

Appendix A

PEOPLES NATURAL GAS COMPANY LLC

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

By: **ISSUED:**
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President
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EFFECTIVE:

NOTICE

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

LIST OF CHANGES

Page	Page Description	Revision Description
3	Table of Contents	Multiple Changes.
34	Rate RS Residential Service	Modified Customer Charge and Delivery Charge.
35	Customer Assistance Program (CAP)	Added language regarding unjustified CAP Credit Maximum
36	Customer Assistance Program (CAP)	Replaced '110%' with '125%'. Added "Effective November 1, 2011" and provided clarification of calculation of CAP Plus.
38	Rate CS-S Commercial and NGDC Service - Small	Modified Customer Charges and Delivery Charge.
40	Rate CS-L Commercial and NGDC Service - Large	Modified Customer Charges and Delivery Charge.
46	Rate GS-T General Service Transportation	Modified Customer Charges and Delivery Charges.
50	Rate IS/SB Industrial Service/Standby	Modified Customer Charges and Delivery Charge.
57	Rate T Transportation Service - Industrial	Modified Customer Charges and Delivery Charge.
71	Rider F Universal Service	Modified language regarding the calculation of Projected CAP Credit and Arrearage Forgiveness amounts. Provided clarification regarding the inclusion on this charge in delivery charges for bill display purposes.
72	INTENTIONALLY LEFT BLANK	INTENTIONALLY LEFT BLANK
73	INTENTIONALLY LEFT BLANK	INTENTIONALLY LEFT BLANK
74	Rider H Ratepayer Trust Rate Credit	Modified calculation of the distribution rate credit.
75	Rider H Ratepayer Trust Rate Credit (Cont.)	Modified per unit rates.

ISSUED:

EFFECTIVE:

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	(C)
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ISSUED:

EFFECTIVE:

RATE RS
RESIDENTIAL SERVICE**AVAILABILITY**

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

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

RATE TABLE

(C)

Customer Charge per meter per month	\$13.75	(D)
Ratepayer Trust Rate Credit (Rider H) per meter per month	<u>(\$1.50)</u>	(I)
Total Customer Charge per month	\$12.25	
Delivery Charge per Mcf	\$3.2837	(D)
Universal Service (Rider F) per MCF	\$0.1695	(I)
Ratepayer Trust Rate Credit (Rider H) per MCF	<u>(\$0.1197)</u>	(D)
Total Delivery Charge per MCF	\$3.3335	
Capacity Charge (Rider B) per Mcf	\$0.5318	
Merchant Function Charge (Rider E) per Mcf	<u>\$0.0190</u>	
Total Capacity Charge per Mcf	\$0.5508	
Gas Cost Adjustment Charge (Rider B) per Mcf	(\$0.2838)	
Merchant Function Charge (Rider E) per Mcf	<u>(\$0.0102)</u>	
Total Gas Cost Adjustment Charge per Mcf	(\$0.2940)	
Natural Gas Supply Charge (Rider B) per Mcf	\$5.2443	
Merchant Function Charge (Rider E) per Mcf	<u>\$0.1877</u>	
Total Commodity Charge per Mcf	\$5.4320	

MINIMUM MONTHLY BILL

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

SURCHARGES

All applicable riders to this tariff.

LATE-PAYMENT CHARGE

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

RULES AND REGULATIONS

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

WAIVER

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

ISSUED:

EFFECTIVE:

CUSTOMER ASSISTANCE PROGRAM (CAP)**AVAILABILITY**

(C)

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

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

ISSUED:

EFFECTIVE:

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

(C)

Ratepayers will pay a specified percentage of their monthly income or \$21/month, whichever is greater. The applicable percentage by Group follows:

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

If the ratepayer's monthly CAP payment, as calculated above, exceeds the otherwise applicable monthly budget payment amount, the monthly budget payment amount will be accepted as the CAP payment. The Company will review any ratepayer account where usage exceeds 125% of the ratepayer's annual usage.

CAP Plus

(C)

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

PAYMENTS TOWARD ARREARAGE

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

SURCHARGES

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

LATE-PAYMENT CHARGES

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

1/ Defined under Availability Criteria 3.

