration date. If either party terminates a Receipt Point, the Producer's Interconnect Facility(ies) will be disconnected and the Interconnect shall be abandoned unless a subsequent Exhibit is executed within thirty (30) calendar days.

The Rates for Gathering are subject to the applicable tariff in effect at the time of delivery into the Peoples' System. These charges are subject to change. Rates for certain qualifying incremental conventional production, and for unconventional horizontal production and landfill production shall be determined by Peoples based on supporting information provided to Peoples by the Producer and in accordance with the applicable tariff and shall be specified in Schedule 1 to this Exhibit. On behalf of PIOGA, Peoples will charge an optional \$0.01/Mcf retention fee for Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit; said fee will be remitted directly to PIOGA by Peoples. Producer specifically authorizes Peoples to provide the Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit to PIOGA, in writing, on a regular basis in order to verify the remitted retention fee. Should Producer decline the optional retention fee, no Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit will be provided to PIOGA.

The Receipt Point(s) and applicable Retainage Percentage and Gathering Rate shall be identified in Schedule 1 to Exhibit A- [REDACTED], which is attached hereto and made a part hereof.

This Exhibit shall become effective upon its execution by both Peoples and Producer and shall continue in full force and effect through the end of the latest Service Term End Date set forth herein, including any extensions thereof. The obligations of Producer to make payment hereunder and the obligation of Producer to indemnify Peoples, and Peoples to indemnify Producer, pursuant hereto shall survive the termination or cancellation of the Master Agreement and this Exhibit. Peoples shall have the right to terminate this Exhibit, upon thirty (30) days advance written notice to Producer, if Gas has not flowed for the previous period of twelve (12) consecutive months, or if Peoples or its designee has caused the Interconnect Facilities to be disconnected or removed.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS**

IN WITNESS WHEREOF, Peoples and Producer have duly executed this Exhibit on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PEOPLES NATURAL GAS COMPANY LLC**

**[PRODUCER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1 TO  
EXHIBIT A- [REDACTED] TO MASTER AGREEMENT  
RECEIPT POINT(S), RETAINAGE PERCENTAGE AND GATHERING RATE**

Unless otherwise set forth below, the Retainage Percentage and the Gathering Rate for the following Receipts Point(s) are subject to the applicable tariff in effect at the time of Gas delivery into the Peoples' System and are subject to change.

<b>Receipt Point(s)</b>	<b>Special Terms for Unconventional Wells</b>
xxxx	
xxxx	

**EXHIBIT A- [REDACTED]**  
**to**  
**Master Agreement**

**Additional Terms and Conditions Governing the Purchase of Gas**

This Exhibit A ("Exhibit") is subject to the terms and conditions of the Master Agreement made and entered into by and between **Peoples Natural Gas Company LLC**, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as "Peoples"), and **[Producer]** with an office at [Address] (hereinafter referred to as "Producer"). Producer and Peoples are also referred to herein individually as a "Party" and collectively as the "Parties."

This Exhibit A- [REDACTED] shall supersede, in its entirety, and terminate without cause, the previously executed Agreement(s) between the Parties for the purchase of Gas for the Receipt Point(s) identified herein, including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions.

The following sets forth the additional terms and conditions whereby Peoples shall purchase Gas from Producer at the specific Receipt Point(s) identified in this Exhibit.

1. **Sale and Purchase Obligations.** Producer shall produce and sell to Peoples, and Peoples shall take and pay for, quantities of Gas delivered to the Receipt Point(s) set forth below. Peoples shall have no obligation to pay for any Gas until such time as it has been produced and delivered to the designated Receipt Point(s). Except in instances where Peoples and Producer agree otherwise, Producer's sale shall be a full requirements sale where all Gas produced shall be delivered to Peoples. Notwithstanding the foregoing, Peoples may reduce or suspend its purchases under this Master Agreement in the event that Peoples has insufficient pipeline capacity or insufficient market demand to facilitate the sale and/or use of Producer's Gas. Upon notice to Producer, Producer shall promptly comply with Peoples' reduction or suspension request. As provided for in Section 6.07 of the Master Agreement, in the event Peoples should ever cease, in whole or in part, to sell Gas directly to end-use customers (otherwise known as providing merchant or sales service), then Peoples may, in its sole discretion, terminate this Exhibit, or the Master Agreement, upon at least sixty (60) days written notice to Producer.
2. **Agency.** Peoples reserves the right to act as Producer's agent to market the production dedicated hereunder while continuing to pay Producer the price set forth in this Exhibit. All other terms and conditions of the agreement shall remain in full force and effect.
3. **Title to Gas.** Producer warrants that it will have good and merchantable title to or will have the right to sell all Gas delivered under this Master Agreement and that such Gas will be free and clear of all liens, encumbrances, and adverse claims by third parties. Producer shall indemnify and hold Peoples harmless from any and all suits, claims, actions, debts, levies, accounts, damages, costs, losses, and expenses of any nature arising from or out of any adverse claims of any kind or nature asserted by any person or entity concerning such Gas, including, but not limited to any claims, suits, actions, or demands that may arise due to the nonpayment of any landowner royalties, overriding royalties, or rentals.
4. **Possession, Control, and Liability.** Title to all Gas purchased under this Master Agreement shall pass from Producer to Peoples at the Receipt Point(s). As between the Parties to this Master Agreement, Producer shall be deemed to be in possession and control of the Gas to be delivered to Peoples until



Producer delivers the Gas to Peoples at the Receipt Point(s), and Peoples shall be deemed in possession and control thereafter.

5. **Peoples' Monthly Production Statement and Payment.** On or before the last business day of each calendar Month during the term of this Master Agreement, Peoples shall: (i) send Producer a Production Statement, in either hardcopy or electronic form, reflecting the Producer Sales Volume(s) during the relevant Production Period; and (ii) make payment to Producer by check or by automated clearinghouse (ACH) direct deposit pursuant to a separate ACH direct deposit agreement.
6. **Producer's Agent.** Although the terms of this Master Agreement extend to and are binding upon all Parties hereto, their respective heirs, successors, personal representatives and assigns, in no event will Peoples remit, or be required to remit, payment to more than one (1) payee per month in exchange for the Gas produced and sold hereunder. Accordingly, Producer hereby appoints the following Agent to receive all statements and payments hereunder:

Name: \_\_\_\_\_ (the "Agent")  
Address: \_\_\_\_\_  
\_\_\_\_\_

The Agent is authorized to give the necessary receipts and acquaintances to Peoples and to make adjustments and settlements under this Master Agreement, and Peoples shall have no obligation with respect to, or responsibility for, the application of any Gas purchase proceeds paid to the Agent. If at any time the Agent shall resign or be discharged or shall otherwise be unable or unwilling so to act, Peoples may withhold further payment of money for purchase of Gas hereunder, without liability for interest, until Peoples is furnished by Producer with the necessary documentation (properly executed and acknowledged by all necessary parties) designating a new agent, as the case may be, to receive such payment, for all parties interested in such payment.

7. **Royalties.** In no event will Peoples be obligated to make royalty, over-riding royalty or working interest payments for Gas purchased under this Master Agreement.
8. **Regulatory Authorities.** Peoples shall use reasonable efforts to obtain the necessary regulatory approvals from the Commission to recover the prices paid to Producer for Gas purchased under this Master Agreement. If the Commission issues an order, opinion, act, regulation, or rule that prohibits Peoples from recovering as part of Peoples' Gas cost recovery proceeding the full price paid to Producer for Gas purchased under this Master Agreement, then Peoples may at any time: (i) credit the difference between the price paid for Gas under this Master Agreement and the amount permitted to be recovered through Peoples' rates against amounts due Producer; or (ii) receive a refund of such amounts directly from Producer upon request by Peoples.
9. **Taxes.** Producer shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas upstream of Receipt Point(s) and all Taxes at the Receipt Point(s). Peoples shall pay or cause to be paid all Taxes on or with respect to the Gas downstream of Receipt Point(s). If a party is required to remit or pay Taxes which are the other Party's responsibility hereunder, the Party responsible for such Taxes shall promptly reimburse the other Party for such Taxes. Any Party entitled to an exemption from any such Taxes or charges shall furnish the other Party any necessary documentation thereof.
10. **Service Term.** The Service Term Start Date for each individual Receipt Point shall be the latter of the \_\_\_\_\_ or the first day of the immediately succeeding Production Period in which Producer delivers Gas to Peoples at the Receipt Point. The Service Term End Date for each individual transaction shall be \_\_\_\_\_. After this initial Service Term, this Exhibit will automatically renew

from month-to-month periods unless either Producer or Peoples provides written notice of termination to the other party at least thirty (30) days prior to the expiration date. If either party terminates a Receipt Point Exhibit, the Producer will be disconnected and the Interconnect shall be abandoned unless a subsequent Exhibit is executed within thirty (30) calendar days.

11. **Receipt Point(s).** The Receipt Point(s), Retainage Percentage, Gathering Rate and Purchase Price shall be identified in Schedule 1 to Exhibit A- [REDACTED], which is attached hereto and made a part hereof.
12. **Rates.** The rates for gathering charges are subject to the applicable tariff in effect at the time of delivery into the Peoples system. These charges are subject to change. Rates for certain qualifying incremental conventional production, and for unconventional horizontal production and landfill production shall be determined by Peoples based on supporting information provided to Peoples by the producer and in accordance with the applicable tariff. On behalf of PIOGA, Peoples will charge an optional \$0.01/Mcf retention fee for Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit; said fee will be remitted directly to PIOGA by Peoples. Producer specifically authorizes Peoples to provide the Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit to PIOGA, in writing, on a regular basis in order to verify the remitted retention fee. Should Producer decline the optional retention fee, no Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit will be provided to PIOGA.

The Receipt Point(s) and applicable Retainage Percentage and Gathering Rate shall be identified in Schedule 1 to Exhibit A- [REDACTED], which is attached hereto and made a part hereof.

This Exhibit shall become effective upon its execution by both Peoples and Producer and shall continue in full force and effect through the end of the latest Service Term End Date set forth herein, including any extensions thereof. The obligations of Peoples to make payment hereunder for Gas which has been delivered and the obligation of Producer to indemnify Peoples, and Peoples to indemnify Producer, pursuant hereto shall survive the termination or cancellation of the Master Agreement and this Exhibit. Peoples shall have the right to terminate this Exhibit, upon thirty (30) days advance written notice to Producer, if Gas has not flowed for the previous period of twelve (12) consecutive months, or if Peoples or its designee has caused the Interconnect facilities to be disconnected or removed.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS**

IN WITNESS WHEREOF, Peoples and Producer have duly executed this Exhibit on this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_.

**PEOPLES NATURAL GAS COMPANY LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**[PRODUCER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**AGENT**

**Acknowledged as to the obligations of Agent only**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1 TO  
 EXHIBIT A- [ ] TO MASTER AGREEMENT  
 RECEIPT POINT(S), CONTRACT PRICE, RETAINAGE PERCENTAGE AND GATHERING RATE**

Unless otherwise set forth below, the Retainage Percentage and the Gathering Rate for the following Receipts Point(s) are subject to the applicable tariff in effect at the time of Gas delivery into the Peoples' System and are subject to change.

<b>Receipt Point(s)</b>	<b>Contract Price</b>	<b>Special Terms for Unconventional Wells</b>
xxxx	_____% Inside F.E.R.C. First of the Month Eastern Gas Appalachia Index* \$/xxx	
xxxx	_____% Inside F.E.R.C. First of the Month Eastern Gas Appalachia Index* \$/xxx	

**MASTER INTERCONNECT AND MEASUREMENT AGREEMENT**

**THIS MASTER INTERCONNECT AND MEASUREMENT AGREEMENT** is entered into this \_\_\_\_ day of \_\_\_\_\_ 2023, by and between **Peoples Natural Gas Company LLC**, a Pennsylvania limited liability company, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as "Peoples"), and [PRODUCER], a \_\_\_\_\_ [state] \_\_\_\_\_ [type of company], with an office at [ADDRESS] (hereinafter referred to as "Producer"). As used in this Agreement, Peoples and Producer are also referred to individually as a "Party" and collectively as the "Parties."

**WHEREAS**, Peoples owns and operates certain Gas facilities and pipelines located in the Commonwealth of Pennsylvania (the "Peoples' System");

**WHEREAS**, Producer has available certain supplies of Gas which it desires to have delivered onto Peoples' System;

**WHEREAS**, this Agreement shall supersede, in its entirety, and terminate without cause, any previously executed Agreement(s) between the Parties for the transport and/or purchase of Gas for the Receipt Point(s) identified herein, including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions.

**NOW THEREFORE**, in consideration of the promises and covenants contained herein, Peoples and Producer hereby agree as follows:

**ARTICLE I**  
**PURPOSE AND PROCEDURES**

1.01 **Master Agreement**. This Master Agreement establishes the general terms and conditions under which Producer will deliver Gas onto Peoples' System at specified Receipt Point(s) through Interconnection Facility(ies), and thereafter the Gas shall either be transported through Peoples' System or sold directly to Peoples for whatever use deemed necessary and appropriate by Peoples.

1.02 **Exhibits**. The terms and conditions of each particular transaction whereby Producer will deliver Gas onto Peoples' System at specified Receipt Point(s) shall be included in individual Exhibits (hereinafter "Exhibit" or "Exhibits"). Information contained in the Exhibits shall include, but not be limited to:

- (a) The designation for the transportation or sale of Gas for specific Receipt Point(s);
- (b) The meter number and location at the Receipt Point;
- (c) The time period (hereinafter "Service Term") during which the Gas is to be sold to Peoples or delivered onto Peoples' System;
- (d) Applicable prices, rates and associated fees; however, the Parties agree that the Construction and Installation Fees, and any other operation, installation, or maintenance

types fees addressed in the Master Agreement, shall not be included on the Exhibit and shall instead be identified in separate written format(s), such as an invoice;

1.03 **Appendices and Exhibits as Part of Agreement.** Appendices to the Master Agreement establish additional terms and conditions required as a part of the Master Agreement. The entire agreement between the Parties shall include those provisions contained in the Master Agreement, the Appendices, and any effective Exhibits. The Appendices and each duly executed Exhibit are hereby incorporated into and made a part of this Master Agreement. The provisions of each respective Exhibit shall apply only to the Producer Sales Volume(s) subject to such Exhibit; however, the provisions of this Master Agreement and Appendices shall apply to all volumes in all Exhibits.

## **ARTICLE II** **DEFINITIONS**

2.01 **Definitions.** For the purposes of this Master Agreement, the following terms, when capitalized herein, shall have the meanings set forth below:

- (a) "**Authorizations**" means any and all approvals, permits, licenses, franchises, or other authorizations required by any federal or state governmental authority which are necessary for the performance of a Party's obligations hereunder.
- (b) "**Btu**" means a British thermal unit.
- (c) "**Commission**" means the Pennsylvania Public Utility Commission that regulates the intrastate sales and transportation of Gas.
- (d) "**Construction and Installation Fee**" means the fees charged to Producer for the actual labor, tools, materials, equipment and overhead expenses for the development, design and construction activities relative to completing the New Facilities contemplated by this Master Agreement.
- (e) "**Contract Price**" means, in the instance in which Gas is sold to Peoples by Producer, the price paid for Gas delivered and taken as set forth in any then-effective Exhibit.
- (f) "**Day**" means a period of twenty-four (24) consecutive hours, coextensive with a "day" as defined by the North American Energy Standards Board ("NAESB").
- (g) "**Dekatherm**" means one million (1,000,000) Btus or one MMBtu.
- (h) "**Existing Facility(ies)**" means Producer owned, operated or managed equipment and facilities, including, but not limited to, any measurement equipment transferred from Peoples to Producer pursuant to this Agreement, installed upstream of the Interconnect prior to October 29, 2019 that involve, at a minimum: (i) measurement equipment of whatever type used to determine the Producer Sales Volumes; (ii) any gas quality device of whatever type used to determine the quality of the gas being delivered to Receipt Point(s); (iii) any over-pressure control system of whatever type being used to protect Peoples' System's maximum pressure limitations; and (iv) any and all other equipment and devices installed from Producer's pipeline riser coming out of the ground from Producer's pipeline system through the measurement equipment and to the Interconnect. This term includes all of the above Producer owned, operated or managed equipment and facility(ies) (i) sold or assigned to an affiliated or legally associated company of that producer or (ii)

required to be moved to another Peoples' pipeline as a result of the abandonment of a Peoples pipeline pursuant to Sections 6.07, 10.17.

- (i) **"FERC"** means the Federal Energy Regulatory Commission or any successor federal agency that regulates, or has the authority to regulate, the transportation of Gas in interstate commerce by pipeline.
- (j) **"Gas"** means a mixture of hydrocarbon and non-hydrocarbon gases that satisfies the requirements of Article IX of this Master Agreement.
- (k) **"Gathering Rate"** means for any Gas delivered by Producer onto Peoples' System at a Receipt Point which is subject to this Master Agreement, Producer shall pay to Peoples a gathering fee as set forth in an Exhibit hereto.
- (l) **"Interconnect"** means the point of connection between the Producer's Existing Facility(ies) or New Facility(ies) and Peoples' System, comprised of the insulator, pipeline extension, riser, and the isolation valves installed downstream of the insulator, all owned by Peoples.
- (m) **"Interconnect Facility(ies)"** means the Producer-owned Existing Facility(ies) and New Facility(ies) connected to Peoples' System at the Interconnect in accordance with the Master Agreement as amended from time-to-time.
- (n) **"Mcf"** means one thousand (1,000) cubic feet of Gas.
- (o) **"MMBtu"** means one million (1,000,000) Btu's or one Dekatherm.
- (p) **"Modification to an Existing Facility"** means any non-emergency replacement, upgrade or downgrade on Existing Facility(ies).
- (q) **"New Facility(ies)"** means Producer owned, operated or managed equipment and facilities (i) installed upstream of the Interconnect after October 29, 2019 through which Producer will deliver Gas onto Peoples' System at specified Receipt Point(s) and (ii) approved, designed, constructed and operated as set forth in herein, including any Existing Facility(ies) (i) sold or assigned to a non-affiliated party of Producer or a party with whom Peoples does not have a current master interconnection and measurement agreement with Peoples.
- (r) **"Peoples Approved Vendor"** means any vendor Peoples has approved to provide the services required by the Master Agreement to be performed on behalf of the Producer by an independent contractor to comply with the Master Agreement; a list of approved vendors is posted on Peoples website, which list may change from time-to-time.
- (s) RESERVED
- (t) **"Producer Sales Volume(s)"** means the volume(s) of Gas measured at and credited to the Producer's Receipt Point(s) for the Production Period as determined and reported to Peoples by the Producer Chart Process, or as measured in accordance with Section 10.11.
- (u) **"Production Period"** means a span of approximately thirty (30) days, which may or may not conform to the calendar month, during which time Producer's Gas will be measured

for delivery and purchase payment purposes. Production Periods shall be identified by the name of the month in which the period ends.

- (v) **“Production Statement”** means the statement generated each calendar month by Peoples that details the Production Period and, for each Receipt Point, Producer Sales Volume(s) in Mcfs and MMBtus.
- (w) **“Receipt Point(s)”** means the point(s) of receipt, or meter(s), of Producer’s supplied Gas as set forth in the Exhibit specific to said point of receipt.
- (x) **“Retainage Percentage”** means, for any Gas delivered by Producer onto Peoples' System at a Receipt Point which is subject to this Master Agreement, Peoples shall withhold a retainage percentage as set forth in an Exhibit hereto.

### ARTICLE III

#### **APPLICATION FOR NEW FACILITIES AND MODIFICATION TO EXISTING FACILITIES**

3.01 **Application/Notification.** Producer shall submit to Peoples in writing the application for connecting a New Facility, and a notification request for any Modification to an Existing Facility.

3.02 **Application to Connect New Facility.** Within the application for connection of a New Facility, the Producer shall provide accurate information to Peoples concerning the following: (i) the location of the proposed connection utilizing the latitude and longitude coordinates on a USGS map; (ii) well plats, if applicable; (iii) the proposed maximum allowable operating pressure of the Producer’s gathering line that will feed into the Receipt Point; (iv) the desired date for completion of the connection; (v) the Producer’s estimated maximum, minimum and average amount of Gas to be delivered through the connection on a daily basis; (vi) the source of Gas; (vii) the Producer’s estimated maximum, minimum and average receipt pressure through the connection; and (viii) any other information required by Peoples for the specific connection, including, but not limited to, Gas quality and odor intensity test results.

3.03 **Consideration of Application to Connect New Facility.** Peoples shall respond to the feasibility of Peoples’ System’s accepting delivery of Gas through the proposed New Facility connection and whether the application is approved, rejected or requires additional information or consideration. If the application is approved, Producer shall advance the application according to Article IV. If the application is rejected, Peoples shall explain the reason(s) for the rejection and may suggest alternatives that may, in Peoples’ commercially reasonable discretion, be acceptable to Peoples, and Producer shall respond to the alternatives. If the application is acceptable but requires additional information or consideration, Peoples shall specify the additional information that, in Peoples’ commercially reasonable discretion, may be required or the concerns requiring additional consideration for approval, and Producer shall provide the additional information or address the concerns requiring additional consideration. Thereafter Peoples shall approve the application if (1) its concerns have been satisfied and (2) no material changes in System conditions have occurred which would render the application no longer acceptable to Peoples.

3.04 **Modification to Existing Facilities.** Producer shall provide notice of Modification to an Existing Facility which shall include the current Peoples’ meter station name, PO # being utilized to identify the existing Interconnect, and the details of the Modification. Provided the Modification is in accordance with the conditions in this Agreement and such Modification does not cause operational, safety or service related concerns, as determined by Peoples using commercially reasonable discretion, Peoples shall approve the Modification by providing written notice to Producer.



**ARTICLE IV**  
**INTERCONNECT DESIGN, INSTALLATION, ACTIVATION AND MAINTENANCE**

4.01 **New Facility Design Specifications.** After approval of an application a for a New Facility connection, Producer shall submit to Peoples, for approval, the complete design, specifications and construction plans for the proposed New Facility. Producer agrees to make those changes to such design and construction plans as Peoples, in its commercially reasonable discretion, believes are necessary for the safe and reliable delivery of Gas into the Peoples' System.. If the plans are approved, Peoples' response shall provide the Producer with the construction date when Peoples will endeavor to make the tap onto Peoples' System. If the plans require modification, Peoples shall specify the modifications that Peoples, in its commercially reasonable discretion, believes are necessary for the safe and reliable delivery of Gas into the Peoples' System. Producer shall resubmit the plans that address the modifications that Peoples requests and Peoples shall respond whether the resubmitted plans are approved or denied.

4.02 **Equipment Requirements for New Facility.**

- (a) The New Facility shall be comprised of equipment that includes: (i) Gas measurement equipment; (ii) two forms of overpressure protection; (iii) certain interconnect piping facilities including a check valve and an insulated/welded tie-in connection; and (iv) such other equipment as may be required by Peoples at the New Facility. Peoples shall specify the type of equipment to be provided by Producer and Producer shall not install any non-Peoples approved equipment at the New Facility. The minimum engineering and technical specifications for the New Facility are further detailed in Appendix A.
- (b) Unless waived in writing by Peoples, all costs associated with the New Facility shall be the Producer's responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee. If Producer does not remit payment for the Construction and Installation Fee within thirty (30) days after receiving Peoples' invoice for same, then Peoples may, at its sole option, shut-in the Interconnect until payment is made and may require all future payments for other operation, installation, or maintenance related work to be made in advance.

4.03 **New Facility Construction.** Scheduling of installation of the New Facility must be coordinated with Peoples. No New Facility construction shall commence until Producer has satisfied all of its prerequisite obligations under this Master Agreement and Peoples has notified Producer in writing that construction may commence. Producer and Peoples shall coordinate the construction of their respective facilities (New Facility and Interconnect).

4.04 **Activation of New Facility and Interconnect.** Producer shall notify Peoples in writing that Producer is ready to activate the New Facility and Interconnect. Activation of the New Facility and Interconnect shall be contingent upon readiness of Peoples, Peoples' acceptance of Gas analysis results as submitted by Producer, and completion of construction as specified and agreed upon by and between Peoples and Producer. Peoples shall have the right to conduct a separate Gas analysis for verification purposes. Peoples and Producer shall coordinate the installation, testing, and physical final tie-in to Peoples' System: Peoples shall perform the physical tie-in and Producer shall set the meter and commence the flow of Gas. Peoples shall develop all operations associated with purging the meter set and piping into service and, after physical tie-in, coordinate and oversee all such operations. After completion of all such operations, the New Facility and Interconnect shall be activated.

4.05 **Commencement of Operation of New Facility and Interconnect.** Producer shall notify Peoples, in writing, when the New Facility and Interconnect is complete, tested, and ready for operation.

Unless otherwise indicated, deliveries of Gas through the New Facility and Interconnect may commence as soon after activation as all Authorizations have been granted, the requisite documents have been submitted, and Producer has satisfied the terms and conditions of this Master Agreement.

4.06 **Debris and Obstructions.** At all times, Producer's New Facilities and Existing Facilities shall be cleared of all debris and obstructions.

4.07 **Maintenance.** Producer is responsible for, and shall assume the initial costs of landscaping, sign posting, painting, and final, post-construction cleanup at and around the New Facility.

4.08 **Identification.** A meter set identification sign shall be posted at each New Facility, and if not already done so, at each Existing Facility location. The sign shall, at a minimum, list the name of the Producer and the telephone number (including area code) where the Producer, or its operator, can be reached at all times (i.e. emergency contact number). Producer shall be responsible to replace and/or update the notification information as it changes, from time-to-time.

4.09 **As-built Drawings.** If requested by Peoples, Producer shall develop an "as-built" location drawing of the New Facility. The "as-built" drawing shall include all equipment from the inlet side of the Gas measurement equipment to the tie-in with Peoples' System. This detailed drawing shall include centerline measurements, valve, regulator, meter identification, pipe size(s) and type(s), and telemetering details. Producer shall provide a copy of this drawing (AutoCAD format) to Peoples, upon request. Upon request, Producer shall provide an "as-built" location drawing of any Existing Facility, when Peoples determines that such drawing is needed, in its commercially reasonable discretion, to rectify operational, safety or service related concerns.

4.10 **Telemetry.**

- (a) For a New Facility electronic Gas measurement and communications equipment installed as part of the New Facility shall include equipment for monitoring, recording, and transferring data deemed essential by Peoples. Producer shall acquire, install and pay the on-going operating expenses for the electronic Gas measurement and communications equipment to provide Peoples, at a minimum, real-time information related to pressure, temperature, Gas flow and Gas quality (i.e., chromatograph) for any Receipt Point with a daily volume above 1,000 mcf/day. For any Receipt Point with a daily volume below 1,000 mcf/day, Peoples will not require telemetry, but will require a corrector unless the Receipt has an existing chart recorder that is operating in good working condition.
- (b) For an Existing Facility, electronic Gas measurement and communications equipment shall be required when Peoples provides at least sixty (60) days advance notice to Producer detailing required modifications to the existing telemetry equipment, if any, which are required, as determined by Peoples' commercially reasonable discretion, to rectify operational, safety or service related concerns. In which case, the telemetry equipment shall be modified to include equipment for monitoring, recording, and transferring data deemed essential by Peoples. Producer shall acquire, install and pay the on-going operating expenses for the electronic Gas measurement and communications equipment to provide Peoples, at a minimum, real-time information related to pressure, temperature, Gas flow and Gas quality (examples of such equipment shall include, but not be limited to a chromatograph or in-line moisture analyzer).

