



PEOPLES NATURAL GAS



PEOPLES TWP

375 N. Shore Drive, Suite 600  
Pittsburgh, PA 15212

**Lynda W. Petrichevich**  
Director, Rates, Planning, and Forecasting

**Peoples Service Company LLC**  
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Email: lynda.w.petrichevich@peoples-gas.com

March 31, 2015

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

**RE: PEOPLES TWP LLC; Supplement No. 21 to Tariff Gas – PA PUC No. 8: State Tax Adjustment Surcharge (STAS) Filing**

Dear Secretary Chiavetta:

Pursuant to Peoples TWP LLC's ("PTWP" or "Company") Tariff Gas – PA PUC No. 8, Rider STA– State Tax Adjustment Surcharge ("STAS"), enclosed is an original of Tariff Supplement No. 21 with an Effective date of April 10, 2015. This Supplement revises the STAS based on the annual recomputation required by Rider STA of the Company's Tariff. The revised STAS calculation results in a positive STAS of \$0.0064 per Mcf applied to retail and transportation gas service tariff rate schedules.

Enclosed as **Exhibit A - C** is a revised calculation of the STAS. Also enclosed is the affidavit of Joseph A. Gregorini, PTWP's Vice President, Rates and Regulatory Affairs, certifying that PTWP has posted Supplement No. 21 on its webpage in accordance with the Commission's Secretarial Letter of March 30, 1998.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions regarding this filing.

Sincerely,

Lynda W. Petrichevich  
Director, Rates, Planning, and Forecasting

Enclosure

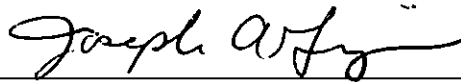
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## AFFIDAVIT

I, Joseph A. Gregorini, in my capacity as Vice President, Rates and Regulatory Affairs, certify that Peoples TWP has posted Supplement No. 21 to Tariff Gas-PA PUC No. 8 on its Web Page in accordance with the Commission's Secretarial Letter of March 30, 1998. I understand that any statements in this Affidavit are subject to the penalties set forth in 18 Pa. C.S. §4904 (relating to unsworn falsification to authorities).



Joseph A. Gregorini

DATED: March 31, 2015

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PEOPLES TWP LLC

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RATES, RULES AND REGULATIONS  
FOR NATURAL GAS SERVICE  
IN TERRITORY DESCRIBED HEREIN

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ISSUED: March 31, 2015

EFFECTIVE: April 10, 2015

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State Tax Adjustment Surcharge Recalculation

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

ISSUED BY:

JOSEPH A. GREGORINI  
VICE PRESIDENT – RATES AND REGULATORY AFFAIRS  
PEOPLES TWP LLC  
205 NORTH MAIN STREET  
BUTLER, PENNSYLVANIA 16001

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**LIST OF CHANGES MADE BY THIS TARIFF**

Rider STAS - Increased for all rate classes from \$0.0033 to \$0.0064

Rate Schedule	Total Demand Gas Cost *	Price to Compare Commodity Charge*	Volumetric Delivery Rate	Rider STA Surcharge	Rider USP Surcharge	Rider ARC Surcharge**	Rider DSIC Surcharge***	Total Rate per Mcf
Residential - RS	\$ 0.4416	\$ 2.6963	\$ 6.7880	\$ 0.0064	\$ 0.0564	\$ (0.2731)	\$ -	\$ 9.7156
Residential Universal - RUS	Refer to page 76.							
Small General Service SGS	\$ 0.4496	\$ 2.6490	\$ 5.1008	\$ 0.0064	\$ -	\$ (0.1745)	\$ -	\$ 8.0313
Medium General Service MGS	\$ 0.4577	\$ 2.6369	\$ 4.8604	\$ 0.0064	\$ -	\$ (0.1117)	\$ -	\$ 7.8497
Large General Service LGS (over 25,00 Mcf/yr and less than 100,000 Mcf/yr)	\$ 0.2005	\$ 2.6369	\$ 3.7500	\$ 0.0064	\$ -	\$ -	\$ -	\$ 6.5938
Large General Service LGS (over 100,000 Mcf/yr)	\$ 0.2005	\$ 2.6369	\$ 0.9988	\$ 0.0064	\$ -	\$ -	\$ -	\$ 3.8426

(all amounts expressed in rates per Mcf)

\*See Page 13 for the components which make up Total Demand Gas Cost and the Price to Compare Commodity Charge.

\*\*Rider ARC associated with Customer Charge can be found on the Rider ARC page of this Tariff.

\*\*\*Note that Rider DSIC, currently 0.00%, additionally applies to the Customer Service Charge for each Rate Schedule.