ISSUED:

EFFECTIVE:

RATE CS-S
COMMERCIAL and NGDC SERVICE – SMALL

AVAILABILITY

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

This rate will be used for provision of supplier of last resort service to all commercial and NGDC ratepayers.

RATE TABLE

(C)

Customer Charge per meter per month:

For ratepayers with annual consumption less than 500 Mcf	\$13.75	(D)
Ratepayer Trust Credit (Rider H) per meter per month	<u>(\$1.04)</u>	(D)
Total Customer Charge per meter per month	\$12.71	
For ratepayers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf	\$24.00	(D)
Ratepayer Trust Credit (Rider H) per meter per month	<u>(\$1.04)</u>	(D)
Total Customer Charge per meter per month	\$22.96	
Delivery Charge per Mcf	\$2.4242	(I)
Capacity Charge (Rider B) per Mcf	\$0.5157	
Merchant Function Charge (Rider E) per Mcf	\$0.0038	
Total Capacity Charge per Mcf	\$0.5195	
Gas Cost Adjustment Charge (Rider B) per Mcf	(\$0.2838)	
Merchant Function Charge (Rider E) per Mcf	(\$0.0021)	
Total Gas Cost Adjustment Charge per Mcf	(\$0.2859)	
Natural Gas Supply Charge (Rider B) per Mcf	\$5.2443	
Merchant Function Charge (Rider E) per Mcf	\$0.0388	
Total Natural Gas Supply Charge per Mcf	\$5.2831	

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

ISSUED:

EFFECTIVE:

RATE CS-L
COMMERCIAL and NGDC SERVICE - LARGE

AVAILABILITY

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

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

RATE TABLE(C)**Customer Charge per meter per month:**

For ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf	\$45.00	(D)
Ratepayer Trust Rate Credit (Rider H) per meter per month	<u>(\$18.65)</u>	(D)
Total Customer Charge per Month	\$26.35	
For ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf	\$69.00	(D)
Ratepayer Trust Rate Credit (Rider H) per meter per month	<u>(\$28.60)</u>	(D)
Total Customer Charge per Month	\$40.40	
For ratepayers with annual consumption equal to or greater than 25,000 Mcf	\$443.00	(D)
Ratepayer Trust Rate Credit (Rider H) per meter per month	<u>(\$179.46)</u>	(D)
Total Customer Charge per Month	\$263.54	
Delivery Charge per Mcf	\$2.5322	(I)
Ratepayer Trust Rate Credit (Rider H) per MCF	<u>(\$0.0872)</u>	(D)
Total Delivery Charge per MCF	\$2.4450	
Capacity Charge (Rider B) per Mcf	\$0.5318	
Merchant Function Charge (Rider E) per Mcf	\$0.0039	
Total Capacity Charge per Mcf	\$0.5357	
Gas Cost Adjustment Charge (Rider B) per Mcf	(\$0.2838)	
Merchant Function Charge (Rider E) per Mcf	(\$0.0021)	
Total Gas Cost Adjustment Charge per Mcf	(\$0.2859)	
Natural Gas Supply Charge (Rider B) per Mcf	\$5.2443	
Merchant Function Charge (Rider E) per Mcf	\$0.0388	
Total Natural Gas Supply Charge per Mcf	\$5.2831	

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

ISSUED:**EFFECTIVE:**

RATE GS-T
GENERAL SERVICE - TRANSPORTATION

RATE TABLE

(C)