**ARTICLE V**  
**FACILITIES OWNERSHIP**

5.01 **Peoples' Facilities.** Peoples shall own, and Peoples or its designee shall design, install, operate, and maintain, all facilities and equipment on the downstream side of the isolation valve which connects the Peoples' System to the Producer's New Facility or Existing Facility as more specifically described in the Appendices and on the Typical Gas Purchase Meter Set drawing, a copy of which is maintained on the Peoples' producer services section of its website.

5.02 **Producer's Facilities.** Producer shall own, and Producer or its designee shall design, install, operate, and maintain all facilities and equipment upstream of the Interconnect. The location and positioning of the New Facility or Existing Facility shall be in accord with Peoples' standard design specifications as more specifically described in the Appendices and on the Typical Gas Purchase Meter Set drawing, a copy of which is maintained on the Peoples' producer services section of its website.

## **ARTICLE VI** **INTERCONNECTION OPERATIONS**

6.01 **Gathering Obligations.** Peoples will receive Gas from Producer at the Receipt Point, provided that if any person or entity besides Producer is flowing Gas through the Interconnect, all such persons or entities utilizing the Interconnect have entered into valid agreements with Peoples. Peoples shall receive Gas from the Receipt Point and permit that Gas to flow against the existing pressure in Peoples' facilities. Peoples shall not be obligated to lower existing line pressure by compression or otherwise to accommodate receipts from the point of interconnection. As set forth elsewhere in this Agreement, it is expressly understood that Peoples may restrict the flow or discontinue the taking of Gas temporarily. Peoples shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide the services hereunder. Nothing in this Master Agreement or any applicable Exhibit shall limit Peoples' right to interrupt service or to take other action on a non-discriminatory basis as may be required to alleviate conditions which threaten the integrity of its system.

6.02 **Environmental Responsibility.** Each Party represents that no hazardous substance as that term is defined in the Federal Comprehensive Environmental Response Compensation Liability Act (CERCLA), petroleum or petroleum products, "asbestos material" as that term is defined in 40 CFR 61.41 (1987), polychlorinated biphenyls (PCBs), or "solid waste" as that term is defined in the Federal Resource Conservation Recovery Act (RCRA), will be leaked, spilled, deposited or otherwise released by either Party on the other Party's property. In the event that any of said above referenced materials are discovered on said property, each Party shall immediately notify the other Party of the discovery and existence of said materials. In the event of either Party's breach of the representations contained in this section, the full responsibility for the handling, remediation, treatment, storage or disposal of any such hazardous substance, petroleum or petroleum product, asbestos material, PCBs or solid waste discovered on said property, including the handling of such materials in compliance with all environmental laws including federal, state and local laws, rules and regulations, shall remain with such Party and such Party shall indemnify the other Party for any loss, injury, theft, damage to persons or property, or fines, penalties or compliance order issued by any governmental agency relating to pollution or protection of the environment including without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, waste petroleum, toxic substances and hazardous substances occurring on said property. This section shall survive the termination of this Master Agreement.

6.03 **Facility Improvements.** Peoples retains the unilateral right to change the operations of its System and/or upgrade its System; provided, however, that such changes must be consistent with good utility practices and not violate local, state or Federal requirements. Such operational changes may require the adjustment and/or addition of equipment to an Existing Facility or a New Facility by the Producer in order to maintain delivery of Gas volumes; the cost of such adjustment and/or addition of equipment to will be borne entirely by the Producer.

6.04 **Peoples Shut-in of Interconnect.** Peoples retains the unilateral right to immediately shut-in or cause Producer to shut-in any Interconnect that, in Peoples' sole judgment, using commercially reasonable discretion, threatens the integrity and safe operation of Peoples' System. Additionally, if Peoples is purchasing the Gas from a particular Receipt Point, upon thirty (30) days advance written notice, Peoples may shut-in or cause Producer to shut-in that Receipt Point for economic reasons.

6.05 **Producer Shut-in and Discontinuance.**

- (a) Producer shall not shut-in or discontinue delivery of Gas at any Receipt Point without first obtaining Peoples' consent, which consent will not be unreasonably withheld, but may be conditioned in the event the shut-in or discontinuance of the Gas delivery may, as determined by Peoples using commercially reasonable discretion, result in an operational, safety or service related concern on Peoples' System.
- (b) Producer shall provide thirty (30) days advance notice to Peoples of its intention to shut-in or discontinue delivery of Gas at any Receipt Point, after which notice the Parties shall engage in a good-faith discussion to determine if Peoples consent must be conditioned or withheld. If the shut-in or discontinuance is caused by an emergency event, Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event.
- (c) If a shut-in occurs, Peoples shall have the right to remove its facilities at the Interconnect Point and terminate the Exhibit governing that Receipt Point.

6.06 **Notice of Interruption of Gas Delivery at Receipt Point.**

- (a) Peoples shall be notified of any and all repairs, changes, or other actions that may result in any interruption or discontinuance of Gas delivery at a Receipt Point as set forth in this paragraph. Unless caused by an emergency event, Producer shall advise Peoples in writing at least five (5) business days before taking the Receipt Point out of service for repairs or for any other reason that is anticipated to last more than seven calendar (7) days. When an emergency event occurs at the Receipt Point Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event. After Producer has completed all repairs to the Receipt Point or is otherwise prepared to resume delivery of Gas at the Receipt Point, Producer shall immediately reconnect the Receipt Point to Peoples' System and resume service, subject to ten (10) days' advance notification to Peoples, provided that the notice may be less than ten (10) days, however, Peoples may require the full ten (10) days to arrange for the reinstated flow of Gas through the Receipt Point.

6.07 **System Abandonment.** In the event Peoples should ever abandon, retire or cease to operate, in whole or in part, facilities used to purchase and/or transport Gas on a system-wide basis, or throughout a geographic portion of its system, (as opposed to one-off facility abandonments that are addressed in subsection 10.17(c)), Peoples shall advise the Producer(s) of the abandonment, retirement or cessation of operation as soon as reasonably practicable. Peoples may, in its commercially reasonable discretion, either terminate this Master Agreement, or terminate an Exhibit specific to the Receipt Point(s) impacted, upon at least ninety (90) days' written notice to Producer. During such ninety (90) day period, Peoples and Producer shall continue to engage in good-faith discussions, if so requested by Producer, to reasonably assist Producer in locating alternative delivery points for the Gas flowing through the impacted Receipt Point(s).

**ARTICLE VII**  
**OPERATIONAL COSTS AND PAYMENTS TO BE BORNE BY PRODUCER**

7.01 **Gas Quality and Monitoring Costs.** Producer agrees to install, operate and keep in efficient operating condition, at Producer's own expense, the equipment necessary to insure that the gas delivered from each well hereunder meets the gas quality and other operational standards and requirements contained in this Master Agreement, Producer also agrees to install, own, operate and keep in efficient operating condition, equipment necessary, including, but not limited to, Type OSE Slam-Shut Valves if required by Peoples, to avoid excessive pressure in Peoples' and/or Producer's line. Producer shall be solely responsible for all costs and charges associated with monitoring, ensuring and maintaining the quality of Gas delivered into Peoples' System to meet the requirements in Article IX and all costs associated with quality remediation for Gas that does not meet those requirements. Peoples shall have access to Producer's Interconnect Facility and shall have the right, but not the obligation, to operate such Facility in the event Peoples determines, using commercially reasonable discretion, that its operation is required to prevent or alleviate operational, safety or service related concerns on Peoples' System; in such event, Peoples shall provide notice to the Producer of such operation as soon as practical and in-advance, when reasonable. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of Peoples' access or operation of the Facility.

7.02 **Producer Interconnect Facilities Costs.** Producer shall be solely responsible for all costs and charges associated with monitoring, ensuring and maintaining the safe and reliable operation of pipeline, measurement, compression, regulation, dehydration, and any other appurtenant equipment associated with the Interconnect Facilities, which are upstream of the Interconnect. Peoples reserves the right to refuse receipts and/or deliveries through the Interconnect if Peoples, in its sole judgment, using commercially reasonable discretion, deems the operation of these facilities to threaten the safety or reliability of the Peoples' System.

7.03 **Royalty Payments.** Producer shall be solely responsible for all royalty, overriding royalty, and working interest payments attributable to Gas delivered to Peoples under this Master Agreement. In no event shall Peoples be obligated to make any royalty, overriding royalty, or working interest payments for Gas purchased under this Master Agreement.

## **ARTICLE VIII** **ADDITIONAL WELLS**

8.01 **Completion of Wells.** No well shall be added to any existing Receipt Point(s) without first obtaining the prior written consent of Peoples. All requests for new well additions shall be accompanied by a well plat, completion report, estimated flow rate and Gas quality sample, at the meter, and/or at the new well location, to evaluate the feasibility if adding the Gas deliveries from the new well to the existing Receipt Point(s). Peoples reserves the right, at its sole discretion, to request other information to inform its evaluation concerning the new well.

8.02 **Introduction of Well Gas.** At the time of introduction of Producer's well Gas into Peoples' System, a Peoples' representative shall operate the valves at the meter. During this operation, Producer and Peoples shall provide experienced personnel at the meter site.

8.03 **Producer's Facilities.** Producer shall promptly furnish the pipe, and shall construct and place in operation a suitable gathering pipeline to connect those wells currently or subsequently included under this Master Agreement to Peoples' System at the Receipt Point(s). Producer's meter site shall be cleared of all debris and obstructions before it is connected at the Receipt Point(s). Producer shall install all drips complete with automatic shut off and other devices necessary to separate fluids from the Gas in

Producer's gathering pipelines. Producer shall operate such drips and other devices so that all Gas delivered under this Master Agreement will meet at all times Peoples' gas quality specifications set forth in Article IX or Peoples' transporter's gas quality specifications. Peoples shall have access to such drips and other devices at the meter site and shall have the right, but not the obligation, to operate such drips and other devices in the event Peoples determines, using commercially reasonable discretion, that its operation is required to prevent or alleviate an operational, safety or service related concerns on the Peoples system; in such event, Peoples shall provide notice to the Producer of such operation as soon as practical.

8.04 **New Well Costs.** Producer shall be solely responsible for all costs associated with drilling, operating, and connecting new wells including, but not be limited to, hook-up fees; usage fees; all costs associated with the construction of gathering lines, tie-in lines, drip lines, measurement, compression, regulation and connection facilities; and all costs attributable to rentals, except as otherwise provided in this Master Agreement.

8.05 **General.** The wells located upstream of Receipt Point(s) shall remain continuously connected to Producer's gathering lines for production deliveries, except to the extent that disconnection is required for well repairs. Producer's Gas which is governed by an Exhibit A for the purchase of Gas cannot be diverted to other buyers without the express written consent of the Peoples, which consent shall not be unreasonably withheld, but may be conditioned in the event the deviation of gas may, as determined by Peoples using commercially reasonable discretion, result in an operational, safety or service related concern on the Peoples system. Producer shall provide ninety (90) days advance notice to Peoples of its intention to divert gas from upstream wells to other buyers; after which notice the Parties shall engage in a good-faith discussion to determine if Peoples consent must be conditioned or withheld. Producer shall operate such wells in a reasonable and prudent manner at all times and shall keep such wells in good condition in order to ensure the gas delivered onto the Peoples system meets the requirements and standards set forth in this Agreement, including any Appendixes, Exhibits, Addendums, Schedules and Amendments.

8.06 **Timing of Well Repairs.** To the extent possible, Producer shall make all necessary well repairs between May 1 and October 31 of the calendar year.

8.07 **Notice of Well Repairs.** Unless caused by an emergency event Producer shall advise Peoples in writing at least five (5) business days before taking any well located upstream of Receipt Point(s) out of production for repairs which are anticipated to last for more than seven calendar (7) days. When an emergency event occurs which impacts the availability of the Receipt Point, Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event. After Producer has completed all repairs, Producer shall immediately reconnect the well and resume production, subject to authorization for turn-in by Peoples' field personnel.

## ARTICLE IX **PRESSURE, GAS QUALITY AND HEATING VALUE**

9.01 **Regulation.** Peoples may require regulation and shall require over-pressure protection at the Receipt Point(s) under this Master Agreement. Such regulation shall maintain delivery pressures suitable to pressures in Peoples' System. Peoples shall specify and/or approve the type of regulators to be used and shall specify pressure ranges, and operating settings. All costs associated with such equipment, including installation costs, shall be the Producer's responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee.

9.02 **Compression.** Producer shall not use any mechanical means or accessory equipment to pump or compress Gas to aid its delivery into Peoples' System without first obtaining and executing the Peoples' standard Compression Agreement.

9.03 **Pressure in Peoples' System.**

- (a) Peoples makes no representations concerning the pressure that will be maintained in its pipeline system from time-to-time, or any other factors, which may affect the quantity of Gas that Producer may be able to deliver to Peoples. Subject to Section 6.03 Peoples has the right to upgrade, when necessary, pipeline operating pressures with no obligation to Producer other than providing notification of such matters.
- (b) Although regulators are part of Producers' Interconnect Facilities and therefore owned by Producers, Peoples shall operate these regulators as provided by this Master Agreement. Accordingly, Peoples shall indemnify and hold harmless Producers for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the regulators when setting the maximum allowable pressure set points within the Interconnect Facilities. Peoples shall replace, fix and repair, at its cost, any portion of Producers' Interconnect Facilities that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating the regulators within the Facilities.

9.04 **Gas Quality.** All Gas delivered through an Interconnect into Peoples' System shall at all times meet or exceed the Gas quality specifications set forth in Appendix B hereto, as well as any quality and heat content requirements established by the operator of the downstream pipeline system(s) on which the Gas is ultimately transported.

9.05 **Siloxane.** All Gas delivered through an Interconnect into Peoples' System that includes Gas from landfill well(s) or gathering lines fed by landfill gas sources shall at all times meet, or exceed, the Gas quality siloxane specifications set forth in Appendix B hereto, as well as any siloxane specifications established by any operator of the downstream pipeline system(s) on which the Gas is ultimately transported. Before Peoples permits any flow of any amount of Gas into the Peoples' system, Producer shall provide Peoples with a certified siloxane analysis from a Peoples-approved agency denoting that the Gas proposed to be delivered into Peoples' System meets and/or exceeds those requirements. Peoples shall require monthly siloxane analysis tests performed by the Producer and timely submitted to Peoples. Peoples shall have the right to witness siloxane sampling and witness custody of that sample from source to destination. In the event Producer does not provide siloxane analysis, Peoples reserves the right to shut-in the Interconnect until said analysis is provided.

In the event Producer Gas quality, including, but limited to, siloxane causes damage to Peoples System, equipment, downstream pipeline, downstream equipment, downstream customer pipeline and/or downstream customer equipment, the Producer will be responsible for all costs to remedy the damage upon documentation proving Producer has caused the damage.

9.06 **Temperature.** Gas delivered through an Interconnect into Peoples' System shall not exceed 100° F. Gas having a temperature greater than 100° F may be delivered into Peoples' System only upon prior written approval by Peoples.

9.07 **Gas Taken and Co-mingled.** Peoples shall accept Gas taken and measured at the Receipt Point(s) in accordance with this Master Agreement. Such Gas shall be taken in its natural state, except as otherwise provided in this Master Agreement, subject to any modification thereof required by this Master

Agreement, at the pressure of the Gas flowing from Producer's pipelines into Peoples' System, against the varying pressures from time to time maintained therein.

**ARTICLE X**  
**MEASUREMENT**

10.01 **Measurement Equipment.**

- (a) Gas delivered to or received from Peoples' System through the Interconnect shall be measured at a site satisfactory to Peoples using measurement equipment designated by Peoples and owned by Producer. The requirements in this Section 10.01 shall not apply to any Existing Facility, unless the meter is nonfunctioning or inaccurate which requires Producer to immediately self-shut-in until the meter is replaced or Peoples provides at least sixty (60) days advance notice to Producer detailing modifications to the existing Interconnection Facilities which are required, in Peoples' commercially reasonable discretion, to rectify accuracy, operational, safety or service related concerns.
- (b) The measurement facilities will be required to use electronic gas measurement (EGM), and the Producer is required to forward monthly EGM item trail(s) and audit trail(s) to one of Peoples' approved integration companies (which list of approved companies shall be maintained on the Peoples website) by the 28<sup>th</sup> of the month. The integration company will forward corrected volume(s) to Peoples once a month for processing of credit/payment. Producer is required to use the same integration company for both volume collection and meter testing.
- (c) The measurement equipment for New Facilities shall be designed, installed, operated, maintained and owned by: (i.) Producer; or (ii.) Producer's designee as set forth in the Appendices. Producer is responsible for maintaining the accuracy of the measurement equipment and shall do so according to the Annual Measurement Equipment Testing requirement in Appendix B, Section 1.07. If Peoples determines, using commercially reasonable discretion, the measurement equipment is not accurate, Peoples may shut in the Interconnect until Producer corrects the deficiency. If repeated defects occur, Peoples reserves the right to shut in the Interconnect indefinitely. At any time after the termination of an Exhibit, Peoples shall have the right to remove its Interconnect facilities associated with the Receipt Point(s) identified in the terminated Exhibit. Producer shall be solely responsible for and shall bear the full costs of delivering Gas to the Receipt Point(s). Producer shall not modify the measurement equipment without the prior written consent of Peoples.

10.02 **Pipeline Safety.** Producer agrees to operate, maintain, test, and repair the meter set as a prudent operator in accordance with 49CFR DOT Part 192, PAPUC Chapter 59, and all other applicable state regulations and requirements, applicable industry codes and standards at Producer's expense.

10.03 **Check Measurement.** Producer may install, maintain and operate, at its sole cost and expense, check measuring equipment; provided, however, that such equipment shall be installed in a manner that will not interfere with the operation of the measuring equipment required by this Master Agreement.

10.04 **Orifice Meters.** Orifice meters installed in such measuring stations shall be constructed and operated in accordance with American National Standard Institute ("ANSI") standards, American Petroleum Institute ("API") 2530, American Gas Association ("AGA") AGA Report No. 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent modifications and amendments thereto.



10.05 **Positive Displacement Meters.** Positive Displacement Meters installed at the measurement site shall be constructed and operated in accordance with provisions of AGA Measurement Committee Report No. 6 (AGA Report No. 6) dated January 1971 and any subsequent amendment or revisions thereto.

10.06 **Turbine Meters.** Turbine Meters installed at the measurement site shall be constructed and operated in accordance with the provisions of AGA Measurement Committee Report No. 7 (AGA Report No. 7), First Revision, dated November 1984, and any subsequent modifications and amendments thereto.

10.07 **Ultrasonic Meters.** Ultrasonic Meters installed at the measurement site shall be constructed and operated in accordance with the provisions of AGA Measurement Committee Report No. 9 (AGA Report No. 9), dated June 1998 and any subsequent modifications and amendments thereto.

10.08 **Electronics.** When and where electronic equipment and flow computers are installed at the measurement site, the Gas may have its volume, mass and/or energy content determined and computed in accordance with the applicable industry standards including, but not limited to, API 21.1, AGA Report Nos. 3, 5, 6, and 7 and any subsequent modifications and amendments thereto.

10.09 **Testing and Calibration:**

- (a) Peoples shall have the right, at any time, to verify the accuracy of measurement equipment beyond the Producer Annual Measurement Equipment Testing requirements in Appendix B, Section 1.04, on all Receipt Points used in the measurement of Gas hereunder and shall do so at its expense. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the measurement equipment when verifying the accuracy of the measurement equipment. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facilities that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of verifying the accuracy of the measurement equipment within the Facilities. Producer may request a special test be performed as described in Section 10.10 below.
- (b) If during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate through each meter run in excess of two percent (2%) of the correct flow rate (whether positive or negative and using the correct flow rate as the percent error equation denominator), then any previous recording of such equipment shall be corrected to zero error in computing deliveries for any period during which the error existed (and which is either known definitely or agreed to by both Parties) and the total flow for the period predetermined in accordance with the provisions of Section 10.11 below. If the period of error cannot be determined or agreed upon between the Parties, such correction shall be made over a period extending over the last one-half (1/2) of the time elapsed since the date of the latest test, not exceeding a correction period of six (6) months.
- (c) If, during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate which does not exceed two percent (2%) of the adjusted flow rate (as described in part (b) of this Section), all prior recording shall be considered to be accurate for quantity determination purposes.
- (d) All equipment shall, in any case, be adjusted at the time of the test to record correctly.

10.10 **Special Test.** In the event Producer desires a special test (a test not scheduled by Peoples under the provisions of subsection 10.9(a) above) of any measuring equipment, seventy-two (72) hours advance notice in writing shall be given to Peoples, and both Parties shall cooperate to secure a prompt test of the accuracy of such equipment. If the measuring equipment tested is found to fall under the provisions of Paragraph 10.9(b) above or if an inspection of the primary measurement equipment indicates no problems, Peoples shall have the right to bill Producer for the cost of such special test including any labor, and other costs pertaining to such special test and Producer shall pay such costs.

10.11 **Measuring Adjustment.** If, for any reason, any measurement equipment is: (i) out of adjustment; (ii) out of service; or (iii) out of repair, and the total calculated hourly flow rate through each meter run is found to be in error by an amount of the magnitude described in subsection 10.9(b) above, the Producer Sales Volume(s) may be determined by Peoples in accordance with the first of the following methods which is, in Peoples' sole opinion, feasible:

- (a) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as described in subsection 10.9(a) above);
- (b) where parallel multiple meter runs exist, by calculation using the registration of such parallel meter runs; provided that they are measuring Gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering;
- (c) by correcting the error by re-reading of the official charts, or by straightforward application of a correction factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or
- (d) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Peoples will not be required to use check measurement, parallel measurement, re-read charts or estimates for more than three (3) consecutive billing periods. If Producer fails to fix the measurement equipment, Peoples may, at its discretion, upon advance notice, cause the shut in of the Interconnect. Failure to shut in will result in no credit for Gas delivered through a Receipt Points that is not recording for more than three (3) consecutive billing periods.

The estimated readings or deliveries so determined shall be used in determining the Producer Sales Volumes delivered for any known or agreed upon applicable period. In case the period is not known or agreed upon, such estimated deliveries shall be used in determining the quantities of Gas delivered hereunder during the latter half of the period from the date of the immediately preceding test to the date the measurement equipment has been adjusted to record accurately. The recordings of the measurement equipment during the first half of said period shall be considered accurate in computing Producer Sales Volumes.

10.12 **Measurement Corrections.** If an error is discovered in the Producer Sales Volumes, such error shall be adjusted within thirty (30) days of the determination thereof; provided, however, that any claim for adjustment shall be made within twenty-four (24) months of the Production Period in which the claimed error occurred. Such time limits shall not apply in the case of a deliberate act of omission or misrepresentation, or mutual mistake of fact.

10.13 **Termination.** If in Peoples' reasonable judgment, the Producer has tampered with the measurement equipment so as to misrepresent the actual volume of Gas delivered through the Receipt Point,

Peoples has the right to immediately shut-in the Interconnect Facility for an indefinite period of time. The Interconnect will remain shut-in until Peoples and Producer reach an agreement as to the most accurate Producer Sales Volumes during the period in question and the Producer provides restitution to the satisfaction of Peoples. If Peoples determines, using commercially reasonable discretion, that measurement equipment has been tampered with by Producer, Peoples reserves the right to remove its facilities at the Interconnect and, in its commercially reasonable discretion, terminate this Master Agreement and any other agreement(s) between Producer and Peoples, or any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Peoples Gas KY LLC, Peoples Gas WV LLC, and Delta Natural Gas Company, Inc.

10.14 **Data and Records Retention.** Peoples and Producer shall retain and preserve for a period of at least two (2) years all measurement data, original test data, charts, and other similar records, in such Party's possession and shall provide requested documentation to the other Party upon thirty (30) days' written notice.

10.15 **Volume and Quality Determination.** The measurement of the quantity and quality of all Gas received and delivered hereunder shall be conducted in accordance with the following:

- (a) **Unit of Volume.** The unit of volumetric measurement shall be a standard cubic foot of Gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees (60°) Fahrenheit (five hundred twenty degrees (520°) absolute) and without adjustments for water vapor. The unit of volume for measurement shall be one (1) cubic foot of Gas. To determine the Gross Heating Value of the unit of volume, such measured volumes will be converted to Mcf by multiplying by 1,000 and then, at the Company's discretion, multiplied by either (i) the Company's system average MMBtu/Mcf factor if the Receipt Point heat value has not been determined or (ii) the Receipt Point's Gross Heating Value per thousand cubic foot determined by a Gas sample analysis or Gas chromatograph to determine the MMBtus received, delivered and credited as the Producer Sales Volume at the Receipt Point hereunder. The Parties agree that nothing in this Master Agreement shall preclude either Party from proposing a modification to the unit of volume components defined herein in a future purchase Gas cost proceeding at the Commission.
- (b) **Orifice Meter Volume Computations.** Computations of Gas Volumes from measurement data shall be made in accordance with ANSI/API2530 (AGA Report No. 3), Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent amendments or revisions.
- (c) **Positive Displacement Meter Volume Computation.** Computation of Gas Volumes from data shall be in accordance with the AGA Measurement Committee Report No. 6 (AGA Report 6), dated January 1971, and any subsequent amendments or revisions.
- (d) **Turbine Meter Volume Computations.** Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 7 (AGA Report 7), First Revisions, dated November 1984, and any subsequent amendments or revisions.
- (e) **Ultrasonic Meter Volume Computations.** Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 9 (AGA Report 9), dated June 1998, and any subsequent amendments or revisions.

- (f) Electronic Devices and Flow Computers Volume Computations. Computation of Gas Volumes from data or devices shall be in accordance with API 21.1, AGA Measurement Committee Report Nos. 3, 5, 6, and 7 and any subsequent amendments or revisions.
- (g) Assumed Atmospheric Pressure. In connection with the use of any type of measuring device, an atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed, with no allowance for variation in atmospheric pressure. The flowing Gas temperature may be recorded at Peoples' discretion. In the absence of a flowing Gas temperature recorder, a temperature of sixty degrees (60°) Fahrenheit will be assumed.
- (h) Gross Heating Value. At least yearly, the Gross Heating Value of the Gas stream at each Receipt Point hereunder shall be determined by calculating the Gross Heating Value from an in-line chromatograph or a Gas analysis of a spot or continuous Gas sample except that for Receipt Point(s) with daily volumes below 1,000 mcf/day, the Gross Heating Value determination shall be required every five (5) years after the initial determination. The spot or continuous sample shall be taken at a suitable point to be representative of the Gas being analyzed.
- (i) Other Tests. Other tests to determine water content, sulfur, and other impurities in the Gas shall be conducted by Peoples as necessary and shall be conducted in accordance with standard industry testing procedures.
- (j) New Test Methods. If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement, such new method or technique may be substituted for the method set forth in this Article when such methods or techniques are in accordance with the currently accepted standards of the American Gas Association, if mutually agreed upon by the Parties.

10.16 **Right of Inspections.** Peoples shall have the right to inspect equipment installed on the Interconnect Facility, measurement charts and other measurement or testing data at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done by Producer, or its designee, unless agreed to otherwise by the Parties.

10.17 **Low Volumes for Receipt Points.**

- (a) In the event that Producer does not deliver to Peoples an average of three (3) Dekatherms of Gas per Day at each Receipt Point during any ninety (90) consecutive day period, then Peoples may permit the low volume delivery to continue or notify Producer of the low volume situation to initiate a discussion of the operational and commercial circumstances of the Receipt Point, including line pressures impacting the Receipt Point. The Parties shall engage in a good-faith discussion to determine if there is a mutually agreeable basis for the Receipt Point to remain on Peoples' System. If a resolution is not possible, the Receipt Point may be terminated, in which case Peoples may remove its Interconnect facilities, as they relate to such Receipt Point(s), by giving Producer notice in writing sixty (60) days prior to the effective date of termination.
- (b) In the event that the amount of Gas, or the quality of Gas, passing through any Receipt Point(s) is less than the measurement equipment minimum design requirements for accurate measurement, Peoples shall have the right to shut-in service from Producer until: (i) Producer has provided adequate supply to meet such design requirements and has proven to Peoples that such volumes exist; and/or (ii) the measurement equipment and Interconnect Facilities

have been redesigned and installed for the effective and efficient measurement of the revised volumes within the accuracy allowed and required by Peoples; and/or (iii) Producer has proposed, and Peoples has accepted in its sole discretion, an alternate method to accurately measure the volumes.

- (c) Peoples may in its sole discretion, for operational, safety or unaccounted for Gas mitigation reasons, abandon pipelines connected to any Receipt Point. Prior to the abandonment, Peoples shall provide sixty (60) days advance notice to the Producer of its intention to abandon the facilities and, during such sixty (60) day period, shall engage in a good-faith discussion with Producer to determine if there is a mutually agreeable arrangement by which the Receipt Point(s) impacted by the abandonment may remain on the system. If a resolution during said period is not possible, Peoples may proceed with the pipeline abandonment and Interconnect termination. The Producer in its sole discretion may reconnect to Peoples at the nearest pipeline not affected by the abandonment.

## **ARTICLE XI** **TERM**

11.01 **Term.** This Term of this Master Agreement shall become effective upon its execution by both Parties and shall continue in full force and effect for a period of five (5) years thereafter (“Master Agreement Term”), unless earlier terminated as provided herein. At the end of the Master Agreement Term, the Master Agreement shall automatically renew on a month-to-month basis until terminated by either party upon thirty (30) days’ prior written notice to the other party.

The term of service for each specific Receipt Point shall be as set forth in Exhibit A (the “Service Term”). To the extent that the Service Term for any specific Interconnection extends beyond the Master Agreement Term, then the Master Agreement shall remain in full force and effect for the specific Interconnection until the expiration or termination of the applicable Service Term.

The obligations of (i) Producer to indemnify Peoples and (ii) Peoples to indemnify Producer pursuant hereto shall survive the termination or cancellation of this Master Agreement and the Exhibits. Termination of this Master Agreement will result in the termination of all Exhibits and the disconnection of all Receipt Points governed by Exhibit A’s. Costs associated with disconnection will be the responsibility of the Producer.

Upon termination of this Master Agreement, Peoples shall have the right to remove all its facilities from the Interconnect of the Receipt Point(s) identified in the Exhibit As hereto.

## **ARTICLE XII** **BILLING AND PAYMENT**

12.01 **Quantities Deemed Conclusive.** The Production Statement of the Producer Sales Volume(s) shall be deemed conclusive unless Producer forwards an objection to Peoples in writing within sixty (60) days after the receipt of the Statement.

12.02 **Withholding Payments** In the event of any adverse claim to or against the proceeds of this Master Agreement or any Gas delivered under this Master Agreement, or any part thereof, or against the proceeds of any other Gas supply and/or delivery contract that Peoples, any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Peoples Gas KY LLC, Peoples Gas WV LLC, and Delta Natural Gas Company, Inc., has with Producer, is made by any person, Peoples may, upon written notice to Producer, refuse to receive Gas under this Master Agreement, as the

case may be, until the dispute is settled by agreement between Producer and such adverse claimant or by a final decree of a court of competent jurisdiction.

In the event the Producer fails to comply with any of the covenants or terms herein contained, Peoples may immediately withhold, without liability for interest, all payments due to Producer under the terms of this Master Agreement.

12.03 **Adjustments.** In the event that Peoples mistakenly overpays or underpays Producer for Gas purchased under this Master Agreement, and such overpayment or underpayment is the result of a mistake of law or fact, miscalculation, coercion, duress, fraud, governmental or regulatory constraint, then Producer or Peoples, as the case may be, shall promptly, upon demand by the other Party, make appropriate refund or adjustment in such overpayments or underpayments, without liability for the payment of any interest by either Party; provided, however, that the obligation of either Party to make restitution under this Master Agreement shall be limited to mistaken payments made within the period commencing four (4) years prior to the date on which demand for refund or adjustment is made. In the event of Producer's refusal or inability to refund any overpayments, Peoples may withhold payment for Gas purchased under this Master Agreement or any other contract between Peoples, any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Peoples Gas KY LLC, Peoples Gas WV LLC, and Delta Natural Gas Company, Inc., and Producer in an amount equivalent to the overpayment, without liability for the payment of any interest on the amount withheld. Nothing in this Master Agreement shall be construed as a waiver or relinquishment by Peoples or Producer of its rights to recover any such overpayments or underpayments.

12.04 **Late Payments.** Charges billed to Producer, for which payment has not been received by Peoples in full by the due date indicated on the invoice, will be assessed a late-payment charge of two percent (2%) per month on the unpaid balance. If Producer's failure to pay any undisputed amount continues for fifteen (15) days after the due date, then Peoples, in addition to any other remedy it may have, may (a) shut in the Receipt Point until Peoples has received payment in full; (b) deduct the unpaid amount from any payments accruing to Producer under any agreement between the Producer and Peoples; (c) take Gas in kind from Producer in satisfaction of obligations; or, (d) terminate the Exhibit associated with the Receipt Point and/or terminate the entire Master Agreement, upon ten (10) days written notice to Producer. Peoples reserves its rights to exercise any and all remedies at law appropriate to collect any amounts due hereunder, including interest, not timely paid by Producer.

### **ARTICLE XIII** **FAILURE TO PERFORM**

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

Producer shall reimburse Peoples for any damages caused by Producer failing to comply with any of the covenants contained in this Master Agreement, including payments made by Peoples to other affected

customers in settlement of claims arising out of such service if Producer was notified that Peoples was invoking indemnification under Section 13.03 and Producer was given the opportunity to defend against the claim prior to such settlement agreement. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, otherwise obtaining an adequate remedy is inconvenient and the liquidated damages constitute a reasonable approximation of the harm or loss.

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

13.02 **Damages.** IN NO EVENT WILL EITHER PARTY BE LIABLE OR RESPONSIBLE FOR, EITHER UNDER THIS ARTICLE XIII, UNDER ANY THEORY OF LIABILITY OR UNDER ANY OTHER TERM OR PROVISION OF THIS MASTER AGREEMENT, FOR ANY LOSS OF PROFITS, LOSS OF BUSINESS, INTERRUPTION OF BUSINESS OR FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13.03 **Indemnity.**

- (a) Producer agrees to indemnify, hold harmless and provide a defense for Peoples, its officers, directors, affiliates, agents, employees and contractors against any third party claims for any liability, loss or damage whatsoever (including, without limitation, claims for royalties, taxes, fees or other charges) occurring in connection with or relating in any way to: (i) breach of this Master Agreement by Producer; (ii) the negligence, willful misconduct or other tortious act(s) or omission(s) by Producer, its officers, directors, affiliates, agents, employees or contractors; (iii) the Gas prior to its delivery to Peoples at the Interconnect Facility; and/or (iv) the Gas to the extent the claim, liability, or damage arises as a result of the quality of the Gas delivered by Producer or other condition of the Gas. Such indemnification shall include, but not be limited to, all costs and reasonable attorneys' fees, whether or not such liability, loss or damage results from any demand, claim, action, or cause of action, by any person, association or entity, public or private, that is not a party to this Master Agreement.
- (b) Peoples agrees to indemnify, hold harmless and provide a defense for Producer, its officers, directors, affiliates, agents, employees and contractors against any third party claims for any liability, loss or damage whatsoever occurring in connection with or relating in any way to: (i) the negligence, willful misconduct or other tortious act(s) or omission(s) by Peoples' when accessing, operating, adjusting, changing, or repairing any Producer-owned facilities or equipment in accordance with Peoples' rights to do so granted by this Master Agreement and (ii) the negligence, willful misconduct or other tortious act(s) or omission(s) by Peoples' when accessing, operating, adjusting, changing, or repairing any of the Producer facilities not pursuant to Peoples' rights to do so granted by this Master Agreement. Such indemnification shall include, but not be limited to, all costs and reasonable attorneys' fees, whether or not such liability, loss or damage results from any demand, claim, action, or cause of action, by any person, association or entity, public or private, that is not a party to this Master Agreement.

13.04 **Shut-In Remedy.** In any instance set forth in this Master Agreement in which Peoples has the right to shut-in an Interconnect, Peoples shall further have the right to remove its facilities associated

with the Interconnect and terminate this Master Agreement if whatever action resulted in the shut-in has not been remedied in the amount of time set forth in this Master Agreement, or if no exact time is set, within a reasonable timeframe as determined by Peoples.

#### **ARTICLE XIV** **REGULATORY APPROVALS**

14.01 **Initial Regulatory Filing Requirements.** Both Peoples and Producer are responsible for identifying and obtaining any governmental and/or regulatory approvals that may be required for construction and operation of the facilities contemplated by this Master Agreement.

14.02 **Changes in Regulation Results in Material Adverse Effect.** If any other governmental agency, whether state or federal, takes any action or issues any determination that directly or indirectly results in a material adverse change to any provision of this Master Agreement, then the materially adversely affected Party (hereinafter "Affected Party") may either:

- (a) continue to fulfill its obligations under this Master Agreement as altered by the change in regulation; or
- (b) seek to renegotiate the affected terms of this Master Agreement by giving notice to the other Party within thirty (30) days of the material adverse change. If the Affected Party elects to renegotiate the terms of this Master Agreement, both Parties shall be obligated to renegotiate in good faith.

#### **ARTICLE XV** **GENERAL REPRESENTATIONS AND WARRANTIES**

15.01 **Producer's General Representations and Warranties.** Producer makes the following general representations and warranties:

- (a) Producer is duly organized, validly existing, and in good standing under the laws of the state in which it is organized and/or has full power and authority to execute and deliver this Master Agreement and to perform its obligations hereunder;
- (b) Producer holds all necessary corporate authorizations and by the execution and delivery of this Master Agreement will not violate its Articles of Incorporation, Limited Liability Company Agreement or other applicable governing agreement or any applicable laws or regulations;
- (c) There is no litigation, investigation, administrative proceeding or other action existing, pending, or threatened that would materially adversely affect the ability of Producer to fulfill its obligations under this Master Agreement;
- (d) Producer's signatories possess authority to execute this Master Agreement such that a legal, valid, and binding obligation enforceable against Producer is created; and
- (e) Producer shall be deemed to be in control and possession of the Gas hereunder until it shall have been delivered to Peoples at the Receipt Point. Producer assumes the full cost and expense, as well as full and complete liability and responsibility, for collecting, gathering, and transporting the Gas to the Receipt Point hereunder at the quality hereinafter specified.



15.02 **Peoples' General Representations and Warranties.** Peoples makes the following general representations and warranties:

- (a) Peoples is duly organized, validly existing, and in good standing under the laws of the state in which it is organized and/or has full power and authority to execute and deliver this Master and to perform its obligations hereunder;
- (b) Peoples holds all necessary corporate authorizations and by the execution and delivery of this Master Agreement will not violate its Articles of Incorporation, Limited Liability Company Agreement or other applicable governing agreement or any applicable laws or regulations;
- (c) There is no litigation, investigation, administrative proceeding or other action existing, pending, or threatened that would materially adversely affect the ability of Peoples to fulfill its obligations under this Master Agreement; and
- (d) Peoples' signatories possess authority to execute this Master Agreement such that a legal, valid, and binding obligation enforceable against Producer is created.

#### **ARTICLE XVI** **ASSIGNMENT**

16.01 **Assignment of this Master Agreement.** This Master Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective Parties hereto, and the covenants, conditions, rights and obligations of this Master Agreement shall run for the full term of this Master Agreement. No assignment of this Master Agreement, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any transfer and assumption, the transferor shall not be relieved of or discharged from any obligations hereunder.

Producer shall give prompt notice in writing to Peoples of any sale or assignment or other disposition of all or any part of its interest in the Interconnect Facilities hereinbefore described and covered by this Master Agreement and Exhibit(s). Producer shall furnish to Peoples copies of any relevant documents evidencing the transfer or assignment of said Producer's interest. Until said notice and relevant documents have been given and furnished to Peoples, Peoples, upon written notice to Producer, may shut-in the Interconnect hereunder, and/or escrow any payments required hereunder, without liability. In the event that Producer fails to promptly provide said notice and relevant documents, Peoples shall have the right to terminate this Master Agreement, and/or any Exhibits, upon fifteen (15) days' notice.

#### **ARTICLE XVII** **NOTICE**

17.01 **Notices.** Following execution and activation of this Master Agreement, all communications, invoices and payments ("Notices") required hereunder may be sent by a nationally recognized overnight courier service, hand delivered, by electronic mail, or by First Class U.S. mail; provided that for any Notices sent via electronic mail, a duplicate copy must also be sent via one of the other delivery methods described herein.

Peoples Natural Gas Company LLC  
375 North Shore Drive  
Pittsburgh, PA 15212  
Attention: Director Gas Supply  
Phone: 412-208-6525  
Email: steven.p.kolich@peoples-  
gas.com

Producer: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

With a copy to:  
Peoples  
375 North Shore Drive  
Pittsburgh, PA 15212  
Attention: Senior Counsel  
Email: jennifer.petrisek@peoples-  
gas.com

17.02 **Receipt of Communications.** Any notice required or permitted under this Master Agreement shall be in writing. Notice shall be deemed to have been received: (i) when sent by overnight mail or courier, on the next business day after it was sent or such earlier time as is confirmed by the receiving Party; (ii) when delivered by hand, at the time it is delivered to an officer or to a responsible employee of the receiving Party; and (iii) when delivered via First Class U.S. Mail, two (2) business days after mailing. Either Party may change its address or telephone number at any time by promptly giving notice of such change to the other Party. Either Party may modify any notice information specified above by written notice to the other Party.

**ARTICLE XVIII**  
**MISCELLANEOUS**

18.01 **Choice of Law.** This Master Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the State’s conflict of laws principles. This Master Agreement shall be deemed to have been executed in Pennsylvania.

18.02 **Construction of this Master Agreement.** No presumption shall operate in favor of or against either Party as a result of any responsibility either Party may have had for drafting this Master Agreement.

18.03 **Execution.** This Master Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. As used herein, the singular of any term shall include the plural.

18.04 **Captions.** The article and section captions of this Master Agreement are for purposes of reference only and shall not affect the meaning of any provision of this Master Agreement.

18.05 **Amendments.** This Master Agreement may only be amended or modified by written instrument signed by the duly authorized representatives of Producer and Peoples.

18.06 **Severability.** If any provision of this Master Agreement is held by any court of competent jurisdiction to be illegal, invalid, unenforceable, or in conflict with any law of the Commonwealth of Pennsylvania, the validity of the remaining provisions of this Master Agreement shall not be affected, and the rights and obligations of the Parties shall continue in full force and effect to the full extent permitted by law. If any provision of this Master Agreement is held invalid, illegal, unenforceable or in conflict with any

Pennsylvania law, the Parties shall meet promptly and negotiate in good faith a replacement provision to effectuate the intent of the Parties.

18.07 **Confidentiality.** This Master Agreement and all notices, statements, correspondence, and other communications or documents relating to the negotiation and administration of this Master Agreement are non-public, confidential, and proprietary (“Proprietary Information”). Each Party shall keep such Proprietary Information strictly confidential for a period ending two (2) years after the expiration or termination of this Master Agreement, except as may be required to comply with any statute or order of a court or government agency having subject matter jurisdiction, the Parties shall not disclose, reveal or divulge any Proprietary Information to any person or entity without the prior written consent of the other Party.

18.08 **Audits.**

- (a) **Accounting Audits:** Peoples shall have the right to audit Producer’s accounting records and other documents relating to materials delivered by or on behalf of Producer for Peoples’ account for any calendar year within the twenty-four (24) month period following the end of such calendar year. This provision shall continue in full force and effect for a period of twenty-four (24) months from the effective date of termination of this Master Agreement.
- (b) **Field Audits:** Producer gives Peoples permission to periodically come onto Producer’s property in order to audit the Interconnect Facility to determine if it is in compliance under the terms of this Master Agreement. Permission for ingress/egress includes personnel, vehicles, and other equipment deemed necessary by Peoples. Peoples shall have permission to perform all operating and maintenance functions associated with verifying the integrity and functionality of equipment, piping, and appurtenances. If, in Peoples’ judgment, modifications are necessary in order to assure proper operation of the equipment, Peoples shall notify Producer and describe the modifications and shut in the Interconnect. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities resulting from Peoples’ or its designee’s intentional or negligent actions during a field audit. Peoples shall replace, fix or repair, at its cost, any portion of Producer’s Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating or attempting to maintain the Producer’s Interconnect Facility.

18.09 **Waiver.** Any waiver by either Party of performance due by the other Party under the terms of this Master Agreement shall not operate as a waiver of any or all of such Party’s rights with respect to all prior or subsequent obligations of the other Party.

18.10 **Incorporation of Appendices.** Each Appendix hereto is made subject to the terms and conditions hereof, and is fully incorporated into this Master Agreement by reference.

18.11 **Entire Agreement.** The entire agreement between the Parties shall include those provisions contained in this Master Agreement, which includes the Appendices and any effective Exhibit. In the event of a conflict between the terms of any Appendix and the terms of this Master Agreement, the terms of the Master Agreement shall govern. In the event of a conflict between the terms of any Exhibit and the terms of this Master Agreement, which includes the Appendices, the terms of the Exhibit shall govern.

18.12 **Force Majeure** In the event either party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Master Agreement, other than demand payments of amounts due hereunder, then the obligations of such party, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused. However, the party claiming the existence

of force majeure shall use all reasonable efforts to remedy any situation, which may interfere with the performance of its obligations hereunder. The term "Force Majeure" as used herein, and as applied to either party hereto, shall mean acts of the law, acts of God, strikes, lockouts, or other labor disturbances, acts of the public enemy, war, blockades, insurrections, riots, epidemics, fires, floods, washouts, arrests, and restraint of rulers and people, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, partial or entire failure of such wells, or any other cause, whether of the kind herein enumerated, or otherwise, not reasonably within the control of the party claiming suspension. It is understood that settlement of strikes, lockouts, or labor disturbances shall be entirely within the discretion of the party having the difficulty and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or labor disturbances by acceding to the demands of the opposing party when such course is inadvisable in the discretion or judgment of the party having the difficulty.

This Master Agreement, as amended from time to time, constitutes the entire agreement between the Parties for the transportation and/or purchase and sale of Gas and supersedes all previous offers, negotiations, understandings and agreements between the Parties with respect to the transportation and/or purchase and sale of Gas. There are no agreements, modifications, conditions or understandings, written or oral, expressed or implied, pertaining to the transportation and/or purchase and sale of Gas which are not contained in this Master Agreement.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS**

IN WITNESS WHEREOF, Peoples and Producer have duly executed this Master Agreement to be effective as of the day and year first written above.

**PEOPLES NATURAL GAS COMPANY LLC**

**[PRODUCER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX A TO MASTER AGREEMENT  
MINIMUM ENGINEERING & TECHNICAL SPECIFICATIONS**

**SECTION I  
DESIGN OF INTERCONNECT FACILITIES**

1.01 **General.** Producer shall be responsible for all aspects of the design and construction of a New Facility, subject to the terms and conditions of the Master Agreement, unless specifically noted otherwise by Peoples. Producer shall be responsible for maintaining any Existing Facility and New Facility to the specifications set forth in the Master Agreement, including all Appendices and Exhibits. Peoples reserves the right to inspect an Existing Facility and a New Facility to ensure it complies with the specifications and is operable; in the event said facility does not meet with the specifications or is inoperable, the Interconnect may be shut-in until the Producer remedies the deficiency(ies).

1.02 **Materials.** All material and equipment furnished for a New Facility shall be new and shall satisfy: (i) the generally accepted industry standards; and (ii) the specifications set forth in this Appendix.

1.03 **Site/Land Acquisition**

- (a) Producer shall provide Peoples with the necessary rights-of-way, permits, and related surface rights including the rights of ingress, egress and regress necessary for Peoples to access the location of the New Facility. Producer shall also provide, if required, a right of way necessary for the tie-in of proposed New Facility to Peoples' System that is free of all costs and from all claims and liabilities for damages arising out of installation or the construction of the New Facility. To the extent that Producer has not previously provided Peoples with the necessary rights-of-way, permits, and related surface rights including the rights of ingress, egress and regress necessary for Peoples to access the location of an Existing Facility, and Peoples is hindered from accessing the location, Peoples shall have right to shut in the Interconnection, remove its facilities associated with the Interconnect and terminate the portion of the Exhibit applicable to the Interconnection.
- (b) Producer and Peoples must agree beforehand to the location of the New Facility as well as the final tie-in location.
- (c) Producer shall satisfy itself as to the character and types of surface and subsurface materials to be encountered in construction of the New Facility.
- (d) Producer's right-of-way shall be cleared of all debris and obstructions before the New Facility is tied into Peoples' System. For Existing and New Facilities, Producer's right-of-way shall be maintained such that regular access to the Interconnection may be obtained.
- (e) A New Facility shall be readily accessible, located in an area that is not susceptible to vehicular or other damage but as near as practical to the final tie-in point. Peoples reserves the right to require that a New Facility be enclosed within a locked fence or building. In the event of safety or operational concerns, Peoples reserves the right to require that an Existing Facility be enclosed within a locked fence or building.
- (f) The meter set shall be readily accessible, located in an area that is not susceptible to vehicular or other damage but as near as practical to the final tie-in point

- (g) All costs associated with Producer’s obligations under this section shall be the Producer’s responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee.
- (h) To the extent that Peoples is at any time required to pay for such rights-of-way or such costs or claims or liabilities, then such amounts and related expenses shall be incorporated within the Initial Construction and Installation payment made under this Master Agreement.

**1.04 Responsibility for Interconnect Facility Equipment.** The following table establishes the design, construction, operation, maintenance and cost responsibility for certain aspects of the Interconnect Facilities. All of the following design specifications designated as the Producer’s responsibility shall be incorporated into the design and construction of the Receipt Point at Producer’s sole cost unless waived by Peoples. Excluding Measurement Equipment, for which requirements are set forth in Section 10.01 of the Master Agreement, and Pressure/Flow Control Equipment, for which requirements are set forth in Section 4.01 of the Master Agreement, the Parties specifically agree that the design specifications identified in this Section 1.04 shall not apply to any Existing Facility(ies), unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the existing Receipt Point(s).

RECEIPT POINT SPECIFICATIONS							
STATION EQUIPMENT	REQ-UIRED	DESIGN	INSTALL	OWNER-SHIP	OPERATE	MAINTAIN	SPECIAL PROVISIONS/EQUIPMENT SPECS.
<b>PIPING</b>							
Pipeline-Tap & Valve	Yes	PG	PG	PG	PG	PG	
Inlet & Station Piping	Yes	S/T	S/T	S/T	S/T	S/T	Demarcation PT – TBD
Outlet & Station Piping	Yes	S/T	S/T	S/T	S/T	S/T	Demarcation PT - TBD
<b>GAS CONDITIONING</b>							
Filter Separator	TBD	S/T	S/T	S/T	S/T	S/T	
Liquid Level Shutoff	Yes	S/T	S/T	S/T	S/T	S/T	
<b>MEASUREMENT</b>							
Meter & Meter Runs	Yes	S/T	S/T	S/T	S/T	S/T	
Meter & Flow Control Risers, Valves, etc.	Yes	S/T	S/T	S/T	S/T	S/T	
Electronic Measurement	Yes	S/T	S/T	S/T	S/T	S/T	
<b>GAS QUALITY</b>							
Chromatograph	TBD	TBD	TBD	TBD	TBD	TBD	
Continuous Sampler	TBD	TBD	TBD	TBD	TBD	TBD	
H2O Dew Point Analyzer	TBD	S/T	S/T	S/T	S/T	S/T	
<b>PRESSURE / FLOW CONTROL</b>							
Primary Pressure Control	Yes	S/T	S/T	S/T	PG	S/T	Regulators
Overpressure Device	Yes	S/T	S/T	S/T	PG	S/T	Regulators
Slam Shut Valve	TBD	S/T	S/T	S/T	PG	S/T	
Emergency Valve	TBD	PG	PG	PG	PG	PG	
Flow Control Valve	TBD	TBD	TBD	TBD	TBD	TBD	

Heat	TBD	TBD	TBD	TBD	TBD	TBD	
Check Valve	Yes	S/T	S/T	S/T	S/T	S/T	
<b>ODORIZATION</b>							
Odorizer & Controls	TBD	S/T	S/T	S/T	PG	PG	
<b>MISCELLANEOUS</b>							
Communication service	TBD	PG & S/T	PG & S/T	PG & S/T	PG & S/T	PG & S/T	Each maintain own communication service
Electrical Service	TBD	S/T	S/T	S/T	S/T	S/T	

**PG = Peoples; S/T = Producer**

**TBD = To be determined at the Design Specification Stage per Section 4.01 of the Agreement.**

1.05 **Inlet Filter.** Filter/filter-separator facilities installed upstream of the Interconnect Facility at Receipt Point(s) must be considered and based upon specific Gas analysis. This Section 1.05 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility,

1.06 **Freeze Prevention.** In circumstances where heavier hydrocarbons and/or water vapor may be present within the Gas stream, Producer shall incorporate freeze protection measures into the design of the Interconnect Facility. The method and design of the freeze protection measures shall be submitted to the Peoples for approval and no construction shall commence until such time as Producer receives written approval from Peoples. If Producer’s freeze protection measures involve the use of Gas for fuel, then the tap for such fuel supply line shall be made upstream of the measuring equipment, such that Producer bears the costs of the fuel. This Section 1.06 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility. Freeze protection measures which may be acceptable to Peoples include the following:

- (a) Methanol Injection – should be installed downstream of meters
- (b) Catalytic heaters / heat trace - for regulator bodies
- (c) Indirect water bath heaters – for large pressure cuts and large flow volumes
- (d) All Gas provided and delivered to Peoples shall have a temperature of no less than 45° F.