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

\$13.75 (\$1.50) \$12.25 \$13.75 (\$1.04) \$12.71 \$24.00 (\$1.04) \$22.96 \$45.00 (\$18.65) \$26.35 \$69.00 (\$28.60) \$40.40 \$443.00 (\$179.46) \$263.54	Customer Charge per month per meter for all Residential ratepayers Ratepayer Trust Rate Credit (Rider H) per Customer charge Total Customer Charge per month per meter Customer Charge per month per meter for Commercial Service - Small or NGDC ratepayers consuming less than 500 Mcf annually. Ratepayer Trust Rate Credit (Rider H) per Customer charge Total Customer charge per month per meter Customer Charge per month per meter for Commercial Service - Small or NGDC ratepayers with annual consumption equal to or greater than 500 Mcf but less than 1,000 Mcf. Ratepayer Trust Rate Credit (Rider H) per Customer charge Total Customer Charge per month per meter Customer Charge per month per meter for Commercial Service - Large or NGDC ratepayers with annual consumption equal to or greater than 1,000 Mcf but less than 2,500 Mcf. Ratepayer Trust Rate Credit (Rider H) per Customer charge Total Customer Charge per month per meter Customer Charge per month per meter for Commercial Service - Large or NGDC ratepayers with annual consumption equal to or greater than 2,500 Mcf but less than 25,000 Mcf. Ratepayer Trust Rate Credit (Rider H) per Customer charge Total Customer Charge per month per meter Customer Charge per month per meter for Commercial Service - Large or NGDC ratepayers with annual consumption equal to or greater than 25,000 Mcf. Ratepayer Trust Rate Credit (Rider H) per Customer charge Total Customer Charge per month per meter
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Delivery Charge, Per Mcf - the delivery charge will be negotiated by the Company and the ratepayer and expressed in the Transportation Agreement.

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

For Residential Service Ratepayers	\$3.2837
Ratepayer Trust Rate Credit (Rider H) per MCF	(\$0.1197)
Universal Service (Rider F) per MCF	<u>\$0.1695</u>
Total maximum charge per MCF	\$3.3335
For Commercial and NGDC Service - Small Ratepayers	\$2.4242
For Commercial and NGDC Service - Large Ratepayers	\$2.5322
Ratepayer Trust Rate Credit (Rider H) per MCF	<u>(\$0.0872)</u>
Total maximum charge per MCF	\$2.4450

The delivery charge will be assessed on all volumes at the time of delivery to the ratepayer, including current transportation, banked, advanced, and storage volumes withdrawn.

A transportation standby charge will be applicable to all volumes transported under Rate Schedule GS-T for Priority One ratepayers (refer to Rate Schedule GS-SB).

LATE-PAYMENT CHARGE

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

ISSUED:

EFFECTIVE:

RATE TABLE (continued)

(C)

Standby Charges For Non Priority One Ratepayers With a Standby Contract

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

Ratepayers Using The Company as a Back-up Supplier

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

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

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

- | | |
|-----------------------------------------------------------------------------------------------------|-----|
| \$ 34.00 per month per meter for all Residential ratepayers. | (I) |
| (\$1.50) Ratepayer Trust Rate Credit (Rider H) per month per meter | (I) |
| \$ 32.50 per month per meter | |
|
 | |
| \$ 41.00 per month per meter for Commercial or NGDC ratepayers with usage less than 1000 Mcf/yr | (I) |
| (\$1.04) Ratepayer Trust Rate Credit (Rider H) per month per meter | (D) |
| \$ 39.96 per month per meter | |
|
 | |
| \$ 72.00 per month per meter for Commercial or NGDC ratepayers with usage of 1000 Mcf/yr or greater | (I) |
| (\$18.65) Ratepayer Trust Rate Credit (Rider H) per month per meter | (D) |
| \$ 53.35 per month per meter | |

SURCHARGES - All applicable riders to this tariff.

LATE-PAYMENT CHARGE

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

ISSUED:

EFFECTIVE:

RATE IS/SB
INDUSTRIAL SERVICE/STANDBY**AVAILABILITY**

This rate is available to industrial ratepayers that choose to purchase gas supplies from the Company (supplier of last resort service), industrial ratepayers served under Rate T that choose to enter into a standby contract with the Company and industrial ratepayers that use the Company as backup service to service from an alternate supplier.

SUPPLIER of LAST RESORT SERVICE

The Company shall determine the annual consumption of each industrial ratepayer in order to assess the appropriate customer charge.