1.07 **Regulating and Overpressure Protection.** Peoples may require regulation and shall require over-pressure protection for all Receipt Point(s) under this Master Agreement. Such regulation shall deliver pressures suitable to pressures in Peoples’ System. Peoples shall specify and/or approve the type of regulators to be used and shall specify pressure ranges, and operating settings. Producer will contract with a Peoples Approved Vendor to perform annual inspection and lock up test of each regulating and overpressure device, and provide inspection reports to Peoples.

- (a) A primary pressure-limiting device shall be required whenever the Peoples’ System has the possibility of realizing pressures exceeding the Peoples’ pipeline MAOP.
- (b) Overpressure protection devices shall be set such that pressures may not exceed the maximum allowable operating pressure for the facility into which Producer is delivering Gas.



- (c) Overpressure protection devices must be designed to prevent a single incident from affecting the operation of the Interconnect.
- (d) Security valves, monitor regulators, or control valves should be used for overpressure protection.
- (e) Overpressure protection devices shall consist of a stand-alone valve operating on a pneumatic signal taken directly from the pipeline.
- (f) If pilot loaded valves are used, the pilots shall not bleed when they are not operating. Pilot bleeds should be routed to downstream piping.

1.08 **Control Valves**

- (a) Control valves shall be sized using the highest flow rate compounded with the lowest delivery pressure.
- (b) All flow control valves should be installed to fail in the open position or in the last set positions, as applicable.
- (c) Peoples shall approve the type and brand of control valve.
- (d) Downstream taps for pressure control valves shall be noted on detail drawings, and shall also possess a pressure transducer for stations designed with telemetry.

1.09 **Miscellaneous Valves and Piping**

- (a) Blow-down valves shall be installed to provide for venting of all sections.
- (b) Meter header piping shall be sized for 1.5 times the total combined area of the total meter runs.
- (c) Isolation valves will be installed on either side of regulators, meters, and control valves.
- (d) Piping shall be Standard Weight unless approved otherwise by Peoples.

1.10 **Emergency Valve.** The design and installation shall include an emergency valve (ball valve preferred) located at least twenty-five (25) lineal feet (point to point) but not to exceed fifty (50) lineal feet from the tie-in with Peoples' System. The emergency valve shall be readily accessible, easily operated, and sufficiently marked for quick identification.

1.11 **Peoples Tie-in and Tap Sizing.** Peoples shall provide for the sizing and actual installation of tap for tie-in of a New Facility to Peoples' System. Producer shall provide data necessary for the sizing of the tap.

1.12 **Gas Chromatograph.** Auxiliary equipment may be required for measurement of Btu variations. Peoples shall have the final decision as to the type of Gas analysis required.

1.13 **Dehydration.** Gas received by Peoples at Receipt Point(s) shall be consistent with the requirements in Appendix B, Schedule 1 and contain no free liquids. In accordance with Section 7.01 of the Master Agreement, Peoples has the right to discontinue and/or terminate any Receipt Point(s) where Gas delivered contains free liquids.

1.14 **Dew Point Tester.** When deemed necessary by Peoples, Producer shall incorporate an on-line dew point tester as part of the Interconnect Facility. The unit shall be set such that any Gas volumes detecting

water content levels in excess of contractual specifications shall result in the automatic closure of an in-line valve thereby preventing further delivery of Gas into system. Valve shall remain closed until an acceptable water moisture content of the Gas can be provided. This Section 1.14 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility.

1.15 **Corrosion Coupon Tap.** When specified by Peoples, Producer shall provide for an in-line valve tap for installing corrosion coupons.

1.16 **Check Valve.** All Interconnect Facilities shall be installed with a check valve of some type so as to assure Gas flows in the direction proposed by this Master Agreement. Producer will contract with a Peoples Approved Vendor to perform annual inspection of each check valve and, in accordance with Appendix B, Section 1.07, shall provide the inspection report to Peoples.

1.17 **Building, fences, and site security**

- (a) Buildings, or shelters, shall be provided to protect electronic Gas measurement and control equipment, as well as to act as noise barriers, protection from damage, and for meeting compliance with local ordinances. All buildings, shelters, fences, or the like, shall be designed to permit safe access around all facility piping and equipment. Designs for buildings, shelters, fences, or the like shall be submitted to Peoples' approval prior to installation or modification.
- (b) Unless waived by Peoples in its reasonable discretion, all Interconnect Facility shall be fenced, consisting of chain link fencing eight feet (8') in height complete with three (3) strands of barbed wire, and at a minimum; one pedestrian gate and one truck gate installed at opposing ends of the site. This sub-section 1.17(b) shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility.
- (c) The site selected must be large enough to hold all equipment and accommodate all activities required for normal and maintenance operations.

1.18 **Power and telephone.** If required, Producer shall provide electric power and telephone at site.

**SECTION II**  
**INSTALLATION, TESTING, and INSPECTION**

2.01 **Testing**

- (a) All measurement equipment shall be tested in accordance with specifications provided by Peoples. Peoples shall specify minimum test pressure and test duration. Tests shall be conducted using a recording chart of which Peoples shall receive the original or a clear copy of the original test chart.
- (b) Peoples shall not activate the New Facility and Interconnect until a copy (or original) of the test chart has been received and approved.

2.02 **Inspection**

- (a) Peoples reserves the right to inspect all New Facilities during construction.

- (b) Prior to startup of construction, Producer shall provide three (3) days' notice to Peoples.
- (c) All girth welds must be 100% radiographically inspected and approved.
- (d) Producer shall be responsible for all expenses, including inspection by Peoples, relative to construction inspections of the New Facilities.

**APPENDIX B TO MASTER AGREEMENT  
INSPECTIONS AND GAS QUALITY**

**SECTION I  
ROUTINE INSPECTIONS OF INTERCONNECT FACILITIES**

1.01 **Interconnect Facility(ies) Maintenance.** Peoples shall have the right to periodically inspect Producer's records and the Interconnect facilities to verify that all operating and maintenance functions are being performed effectively. If Producer cannot provide adequate documentation, or if Producer's operating and maintenance procedures are inadequate as determined by Peoples, Producer will have seventy-two (72) hours to produce proper documentation and/or revise inadequate procedures. If, after the seventy-two hour period, documentation is not provided and/or procedures are not modified, Peoples retains the right to take further action as it deems necessary including the right to shut-in the Interconnect until adequate documentation/procedures have been verified and secured.

1.02 **Changes to Interconnect Facility.** The Producer has an obligation to notify Peoples in writing 24 hours prior to changes to Producer Interconnect facilities that would require modifications to an Interconnect, Peoples' System or Gas composition, and Peoples shall have the right to reject changes to the Interconnect Facility. Peoples retains the right to take action as it deems necessary in its reasonable discretion, including the right to shut-in the Interconnect, in the event notification does not occur. The cost of any damages as a result of changes to Producer's Interconnect Facility will be borne entirely by the Producer; provided, that if Peoples or its designee accesses and operates Producer's Interconnect Facility, Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of Peoples' accessing or operating the Facility.

1.03 **Interconnect Facility Operations.** Peoples shall have the right to shut-in the Interconnect immediately if meter set equipment is not operating properly, an overpressure condition exists, design limitations are exceeded, or safe operating conditions are compromised. Furthermore, Peoples has the right to keep the Interconnect shut-in until the Producer makes the necessary provisions to rectify the situation. If the abnormal conditions repeatedly arise, Peoples has the right to shut-in the Interconnect indefinitely.

1.04 **Interconnect Facility Inspections.** Peoples shall have the right to inspect the Interconnect Facility including, but not limited to, the following: calibrate the meter; inspect regulators; inspect valves; and inspect and calibrate Gas quality facilities. If during the course of these inspections, Peoples determines, using commercially reasonable discretion, that installation procedures were not followed, equipment was not maintained, or equipment was modified to not comply with specifications established in this Master Agreement, Peoples has the right to shut-in the Interconnect until corrective actions by the Producer occur and additional inspections performed. If continued inspection violations occur, Peoples has the right to shut-in the Interconnect indefinitely. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's inspection in calibrating the meter, inspecting regulators, inspecting valves, and inspecting and calibrating gas quality equipment within the Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of the activities described above.

1.05 **Reserved.**

1.06 **Reserved.**

1.07 **Annual Measurement Equipment Testing.** All measurement equipment shall be inspected and tested by a Peoples Approved Vendor once each calendar year not to exceed fifteen (15) months from the previous inspections at Producer's expense. This annual inspection must be completed by technicians trained to operate pressure regulating equipment in accordance with the manufacturer's procedures and specifications. Peoples reserves the right to request documentation for regular testing and technician training. The annual testing shall include, but is not limited to the following equipment: Check Valve, Regulator(s) Lock-up test, Electronic corrector (EGM) calibration, meter calibration and spot sample Gas analysis (frequency according to section 2.01 of this Appendix B) at the Interconnect. Inspection reports shall be submitted, within 30 days after the yearly inspection date, to Peoples. In the event the Producer fails to submit the yearly inspection reports, Peoples shall have the right to periodically inspect Producer's records to determine if measuring equipment has been inspected and tested, as required by the Master Agreement. If Producer cannot provide documentation, within five (5) days of Peoples' request, Producer is required to immediately shut-in the Interconnect at which measurement and testing records are deficient, for a period of one week, or until the Producer can provide proof that the measuring equipment has been inspected and tested, and is working properly, whichever is longer. If Producer cannot provide documentation that its measuring equipment has been inspected and tested on additional occasions, Peoples retains the right to take further action at its discretion, including the right to require the shut-in of the applicable Interconnect for additional time periods. If Producer repeatedly violates this provision, Peoples has the right to permanently discontinue accepting Gas from wells that Producer has dedicated to said Interconnect Facility.

## **SECTION II** **GAS QUALITY REQUIREMENTS**

2.01 **General.** Before Peoples permits the flow of Gas from a New Facility into the Peoples' System, Producer will provide a Gas sample analysis by a Peoples Approved Vendor and Peoples shall review the Gas sample analysis to verify that it is of marketable quality. Producer will contract with a Peoples Approved Vendor to perform an initial (within one (1) year of the execution of this Agreement) Gas quality sample analysis and provide inspection report to Peoples for each Interconnect Facility that have not otherwise been tested by Producer or Peoples within the year prior to the execution of this Agreement. Receipt Point(s) with daily volumes at or above 1,000 mcf/day will be required to have a Gas quality sample analysis conducted on an annual basis. Receipt Point(s) with daily volumes below 1,000 mcf/day will be required, after obtaining the initial analysis, to have a Gas quality sample analysis' conducted every five (5) years thereafter, unless the Gas sample analysis does not meet Peoples specifications, requirements and/or standards, as set forth in this Agreement, including any Appendixes, Exhibits, Addendums, Schedules and Amendments, in which case, Peoples will require the Interconnect to be shut in until Gas sample meets Peoples specifications. Peoples reserves the right to require more frequent Gas quality sample analyses in order to address operational, safety or service related issues. The initial and ongoing Gas sample analyses shall include testing for water vapor, N<sub>2</sub>, O<sub>2</sub>, CO<sub>2</sub>, CH<sub>4</sub> (methane through pentane), heating value (BTU - dry and saturated), specific gravity by a certified tester using GPA 2261-13 and GPA 2172-09 standards and shall conform with the following specifications:

- (a) **Liquids** – The Gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the Gas is delivered.
- (b) **Moisture Content** – The Gas shall not have water content in excess of seven (7) pounds of water per million cubic feet of Gas measured at standard conditions of 14.73 psia and 60°F, unless otherwise approved by an authorized representative of Peoples or as set forth in Schedule 1. The moisture content of the Gas shall be such that it is of marketable quality, and does not cause any safety or operational problems or other adverse effects on Peoples' System or any downstream systems to which the Gas may flow. Producer will be advised of any additional or specific moisture content limits for the Interconnect, or of any changes in such limits, should they be required.

- (c) Water Vapor – Peoples will authorize water content according to the chart attached as Schedule 1 to this Appendix B. However, Peoples maintains the right to require a lower (more stringent) water vapor content than the level set forth in Appendix B if the water vapor levels at specific Receipt Point(s) are detrimentally affecting customer service or creating operational issues.
- (d) Carbon Dioxide and Other Inerts – The Gas shall not contain more than four percent (4%) by volume of total combined inerts such as carbon dioxide, nitrogen, argon, and helium; provided that the total carbon dioxide content shall not exceed two percent (2.0%) by volume.
- (e) Dust, Gums and Solid Matter – The Gas shall be commercially free of dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the Gas in the course of transportation through pipeline.
- (f) Heating Value – Unless otherwise approved, in writing, by Peoples, the Gas delivered shall contain not less than 967 BTU per standard cubic foot and shall not exceed 1,100 BTU per standard cubic foot of Gas calculated as the gross saturated value at 14.73 psia and 60° Fahrenheit, and a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%), the utilization factor being defined as that number obtained by dividing the heating value of the Gas by the square root of its specific gravity. 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 its end-use customers shall meet the heating value requirements set forth in applicable regulations, orders or laws. The Producer may be responsible for the costs of such enhancement.
- (g) Temperature – The temperature of the Gas delivered into the Peoples’ System shall not exceed 100°F unless approved by an authorized representative of Peoples. The temperature shall not be less than 40°F as delivered to Peoples’ System after passing through all regulation, measuring and over protection equipment.
- (h) Oxygen – The Gas shall not contain more than 2,000 parts per million (0.2% of one percent) of oxygen by volume.

Should circumstances warrant more in-depth Gas sample analyses, such as the suspected or known presence of other constituents, Peoples reserves the right to require testing for additional compounds including not limited to the following:

- (a) Hydrogen Sulfide – The Gas shall not contain more than four (4) parts per million on a volumetric basis, or three-tenths (0.3) of a grain of hydrogen sulfide per one hundred (100) cubic feet.
- (b) Total Sulfur – The Gas shall not contain more than 170 parts per million, on a volumetric basis, or ten (10.0) grains of total sulfur per one hundred (100) standard cubic feet.
- (c) Carbon Monoxide – The Gas shall not contain more than one-tenth percent (0.1%) by volume of carbon monoxide.
- (d) Gasoline - Not contain more than two-tenths (0.2) of a gallon of gasoline per one thousand (1,000) standard cubic feet unless otherwise approved by an authorized representative of Peoples.
- (e) Bacteria – The Gas, including any associated liquids, shall not contain any microbiological organism, active bacteria, or bacterial agent capable of causing or contributing to: (i) injury to Peoples’ pipelines, meters, regulators, or other facilities and appliances through which Producers Gas flows; or (ii) interference with the proper operation of Peoples’ System. Microbiological organisms, including, but not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (ACB), when considered as a possibility, shall be tested for their existence utilizing the

American Petroleum Institute test method API-R38 or other acceptable test method as determined by both Parties.

- (f) Siloxane – All Gas delivered through an Interconnect into Peoples’ System that includes Gas from landfill well(s) or gathering lines fed by landfill Gas sources shall meet the following on-going testing protocol:

<b>Test Results, mg of SI / Nm<sup>3</sup></b>	<b>Action</b>
≤ 0.4	November through February = once per week March through October = twice per month
0.40 - 0.60	Test daily until results are below 0.40
3 consecutive results ≥ 0.60 or a single test ≥ 1.0	Shut in gas until start-up conditions are re-established

2.02 **Gas Odorant.** Peoples will perform Gas odorant tests to confirm that the Gas delivered at the Producer’s Interconnect Facility is properly odorized. If is found to have insufficient odor, then Producer will be required to purchase and install odorizing units and monitoring equipment according to Peoples’ specifications and as set forth herein. The Producer is also responsible for the maintenance of this facility including the costs of odorant supply needed to maintain a sufficient odor in all Gas delivered at the Producer’s Interconnect Facility. Odorizing units and monitoring equipment specifications

- (a) Equipment and Ownership. The Producer will own the odorizer with associated equipment necessary to operate and deliver odor (odorizer system) and is responsible for all costs associated with operating the system. Peoples will approve the design of the odorizer system, whereinafter the Producer will purchase and install the odorizer system. Peoples may choose to be present for the installation and shall have the right to test the system after its installation. Thereafter, Peoples will operate and maintain the odorizer systems and, where applicable, a thermal electric generator (unless a public electric power supply can be made available to the site), together with necessary valves, tubing and fittings, in order to properly odorize Gas delivered to measurement equipment. If the odorizer system is located outside of the Interconnect Facility location, the Producer shall provide site access to Peoples, as described in Section 1.03 of Appendix A, for the site where the odorization system is located. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples’ or its designee’s accessing or operating Producer’s odorizer system. Peoples shall also replace, fix and repair, at its cost, any portion of Producer’s odorizer system that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating the odorizer system.
- (b) Upgrades. If Producer should desire to upgrade or replace any of the currently existing odorizers or generators, all equipment must be subject to the review and approval of Peoples.
- (c) Refill. Peoples will manage the filling and refilling (or tank exchange) of the odorant to make sure, that sufficient odorant is available for Gas delivered to the measurement equipment.
- (d) Odorant Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the cost of odorant, including all future tank refills.
- (e) Odorizer Site. Producer will provide and maintain, at its own cost, perimeter fencing around the Odorizer sites to enclose and protect the odorizers and related equipment.

- (f) Communication Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the monthly cost of public telephone or cellular service for the communications equipment used to monitor the operation of the odorizers and the odorant level and for the monthly cost of electrical service used to operate and maintain the odorizers, if electric power is provided to the odorizers from a public supplier.
- (g) Maintenance Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the cost of any regular, periodic, and other odorizer maintenance service, including all labor and necessary replacement parts or equipment, to assure the continued efficient operation of the odorizers. This includes reserve parts held in Peoples' stock to enable timely and proficient resolutions.

2.03 Gas Quality Inspections. If Gas sample analysis indicates that any of the Gas quality specifications, requirements and/or standards set forth in this Master Agreement have not been met, Peoples may refuse deliveries until the Producer makes the necessary provisions to fully comply with the Gas quality requirements.

2.04 Gas Quality Inspections. After initial deliveries are received, Peoples reserves the right to periodically sample Gas at the measurement equipment to validate the Gas quality. If the analysis indicates that Gas quality specifications, requirements and/or standards set forth in this Master Agreement are not met, Peoples has the right to shut in the Interconnect indefinitely until the Producer makes the necessary provisions to fully comply. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's accessing Producer's measurement equipment. Peoples shall also replace, fix and repair, at its cost, any portion of Producer's measurement equipment that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of accessing the equipment.

2.05 Remedies. Should any of the above substances enter Peoples' System and cause damage to metering, regulating and/or other equipment, or interruption of service, Producer shall reimburse Peoples for the costs to repair such damage and for any related costs which Peoples may incur to restore service to, and/or repair facilities of, its customers, including payments made by Peoples to customers in settlement of claims arising out of interruption of Gas service; provided that Producer was notified that Peoples was invoking indemnification under Section 13.03 and Producer was given the opportunity to defend against the claim prior to such settlement agreement. Any such costs may be deducted from payments due Producer for Gas delivered. In addition, if the Gas delivered fails, in Peoples' reasonable opinion, using commercially reasonable discretion, to meet the quality specifications set forth herein, Peoples may elect to refuse to take all or any portion of such Gas until the Producer bring the Gas into conformity with such specifications. In the case of any such refusal, Producer agrees to exercise all due diligence to bring such Gas into conformance with the specifications set forth herein. Peoples has the right to shut in the Interconnect indefinitely until the Producer makes the necessary provisions to meet the Gas quality standards. Peoples may also elect to require continuous Gas quality monitoring with fail safe shut off as a provision to accept existing or new deliveries. Damages as a result of Gas quality violations are the responsibility of the Producer and the Interconnect shall be shut-in until damages are paid in full.



**SCHEDULE 1 TO  
APPENDIX B TO MASTER AGREEMENT  
WATER VAPOR CONTENT**

**ALLOWABLE WATER VAPOR LEVEL (#/MMSCF) VS. LOCATION**

1. Producer meters connected to pipelines on the suction side of a Peoples compressor will be subject to 40#/mmscf water vapor standard.
2. All other Producer meters will be subject to 20#/mmscf water vapor standard.

Peoples reserves the right to require more stringent water vapor standards in limited and specific situations where Peoples has determined through water vapor testing that the water vapor levels at identified production meter points are affecting customer service or creating operational issues.

**EXHIBIT A- [REDACTED]**  
**to**  
**Master Agreement**

**Additional Terms and Conditions Governing Transportation of Gas**

This Exhibit A ("Exhibit") is made part of and is subject to the terms and conditions of the Master Agreement made and entered into by and between **Peoples Natural Gas Company LLC**, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as "Peoples"), and **[Producer]** with an office at [Address] (hereinafter referred to as "Producer"). Producer and Peoples are also referred to herein individually as a "Party" and collectively as the "Parties."

This Exhibit A- [REDACTED] shall supersede, in its entirety, and terminate without cause, any the previously executed Agreement(s) between the Parties for the transport of Gas for the Receipt Point(s) identified herein including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions.

The Service Term Start Date for each individual Receipt Point shall be the latter of \_\_\_\_\_ or the first day of the immediately succeeding Production Period in which Producer delivers Gas to Peoples at the Receipt Point. The Service Term End Date for each individual Receipt Point shall be \_\_\_\_\_. After this initial term, this Exhibit will automatically renew for month-to-month periods unless either Producer or Peoples provides written notice of termination to the other party at least (thirty) 30 days prior to the expiration date. If either party terminates a Receipt Point, the Producer's Interconnect Facility(ies) will be disconnected and the Interconnect shall be abandoned unless a subsequent Exhibit is executed within thirty (30) calendar days.

The Rates for Gathering are subject to the applicable tariff in effect at the time of delivery into the Peoples' System. These charges are subject to change. Rates for certain qualifying incremental conventional production, and for unconventional horizontal production and landfill production shall be determined by Peoples based on supporting information provided to Peoples by the Producer and in accordance with the applicable tariff and shall be specified in Schedule 1 to this Exhibit. The Receipt Point(s) and applicable Retainage Percentage and Gathering Rate shall be identified in Schedule 1 to Exhibit A- [REDACTED], which is attached hereto and made a part hereof.

This Exhibit shall become effective upon its execution by both Peoples and Producer and shall continue in full force and effect through the end of the latest Service Term End Date set forth herein, including any extensions thereof. The obligations of Producer to make payment hereunder and the obligation of Producer to indemnify Peoples, and Peoples to indemnify Producer, pursuant hereto shall survive the termination or cancellation of the Master Agreement and this Exhibit. Peoples shall have the right to terminate this Exhibit, upon thirty (30) days advance written notice to Producer, if Gas has not flowed for the previous period of twelve (12) consecutive months, or if Peoples or its designee has caused the Interconnect Facilities to be disconnected or removed.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS**

IN WITNESS WHEREOF, Peoples and Producer have duly executed this Exhibit on this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_.

**PEOPLES NATURAL GAS COMPANY LLC**

**[PRODUCER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1 TO  
EXHIBIT A- [REDACTED] TO MASTER AGREEMENT  
RECEIPT POINT(S), RETAINAGE PERCENTAGE AND GATHERING RATE**

Unless otherwise set forth below, the Retainage Percentage and the Gathering Rate for the following Receipts Point(s) are subject to the applicable tariff in effect at the time of Gas delivery into the Peoples' System and are subject to change.

<b>Receipt Point(s)</b>	<b>Special Terms for Unconventional Wells</b>

**EXHIBIT A-█**  
**to**  
**Master Agreement**

**Additional Terms and Conditions Governing the Purchase of Gas**

This Exhibit A (“Exhibit”) is subject to the terms and conditions of the Master Agreement made and entered into by and between **Peoples Natural Gas Company LLC**, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as “Peoples”), and **[PRODUCER]** with an office at [ADDRESS] (hereinafter referred to as “Producer”). Producer and Peoples are also referred to herein individually as a "Party" and collectively as the "Parties."

This Exhibit A-█ shall supersede, in its entirety, and terminate without cause, the previously executed Agreement(s) between the Parties for the purchase of Gas for the Receipt Point(s) identified herein, including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions.

The following sets forth the additional terms and conditions whereby Peoples shall purchase Gas from Producer at the specific Receipt Point(s) identified in this Exhibit.

1. **Sale and Purchase Obligations.** Producer shall produce and sell to Peoples, and Peoples shall take and pay for, quantities of Gas delivered to the Receipt Point(s) set forth below. Peoples shall have no obligation to pay for any Gas until such time as it has been produced and delivered to the designated Receipt Point(s). Except in instances where Peoples and Producer agree otherwise, Producer’s sale shall be a full requirements sale where all Gas produced shall be delivered to Peoples. Notwithstanding the foregoing, Peoples may reduce or suspend its purchases under this Master Agreement in the event that Peoples has insufficient pipeline capacity or insufficient market demand to facilitate the sale and/or use of Producer’s Gas. Upon notice to Producer, Producer shall promptly comply with Peoples’ reduction or suspension request. As provided for in Section 6.07 of the Master Agreement, in the event Peoples should ever cease, in whole or in part, to sell Gas directly to end-use customers (otherwise known as providing merchant or sales service), then Peoples may, in its sole discretion, terminate this Exhibit, or the Master Agreement, upon at least sixty (60) days written notice to Producer.
2. **Agency.** Peoples reserves the right to act as Producer’s agent to market the production dedicated hereunder while continuing to pay Producer the price set forth in this Exhibit. All other terms and conditions of the agreement shall remain in full force and effect.
3. **Title to Gas.** Producer warrants that it will have good and merchantable title to or will have the right to sell all Gas delivered under this Master Agreement and that such Gas will be free and clear of all liens, encumbrances, and adverse claims by third parties. Producer shall indemnify and hold Peoples harmless from any and all suits, claims, actions, debts, levies, accounts, damages, costs, losses, and expenses of any nature arising from or out of any adverse claims of any kind or nature asserted by any person or entity concerning such Gas, including, but not limited to any claims, suits, actions, or demands that may arise due to the nonpayment of any landowner royalties, overriding royalties, or rentals.
4. **Possession, Control, and Liability.** Title to all Gas purchased under this Master Agreement shall pass from Producer to Peoples at the Receipt Point(s). As between the Parties to this Master Agreement, Producer shall be deemed to be in possession and control of the Gas to be delivered to Peoples until

Producer delivers the Gas to Peoples at the Receipt Point(s), and Peoples shall be deemed in possession and control thereafter.

5. **Peoples' Monthly Production Statement and Payment.** On or before the last business day of each calendar Month during the term of this Master Agreement, Peoples shall: (i) send Producer a Production Statement, in either hardcopy or electronic form, reflecting the Producer Sales Volume(s) during the relevant Production Period; and (ii) make payment to Producer by check or by automated clearinghouse (ACH) direct deposit pursuant to a separate ACH direct deposit agreement.
6. **Producer's Agent.** Although the terms of this Master Agreement extend to and are binding upon all Parties hereto, their respective heirs, successors, personal representatives and assigns, in no event will Peoples remit, or be required to remit, payment to more than one (1) payee per month in exchange for the Gas produced and sold hereunder. Accordingly, Producer hereby appoints the following Agent to receive all statements and payments hereunder:

Name: \_\_\_\_\_ (the "Agent")  
Address: \_\_\_\_\_  
\_\_\_\_\_

The Agent is authorized to give the necessary receipts and acquaintances to Peoples and to make adjustments and settlements under this Master Agreement, and Peoples shall have no obligation with respect to, or responsibility for, the application of any Gas purchase proceeds paid to the Agent. If at any time the Agent shall resign or be discharged or shall otherwise be unable or unwilling so to act, Peoples may withhold further payment of money for purchase of Gas hereunder, without liability for interest, until Peoples is furnished by Producer with the necessary documentation (properly executed and acknowledged by all necessary parties) designating a new agent, as the case may be, to receive such payment, for all parties interested in such payment.

7. **Royalties.** In no event will Peoples be obligated to make royalty, over-riding royalty or working interest payments for Gas purchased under this Master Agreement.
8. **Regulatory Authorities.** Peoples shall use reasonable efforts to obtain the necessary regulatory approvals from the Commission to recover the prices paid to Producer for Gas purchased under this Master Agreement. If the Commission issues an order, opinion, act, regulation, or rule that prohibits Peoples from recovering as part of Peoples' Gas cost recovery proceeding the full price paid to Producer for Gas purchased under this Master Agreement, then Peoples may at any time: (i) credit the difference between the price paid for Gas under this Master Agreement and the amount permitted to be recovered through Peoples' rates against amounts due Producer; or (ii) receive a refund of such amounts directly from Producer upon request by Peoples.
9. **Taxes.** Producer shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas upstream of Receipt Point(s) and all Taxes at the Receipt Point(s). Peoples shall pay or cause to be paid all Taxes on or with respect to the Gas downstream of Receipt Point(s). If a party is required to remit or pay Taxes which are the other Party's responsibility hereunder, the Party responsible for such Taxes shall promptly reimburse the other Party for such Taxes. Any Party entitled to an exemption from any such Taxes or charges shall furnish the other Party any necessary documentation thereof.
10. **Service Term.** The Service Term Start Date for each individual Receipt Point shall be the latter of the \_\_\_\_\_ or the first day of the immediately succeeding Production Period in which Producer delivers Gas to Peoples at the Receipt Point. The Service Term End Date for each individual transaction shall be \_\_\_\_\_. After this initial Service Term, this Exhibit will automatically renew from month-

to-month periods unless either Producer or Peoples provides written notice of termination to the other party at least thirty (30) days prior to the expiration date. If either party terminates a Receipt Point Exhibit, the Producer will be disconnected and the Interconnect shall be abandoned unless a subsequent Exhibit is executed within thirty (30) calendar days.

- 11. **Receipt Point(s).** The Receipt Point(s), Retainage Percentage, Gathering Rate and Purchase Price shall be identified in Schedule 1 to Exhibit A- [redacted], which is attached hereto and made a part hereof.
- 12. **Rates.** The rates for gathering charges are subject to the applicable tariff in effect at the time of delivery into the Peoples system. These charges are subject to change. Rates for certain qualifying incremental conventional production, and for unconventional horizontal production and landfill production shall be determined by Peoples based on supporting information provided to Peoples by the producer and in accordance with the applicable tariff. The Receipt Point(s) and applicable Retainage Percentage and Gathering Rate shall be identified in Schedule 1 to Exhibit A- [redacted], which is attached hereto and made a part hereof.

This Exhibit shall become effective upon its execution by both Peoples and Producer and shall continue in full force and effect through the end of the latest Service Term End Date set forth herein, including any extensions thereof. The obligations of Peoples to make payment hereunder for Gas which has been delivered and the obligation of Producer to indemnify Peoples, and Peoples to indemnify Producer, pursuant hereto shall survive the termination or cancellation of the Master Agreement and this Exhibit. Peoples shall have the right to terminate this Exhibit, upon thirty (30) days advance written notice to Producer, if Gas has not flowed for the previous period of twelve (12) consecutive months, or if Peoples or its designee has caused the Interconnect facilities to be disconnected or removed.

IN WITNESS WHEREOF, Peoples and Producer have duly executed this Exhibit on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PEOPLES NATURAL GAS COMPANY LLC**

**[PRODUCER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**AGENT**

**Acknowledged as to the obligations of Agent only**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1 TO  
 EXHIBIT A- [ ] TO MASTER AGREEMENT  
 RECEIPT POINT(S), CONTRACT PRICE, RETAINAGE PERCENTAGE AND GATHERING RATE**

Unless otherwise set forth below, the Retainage Percentage and the Gathering Rate for the following Receipts Point(s) are subject to the applicable tariff in effect at the time of Gas delivery into the Peoples' System and are subject to change.

<b>Receipt Point(s)</b>	<b>Contract Price</b>	<b>Special Terms for Unconventional Wells</b>
	_____ % Inside F.E.R.C. First of the Month Eastern Gas Appalachia Index* \$/_____	



**Peoples Natural Gas Company LLC**

§ 53.53 III.E

- 28. Provide a statement explaining the details of firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities, including determination of costs, terms of contract, and other pertinent information.

\* \* \* \* \*

Peoples does not have any firm gas purchase contracts with an affiliate.

Peoples Natural Gas has two long-term natural gas purchase arrangements with the nonaffiliated EQT Energy. The term of one arrangement is from December 17, 2013 through December 16, 2033. It allows Peoples Natural Gas to purchase a daily minimum of zero dekatherms to a daily maximum of 164,935 dekatherms. These purchases may be made at any receipt point on Equitrans’ Mainline or Sunrise systems, or at other mutually agreed upon Equitrans points. The arrangement requires a minimum calendar year annual purchase of 20,000,000 dekatherms. The arrangement specifies different terms for purchases that are baseload or intra-month. For baseload purchases, Peoples must provide EQT Energy its requested daily baseload purchase quantity no later than 8:00 AM EDT, five business days before the first day of the relevant month. Only baseload purchases are permitted under the arrangement for the months of April through October. All baseload purchases are priced at “Inside FERC” Eastern Gas, Appalachia, index with no adjustment, related to the month of flow. The agreement allows Peoples to make daily intra-month calls for the months of November, December, January, February and March. The intra-month purchase provisions require Peoples to make its daily election by 8:00 AM EDT for the following day of flow, or days of flow if the next days are weekends or holidays. Intra-month quantities are priced as “Gas Daily”, Eastern Gas, South Point, Midpoint, index, with no adjustment, related to the days of flow. During the months of November, December, January, February and March, Peoples pays a demand charge of \$0.1746 multiplied by 164,935 dekatherms for each day of the month in consideration of the intra-month purchase option. For any day of the year, the maximum daily and baseload purchase total cannot exceed 164,935 dekatherms.

Peoples second long-term agreement with EQT Energy has a term of April 1, 2014 through March 31, 2034. It allows Peoples to purchase a daily minimum of zero dekatherms and a daily maximum of 251,700 dekatherms. These purchases may be made at any receipt point on Equitrans’ Mainline or Sunrise systems, or at other mutually agreed upon Equitrans points. The arrangement requires a minimum purchase of 15,000,000 dekatherms for periods starting with April 1<sup>st</sup> and ending March 31<sup>st</sup> of the following calendar year. The arrangement specifies different terms for purchases that are baseload or intra-month. For baseload purchases, Peoples must provide EQT Energy its requested daily baseload purchase quantity no later than 8:00 AM EDT, five business days before the first day of the relevant month. Only baseload purchases are permitted under the arrangement for the months of April through October. All baseload purchases

are priced at “Inside FERC” Eastern Gas, Appalachia, index with no adjustment, related to the month of flow. The agreement allows Peoples to make daily intra-month calls for the months of November, December, January, February, and March. The intra-month purchase provisions require Peoples to make its daily election by 8:00 AM EDT for the following day of flow, or days of flow if the next days are weekends or holidays. Intra-month quantities are priced as “Gas Daily”, Eastern Gas, South Point, Midpoint, index, with no adjustment, related to the days of flow. During the months of November, December, January, February and March, Peoples pays a demand charge of \$0.1746 multiplied by 251,700 for each day of the month in consideration of the intra-month purchase option. For any day of a period starting with April 1<sup>st</sup> and ending March 31<sup>st</sup> of the following calendar year, the maximum daily and baseload purchase total cannot exceed 251,700 dekatherms.

**Peoples Natural Gas Company LLC**  
§ 53.53 IV.B

4. Provide an exhibit for each customer classification showing the following data for the test year and the four previous years:
  - a. The maximum coincident peak day demand.
  - b. The maximum coincident 3-day peak day demand.
  - c. The average monthly consumption in MCF during the Primary Heating Season (November-March).
  - d. The average monthly consumption in MCF during the Non-heating season (April-October).
  - e. The average daily consumption in MCF for each 12-month period.

\* \* \* \* \*

a.b. Page 2 of this response shows the 3-day peak for Peoples combined divisions for the prior five years.

c.d.e. Refer to the response to Exhibit 10 Schedule 2.

Peoples Natural Gas Company LLC - Combined Divisions  
 Exhibit 12, Schedule 13 a,b  
 Three-Day Peak and Single Day Peak

Heating Season	Three-Day Single-Day Peak	VOLUMES									
		Retail				Transportation				CU & UFG	TOTAL
		RS	SGS	MGS	LGS	RS	SGS	MGS	LGS		
2022-2023	December 23	500,077	71,642	37,700	2,029	82,230	39,013	125,095	280,146	71,990	1,209,923
	December 24	473,432	67,825	35,691	1,921	77,849	36,934	118,430	265,219	68,155	1,145,457
	December 25	428,477	61,385	32,302	1,739	70,457	33,427	107,184	240,035	61,683	1,036,689
	December 23	500,077	71,642	37,700	2,029	82,230	39,013	125,095	280,146	71,990	1,209,923
2021-2022	January 20	391,525	56,091	29,516	1,589	64,380	30,544	97,941	219,334	56,363	947,283
	January 21	421,882	60,440	31,805	1,712	69,372	32,913	105,535	236,341	60,734	1,020,733
	January 22	360,910	51,705	27,208	1,465	59,346	28,156	90,282	202,184	51,956	873,213
	January 26	438,245	62,784	33,038	1,778	72,063	34,189	109,628	245,507	63,089	1,060,321
2020-2021	January 27	334,126	48,253	27,484	1,368	52,083	25,387	78,737	180,026	47,288	794,753
	January 28	389,728	56,283	32,058	1,596	60,750	29,611	91,840	209,985	55,157	927,010
	January 29	383,187	55,338	31,520	1,569	59,731	29,114	90,299	206,460	54,231	911,449
	February 26	395,149	56,610	29,789	1,604	64,976	30,827	98,847	221,365	56,885	956,053
2019-2020	January 19	374,548	51,995	26,599	546	75,322	32,787	96,827	210,999	47,842	917,465
	January 20	367,660	51,035	26,094	537	73,995	32,206	95,086	207,784	47,005	901,401
	January 21	387,191	53,762	27,542	563	77,699	33,834	99,984	215,692	49,295	945,562
	January 1	387,191	53,762	27,542	563	77,699	33,834	99,984	215,692	49,295	945,562
2018-2019	January 30	523,398	67,692	40,926	1,240	97,909	42,164	139,611	329,689	66,796	1,309,425
	January 31	471,703	61,138	37,217	1,101	87,031	37,566	124,879	295,290	60,198	1,176,125
	February 1	434,695	56,247	34,058	1,026	81,070	34,930	115,758	279,506	55,911	1,093,201
	January 30	523,398	67,692	40,926	1,240	97,909	42,164	139,611	329,689	66,796	1,309,425

**Peoples Natural Gas Company LLC**  
**Peoples Division**  
§ 53.53 IV.B

13. Submit the projected demands for all customer classes for both purchased and produced gas for the three years following the test year filing.

\* \* \* \* \*

Refer to Exhibit 3 Schedule 15 Attachment D for FTY and FPFTY projected demands. For periods beyond the FPFTY, the FPFTY can be used as a proxy.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

3. Submit a schedule showing a reconciliation of test year MCF sales and line losses. List all amounts of gas purchased, manufactured and transported.

\* \* \* \* \*

Refer to Exhibit No. 12, Schedule No. 13 (53.53 IV.B.14).

**Peoples Natural Gas Company LLC**

§ 53.53 IV.B

14. Supply an exhibit showing the gas deliveries to each customer class for the most recent 24 month period. The exhibit should identify the source of the gas, such as “purchased” (pipeline), “production” (includes purchases from local producers), “storage withdrawal,” “propane/air,” and “unaccounted for.”

\* \* \* \* \*

Refer to pages 2-3 which reflect the gas deliveries and gas received for the twelve months ended August 31, 2022 and August 31, 2023. The time periods reflect the same time periods as are required for the Unaccounted For Gas (UFG) filings made with the Commission.

**Peoples Natural Gas Company LLC - Reconciliation of Receipts and Deliveries**

Total System

Gas Received	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Total
From Production Facilities	2,854,160	3,012,654	3,174,512	3,301,119	3,111,473	2,817,123	3,047,840	2,903,992	2,543,208	2,693,613	2,552,292	2,723,336	34,735,324
From Storage Facilities	104	493	402	151,698	350,991	308,662	272,802	418,382	66,890	63	79	-	1,570,566
From Interstate Pipeline	3,705,481	4,866,096	12,384,702	12,806,608	21,522,025	16,117,692	12,514,355	8,646,008	4,485,094	3,672,215	3,882,221	3,568,412	108,170,909
Exchange PTWP & Columbia	11,402	19,861	79,746	85,228	147,337	110,001	84,652	49,398	16,468	10,818	9,424	11,711	636,046
<b>Total Receipts</b>	<b>6,571,147</b>	<b>7,899,104</b>	<b>15,639,362</b>	<b>16,344,654</b>	<b>25,131,826</b>	<b>19,353,479</b>	<b>15,919,650</b>	<b>12,017,779</b>	<b>7,111,660</b>	<b>6,376,709</b>	<b>6,444,016</b>	<b>6,303,459</b>	<b>145,112,846</b>
<b>Gas Delivered</b>													
To Customers	5,244,536	6,872,565	14,083,711	16,027,873	23,856,124	18,615,487	14,789,875	11,308,049	6,939,645	5,246,708	5,144,132	5,008,008	133,136,713
To Storage Facilities	403,490	196,634	17,772	25,764	2,727	-	8	1,581	18,596	170,826	507,331	374,526	1,719,255
To Transmission (Off System)	232,140	133,475	-	-	-	-	-	-	14,014	198,150	166,097	119,249	863,125
Exchange PTWP & Columbia	10,088	10,462	37,803	40,052	66,644	52,352	37,088	11,047	8,301	5,743	4,399	5,374	289,353
<b>Total Deliveries</b>	<b>5,890,254</b>	<b>7,213,136</b>	<b>14,139,286</b>	<b>16,093,689</b>	<b>23,925,495</b>	<b>18,667,839</b>	<b>14,826,971</b>	<b>11,320,677</b>	<b>6,980,556</b>	<b>5,621,427</b>	<b>5,821,959</b>	<b>5,507,157</b>	<b>136,008,446</b>
<b>Adjustments</b>													
<b>Total Adjustments</b>	<b>234,255</b>	<b>235,996</b>	<b>245,043</b>	<b>321,157</b>	<b>439,644</b>	<b>408,469</b>	<b>350,852</b>	<b>288,380</b>	<b>224,393</b>	<b>227,838</b>	<b>237,880</b>	<b>233,614</b>	<b>3,447,520</b>
UFG (mcf)	446,639	449,972	1,255,033	(70,192)	766,687	277,171	741,827	408,722	(93,289)	527,444	384,178	562,688	5,656,880



**Peoples Natural Gas Company LLC - Reconciliation of Receipts and Deliveries**

Total System

Gas Received	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Total
From Production Facilities	2,705,842	2,923,849	2,747,104	2,710,580	2,974,383	2,628,488	2,822,245	2,672,465	2,546,363	2,611,746	2,715,537	2,645,314	32,703,916
From Storage Facilities	93	179	23,408	277,903	243,822	245,653	221,744	52,681	338,642	93,392	147	14	1,497,678
From Interstate Pipeline	3,543,544	7,104,998	11,080,130	17,116,007	15,315,956	13,318,791	13,655,749	7,453,830	5,051,987	3,841,207	3,565,453	3,892,040	104,939,692
Exchange PTWP & Columbia	15,132	37,097	68,140	114,788	106,632	91,831	91,418	47,357	35,845	15,962	16,299	14,688	655,189
<b>Total Receipts</b>	<b>6,264,612</b>	<b>10,066,123</b>	<b>13,918,783</b>	<b>20,219,278</b>	<b>18,640,793</b>	<b>16,284,763</b>	<b>16,791,156</b>	<b>10,226,333</b>	<b>7,972,837</b>	<b>6,562,307</b>	<b>6,297,436</b>	<b>6,552,055</b>	<b>139,796,475</b>
<b>Gas Delivered</b>													
To Customers	5,008,797	8,820,056	12,345,981	19,130,686	17,795,986	15,213,571	15,603,296	9,997,355	7,073,071	5,161,248	5,123,546	5,273,728	126,547,322
To Storage Facilities	301,624	276,082	27,088	32,541	23,003	442	-	9	-	218,841	223,007	342,499	1,445,136
To Transmission (Off System)	201,459	123,574	124,439	114,247	79,791	76,196	88,363	121,048	131,114	223,451	241,049	217,836	1,742,567
Exchange PTWP & Columbia	6,877	19,240	33,281	64,259	53,066	49,916	47,806	20,228	19,188	14,952	12,773	10,393	351,979
<b>Total Deliveries</b>	<b>5,518,757</b>	<b>9,238,952</b>	<b>12,530,789</b>	<b>19,341,733</b>	<b>17,951,846</b>	<b>15,340,125</b>	<b>15,739,465</b>	<b>10,138,640</b>	<b>7,223,373</b>	<b>5,618,493</b>	<b>5,600,375</b>	<b>5,844,456</b>	<b>130,087,004</b>
<b>Adjustments</b>													
<b>Total Adjustments</b>	<b>249,810</b>	<b>267,087</b>	<b>270,149</b>	<b>372,029</b>	<b>411,391</b>	<b>392,632</b>	<b>385,218</b>	<b>273,910</b>	<b>258,980</b>	<b>239,629</b>	<b>279,620</b>	<b>252,338</b>	<b>3,652,793</b>
<b>UFG (mcf)</b>	<b>496,044</b>	<b>560,084</b>	<b>1,117,845</b>	<b>505,516</b>	<b>277,557</b>	<b>552,005</b>	<b>666,473</b>	<b>(186,217)</b>	<b>490,485</b>	<b>704,185</b>	<b>417,440</b>	<b>455,261</b>	<b>6,056,678</b>

INSERT TAB EXHIBIT 13

**Peoples Natural Gas Company LLC**  
 § 53.53 III.A

39. Identify the specific witness for all statements and schedules of revenues, expenses, taxes, property, valuation, etc.

\* \* \* \* \*

The general scope of witness responsibility is shown below, followed by a schedule indicating the witness for each filing request or standard data request.

<u>Statements/Schedules</u>	<u>Witness</u>
<u>Accounting &amp; ‘Per Books’</u>	
Financial Statements .....	Joyce Mitole
Company Strategy.....	Mike Huwar
Company Operations .....	Paul Becker and Ed Palombo
Gas Supply .....	Ed Palombo
 <u>Measures of Value</u>	
Gas Plant and Adjustments .....	Dawn Folks
Depreciation Reserve .....	John J. Spanos
Cash Working Capital.....	Krista Snyder
Accumulated Deferred Taxes.....	Christine Saball
 <u>Return</u>	
Capitalization .....	Paul R. Moul
Rate of Return .....	Paul R. Moul
 <u>Balance Sheet</u> .....	Joyce Mitole
 <u>Income Statement</u>	
<i>Operating Revenues:</i>	
Volume, Present Rates and Revenues .....	Carol Scanlon
Proposed Rates	
Revenue Claim .....	Andrew Wachter
<i>Operating Revenue Deductions:</i>	
O&M Expense & Adjustments .....	Andrew Wachter
Purchased Gas Cost Adjustments.....	Andrew Wachter
Depreciation Expense.....	John J. Spanos
Taxes .....	Christine Saball
 <u>Rate Design</u>	
Cost of Service – Class Allocation .....	Ralph Zarumba
Rate Design.....	Ralph Zarumba
Tariff.....	Dawn Folks

New_Ref_Num	Reg_Num	Description	Witness
Ex. 1, Sch. 1	53.52(c)(2)	A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).	Joyce Mitole
Ex. 1, Sch. 2	53.53.III.A.1	Provide a comparative balance sheet for the test year and the preceding year which corresponds with the test year date.	Joyce Mitole
Ex. 1, Sch. 3	53.52(c)(6)	A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1) - (5).	Joyce Mitole
Ex. 1, Sch. 4	53.53.II.A.18	Set forth amount of total cash (all cash accounts) on hand from balance sheets for last 24-calendar months preceding test year-end.	Andrew Wachter
Ex. 1, Sch. 5	53.53.II.A.23	List details and sources of "Other Property and Investment," "Temporary Cash Investments" and "Working Funds" on test year-end balance sheet.	Joyce Mitole
Ex. 1, Sch. 6	53.53.II.C.1	Provide test year monthly balances for "Current Gas Storage" and notes financing such storage.	Dawn Folks
Ex. 1, Sch. 7	53.53.III.A.2	Set forth the major items of Other Physical Property, Investments in Affiliated Companies and Other Investments.	Joyce Mitole
Ex. 1, Sch. 8	53.53.III.A.3	Supply the amounts and purpose of Special Cash Accounts of all types, such as: a. Interest and Dividend Special Deposits. b. Working Funds other than general operating cash accounts. c. Other special cash accounts and amounts (Temporary cash investments).	Joyce Mitole
Ex. 1, Sch. 9	53.53.III.A.4	Describe the nature and/or origin and amounts of notes receivable, accounts receivable from associated companies, and any other significant receivables, other than customer accounts, which appear on balance sheet.	Joyce Mitole
Ex. 1, Sch. 10	53.53.III.A.5	Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued, and amounts written-off in each of last three years.	Joyce Mitole
Ex. 1, Sch. 11	53.53.III.A.6	Provide a list of prepayments and give an explanation of special prepayments.	Joyce Mitole
Ex. 1, Sch. 12	53.53.III.A.7	Explain in detail any other significant (in amount) current assets listed on balance sheet.	Joyce Mitole
Ex. 1, Sch. 13	53.53.III.A.8	Explain in detail, including the amount and purpose, the deferred asset accounts that currently operate to effect or will at a later date effect the operating account supplying: a. Origin of these accounts. b. Probable changes to this account in the near future. c. Amortization of these accounts currently charged to operations or to be charged in the near future. d. Method of determining yearly amortization for the following accounts: — Temporary Facilities — Miscellaneous Deferred Debits — Research and Development — Property Losses — Any other deferred accounts that effect operating results	Joyce Mitole
Ex. 1, Sch. 14	53.53.III.A.9	Explain the nature of accounts payable to associated companies, and note amounts of significant items.	Joyce Mitole

New_Ref_Num	Reg_Num	Description	Witness
Ex. 1, Sch. 15	53.53.III.A.10	Provide details of other deferred credits as to their origin and disposition policy (e.g.—amortization).	Joyce Mitole
Ex. 1, Sch. 16	53.53.III.A.11	Supply basis for Injury and Damages reserve and amortization thereof.	Joyce Mitole
Ex. 1, Sch. 17	53.53.III.A.12	Provide details of any significant reserves, other than depreciation, bad debt, injury and damages, appearing on balance sheet.	Joyce Mitole
Ex. 1, Sch. 18	53.53.III.A.13	Provide an analysis of unappropriated retained earnings for the test year and three preceding calendar years.	Andrew Wachter
Ex. 1, Sch. 19	53.53.III.E.1	If Unrecovered Fuel Cost policy is implemented, provide the following: a. State manner in which amount of Unrecovered Fuel Cost on balance sheet at the end of the test year was determined, and the month in test year in which such fuel expense was actually incurred. Provide amount of adjustment made on the rate case operating account for test year-end unrecovered fuel cost. (If different than balance sheet amount, explain.) b. Provide amount of Unrecovered Fuel Cost that appeared on the balance sheet at the opening date of the test year, and the manner in which it was determined. State whether this amount is in the test year operating account.	Joyce Mitole
Ex. 1, Sch. 20	53.53.III.E.2	Provide details of items and amounts comprising the accounting entries for Deferred Fuel Cost at the beginning and end of the test year.	Joyce Mitole
Ex. 1, Sch. 21	53.53.III.E.32	Provide a schedule showing the calculation of any deferred fuel costs shown in Account 174. Also, explain the accounting, with supporting detail, for any associated income taxes.	Joyce Mitole
Ex. 1, Sch. 22	53.52(d)(1)	If a utility renders more than one type of public service, such as electric and gas, information required by § § 53.51—53.53 (relating to information furnished with the filing of rate changes), except subsection (c)(2), relates solely to the kind of service to which the tariff or tariff supplement is applicable. In subsection (c)(2), the book value of property used in furnishing each type of public service, as well as the depreciation reserve applicable to the property, shall be shown separately.	Carol Scanlon
Ex. 1, Sch. 23	53.53.II.A.20	Provide latest available balance sheet and income statement for Company, Parent and System (consolidated).	Joyce Mitole
Ex. 2, Sch. 1	53.52(b)(2)	The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.	Joyce Mitole
Ex. 2, Sch. 2	53.52(c)(5)	A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).	Joyce Mitole