RATE TABLE

		(C)
Customer Charge per ratepayer per month:		
For ratepayers with annual consumption less than 25,000 Mcf	\$69.00	(D)
Ratepayer Trust Rate Credit (Rider H) per ratepayer per month	(\$49.45)	(I)
Total Customer Charge per ratepayer per month	\$19.55	
For ratepayers with annual consumption equal to or greater than 25,000 Mcf but less than 50,000 Mcf	\$443.00	(D)
Ratepayer Trust Rate Credit (Rider H) per ratepayer per month	(\$310.30)	(I)
Total Customer Charge per ratepayer per month	\$132.70	
For ratepayers with annual consumption equal to or greater than 50,000 Mcf but less than 100,000 Mcf	\$545.00	(D)
Ratepayer Trust Rate Credit (Rider H) per ratepayer per month	(\$390.56)	(I)
Total Customer Charge per ratepayer per month	\$154.44	
For ratepayers with annual consumption equal to or greater than 100,000 Mcf but less than 200,000 Mcf	\$1,144.00	(D)
Ratepayer Trust Rate Credit (Rider H) per ratepayer per month	(\$819.82)	(I)
Total Customer Charge per ratepayer per month	\$324.18	
For ratepayers with annual consumption equal to or greater than 200,000 Mcf	\$2,009.00	(D)
Ratepayer Trust Rate Credit (Rider H) per ratepayer per month	(\$1,439.69)	(I)
Total Customer Charge per ratepayer per month	\$569.31	
Delivery Charges:		
Delivery Charge per Mcf	\$1.8505	(I)
Ratepayer Trust Rate Credit (Rider H) per MCF	(\$0.0878)	(D)
Total Delivery Charge per MCF	\$1.7627	
Capacity Charge (Rider B) – Supplier of Last Resort Service per Mcf	\$0.5318	
Merchant Function Charge (Rider E) per Mcf	\$0.0039	
Total Capacity Charge per Mcf	\$0.5357	
Gas Cost Adjustment Charge (Rider B) per Mcf	(\$0.2838)	
Merchant Function Charge (Rider E) per Mcf	(\$0.0021)	
Total Gas Cost Adjustment Charge per Mcf	(\$0.2859)	
Natural Gas Supply Charge (Rider B) per Mcf	\$5.2443	
Merchant Function Charge (Rider E) per Mcf	\$0.0388	
Total Natural Gas Supply Charge per Mcf	\$5.2831	

MARKET BASED COMMODITY CHARGE ADJUSTMENT (CCA)

This adjustment will be applicable to Non-Priority One ratepayers that previously had been receiving transportation service from the Company for at least twelve consecutive months and transfers to service under this rate schedule. Once applied, the CCA will be applicable for twelve consecutive months of service under this rate schedule. The Gas Cost Adjustment Charge shall not be applicable if the CCA is being charged.

The CCA shall be determined monthly and shall equal the difference between the Company's city gate price and the currently effective commodity charge under this rate schedule. The CCA shall never be less than zero. The Company's city gate price shall be based on the first of the month Dominion Transmission Inc. Appalachia Index price as published in *Inside FERC's Gas Market Report* plus applicable Dominion Transmission, Inc. transportation charges and retainage.

ISSUED:

EFFECTIVE:

RATE T
TRANSPORTATION SERVICE - INDUSTRIAL

RATE TABLE

(C)

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

\$ 69.00 <u>(\$49.45)</u> \$19.55	Customer Charge per month per ratepayer, with annual consumption less than 25,000 Mcf. (D) Ratepayer Trust Rate Credit (Rider H) per Customer Charge (I) Total Customer Charge per ratepayer
\$ 443.00 <u>(\$310.30)</u> \$132.70	Customer Charge per month per ratepayer, with annual consumption equal to or greater than (D) 25,000 Mcf but less than 50,000 Mcf. Ratepayer Trust Rate Credit (Rider H) per Customer Charge (I) Total Customer Charge per ratepayer
\$ 545.00 <u>(\$390.56)</u> \$154.44	Customer Charge per month per ratepayer, with annual consumption equal to or greater than (D) 50,000 Mcf but less than 100,000 Mcf. Ratepayer Trust Rate Credit (Rider H) per Customer Charge (I) Total Customer Charge per ratepayer
\$1,144.00 <u>(\$819.82)</u> \$324.18	Customer Charge per month per ratepayer, with annual consumption equal to or greater than (D) 100,000 Mcf but less than 200,000 Mcf. Ratepayer Trust Rate Credit (Rider H) per Customer Charge (I) Total Customer Charge per ratepayer
\$2,009.00 <u>(\$1,439.69)</u> \$569.31	Customer Charge per month per ratepayer, with annual consumption equal to or greater than (D) 200,000 Mcf. Ratepayer Trust Rate Credit (Rider H) per Customer Charge (I) Total Customer Charge per ratepayer