New_Ref_Num	Reg_Num	Description	Witness
Ex. 2, Sch. 3	53.53.II.A.22	Provide Operating Income claims under: i. Present rates ii. Pro forma present rates (annualized & normalized) iii. Proposed rates (annualized & normalized) b. Provide Rate of Return on Original Cost and Fair Value claims under: i. Present rates ii. Pro forma present rates iii. Proposed rates	Andrew Wachter
Ex. 2, Sch. 4	53.53.III.A.17	Prepare a Statement of Income for the various time frames of the rate proceeding including:  Col. 1—Book recorded statement for the test year.  2—Adjustments to book record to annualize and normalize under present rates.  3—Income statement under present rates after adjustment in Col. 2  4—Adjustment to Col. 3 for revenue increase requested.  5—Income statement under requested rates.  a.Expenses may be summarized by the following expense classifications for purposes of this statement:  Operating Expenses (by category) Depreciation Amortization Taxes, Other than Income Taxes Total Operating Expense Operating Income Before Taxes Federal Taxes State Taxes Deferred Federal Deferred State Income Tax Credits Other Credits Other Credits and Charges, etc. Total Income Taxes Net Utility Operating Income Other Income & Deductions Other Income Detailed listing of Other Income used in Tax Calculation Other Income Deduction Detailed Listing	Andrew Wachter
Ex. 2, Sch. 5	53.53.III.A.18	Provide comparative operating statements for the test year and the immediately preceding 12 months showing increases and decreases between the two periods. These statements should supply detailed explanation of the causes of the major variances between the test year and preceding year by detailed account number.	Joyce Mitole
Ex. 2, Sch. 6	53.53.III.A.42	If a company has separate operating divisions, an income statement must be shown for each division, plus an income statement for company as a whole.	Joyce Mitole
Ex. 2, Sch. 7	53.53.III.A.43	If a company's business extends into different states or jurisdictions, then statements must be shown listing Pennsylvania jurisdictional data, other state data and federal data separately and jointly (Balance sheets and operating accounts).	Joyce Mitole

New_Ref_Num	Reg_Num	Description	Witness
Ex. 2, Sch. 8	53.53.III.E.16	If revenue accruing entries are made on the books at end of each fiscal period, give entries made accordingly at the end of the test year and at the beginning of the year. State whether they are reversed for ratemaking purposes.	Joyce Mitole
Ex. 2, Sch. 9	53.53.III.E.21	If a gas company is affiliated with another utility segment, such as a water or electric segment, explain the effects, if any, upon allocation factors used in the gas rate filing of current or recent rate increases allowed to the other utility segment (or segments) of the company.	Andrew Wachter
Ex. 3, Sch. 1	53.52(a)(2)	The total number of customers served by the utility.	Carol Scanlon
Ex. 3, Sch. 2	53.52(a)(3)	A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.	Carol Scanlon
Ex. 3, Sch. 3	53.52(a)(4)	The effect of the change on the utility's customers.	Carol Scanlon
Ex. 3, Sch. 4	53.52(b)(3)	A calculation of the number of customers, by tariff subdivision, whose bills will be increased.	Carol Scanlon
Ex. 3, Sch. 5	53.52(b)(4)	A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.	Carol Scanlon
Ex. 3, Sch. 6	53.52(b)(5)	A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.	Carol Scanlon
Ex. 3, Sch. 7	53.52(b)(6)	A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.	Carol Scanlon
Ex. 3, Sch. 8	53.53.III.E.4	Provide detailed calculations substantiating the adjustment to revenues for annualization of changes in number of customers and annualization of changes in volume sold for all customers for the test year. a. Break down changes in number of customers by rate schedules. b. If an annualization adjustment for changes in customers and changes in volume sold is not submitted, please explain.	Carol Scanlon
Ex. 3, Sch. 9	53.53.III.E.6	Supply, by classification, Operating Revenues—Miscellaneous for test year.	Carol Scanlon
Ex. 3, Sch. 10	53.53.III.E.8	Describe how the net billing and gross billing is determined. For example, if the net billing is based on the rate blocks plus FCA and STA, and the gross billing is determined by a percentage increase (1, 3 or 5 percent), then state whether the percentage increase is being applied to all three items of revenue—rate blocks plus FCA and STA.	Carol Scanlon
Ex. 3, Sch. 11	53.53.III.E.9	Describe the procedures involved in determining whether forfeited discounts or penalties are applied to customer billing.	Carol Scanlon
Ex. 3, Sch. 12	53.53.III.E.10	Provide annualization of revenues as a result of rate changes occurring during the test year, at the level of operations as of end of the test year.	Carol Scanlon
Ex. 3, Sch. 13	53.53.III.E.11	Provide a detailed billing analysis supporting present and proposed rates by customer classification and/or tariff rate schedule.	Carol Scanlon
Ex. 3, Sch. 14	53.53.III.E.13	Provide a schedule of present and proposed tariff rates showing dollar change and percent of change by block. Also, provide an explanation of any change in block structure and the reasons therefor.	Carol Scanlon

New_Ref_Num	Reg_Num	Description	Witness
Ex. 3, Sch. 15	53.53.III.E.14	<p>Provide the following statements and schedules. The schedules and statements for the test year portion should be reconciled with the summary operating statement.</p> <p>a. An operating revenues summary for the test year and the year preceding the test year showing the following (Gas MCF):</p> <p>i. For each major classification of customers</p> <p>a. MCF sales</p> <p>b. Dollar Revenues</p> <p>c. Forfeited Discounts (Total if not available by classification)</p> <p>d. Other and Miscellaneous revenues that are to be taken into the utility operating account along with their related costs and expenses.</p> <p>ii. A detailed explanation of all annualizing and normalizing adjustments showing method utilized and amounts and rates used in calculation to arrive at adjustment.</p> <p>iii. Segregate, from recorded revenues from the test year, the amount of revenues that are contained therein, by appropriate revenue categories, from:</p> <p>a. Fuel Adjustment Surcharge</p> <p>b. State Tax Surcharge</p> <p>c. Any other surcharge being used to collect revenues.</p> <p>d. Provide explanations if any of the surcharges are not applicable to respondent's operations.</p> <p>[The schedule should also show number of customers and unit of sales (Mcf), and should provide number of customers by service classification at beginning and end of test year.]</p> <p>b. Provide details of sales for resale, based on periods five years before and projections for five years after the test year, and for the test year. List customers, Mcf sold, revenues received, source of Mcf sold (storage gas, pipeline gas, manufactured gas, natural or synthetic), contracted or spot sales, whether sales are to affiliated companies, and any other pertinent information.</p>	Carol Scanlon
Ex. 3, Sch. 16	53.53.III.E.15	<p>State manner in which revenues are being presented for ratemaking purposes:</p> <p>a. Accrued Revenues</p> <p>b. Billed Revenues</p> <p>c. Cash Revenues</p>	Carol Scanlon
Ex. 3, Sch. 17	53.53.III.E.20	<p>Provide, for test year only, a schedule by tariff rates and by service classifications showing proposed increase and percent of increase.</p>	Carol Scanlon
Ex. 3, Sch. 18	53.53.III.E.37	<p>In determining pro forma expense, exclude cost of gas adjustments applicable to fuel adjustment clause and exclude fuel adjustment clause revenues, so that the operating statement is on the basis of base rates only.</p>	Carol Scanlon
Ex. 4, Sch. 1	53.53.III.E.17	<p>State whether any adjustments have been made to expenses in order to present such expenses on a basis comparable to the manner in which revenues are presented in this proceeding (i.e.—accrued, billed or cash).</p>	Andrew Wachter
Ex. 4, Sch. 2	53.53.III.A.20	<p>Supply detailed calculations of amortization of rate case expense, including supporting data for outside services rendered. Provide the items comprising the rate case expense claim (include the actual billings or invoices in support of each kind of rate case expense), the items comprising the actual expenses of prior rate cases and the unamortized balances.</p>	Andrew Wachter



New_Ref_Num	Reg_Num	Description	Witness
Ex. 4, Sch. 3	53.53.III.A.21	<p>Submit detailed computation of adjustments to operating expenses for salary, wage and fringe benefit increases (union and non-union merit, progression, promotion and general) granted during the test year and six months subsequent to the test year. Supply data showing for the test year:</p> <p>a. Actual payroll expense (regular and overtime separately) by categories of operating expenses, i.e., maintenance, operating transmission, distribution, other.</p> <p>b. Date, percentage increase, and annual amount of each general payroll increase during the test year.</p> <p>c. Dates and annual amounts of merit increases or management salary adjustments.</p> <p>d. Total annual payroll increases in the test year.</p> <p>e. Proof that the actual payroll plus the increases equal the payroll expense claimed in the supporting data (by categories of expenses).</p> <p>f. Detailed list of employee benefits and cost thereof for union and nonunion personnel. Any specific benefits for executives and officers should also be included, and cost thereof.</p> <p>g. Support the annualized pension cost figures.</p> <p>i. State whether these figures include any unfunded pension costs. Explain.</p> <p>ii. Provide latest actuarial study used for determining pension accrual rates.</p> <p>h. Submit a schedule showing any deferred income and consultant fee to corporate officers or employees.</p>	Andrew Wachter
Ex. 4, Sch. 4	53.53.III.A.25	<p>Submit details of expenditures for advertising (National and Institutional and Local media). Provide a schedule of advertising expense by major media categories for the test year and the prior two comparable years with respect to:</p> <p>a. Public health and safety</p> <p>b. Conservation of energy</p> <p>c. Explanation of Billing Practices, Rates, etc.</p> <p>d. Provision of factual and objective data programs in educational institutions</p> <p>e. Other advertising programs</p> <p>f. Total advertising expense</p>	Andrew Wachter
Ex. 4, Sch. 5	53.53.III.A.29	<p>Submit details of information covering research and development expenditures, including major projects within the company and forecasted company programs.</p>	Andrew Wachter
Ex. 4, Sch. 6	53.53.III.A.33	<p>Provide a labor productivity schedule.</p>	Andrew Wachter
Ex. 4, Sch. 7	53.53.III.A.22	<p>Supply an exhibit showing an analysis, by functional accounts, of the charges by affiliates (Service Corporations, etc.) for services rendered included in the operating expenses of the filing company for the test year and for the 12-month period ended prior to the test year:</p> <p>a. Supply a copy of contracts, if applicable.</p> <p>b. Explain the nature of the services provided.</p> <p>c. Explain basis on which charges are made.</p> <p>d. If charges allocated, identify allocation factors used.</p> <p>e. Supply the components and amounts comprising the expense in this account.</p> <p>f. Provide details of initial source of charge and reason thereof.</p>	Andrew Wachter

New_Ref_Num	Reg_Num	Description	Witness
Ex. 4, Sch. 8	53.53.III.A.23	Describe costs relative to leasing equipment, computer rentals, and office space, including terms and conditions of the lease. State method for calculating monthly or annual payments.	Andrew Wachter
Ex. 4, Sch. 9	53.53.III.A.24	Submit detailed calculations (or best estimates) of the cost resulting from major storm damage.	Andrew Wachter
Ex. 4, Sch. 10	53.53.III.A.27	Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for by the Company and the cost thereof.	Andrew Wachter
Ex. 4, Sch. 11	53.53.III.A.28	Submit a schedule showing, by major components, the expenditures associated with Outside Services Employed, Regulatory Commission Expenses and Miscellaneous General Expenses, for the test year and prior two comparable years.	Andrew Wachter
Ex. 4, Sch. 12	53.53.III.A.31	Provide a detailed analysis of Special Services—Account 795.	Andrew Wachter
Ex. 4, Sch. 13	53.53.III.A.32	Provide a detailed analysis of Miscellaneous General Expense—Account No. 801.	Andrew Wachter
Ex. 4, Sch. 14	53.53.III.A.30	Provide a detailed schedule of all charitable and civic contributions by recipient and amount for the test year.	Andrew Wachter
Ex. 4, Sch. 15	53.53.III.A.34	List and explain all non-recurring abnormal or extraordinary expenses incurred in the test year which will not be present in future years.	Andrew Wachter
Ex. 4, Sch. 16	53.53.III.A.35	List and explain all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years. (e.g.—Non-yearly maintenance programs, etc.) [Responses shall be submitted and identified as exhibits.]	Andrew Wachter
Ex. 4, Sch. 17	53.53.III.A.36	Using the adjusted year's expenses under present rates as a base, give detail necessary for clarification of all expense adjustments. Give clarifying detail for any such adjustments that occur due to changes in accounting procedure, such as charging a particular expense to a different account than was used previously. Explain any extraordinary declines in expense due to such change of account use.	Andrew Wachter
Ex. 4, Sch. 18	53.53.III.A.37	Indicate the expenses that are recorded in the test year, which are due to the placement in operating service of major plant additions or the removal of major plant from operating service, and estimate the expense that will be incurred on a full-year's operation.	Andrew Wachter
Ex. 4, Sch. 19	53.53.III.A.38	Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures.	Joyce Mitole
Ex. 4, Sch. 20	53.53.III.E.29	Provide intrastate operations percentages by expense categories for two years prior to the test year.	Andrew Wachter
Ex. 4, Sch. 21	53.53.III.E.33	Submit a schedule showing maintenance expenses, gross plant and the relation of maintenance expenses thereto as follows: i. Gas Production Maintenance Expenses per MCF production, per \$1,000 MCF production, and per \$1,000 of Gross Production Plant; ii. Transmission Maintenance Expenses per MMCF mile and per \$1,000 of Gross Transmission Plant; iii. Distribution Maintenance Expenses per customer and per \$1,000 of Gross Distribution Plant; iv. Storage Maintenance Expenses per MMCF of Storage Capacity and \$1,000 of Gross Storage Plant. This schedule shall include three years prior to the test year, the test year and one year's projection beyond the test year.	Andrew Wachter

New_Ref_Num	Reg_Num	Description	Witness
Ex. 4, Sch. 22	53.53.III.E.34	Prepare a 3-column schedule of expenses, as described below for the following periods (supply sub-accounts, if significant, to clarify basic accounts): a. Column 1—Test Year b. Column 2 and 3—The two previous years Provide the annual recorded expense by accounts. (Identify all accounts used but not specifically listed below.)	Andrew Wachter
Ex. 6, Sch. 1	53.53.III.E.35	Submit a schedule showing the Gross Receipts Tax Base used in computing Pennsylvania Gross Receipts Tax Adjustment.	Rudy Hanechak
Ex. 6, Sch. 2	53.53.III.A.50	Provide a schedule of federal and Pennsylvania taxes, other than income taxes, calculated on the basis of test year per books, pro forma at present rates, and pro forma at proposed rates, to include the following categories: a. social security b. unemployment c. capital stock d. public utility realty e. P.U.C. assessment f. other property g. any other appropriate categories	Rudy Hanechak
Ex. 6, Sch. 3	53.53.III.A.48	Provide a copy of the latest capital stock tax report and the latest capital stock tax settlement.	Rudy Hanechak
Ex. 6, Sch. 4	53.53.III.A.49	Submit details of calculations for Taxes, Other than Income where a company is assessed taxes for doing business in another state, or on its property located in another state.	Rudy Hanechak
Ex. 7, Sch. 1	53.53.II.A.8	State amount of debt interest utilized for income tax calculations, and details of debt interest computations, under each of the following rate case bases: a. Actual test year b. Annualized test year-end c. Proposed test year-end	Christine Saball
Ex. 7, Sch. 2	53.53.II.A.9	State amount of debt interest utilized for income tax calculations which has been allocated from the debt interest of an affiliate, and details of the allocation, under each of the following rate case bases: a. Actual test year b. Annualized test year-end c. Proposed test year-end	Christine Saball
Ex. 7, Sch. 3	53.53.II.A.26	Provide the following income tax data: a. Consolidated income tax adjustments, if applicable. b. Interest for tax purposes (basis).	Christine Saball
Ex. 7, Sch. 4	53.53.III.A.51	Submit a schedule showing for the last five years the income tax refunds, plus interest (net of taxes), received from the federal government due to prior years' claims.	Christine Saball
Ex. 7, Sch. 5	53.53.III.A.52	Provide detailed computations showing the deferred income taxes derived by using accelerated tax depreciation applicable to post-1969 utility property increases productive capacity, and ADR rates on property. (Separate between state and federal; also, rate used) a. State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year. b. Reconcile any difference between the deferred tax balance, as shown as a reduction to measures of value (rate base), and the deferred tax balance as shown on the balance sheet.	Christine Saball

New_Ref_Num	Reg_Num	Description	Witness
Ex. 7, Sch. 6	53.53.III.A.53	Submit a schedule showing a breakdown of the deferred income taxes by state and federal per books, pro-forma existing rates, and under proposed rates.	Christine Saball
Ex. 7, Sch. 7	53.53.III.A.54	Submit a schedule showing a breakdown of accumulated investment tax credits (3 percent, 4 percent, 7 percent, 10 percent and 11 percent), together with details of methods used to write-off the unamortized balances.	Christine Saball
Ex. 7, Sch. 8	53.53.III.A.55	Submit a schedule showing the adjustments for taxable net income per books (including below-the-line items) and pro-forma under existing rates, together with an explanation of any difference between the adjustments. Indicate charitable donations and contributions in the tax calculation for rate making purposes.	Christine Saball
Ex. 7, Sch. 9	53.53.III.A.56	Submit detailed calculations supporting taxable income before state and federal income taxes where the income tax is subject to allocation due to operations in another state, or due to operation of other taxable utility or non-utility business, or by operating divisions or areas.	Christine Saball
Ex. 7, Sch. 10	53.53.III.A.57	Submit detailed calculations showing the derivation of deferred income taxes for amortization of repair allowance if such policy is followed.	Christine Saball
Ex. 7, Sch. 11	53.53.III.A.58	Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits and reserves by accounting areas.	Christine Saball
Ex. 7, Sch. 12	53.53.III.A.59	Provide details of the Federal Surtax Credit allocated to the Pennsylvania jurisdictional area, if applicable.	Christine Saball
Ex. 7, Sch. 13	53.53.III.A.62	Provide the accelerated tax depreciation and the book depreciation used to calculate test year deferrals in amounts segregated as follows: For: a. Property installed prior to 1970 b. Property installed subsequent to 1969 (indicate increasing capacity additions and nonincreasing capacity additions).	Christine Saball
Ex. 7, Sch. 14	53.53.III.A.63	State whether all tax savings due to accelerated depreciation on property installed prior to 1970 have been passed through to income. (If not, explain).	Christine Saball
Ex. 7, Sch. 15	53.53.III.A.64	Show any income tax loss/gain carryovers from previous years that may effect test year income taxes or future year income taxes. Show loss/gain carryovers by years of origin and amounts remaining by years at the end of the test year.	Christine Saball
Ex. 7, Sch. 16	53.53.III.A.60	Explain the reason for the use of cost of removal of any retired plant figures in the income tax calculations.	Christine Saball
Ex. 7, Sch. 17	53.53.III.A.61	Submit the corresponding data applicable to Pennsylvania Corporate Income Tax deferment. a. Show the amounts of straight line tax depreciation and accelerated tax depreciation, the difference between which gave rise to the normalizing tax charged back to the test year operating statement. b. Show normalization for both Federal and State Income Taxes. c. Show tax rates used to calculate tax deferment amount.	Christine Saball

New_Ref_Num	Reg_Num	Description	Witness
Ex. 7, Sch. 18	53.53.III.A.65	<p>State whether the company eliminates any tax savings by the payment of actual interest on construction work in progress not in rate base claim.</p> <p>If response is affirmative:</p> <p>a. Set forth amount of construction claimed in this tax savings reduction. Explain the basis for this amount.</p> <p>b. Explain the manner in which the debt portion of this construction is determined for purposes of the deferral calculations.</p> <p>c. State the interest rate used to calculate interest on this construction debt portion, and the manner in which it is derived.</p> <p>d. Provide details of calculation to determine tax saving reduction.</p> <p>State whether state taxes are increased to reflect the construction interest elimination.</p>	Christine Saball
Ex. 7, Sch. 19	53.53.III.A.66	<p>Provide a detailed analysis of Taxes Accrued per books as of the test year date. Also supply the basis for the accrual and the amount of taxes accrued monthly.</p>	Christine Saball
Ex. 7, Sch. 20	53.53.III.A.67	<p>For the test year as recorded on test year operating statement:</p> <p>a. Supply the amount of federal income taxes actually paid.</p> <p>b. Supply the amount of the federal income tax normalizing charge to tax expense due to excess of accelerated tax depreciation over book depreciation.</p> <p>c. Supply the normalizing tax charge to federal income taxes for the 10% Job Development Credit during test year.</p> <p>d. Provide the amount of the credit of federal income taxes due to the amortization or normalizing yearly debit to the reserve for the 10% Job Development Credit.</p> <p>e. Provide the amount of the credit to federal income taxes for the normalizing of any 3% Investment Tax Credit Reserve that may remain on the utility books.</p>	Christine Saball
Ex. 7, Sch. 21	53.53.III.A.68	<p>Provide the debit and credit in the test year to the Deferred Taxes due to Accelerated Depreciation for federal income tax, and provide the debit and credit for the Job Development Credits (whatever account) for test year.</p>	Christine Saball
Ex. 7, Sch. 22	53.53.III.A.69	<p>Reconcile all data given in answers to questions on income taxes charged on the test year operating statement with regard to income taxes paid, income taxes charged because of normalization and credits due to yearly write-offs of past years' income tax deferrals, and from normalization of investment tax and development credits. (Both state and federal income taxes.)</p>	Christine Saball

New_Ref_Num	Reg_Num	Description	Witness
Ex. 7, Sch. 23	53.53.III.A.70	<p>With respect to determination of income taxes, federal and state:</p> <p>a. Show income tax results of the annualizing and normalizing adjustments to the test year record before any rate increase.</p> <p>b. Show income taxes for the annualized and normalized test year.</p> <p>c. Show income tax effect of the rate increase requested.</p> <p>d. Show income taxes for the normalized and annualized test year after application of the full rate increase.</p> <p>[It is imperative that continuity exists between the income tax calculations as recorded for the test year and the final income tax calculation under proposed rates. If the company has more than one accounting area, then additional separate worksheets must be provided in addition to those for total company.]</p>	Christine Saball
Ex. 7, Sch. 24	53.53.III.A.71	<p>In adjusting the test year to an annualized year under present rates, explain any changes that may be due to book or tax depreciation change and to debits and credits to income tax expense due to accelerated depreciation, deferred taxes, job development credits, tax refunds or other items.</p> <p>(The above refers only the adjustments going from recorded test year to annualized test year.)</p>	Christine Saball
Ex. 7, Sch. 25	53.53.II.A.10	<p>Under Section 1552 of the Internal Revenue Code and Regulations 1.1552-1 thereunder, if applicable, Parent Company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the federal government. (If this interrogatory is not applicable, so state.)</p> <p>a. State what option has been chosen by the group.</p> <p>b. Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return.</p> <p>c. Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return. Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.</p> <p>d. Provide annual income tax return for group, and if income tax return shows net operating loss, provide details of amount of net operating loss allocated to the income tax returns of each of the members of the consolidated group.</p>	Christine Saball
Ex. 8, Sch. 1	53.52(c)(1)	<p>A statement showing the utility's calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities)) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff, revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation. When an operating ratio is used in this calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).</p>	Dawn Folks

New_Ref_Num	Reg_Num	Description	Witness
Ex. 8, Sch. 2	53.53.I.A.2	Provide a schedule showing the measures of value and the rates of return at the original cost and trended original cost measures of value at the spot, three-year and five-year average price levels. All claims made on this exhibit should be cross-referenced to appropriate exhibits. Provide a schedule similar to the one listed above, reflecting respondent's final claim in its previous rate case.	Dawn Folks
Ex. 8, Sch. 3	53.52(c)(3)	A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).	Dawn Folks
Ex. 8, Sch. 4	53.52(c)(4)	A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).	John J. Spanos
Ex. 8, Sch. 5	53.53.I.A.8	Provide a description of the trending methodology which was utilized. Identify all indexes which were used (include all backup workpapers) and the reasons particular indexes were chosen. If indexes were spliced, indicate which years were utilized in any splices. If indexes were composited, show all supporting calculations. Include any analysis made to "test" the applicability of any indexes. a. Supply a comprehensive statement of any changes made in the selection of trend factors or in the methodology used in the current rate filing compared to the most recent previous rate filing.	John J. Spanos
Ex. 8, Sch. 6	53.53.I.A.9	Provide an exhibit indicating the spot trended original cost at test year end by vintage by account and include applicable depreciation reserves. Include totals by account for all other trended measures of value.	John J. Spanos
Ex. 8, Sch. 7	53.53.I.A.10	Supply an exhibit indicating the percentages of undepreciated original cost which were trended with the following indexes: a. Boeckh b. Handy-Whitman c. Indexes developed from suppliers' prices. d. Indexes developed from company records and company price histories. e. Construction equipment. f. Government statistical releases.	John J. Spanos
Ex. 8, Sch. 8	53.53.I.A.11	Provide a table, showing the cumulative trended depreciated original cost (at the spot price level) by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form: a. Year installed. b. Trended original cost (at the spot price level)—the total surviving cost associated with each installation year from all plant accounts. c. Trended calculated depreciation reserve—the calculated depreciation reserve associated with each installation year from all plant accounts. d. Depreciated trended original cost—(Column B minus Column C). e. Total—cumulation year by year of the figures from Column D. f. Column E divided by the total of the figures in Column D.	John J. Spanos

New_Ref_Num	Reg_Num	Description	Witness
Ex. 8, Sch. 9	53.53.I.A.12	If a claim is made for construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project. [These exhibits should be updated at the conclusion of these proceedings.]	Dawn Folks
Ex. 8, Sch. 10	53.53.I.A.13	If a claim is made for non-revenue producing construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project. [These exhibits should be updated at the conclusion of these proceedings.]	Dawn Folks
Ex. 8, Sch. 11	53.53.I.A.14	If a claim is made for plant held for future use, supply the following: a. A brief description of the plant or land site and its cost. b. Expected date of use for each item claimed. c. Explanation as to why it is necessary to acquire each item in advance of its date of use. d. Date when each item was acquired. e. Date when each item was placed in plant held for future use.	Dawn Folks
Ex. 8, Sch. 12	53.53.I.A.15	If materials and supplies comprise part of the cash working capital claim, attach an exhibit showing the actual book balances for materials and supplies by month for the thirteen months prior to the end of the test year. Explain any abrupt changes in monthly balances. [Explain method of determining claim if other than that described above.]	Dawn Folks
Ex. 8, Sch. 13	53.53.I.A.16	If fuel stocks comprise part of the cash working capital claim, provide an exhibit showing the actual book balances (quantity and price) for the fuel inventories by type of fuel for the thirteen months prior to the end of the test year by location, station, etc. [Explain the method of determining claim if other than that described above.]	Dawn Folks
Ex. 8, Sch. 14	53.53.I.A.18	Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not previously mentioned, in the measures of value.	Dawn Folks
Ex. 8, Sch. 15	53.53.II.A.21	Provide Original Cost, Trended Original Cost and Fair Value rate base claims.	Dawn Folks



New_Ref_Num	Reg_Num	Description	Witness
Ex. 8, Sch. 16	53.53.III.A.14	<p>Provide schedules and data in support of the following working capital items:</p> <ul style="list-style-type: none"> <li>a. Prepayments—List and identify all items</li> <li>b. Federal Excise Tax accrued or prepaid</li> <li>c. Federal Income Tax accrued or prepaid</li> <li>d. Pa. State Income Tax accrued or prepaid</li> <li>e. Pa. Gross Receipts Tax accrued or prepaid</li> <li>f. Pa. Capital Stock Tax accrued or prepaid</li> <li>g. Pa. Public Utility Realty Tax accrued or prepaid</li> <li>h. State sales tax accrued or prepaid</li> <li>i. Payroll taxes accrued or prepaid</li> <li>j. Any adjustment related to the above items for ratemaking purposes.</li> </ul>	Dawn Folks
Ex. 8, Sch. 17	53.53.III.A.15	<p>Supply an exhibit supporting the claim for working capital requirement based on the lead-lag method.</p> <ul style="list-style-type: none"> <li>a. Pro forma expenses and revenues are to be used in lieu of book data for computing lead-lag days.</li> <li>b. Respondent must either include sales for resale and related expenses in revenues and in expenses or exclude from revenues and expenses. Explain procedures followed (exclude telephone).</li> </ul>	Krista Snyder
Ex. 8, Sch. 18	53.53.III.A.16	<p>Provide detailed calculations showing the derivation of the tax liability offset against gross cash working capital requirements.</p>	Dawn Folks
Ex. 9, Sch. 1	53.53.I.A.3	<p>Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of all factors which were considered in arriving at estimates of service life and dispersion by account. Provide dates of all field inspections and facilities visited.</p>	John J. Spanos
Ex. 9, Sch. 2	53.53.I.A.4	<p>Set forth, in exhibit form, charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized.</p> <ul style="list-style-type: none"> <li>a. If any utility plant was excluded from the measures of value because it was deemed not to be “used and useful” in the public service, supply a detailed description of each item of property.</li> <li>b. Provide the surviving original cost at test year end by vintage by account and include applicable depreciation reserves and annuities. <ul style="list-style-type: none"> <li>i. These calculations should be provided for plant in service as well as other categories of plant, including, but not limited, to contributions in aid of construction, customers’ advances for construction, and anticipated retirements associated with any construction work in progress claims (if applicable).</li> </ul> </li> </ul>	John J. Spanos
Ex. 9, Sch. 3	53.53.I.A.5	<p>Provide a comparison of respondent’s calculated depreciation reserve v. book reserve by account at the end of the test year.</p>	John J. Spanos

New_Ref_Num	Reg_Num	Description	Witness
Ex. 9, Sch. 4	53.53.I.A.6	Supply a schedule by account and depreciable group showing the survivor curve and annual accrual rate estimated to be appropriate: a. For the purposes of this filing. b. For the purposes of the most recent rate increase filing prior to the current proceedings. i. Supply a comprehensive statement of any changes made in method of depreciation and in the selection of average service lives and dispersion.	John J. Spanos
Ex. 9, Sch. 5	53.53.I.A.7	Provide a table, showing the cumulative depreciated original cost by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form: a. Year installed. b. Original cost—the total surviving cost associated with each installation year from all plant accounts. c. Calculated depreciation reserve—the calculated depreciation reserve associated with each installation year from all plant accounts. d. Depreciated original cost—(Column B minus Column C). e. Total—cumulation year by year of the figures from Column D. f. Column E divided by the total of the figure in Column D.	John J. Spanos
Ex. 9, Sch. 6	53.53.I.A.17	Regardless of whether a claim for net negative or positive salvage is made, attach an exhibit showing gross salvage, cost of removal, and net salvage for the test year and four previous years by account.	John J. Spanos
Ex. 10, Sch. 1	53.53.III.E.12	Provide a schedule showing residential and commercial heating sales by unit (MCF) per month and degree days for the test year and three preceding twelve month periods.	Carol Scanlon
Ex. 10, Sch. 2	53.53.III.E.19	Provide growth patterns of usage and customer numbers per rate class, using historical and projected data.	Carol Scanlon
Ex. 10, Sch. 3	53.53.III.E.22	Provide supporting data detailing curtailment adjustments, procedures and policies.	Edward Palombo
Ex. 10, Sch. 4	53.53.III.E.38	Identify company's policy with respect to replacing customers lost through attrition.	Carol Scanlon
Ex. 10, Sch. 5	53.53.III.E.39	Identify procedures developed to govern relationship between the respondent and potential customers—i.e., basically expansion, alternate energy requirements, availability of supply, availability of distribution facilities, ownership of metering and related facilities.	Carol Scanlon
Ex. 10, Sch. 6	53.53.III.E.7	Provide details of respondent's attempts to recover uncollectible and delinquent accounts.	Carol Scanlon
Ex. 11, Sch. 1	53.53.IV.B.1	Provide a Cost of Service Study showing the rate of return under the present and proposed tariffs for all customer classifications. The study should include a summary of the allocated measures of value, operating revenues, operating expenses and net return for each of the customer classifications at original cost and at the 5-year trended original cost.	Ralph Zarumba
Ex. 11, Sch. 2	53.53.IV.B.2	Provide a statement of testimony describing the complete methodology of the cost of service study.	Ralph Zarumba
Ex. 11, Sch. 3	53.53.IV.B.3	Provide a complete description and back-up calculations for all allocation factors.	Ralph Zarumba
Ex. 11, Sch. 4	53.53.IV.B.9	Supply a cost analysis supporting minimum charges for all rate schedules.	Ralph Zarumba

New_Ref_Num	Reg_Num	Description	Witness
Ex. 11, Sch. 5	53.53.IV.B.10	Supply a cost analysis supporting demand charges for all tariffs which contain demand charges.	Ralph Zarumba
Ex. 11, Sch. 6	53.53.IV.B.5	Submit a Bill Frequency Analysis for each rate. The analysis should include the rate schedule and block interval, the number of bills at each interval, the cumulative number of bills at each interval, the Mcf or therms at each interval, the cumulative Mcf or therms at each interval, the accumulation of Mcf or therms passing through each interval, and the revenue at each interval for both the present rate and the proposed rates. The Analysis should show only those revenues collected from the basic tariff.	Ralph Zarumba
Ex. 11, Sch. 7	53.53.IV.B.7	Supply a graph of present and proposed base rates on hyperbolic cross section paper.	Ralph Zarumba
Ex. 11, Sch. 8	53.53.IV.B.12	Supply a tabulation of base rate bills for each rate schedule comparing the existing rates to proposed rates. The tabulation should show the dollar difference and the per cent increase or decrease.	Ralph Zarumba
Ex. 11, Sch. 9	53.53.III.A.47	Submit a schedule showing rate of return on facilities allocated to serve wholesale customers.	Ralph Zarumba
Ex. 12, Sch. 1	53.53.III.E.5	Submit a schedule showing the sources of gas supply associated with annualized MCF sales.	Edward Palombo
Ex. 12, Sch. 2	53.53.III.E.18	<p>If the utility has a Fuel Adjustment Clause:</p> <p>a. State the base fuel cost per MCF chargeable against basic customers' rates during the test year. If there was any change in this basic fuel charge during the test year, give details and explanation thereof.</p> <p>b. State the amount in which the fuel adjustment clause cost per MCF exceeds the fuel cost per MCF charged in base rates at the end of the test year.</p> <p>c. If fuel cost deferment is used at the end of the test year, give</p> <p>i. The amount of deferred fuel cost contained in the operating statement that was deferred from the 12-month operating period immediately preceding the test year.</p> <p>ii. The amount of deferred fuel cost that was removed from the test period and deferred to the period immediately following the test year.</p> <p>d. State the amount of Fuel Adjustment Clause revenues credited to the test year operating account.</p> <p>e. State the amount of fuel cost charged to the operating expense account in the test year which is the basis of Fuel Adjustment Clause billings to customers in that year. Provide summary details of this charge.</p> <p>f. From the recorded test year operating account, remove the Fuel Adjustment Clause Revenues. Also remove from the test year recorded operating account the excess of fuel cost over base rate fuel charges, which is the basis for the Fuel Adjustment charges. Explain any difference between FAC Revenues and excess fuel costs. [The above is intended to limit the operating account to existing customers' base rate revenues and expense deductions relative thereto].</p>	Edward Palombo
Ex. 12, Sch. 3	53.53.III.E.23	Submit a schedule showing fuel cost in excess of base compared to fuel cost recovery for the period two months prior to test year and the test year.	Edward Palombo
Ex. 12, Sch. 4	53.53.III.E.24	Supply a detailed analysis of Purchased Gas for the test year and the twelve month period prior to the test year.	Edward Palombo
Ex. 12, Sch. 5	53.53.III.E.26	Submit detailed calculations for bulk gas transmission service costs under supply and/or interconnection agreements.	Edward Palombo

New_Ref_Num	Reg_Num	Description	Witness
Ex. 12, Sch. 6	53.53.III.E.30	Provide a schedule showing suppliers, MCF purchased, cost (small purchases from independent suppliers may be grouped); emergency purchases, listing same information; curtailments during the year; gas put into and taken out of storage; line loss, and any other gas input or output not in the ordinary course of business.	Edward Palombo
Ex. 12, Sch. 7	53.53.III.E.36	State the amount of gas, in mcf, obtained through various suppliers in past years.	Ed Palombo
Ex. 12, Sch. 8	53.53.III.E.25	Submit calculations supporting energy cost per MCF and operating ratio used to determine increase in costs other than production to serve additional load.	Carol Scanlon
Ex. 12, Sch. 9	53.53.III.E.31	Provide a schedule showing the determination of the fuel costs included in the base cost of fuel.	Carol Scanlon
Ex. 12, Sch. 10	53.53.IV.B.11	Supply the net fuel clause adjustment by month for the test year.	Edward Palombo
Ex. 12, Sch. 11	53.53.I.C.1	<p>Provide, with respect to the scope of operations of the utility, a description of all property, including an explanation of the system's operation, and all plans for any significant future expansion, modification, or other alteration of facilities.</p> <p>This description should include, but not be limited to the following:</p> <ul style="list-style-type: none"> <li>a. If respondent has various gas service areas, indicate if they are integrated, such that the gas supply is available to all customers.</li> <li>b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company's service area.</li> <li>c. Explain how respondent obtains its gas supply, as follows: <ul style="list-style-type: none"> <li>i. Explain how respondent stores or manufactures gas; if applicable.</li> <li>ii. State whether the company has peak shaving facilities.</li> <li>iii. Provide details of coal-gasification programs, if any.</li> <li>iv. Describe the potential for emergency purchases of gas.</li> <li>v. Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).</li> <li>vi. Provide the amount of gas in MCF supplied from company-owned wells during the test year.</li> </ul> </li> <li>d. Provide plans for future gas supply, as follows: <ul style="list-style-type: none"> <li>i. Supply details of anticipated gas supply from respondent's near-term development of gas wells, if any.</li> <li>ii. Provide gas supply agreements and well development ventures and identify the parties thereto.</li> <li>e. Indicate any anticipated curtailments and explain the reasons for the curtailments.</li> <li>f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility.</li> </ul> </li> </ul>	Edward Palombo
Ex. 12, Sch. 12	53.53.III.E.28	Provide a statement explaining the details of firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities, including determination of costs, terms of contract, and other pertinent information.	Edward Palombo

New_Ref_Num	Reg_Num	Description	Witness
Ex. 12, Sch. 13	53.53.IV.B.4	Provide an exhibit for each customer classification showing the following data for the test year and the four previous years: a. The maximum coincident peak day demand. b. The maximum coincident 3-day peak day demand. c. The average monthly consumption in MCF during the Primary Heating Season (November-March). d. The average monthly consumption in MCF during the Non-heating season (April-October). e. The average daily consumption in MCF for each 12-month period.	Carol Scanlon
Ex. 12, Sch. 14	53.53.IV.B.13	Submit the projected demands for all customer classes for both purchased and produced gas for the three years following the test year filing.	Carol Scanlon
Ex. 12, Sch. 15	53.53.III.E.3	Submit a schedule showing a reconciliation of test year MCF sales and line losses. List all amounts of gas purchased, manufactured and transported.	Edward Palombo
Ex. 12, Sch. 16	53.53.IV.B.14	Supply an exhibit showing the gas deliveries to each customer class for the most recent 24 month period. The exhibit should identify the source of the gas, such as "purchased" (pipeline), "production" (includes purchases from local producers), "storage withdrawal," "propane/air," and "unaccounted for."	Edward Palombo
Ex. 13, Sch. 1	53.53.III.A.39	Identify the specific witness for all statements and schedules of revenues, expenses, taxes, property, valuation, etc.	Andrew Wachter
Ex. 13, Sch. 2	53.52(a)(6)	The effect of the change on the service rendered by the utility.	Andrew Wachter
Ex. 13, Sch. 3	53.53.II.A.13	Attach copies of the summaries of the projected 2 year's Company's budgets (revenue, expense and capital).	Andrew Wachter
Ex. 13, Sch. 4	53.53.III.A.40	Adjustments which are estimated shall be fully supported by basic information reasonably necessary.	Andrew Wachter
Ex. 13, Sch. 5	53.53.III.A.44	Ratios, percentages, allocations and averages used in adjustments must be fully supported and identified as to source.	Andrew Wachter
Ex. 13, Sch. 6	53.53.III.A.46	Supply a copy of internal and independent audit reports of the test year and prior calendar year, noting any exceptions and recommendations and disposition thereof.	Andrew Wachter
Ex. 13, Sch. 7	53.53.III.E.27	Submit a schedule for gas producing units retired or scheduled for retirement subsequent to the test year showing station, units, MCF capacity, hours of operation during test year, net output produced and cents/MCF of maintenance and fuel expenses.	Edward Palombo
Ex. 13, Sch. 8	53.53.III.A.41	Submit a statement explaining the derivation of the amounts used for projecting future test year level of operations and submit appropriate schedules supporting the projected test year level of operations.	Andrew Wachter
Ex. 13, Sch. 9	53.53.III.A.19	List extraordinary property losses as a separate item, not included in operating expenses or depreciation and amortization. Sufficient supporting data must be provided.	Andrew Wachter
Ex. 13, Sch. 10	53.52(a)(1)	The specific reasons for each change.	Mike Huwar
Ex. 13, Sch. 11	53.53.III.A.45	Provide an explanation of any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate case.	Ralph Zarumba
Ex. 13, Sch. 12	53.52(a)(11)	FCC, FERC or Commission orders or rulings applicable to the filing.	Andrew Wachter
Ex. 13, Sch. 13	53.52(b)(1)	The specific reasons for each increase or decrease.	Andrew Wachter

<b>New_Ref_Num</b>	<b>Reg_Num</b>	<b>Description</b>	<b>Witness</b>
Ex. 13, Sch. 14	53.52(a)(5)	The direct or indirect effect of the proposed change on the utility's revenue and expenses.	Andrew Wachter
Ex. 13, Sch. 15	53.52(a)(10)	Plans the utility has for introducing or implementing the changes with respect to its ratepayers.	Andrew Wachter
Ex. 13, Sch. 16	53.52(a)(7)	A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).	Andrew Wachter
Ex. 13, Sch. 17	53.52(a)(8)	Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.	Andrew Wachter
Ex. 13, Sch. 18	53.52(a)(9)	Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.	Andrew Wachter
Ex. 14, Sch. 1	53.53.IV.B.6	Supply copies of all present and proposed Gas Tariffs.	Carol Scanlon
Ex. 14, Sch. 2	53.53.III.A.26	Provide a list of reports, data, or statements requested by and submitted to the Commission during and subsequent to the test year.	Carol Scanlon
Ex. 15, Sch. 1	53.53.I.A.1	Provide a corporate history (include the dates of original incorporation, subsequent mergers and/or acquisitions). Indicate all counties and cities and other governmental subdivisions to which service is provided (including service areas outside the state), and the total population in the area served.	Mike Huwar
Ex. 15, Sch. 2	53.53.I.C.2	Provide an overall system map, including and labeling all measuring and regulating stations, storage facilities, production facilities, transmission and distribution mains, by size, and all interconnections with other utilities and pipelines.	Edward Palombo
Ex. 15, Sch. 3	53.53.IV.B.8	Supply a map showing the Gas System Facilities and Gas Service Areas. The map should include transmission lines, distribution lines, other companies' lines interconnecting with the interconnecting points clearly designated, major compressor stations, gas storage areas and gas storage lines. The normal direction of gas flow within the transmission system should be indicated by arrows. Separate service areas within the system should be clearly designated.	Edward Palombo
Ex. 15, Sch. 4	53.53.II.A.24	Attach chart explaining Company's corporate relationship to its affiliates (System Structure).	Andrew Wachter
Ex. 16, Sch. 1	53.53.II.A.1	Provide capitalization and capitalization ratios for the last five-year period and projected through the next two years. (With short-term debt and without short-term debt.) (Company, Parent and System (consolidated)). a. Provide year-end interest coverage's before and after taxes for the last three years and at latest date. (Indenture and SEC Bases.) (Company, Parent and System (consolidated)). b. Provide year-end preferred stock dividend coverage's for last three years and at latest date (Charter and SEC bases).	Paul R. Moul
Ex. 16, Sch. 2	53.53.II.A.2	Provide latest quarterly financial report (Company and Parent).	Paul R. Moul
Ex. 16, Sch. 3	53.53.II.A.3	Provide latest Stockholder's Report (Company and Parent).	Paul R. Moul

New_Ref_Num	Reg_Num	Description	Witness
Ex. 16, Sch. 4	53.53.II.A.4	Provide latest Prospectus (Company and Parent).	Paul R. Moul
Ex. 16, Sch. 5	53.53.II.A.5	Supply projected capital requirements and sources of Company, Parent and System (consolidated) for each of future three years.	Paul R. Moul
Ex. 16, Sch. 6	53.53.II.A.6	Provide a schedule of debt and preferred stock of Company, Parent and System (consolidated) as of test year-end and latest date, detailing for each issue (if applicable): a. Date of issue b. Date of maturity c. Amount issued d. Amount outstanding e. Amount retired f. Amount reacquired g. Gain on reacquisition h. Coupon rate i. Discount or premium at issuance j. Issuance expenses k. Net proceeds l. Sinking Fund requirements m. Effective interest rate n. Dividend rate o. Effective cost rate p. Total average weighted effective Cost Rate	Paul R. Moul
Ex. 16, Sch. 7	53.53.II.A.7	Supply financial data of Company and/or Parent for last five years: a. Earnings-price ratio (average) b. Earnings-book value ratio (per share basis) (avg. book value) c. Dividend yield (average) d. Earnings per share (dollars) e. Dividends per share (dollars) f. Average book value per share yearly g. Average yearly market price per share (monthly high-low basis) h. Pre-tax funded debt interest coverage i. Post-tax funded debt interest coverage j. Market price-book value ratio	Paul R. Moul
	53.52(e)(1)	Index	Andrew Wachter
Ex. 16, Sch. 8	53.53.II.A.11	Provide AFUDC charged by company at test year-end and latest date, and explain method by which rate was calculated.	Joyce Mitole
Ex. 16, Sch. 9	53.53.II.A.12	Set forth provisions of Company's and Parent's charter and indentures (if applicable) which describe coverage requirements, limits on proportions of types of capital outstanding, and restrictions on dividend payouts.	Paul R. Moul
Ex. 16, Sch. 10	53.53.II.A.14	Describe long-term debt reacquisitions by Company and Parent as follows: a. Reacquisitions by issue by year. b. Total gain on reacquisitions by issue by year. c. Accounting of gain for income tax and book purposes.	Paul R. Moul
Ex. 16, Sch. 11	53.53.II.A.15	Set forth amount of compensating bank balances required under each of the following rate base bases: a. Annualized test year operations. b. Operations under proposed rates.	Paul R. Moul

New_Ref_Num	Reg_Num	Description	Witness
Ex. 16, Sch. 12	53.53.II.A.19	Submit details on Company or Parent common stock offerings (past 5 years to present) as follows: <ol style="list-style-type: none"> <li>a. Date of Prospectus</li> <li>b. Date of offering</li> <li>c. Record date</li> <li>d. Offering period—dates and number of days</li> <li>e. Amount and number of shares of offering</li> <li>f. Offering ratio (if rights offering)</li> <li>g. Per cent subscribed</li> <li>h. Offering price</li> <li>i. Gross proceeds per share</li> <li>j. Expenses per share</li> <li>k. Net proceeds per share (i-j)</li> <li>l. Market price per share               <ol style="list-style-type: none"> <li>1. At record date</li> <li>2. At offering date</li> <li>3. One month after close of offering</li> </ol> </li> <li>m. Average market price during offering               <ol style="list-style-type: none"> <li>1. Price per share</li> <li>2. Rights per share—average value of rights</li> </ol> </li> <li>n. Latest reported earnings per share at time of offering</li> <li>o. Latest reported dividends at time of offering</li> </ol>	Paul R. Moul
Ex. 16, Sch. 13	53.53.II.A.25	If the utility plans to make a formal claim for a specific allowable rate of return, provide the following data in statement or exhibit form: <ol style="list-style-type: none"> <li>a. Claimed capitalization and capitalization ratios with supporting data.</li> <li>b. Claimed cost of long-term debt with supporting data.</li> <li>c. Claimed cost of short-term debt with supporting data.</li> <li>d. Claimed cost of total debt with supporting data.</li> <li>e. Claimed cost of preferred stock with supporting data.</li> <li>f. Claimed cost of common equity with supporting data.</li> </ol>	Paul R. Moul
Ex. 16, Sch. 14	53.53.II.A.16	Provide the following information concerning compensating bank balance requirements for actual test year: <ol style="list-style-type: none"> <li>a. Name of each bank.</li> <li>b. Address of each bank.</li> <li>c. Types of accounts with each bank (checking, savings, escrow, other services, etc.).</li> <li>d. Average Daily Balance in each account.</li> <li>e. Amount and percentage requirements for compensating bank balance at each bank.</li> <li>f. Average daily compensating bank balance at each bank.</li> <li>g. Documents from each bank explaining compensating bank balance requirements.</li> <li>h. Interest earned on each type of account.</li> </ol>	Andrew Wachter
Ex. 16, Sch. 15	53.53.II.A.17	Provide the following information concerning bank notes payable for actual test year: <ol style="list-style-type: none"> <li>a. Line of Credit at each bank.</li> <li>b. Average daily balances of notes payable to each bank, by name of bank.</li> <li>c. Interest rate charged on each bank note (Prime rate, formula rate or other).</li> <li>d. Purpose of each bank note (e.g., construction, fuel storage, working capital, debt retirement).</li> <li>e. Prospective future need for this type of financing.</li> </ol>	Andrew Wachter
Ex. 17, COS 1	Exhibit VI.III.COS.1	Please explain the Company's policy with regard to when customer advances and contributions in aid of construction must be made.	Andrew Wachter



New_Ref_Num	Reg_Num	Description	Witness
Ex. 17, COS 2	Exhibit VI.III.COS.2	Please provide a detailed explanation describing how contributions in aid of construction and customer advances are reflected in the Company's cost of service study.	Ralph Zarumba
Ex. 17, COS 3	Exhibit VI.III.COS.3	Please provide a breakdown of contributions in aid of construction by customer class and plant account number for the most recent year available.	Joyce Mitole
Ex. 17, COS 4	Exhibit VI.III.COS.4	Please provide a breakdown of transmission and distribution mains investment by pipe diameter.	Joyce Mitole
Ex. 17, COS 5	Exhibit VI.III.COS.5	Please provide a breakdown of customer advances by customer class for the most recent year available.	Joyce Mitole
Ex. 17, COS 6	Exhibit VI.III.COS.6	Please provide a breakdown of services investment by service line diameter, and a breakdown of services by size and customer class.	Joyce Mitole
Ex. 17, COS 7	Exhibit VI.III.COS.7	If available, please provide a breakdown of meter investment by meter size, and a breakdown of meters by size and customer class.	Joyce Mitole
Ex. 17, COS 8	Exhibit VI.III.COS.8	Please provide the Company's rate design models and cost of service study on an IBM PC-compatible computer disk in Lotus 1-2-3-or Quattro format. If the models consist of more than one file, please include information on all files on the disk and what they contain. If not available in Lotus 1-2-3 or Quattro format, please provide in ASCII format.	Ralph Zarumba
Ex. 17, COS 9	Exhibit VI.III.COS.9	Please provide a copy of the Company's current customer extension policy. Provide a representative sample of the analyses conducted by the Company when deciding whether service to a new customer qualifies under the Company's customer extension policy.	Carol Scanlon
Ex. 17, COS 10	Exhibit VI.III.COS.10	Please provide a detailed supply and requirement schedule for the Company's three most recent annual peak days and for design day. The schedules should include deliveries by source and requirements by rate schedule. Identify sources and requirements for transportation customers separately. Also include the Company's daily sendout sheet for each peak day and applicable weather data.	Edward Palombo
Ex. 17, COS 11	Exhibit VI.III.COS.11	Please provide copies of the Company's daily sendout sheets for November through March of the most recent heating season.	Edward Palombo
Ex. 17, COS 12	Exhibit VI.III.COS.12	Please provide a copy of the load duration curve used by the Company for capacity planning purposes. Please also identify the numerical data points shown for each day on the curve.	Edward Palombo
Ex. 17, COS 13	Exhibit VI.III.COS.13	Please provide the following for the Company's ten largest transportation customers during peak month of the most recent heating season: a. actual consumption; b. volume delivered to the Company on their behalf, if applicable; c. daily nomination.	Carol Scanlon

New_Ref_Num	Reg_Num	Description	Witness
Ex. 17, COS 14	Exhibit VI.III.COS.14	Please provide a summary identifying the salient features of each of the following. Salient features include contract party, effective term and applicable contract quantities (daily, annual, seasonal. etc.). a. All firm transportation agreements by type greater than one month in length. Indicate whether the capacity is available at the Company's citygate to meet design day requirements or is upstream capacity. b. All firm storage, gathering and exchange agreements. Indicate if each agreement provides design day capacity at the citygate or requires separate transportation (identify) service to effectuate delivery. Include on-system storage and peak shaving facilities used by the Company and identify all ratcheting provisions applicable to the Company's contractual and on-system storage arrangements.	Edward Palombo
Ex. 17, COS 15	Exhibit VI.III.COS.15	For the most recent annual period available, please identify the applicable monthly volumes and revenues under each rate schedule which were: a. Sold under a negotiated or market-based rate. b. Transported under a negotiated or market-based rate. c. Transported at full margin transportation rates.	Carol Scanlon
Ex. 17, COS 16	Exhibit VI.III.COS.16	Please provide the following for each curtailment during the last three years: a. Dates of curtailment. b. Type of curtailment (from service, interruptible service, both). c. Whether curtailment was related to amount of capacity on the Company's system, other capacity or supply related. d. Rate schedule that curtailed volumes would have been billed under. e. Curtailed volumes by rate schedule. f. Actual volumes moved by rate schedule.	Edward Palombo
Ex. 17, COS 17	Exhibit VI.III.COS.17	Please identify the Company's design day planning criteria and the probability of design day occurrence. Include any available documentation supporting the Company's claimed probability of occurrence.	Edward Palombo
Ex. 17, COS 18	Exhibit VI.III.COS.18	For each customer class contained in the cost of service study, please provide monthly throughput by class.	Carol Scanlon
Ex. 17, COS 19	Exhibit VI.III.COS.19	Please provide workpapers showing the development of each allocation factor reflected in the Company's cost of service study. Include a description of each allocation factor, all calculations performed to develop the allocators and all supporting documentation, studies or other information relied upon to determine the allocators.	Ralph Zarumba
Ex. 17, COS 20	Exhibit VI.III.COS.20	Please provide all workpapers, calculations and supporting documentation for the functionalization and classification performed for the Company's cost of service study.	Ralph Zarumba
Ex. 17, COS 21	Exhibit VI.III.COS.21	If not provided elsewhere, please provide a detailed proof of revenues at both present and proposed rates.	Carol Scanlon
Ex. 18, ROR 1	Exhibit VI.IV.ROR.1	Please supply copies of the following documents for the Company and, if applicable, its parent: a. Most recent Annual Report to shareholders (including any statistical supplements); b. Most recent SEC Form 10K; c. All SEC Form 10Q reports issued within last year.	Andrew Wachter