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

The maximum charge per Mcf for transportation service is:	\$1.8505	(I)
Ratepayer Trust Rate Credit (Rider H) per MCF	<u>(\$0.0878)</u>	(D)
Total maximum charge per MCF	\$1.7627	

The delivery charge will be assessed on all volumes at the time of delivery to the ratepayer, including current transportation, banked, advanced, and storage volumes withdrawn.

LATE-PAYMENT CHARGE

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

ISSUED:

EFFECTIVE:

RIDER F

(C)

UNIVERSAL SERVICE

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

RATE

Rider F per Mcf \$0.1695

The charges assessed per this rider shall be assessed to residential ratepayers served under rate schedules Rate RS and Rate GS-T. Charges assessed per this rider shall not be applicable to ratepayers served in the Company's CAP.

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

CAP Costs will be calculated to include the following components:

1. Projected CAP Credit – The difference between the total Rate RS bill, excluding Rider F, and the CAP payment amount which is comprised of the sum of the percentage of income payment or minimum bill, whichever is greater, plus the CAP Plus payment. The projected CAP Credit shall be calculated based on current rates, current CAP payment amounts and projected normalized annual volumes for CAP participants. Separate CAP credit costs will be calculated for: 1) current active CAP participants; and 2) the projected average net change in the number of CAP participants for the projected quarter.
2. Projected CAP Administration Costs – Shall include the costs for administrative services provided by and paid to third-party administrators in direct support of the CAP.
3. Pre-Program Arrearage Forgiveness – Projected CAP pre-program arrearage forgiveness costs for the projected annual period.

Costs for the LIURP, Community Partnership for Weatherization and Emergency Furnace and Houseline Repair programs will be calculated based on the projected number of eligible participants for the projected annual period. Recoverable CAP credit and arrearage forgiveness amounts will be reduced by 3.27% times the average CAP credit and arrearage forgiveness of existing CAP customers times the incremental number of CAP participants in excess of 16,725 CAP customers. Historical payment statistics will be utilized in the development of projected CAP credits and arrearage forgiveness amounts.

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

QUARTERLY ADJUSTMENT

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

ANNUAL RECONCILIATION

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

ISSUED:

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RIDER H
RATEPAYER TRUST RATE CREDIT

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

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

Calculation of the Distribution Rate Credit

(C)

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

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

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

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

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

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

(Cont.)

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RIDER H
RATEPAYER TRUST RATE CREDIT (Cont.)

Year One Rate Credit

Residential Ratepayers	(\$1.50) per Customer Charge	(I)
Residential Ratepayers	(\$0.1197) per MCF	(D)
Commercial Small Ratepayers	(\$1.04) per Customer Charge	(D)
Commercial Large Ratepayers		
≥1,000<2,500 Mcf / year	(\$18.65) per Customer Charge	(D)
≥2,500<25,000 Mcf / year	(\$28.60) per Customer Charge	(D)
≥25,000 Mcf / year	(\$179.46) per Customer Charge	(D)
Commercial Large Ratepayers	(\$0.0872) per MCF	(D)
Industrial Ratepayers		
<25,000 Mcf / year	(\$49.45) per Customer Charge	(I)
≥25,000<50,000 Mcf / year	(\$310.30) per Customer Charge	(I)
≥50,000<100,000 Mcf / year	(\$390.56) per Customer Charge	(I)
≥100,000<200,000 Mcf / year	(\$819.82) per Customer Charge	(I)
≥200,000 Mcf / year	(\$1,439.69) per Customer Charge	(I)
Industrial Ratepayers	(\$0.0878) per MCF	(D)

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

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