New_Ref_Num	Reg_Num	Description	Witness
Ex. 18, ROR 2	Exhibit VI.IV.ROR.2	Please supply copies of the Company's balance sheets for each month/quarter for the last two years.	Joyce Mitole
Ex. 18, ROR 3	Exhibit VI.IV.ROR.3	Please provide the bond rating history for the Company and, if applicable, its parent from the major credit rating agencies for the last five years.	Paul R. Moul
Ex. 18, ROR 4	Exhibit VI.IV.ROR.4	Please provide copies of all bond rating reports relating to the Company and, if applicable, its parent for the past two years.	Paul R. Moul
Ex. 18, ROR 5	Exhibit VI.IV.ROR.5	Please provide a workpaper showing the derivation of the Company's current AFUDC rate.	Joyce Mitole
Ex. 18, ROR 6	Exhibit VI.IV.ROR.6	Please supply copies of all presentations by the Company's and, if applicable, its parent's management to securities analysts during the past 2 years. This would include presentations of financial projections.	Paul R. Moul
Ex. 18, ROR 7	Exhibit VI.IV.ROR.7	Please provide a listing of all securities issuances for the Company and, if applicable, its parent projected for the next two years. The response should identify for each projected issuance the date, dollar amount, type of security, and effective cost rate.	Paul R. Moul
Ex. 18, ROR 8	Exhibit VI.IV.ROR.8	Please identify all of the Company's and, if applicable, its parent's publicly underwritten common stock issuances written in the last five years. Identify which such issuances were related to mergers or acquisitions, and which were undertaken to fund facility investments in utility plant and equipment.	Andrew Wachter
Ex. 18, ROR 9	Exhibit VI.IV.ROR.9	Please identify any plan by the Company to refinance high cost long-term debt or preferred stock.	Paul R. Moul
Ex. 18, ROR 10	Exhibit VI.IV.ROR.10	Please provide copies of all securities analysts reports relating to the Company and/or its parent issued within the past 2 years.	Paul R. Moul
Ex. 18, ROR 11	Exhibit VI.IV.ROR.11	If applicable, please supply a listing of all common equity infusions from the parent to the Company over the past five years. In each case, identify date and dollar amount.	Paul R. Moul
Ex. 18, ROR 12	Exhibit VI.IV.ROR.12	If applicable, please identify the company's common dividend payments to its parent for each of the last five years.	Paul R. Moul
Ex. 18, ROR 13	Exhibit VI.IV.ROR.13	Please provide the latest year-by-year financial projections for the Company for the next five years. Also, please indicate the date these projections were prepared; whether approved by management; and whether the projections have been submitted to bond rating agencies.	Andrew Wachter
Ex. 18, ROR 14	Exhibit VI.IV.ROR.14	Please provide the Company's five-year construction budget.	Andrew Wachter
Ex. 18, ROR 15	Exhibit VI.IV.ROR.15	Please identify the Company's and, if applicable, its parent's capital structure targets (percentages of capital types). Provide the complete basis for the capital structure targets.	Paul R. Moul
Ex. 18, ROR 16	Exhibit VI.IV.ROR.16	For each month, of the most recent 24 months, please supply the Company's a.short-term debt balance; b.short-term debt interest rate; c.balance of construction work in progress; and d.balance of construction work in progress which is eligible for AFUDC accrual.	Andrew Wachter

New_Ref_Num	Reg_Num	Description	Witness
Ex. 18, ROR 17	Exhibit VI.IV.ROR.17	If applicable, please provide the currently authorized returns on equity for each of the parent's utility subsidiaries of the same industry type as the Company. In each case identify the approximate date when the current return on equity was approved by the state commission.	Paul R. Moul
Ex. 18, ROR 18	Exhibit VI.IV.ROR.18	Has the Utility reacquired or repurchased any debt within the last five years? If so, provide a summary of each gain or loss on reacquired debt, the date on which the utility commenced amortization of such a gain or loss, the regulatory commission decision addressing the treatment of such gain or loss on reacquired debt, if any, on interest expense.	Paul R. Moul
Ex. 18, ROR 19	Exhibit VI.IV.ROR.19	Fully identify all debt (other than instruments traded in public markets) owed to all shareholders, corporate officers, or members of the board of directors, its affiliates, parent company, or subsidiaries.	Paul R. Moul
Ex. 18, ROR 20	Exhibit VI.IV.ROR.20	Provide a summary statement of all stock dividends, splits, or par value changes during the two (2) year calendar period preceding the rate case filing.	Paul R. Moul
Ex. 18, ROR 21	Exhibit VI.IV.ROR.21	If a claim of the filing utility is based on utilization of the capital structure or capital costs of the parent company and system—consolidated, the reasons for this claim must be fully stated and supported.	Paul R. Moul
Ex. 18, ROR 22	Exhibit VI.IV.ROR.22	To the extent not provided in SDR III.ROR.13, supply projected capital requirements and sources of the filing utility. Its parent and system—consolidated—for the test year and each of three (3) comparable future years.	Andrew Wachter
Ex. 18, ROR 23	Exhibit VI.IV.ROR.23	To the extent not provided elsewhere, supply financial data of Company and/or parent for the last five (5) years. a. Times interest earned ratio – pre and post tax basis. b. Preferred stock dividend coverage ratio – post tax basis. c. Times fixed charges earned ratio – pre tax basis. d. Dividend payout ratio. e. AFUDC as a percent of earnings available for common equity. f. Construction work in progress as a percent of net utility plant. g. Effective income tax rate. h. Internal cash generations as a percent of total capital requirements.	Andrew Wachter
Ex. 19, RR 1	Exhibit VI.I.RR.1	Please provide a copy of the Company's detailed quarterly balance sheet and monthly income statements for the historic test year through the most recent month available.	Joyce Mitole
Ex. 19, RR 2	Exhibit VI.I.RR.2	Please provide the actual number of customers by rate schedule as of December 31 for the last five years.	Carol Scanlon
Ex. 19, RR 3	Exhibit VI.I.RR.3	Please provide the average number of customers by rate schedule for the last five years.	Carol Scanlon
Ex. 19, RR 4	Exhibit VI.I.RR.4	Please provide the actual number of customers by rate schedule at the end of each month from the commencement of the historic test year through the most recent month available and update as additional data become available.	Carol Scanlon

New_Ref_Num	Reg_Num	Description	Witness
Ex. 19, RR 5	Exhibit VI.I.RR.5	If past weather normalized sales or sales trends are used in models or otherwise relied on in reaching sales projections, please provide actual and normalized throughput by rate schedule as of December 31 for the last three years. Where applicable, separately identify sales and transportation throughput.	Carol Scanlon
Ex. 19, RR 6	Exhibit VI.I.RR.6	If past weather normalized sales or sales trends are used in models or otherwise relied on in reaching sales projections, please provide actual and normalized throughput by month by rate schedule from the beginning of the historic test year and the future test year through the most recent month available and update as additional data become available. Separately identify sales and transportation throughput and provide the workpapers which develop normalized sales.	Carol Scanlon
Ex. 19, RR 7	Exhibit VI.I.RR.7	Please provide the workpaper developing the Company's FTY load growth adjustment.	Carol Scanlon
Ex. 19, RR 8	Exhibit VI.I.RR.8	Please provide a complete copy of the computer output generated by the Company's statistical analysis package for all residential, commercial, public authority and industrial econometric models of gas demand estimated by the Company, but not presented in the filing.	Carol Scanlon
Ex. 19, RR 9	Exhibit VI.I.RR.9	Identify the historical data source(s) for each dependent and independent variable utilized to develop the econometric models of gas demands for each forecasted customer group.	Carol Scanlon
Ex. 19, RR 10	Exhibit VI.I.RR.10	Identify the source(s) and supporting documentation for the FTY value of each independent variable which required forecasting in the Company's gas demand models.	Carol Scanlon
Ex. 19, RR 11	Exhibit VI.I.RR.11	Please provide in hard copy and on a computer diskette in Lotus 1-2-3, QuattroPro or other spreadsheet format, the dependent and independent variable databases relied upon to produce the Company's gas demand models. For variables based on averages, include the observations which comprise the average (e.g., gas prices).	Carol Scanlon
Ex. 19, RR 12	Exhibit VI.I.RR.12	In the form identical to the previous question, please provide a database for all independent variables which were analyzed by the Company, but exclude from the filed gas demand models.	Carol Scanlon
Ex. 19, RR 13	Exhibit VI.I.RR.13	<p>For each customer receiving service at less than the maximum applicable tariff rate, please provide.</p> <p>a.actual consumption for the two most recent calendar years;</p> <p>b.actual consumption for the HTY and the most recent twelve month period for which data is available</p> <p>c.the currently applicable rate;</p> <p>d.an explanation for the rate discount.</p>	Luke Ravenstahl
Ex. 19, RR 14	Exhibit VI.I.RR.14	Please provide a copy of the Company's detailed capital budgets for the preceding and current calendar years which underlie the projected test year capital additions in this case.	Dawn Folks
Ex. 19, RR 15	Exhibit VI.I.RR.15	Please provide a variance or other similar report comparing actual and budgeted construction expenditures at the conclusion of each budget period for the past three years and as of the most recent date available.	Andrew Wachter

New_Ref_Num	Reg_Num	Description	Witness
Ex. 19, RR 16	Exhibit VI.I.RR.16	Please provide a breakdown of other gas revenue for the three preceding calendar years.	Carol Scanlon
Ex. 19, RR 17	Exhibit VI.I.RR.17	For those items for which data is available, please provide the following actual monthly balance by account for the historic and future test periods to present:	
Ex. 19, RR 17a	Exhibit VI.I.RR.17a	Depreciable utility plant in service;	Dawn Folks
Ex. 19, RR 17b	Exhibit VI.I.RR.17b	Nondepreciable utility plan in service;	Dawn Folks
Ex. 19, RR 17c	Exhibit VI.I.RR.17c	Construction work in progress;	Dawn Folks
Ex. 19, RR 17d	Exhibit VI.I.RR.17d	Accumulated deferred income tax;	Dawn Folks
Ex. 19, RR 17e	Exhibit VI.I.RR.17e	Materials and supplies;	Dawn Folks
Ex. 19, R 17f	Exhibit VI.I.RR.17f	Customer advances for construction;	Dawn Folks
Ex. 19, RR 17g	Exhibit VI.I.RR.17g	Contributions in aid of construction;	Dawn Folks
Ex. 19, RR 17h	Exhibit VI.I.RR.17h	Accumulated depreciation;	Dawn Folks
Ex. 19, RR 17i	Exhibit VI.I.RR.17i	Prepayments by type;	Dawn Folks
Ex. 19, RR 17j	Exhibit VI.I.RR.17j	Customer deposits;	Dawn Folks
Ex. 19, RR 17k	Exhibit VI.I.RR.17k	Injury and damages reserve.	Dawn Folks
Ex. 19, RR 18	Exhibit VI.I.RR.18	Please provide a copy of all workpapers supporting the Company's lead/lag study.	Krista Snyder
Ex. 19, RR 19	Exhibit VI.I.RR.19	Please provide the payroll distribution showing the percentage of wages charged to O&M and other categories for each of the preceding three calendar years and the most recent annual period available.	Andrew Wachter
Ex. 19, RR 20	Exhibit VI.I.RR.20	Please state whether the future test year budgeted labor includes any increases or decreases in the number of employees during the future test year. If increases have been budgeted, please state whether the future test year includes budgeted positions which have not been filled.	Andrew Wachter
Ex. 19, RR 21	Exhibit VI.I.RR.21	Please explain how the Company has treated routine or normal position vacancies which occur as a result of terminations or retirements in its budgeted labor projections.	Andrew Wachter
Ex. 19, RR 22	Exhibit VI.I.RR.22	Please provide the most recent insurance premiums for each type of insurance coverage (i.e., employee benefit and those purchased by the Company) reflected in the Company's filing. If available, please provide estimated premiums for the subsequent calendar year.	Andrew Wachter
Ex. 19, RR 23	Exhibit VI.I.RR.23	Please provide a copy of the Company's two most recent FERC Form 2.	Joyce Mitole
Ex. 19, RR 24	Exhibit VI.II.RR.24	Please provide a description of each employee benefit program or plan.	Joyce Mitole

New_Ref_Num	Reg_Num	Description	Witness
Ex. 19, RR 25	Exhibit VI.II.RR.25	Please provide a description of the Company's merit and cost of living wage rate increase policies.	Joyce Mitole
Ex. 19, RR 26	Exhibit VI.II.RR.26	Please provide the following monthly labor data for the year prior to the HTY, the HTY and the FTY through the most recent date available. a. number of actual employees broken down between type (e.g., salaried, hourly, union, non-union, temporary, etc.); b. regular payroll broken down between expensed, capitalized and other; c. overtime payroll broken down between expensed, capitalized and other; d. temporary payroll broken down between expensed, capitalized and other; and e. other payroll (specify).	Andrew Wachter
Ex. 19, RR 27	Exhibit VI.II.RR.27	Please provide a copy of all incentive compensation and/or bonus plans and provide the level of related payments included in cost of service.	Andrew Wachter
Ex. 19, RR 28	Exhibit VI.II.RR.28	Please provide the percentage wage rate increases granted by the Company by date and employee category for the three most recent calendar years and the current year to date.	Andrew Wachter
Ex. 19, RR 29	Exhibit VI.II.RR.29	Please provide an analysis (description, dates and amounts) of any gains or losses on utility property sold for the lesser of the last three years or since the Company's last rate case or anticipated during the FTY. Explain how such amounts have been treated for ratemaking purposes.	Andrew Wachter
Ex. 19, RR 30	Exhibit VI.II.RR.30	Please provide the level of each of the following which is included in the Company's cost of service by separate type and/or payee, which are incurred directly by the Company or are allocated or billed to the Company by affiliates or its parent company. a.fines and penalties; b.contributions and donations; c.membership dues; d.lobbying expense; e.employee activity costs (e.g., picnics, parties, awards); f.investor relations expenses	Andrew Wachter
Ex. 19, RR 31	Exhibit VI.II.RR.31	Please provide a description and the purpose for membership for each organization listed in the previous response.	Andrew Wachter
Ex. 19, RR 32	Exhibit VI.II.RR.32	Please provide the level of payments made to industry organizations included in cost of service along with a description of each payee organization or project.	Andrew Wachter
Ex. 19, RR 33	Exhibit VI.II.RR.33	Please provide the following information related to the Company's membership in AGA: a. Cost included in requested cost of service. b. Cost excluded from requested cost of service. c. Copy of the most recent audit report of AGA expenditures prepared by NARUC. d. Most recent correspondence received from AGA which addresses the percentage of dues related to lobbying or other separate activities. e. Policy statement, objective, purpose, etc. of AGA.	Andrew Wachter

New_Ref_Num	Reg_Num	Description	Witness
Ex. 19, RR 34	Exhibit VI.II.RR.34	Please provide a copy of the most recent FERC audit findings, the Company's response and final disposition of audit exceptions.	Andrew Wachter
Ex. 19, RR 35	Exhibit VI.II.RR.35	Please provide the annual level of forfeited discounts or late payment charges for the preceding three calendar years. Identify the level of sales revenue with which these are associated.	Andrew Wachter
Ex. 19, RR 36	Exhibit VI.II.RR.36	If not reflected in the lead-lag study, please provide a listing of the various types of employee withholdings, garnishments and other employee funds held by the Company for remittance at a later date.	Krista Snyder
Ex. 19, RR 37	Exhibit VI.II.RR.37	Please provide all detailed workpapers supporting the adjustments to rate base and operating income.	Andrew Wachter
Ex. 19, RR 38	Exhibit VI.II.RR.38	Please provide a copy of the Company's most recent SFAS 106 plan actuarial study.	Joyce Mitole
Ex. 19, RR 39	Exhibit VI.II.RR.39	Please reconcile the historical and future test year SFAS No. 106 expense levels with the amount identified in the actuarial report.	Joyce Mitole
Ex. 19, RR 40	Exhibit VI.II.RR.40	Please identify the actual or projected amounts contributed to SFAS No. 106 funds for the historic and future test years. Identify the actual or projected dates and amounts of the contributions.	Andrew Wachter
Ex. 19, RR 41	Exhibit VI.II.RR.41	Please explain the funding options or plans which are being used for SFAS No. 106 costs. Identify the portion of the costs which are eligible for tax preferred funding.	Joyce Mitole
Ex. 19, RR 42	Exhibit VI.II.RR.42	Is the Company studying and/or anticipating any changes to its postretirement benefits offered to employees as a result of SFAS No. 106 or for other reasons? If yes, please provide such study and/or explain the anticipated change.	Joyce Mitole
Ex. 19, RR 43	Exhibit VI.II.RR.43	Please state whether the Company has included expenses related to SFAS No. 112 in its test year claim. If so, please provide complete details and include a copy of the actuarial study.	Andrew Wachter
Ex. 19, RR 44	Exhibit VI.II.RR.44	Please provide all documentation supporting the uncollectible accrual rate reflected in the Company's filing.	Andrew Wachter
Ex. 19, RR 45	Exhibit VI.II.RR.45	Please provide all workpapers and documentation supporting the Company's claimed balance of gas stored underground – current. Include support for the monthly injections and withdrawals and the gas cost rate.	Dawn Folks
Ex. 19, RR 46	Exhibit VI.II.RR.46	Please provide a comparison between actual and budgeted O&M expenses by budget cost element for the historical test year and explain any budget variances of 10 percent or more.	Andrew Wachter
Ex. 19, RR 47	Exhibit VI.II.RR.47	Please provide the most recent actual number of eligible participants in each of the employee medical and dental plans reflected in the Company's filing.	Andrew Wachter
Ex. 19, RR 48	Exhibit VI.II.RR.48	Please provide workpapers showing the derivation of future test year Social Security and Medicare FICA taxes based on future test year labor expense. Identify both the total an O&M amounts.	Rudy Hanechak
Ex. 19, RR 49	Exhibit VI.II.RR.49	Please provide workpapers showing the derivation of future test year federal and state unemployment taxes. Show both the total and O&M amounts.	Rudy Hanechak
Ex. 19, RR 50	Exhibit VI.II.RR.50	Please provide workpapers showing the derivation of future test year capital stock taxes.	Andrew Wachter



New_Ref_Num	Reg_Num	Description	Witness
Ex. 19, RR 51	Exhibit VI.II.RR.51	If applicable, please provide a copy of the billing and payment terms for all contracts between the Company and its parent or an affiliated company for services. Further, to the extent that the parent or affiliated company provides service to non-affiliated companies, please provide the corresponding billing and payment terms.	Andrew Wachter
Ex. 19, RR 52	Exhibit VI.II.RR.52	Please provide the annual level of outside services employed for the preceding three calendar years. Include in your response a breakdown of the test year amount indicating the service provider and the type of service performed.	Andrew Wachter
Ex. 19, RR 53	Exhibit VI.II.RR.53	Please describe each budgeted or planned cost savings program to be implemented during the historic or future year. Please identify the cost of implementing the program and the anticipated annual savings.	Andrew Wachter
Ex. 19, RR 54	Exhibit VI.II.RR.54	Please explain how the Company has treated reserve accruals and balances for ratemaking purposes and provide the requested level of any self-funded reserve accruals by type of item.	Andrew Wachter
Ex. 19, RR 55	Exhibit VI.II.RR.55	Please provide a copy of the corporate federal tax returns and supporting schedules for the preceding three years and, if applicable, a copy of the calculation workpapers for the Company's consolidated tax savings adjustment.	Christine Saball

**Peoples Natural Gas Company LLC**  
§ 53.52 (a)

(6) The effect of the change on the service rendered by the utility.

\* \* \* \* \*

Services rendered by the utility will not be impacted by the changes to rates.

**Peoples Natural Gas Company LLC**  
§ 53.53 II.A

13. Attach copies of the summaries of the projected 2 year's Company's budgets (revenue, expense and capital).

\* \* \* \* \*

Refer to the response to Exhibit No. 2, Schedule No. 4 (53.53.III.A.17) for Revenues and Expenses and Exhibit No. 19, RR-14 for the Capital Budget.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.A

40. Adjustments which are estimated shall be fully supported by basic information reasonably necessary.

\* \* \* \* \*

All adjustments were based on annualizing and normalizing the 12 months ended August 31, 2023. The derivation and support behind the adjustments are shown on the following exhibits:

Exhibit 2	Income Statement
Exhibit 3	Revenues
Exhibit 4	O&M Expenses
Exhibit 5	Depreciation
Exhibit 6	Taxes other Than Income Taxes
Exhibit 7	Income Taxes
Exhibit 8	Rate Base

**Peoples Natural Gas Company LLC**  
§ 53.53 III.A

44. Ratios, percentages, allocations and averages used in adjustments must be fully supported and identified as to source.

\* \* \* \* \*

When ratios, percentages, allocations and averages are used in adjustments, they are identified on the appropriate exhibits.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.A

46. Supply a copy of internal and independent audit reports of the test year and prior calendar year, noting any exceptions and recommendations and disposition thereof.

\* \* \* \* \*

Internal Audit report recommendations are required to be addressed in a timely manner, and accordingly the implementation of management commitments is monitored by Internal Audit.

The response to this question contains confidential information and is contained in a separate book of the filing marked confidential information. This information will be provided to parties upon execution of a CONFIDENTIALITY AGREEMENT to be circulated by the company pursuant to the terms of that agreement.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

27. Submit a schedule for gas producing units retired or scheduled for retirement subsequent to the test year showing station, units, MCF capacity, hours of operation during test year, net output produced and cents/MCF of maintenance and fuel expenses.

\* \* \* \* \*

None for Peoples Natural Gas division or Peoples Gas division.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.A

41. Submit a statement explaining the derivation of the amounts used for projecting future test year level of operations and submit appropriate schedules supporting the projected test year level of operations.

\* \* \* \* \*

Exhibits explaining the derivation of the amounts used for projecting a future test year (12 months ending August 31, 2023) and a fully forecasted rate year (12 months ending September 30, 2025) are:

Exhibit 2	Income Statement
Exhibit 3	Revenues
Exhibit 4	O&M Expenses
Exhibit 5	Depreciation
Exhibit 6	Taxes other Than Income Taxes
Exhibit 7	Income Taxes
Exhibit 8	Rate Base



**Peoples Natural Gas Company LLC**  
§ 53.53 III.A

19. List extraordinary property losses as a separate item, not included in operating expenses or depreciation and amortization. Sufficient supporting data must be provided.

\* \* \* \* \*

Peoples Natural Gas Company LLC had no extraordinary property losses during the twelve months ended August 31, 2023.

**Peoples Natural Gas Company LLC**  
§ 53.52 (a)

(1) The specific reasons for each change.

\* \* \* \* \*

The rate changes are being proposed to allow Peoples a reasonable opportunity to recover revenue sufficient to cover its operating expenses and increases to rate base and provide a reasonable opportunity to earn a fair rate of return.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.A

45. Provide an explanation of any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate case.

\* \* \* \* \*

Refer to the direct testimony of Ralph Zarumba for an explanation and description of proposed changes in allocation methodologies and rate classes.

**Peoples Natural Gas Company LLC**  
§ 53.52 (a)

(11) FCC, FERC or Commission orders or rulings applicable to the filing.

\* \* \* \* \*

On May 6 2021, the Pennsylvania Public Utility Commission approved the Joint Petition Settlement for surcredit associated with tax repair election submitted by Peoples Natural Gas Company LLC (“Company”) at Docket No. P-2020-3021191. Effective for tax year ended December 31, 2020, Peoples Natural Gas Company LLC applied a negative percentage to the customer and base rate delivery charge under all rate schedules excluding any customer who received a discounted flexible delivery charge rate. The purpose of the surcredit is to refund, over a five-year period, the entire tax benefit of a catch-up tax deduction resulting from the Company’s defining its property under the Internal Revenue Services’ Treasury Regulations 1.263(a)-3 and 1.162-4. This catch-up deduction represents the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for the tax years ended December 31, 2012 through March 15, 2020.

On August 25, 2022, the Pennsylvania Public Utility Commission approved the Joint Application for Merger of Peoples Natural Gas Company LLC and Peoples Gas Company LLC at Docket Nos. A-2021-3029831 and A-2021-3029833. Effective January 1, 2023, Peoples Gas Company LLC was legally merged with and into Peoples Natural Gas Company LLC. The surviving legal entity is now Peoples Natural Gas Company LLC and the legal entity of Peoples Gas Company LLC, no longer exists. However, the companies continue to operate with separate tariffs and as separate divisions: Peoples Natural Gas Division and Peoples Gas Division.

**Peoples Natural Gas Company LLC**  
§ 53.52 (b)

(1) The specific reasons for each increase or decrease.

\* \* \* \* \*

The rate changes are being proposed to allow Peoples a reasonable opportunity to recover revenue sufficient to cover its operating expenses and increases to rate base and provide a reasonable opportunity to earn a fair rate of return.

**Peoples Natural Gas Company LLC**

§ 53.52 (a)

- (5) The direct or indirect effect of the proposed change on the utility's revenue and expenses.

\* \* \* \* \*

Refer to the Proposed Fully Projected Future Test Year information provided in Exhibit No. 2, Schedule No. 4 (53.53 III.A.17).

**Peoples Natural Gas Company LLC**  
§ 53.52 (a)

- (10) Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

\* \* \* \* \*

Peoples will notify its ratepayers of the proposed changes through a bill insert in compliance with the Commission's Regulations (Pa Code Section 59.45).

**Peoples Natural Gas Company LLC**  
§ 53.52 (a)

- (7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).

\* \* \* \* \*

Not applicable.



# Peoples Natural Gas Company LLC

## § 53.52 (a)

- (8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. §1308.

\* \* \* \* \*

Not Applicable.

**Peoples Natural Gas Company LLC**

§ 53.52 (a)

- (9) Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

\* \* \* \* \*

No customer polls were taken to indicate customer acceptance and desire for the proposed rate changes.