Rate Schedule	Volumetric Delivery Rate	Balancing Service Fee	Rider STA Surcharge	Rider USP Surcharge	Rider ARC Surcharge*	Rider DSIC Surcharge**	Total Delivery Rate per Mcf	Retainage Charge
Residential - RST	\$ 6.7880	\$ 0.4416	\$ 0.0064	\$ 0.0564	\$ (0.2731)	\$ -	\$ 7.0193	5.00%
Small General Service SGS - T	\$ 5.1008	\$ 0.3836	\$ 0.0064	\$ -	\$ (0.1745)	\$ -	\$ 5.3163	5.00%
Medium General Service MGS - T	\$ 4.8604	\$ 0.3827	\$ 0.0064	\$ -	\$ (0.1117)	\$ -	\$ 5.1378	5.00%
Large General Service LGS-T (over 25,000 Mcf/yr and less than 100,000 Mcf/yr)	\$ 3.7500	\$ 0.1582	\$ 0.0064	\$ -		\$ -	\$ 3.9146	5.00%
Large General Service LGS-T (over 100,00 Mcf/yr)	\$ 0.9988	\$ 0.1582	\$ 0.0064	\$ -		\$ -	\$ 1.1634	3.40%
Field Transportation Service - FTS	\$ 0.4777	\$ -	\$ -	\$ -		\$ -	\$ 0.4777	3.40%

(all amounts expressed in rates per Mcf)

\*Rider ARC amounts associated with Customer Charge are provided on the Rider ARC page.

\*\*Note that Rider DSIC, currently 0.00%, additionally applies to the Customer Service Charge for each Rate Schedule.

**PEOPLES TWP LLC**  
**Calculation Of Incremental Rider A - State Tax Adjustment Surcharge**

**Current Period - Incremental Change in PA Taxes:**

(1) Incremental Change in Capital Stock Tax Liability (Exhibit A)	\$	21,233
(2) Incremental Change in PURTA Tax Liability (Exhibit A)	\$	9,342
<b>Total Current Period - Incremental Increase (Decrease) in PA Taxes</b>	<b>\$</b>	<b>30,575</b>

<b>Prior Period (Over) / Under Collections (Exhibit B)</b>	<b>\$</b>	<b>14,235</b>
<b>Total Tax Changes and (Over) / Under Collections</b>	<b>\$</b>	<b>44,811</b>

**Rider A - Computation - State Tax Surcharge**

Incremental Change in PA Taxes (Above)	\$	44,811
Projected Annual Customer Throughput - 4/1/2015 through 3/31/2016 (Exhibit C)		7,051,318
Rider A - State Tax Surcharge per Mcf (Effective 4/10/2015)	<b>\$</b>	<b>0.0064</b>

**PEOPLES TWP LLC**  
**Incremental Change in PA Taxes**

**EXHIBIT A**

**Incremental Change in Capital Stock Tax:**

<b>Time Period</b>	<b>A Base Millage</b>	<b>B Capital Stock Tax Value</b>	<b>C # of Months Effective</b>	<b>D=A*B*C Capital Stock Tax</b>
1/ Base Rate Case - 2013	0	\$ 51,664,232	12/12	\$ -
2/ 4/1/2015 through 12/31/2015	0.00045	\$ 62,913,205	9/12	\$ 21,233
2/ 1/1/2016 through 3/31/2016	0	\$ 62,913,205	3/12	\$ -
				<u>\$ 21,233</u>
<b>Incremental Increase / (Decrease) in Capital Stock Tax</b>				\$ 21,233 -----> <b>\$ 21,233</b>

**Legislative Change in PURTA Liability:**

<b>Time Period</b>	<b>A State Taxable Value</b>	<b>B PURTA Rate</b>	<b>C # of Months Effective</b>	<b>D=A*B*C PURTA Liability</b>
1/ Base Rate Case - 2013				\$ 52,000
3/ 4/1/2015 through 12/31/2015	\$ 1,891,815	0.0324251	9/12	\$ 46,007
3/ 1/1/2016 through 3/31/2016	\$ 1,891,815	0.0324251	3/12	\$ 15,336
				<u>\$ 61,342</u>
<b>Incremental Increase / (Decrease) in PURTA</b>				\$ 9,342 -----> <b>\$ 9,342</b>

1/ Reflects the as-filed tax liability in Peoples TWP's last rate case at Docket No. R-2013-2355886. All issues in this case were resolved through a "dollar" settlement.

2/ Capital Stock Tax Value for current period is based on the most recent valuation (2013).

3/ Taxable value and PURTA rate are based on the August 11, 2014 PURTA Notice for tax year 2013.



**PEOPLES TWP LLC**  
**Calculation of (Over) Under Collection of State Tax Adjustment Surcharge**

**EXHIBIT B**

**I. Actual STAS Revenue**

April		\$ 4,387	
May		\$ 2,169	
June		\$ 1,055	
July		\$ 785	
August		\$ 726	
September		\$ 740	
October		\$ 1,237	
November		\$ 2,135	
December		\$ 4,858	
2015 January		\$ 6,061	
February		\$ 6,454	
March	<-- Estimate	\$ 3,211	
<b>Total STAS Revenue Collected</b>		<b>\$ 33,818</b>	<b>\$ 33,818</b>

**II. Calculated Taxes**

1) Prior Period (Over) Under Amounts included in STAS effective Month 4/10/2014 (4/2014 to 3/2015) -----> \$ -

2) Capital Stock - Increase (Decrease)

Time Period	A Base Millage	B Capital Stock Tax Value	C # of Days Effective	D=A*B*C Capital Stock Tax	
1/ Base Rate Case - 2013	0	\$ 51,664,232	366/366	\$ -	
				\$ -	
2/ 4/1/2014 through 12/31/2014	0.00067	\$ 62,913,205	274/365	\$ 31,671	
2/ 1/1/2015 through 3/31/2015	0.00045	\$ 62,913,205	91/365	\$ 7,039	
				\$ 38,711	
<b>Incremental Increase / (Decrease) in Capital Stock Tax</b>				<b>\$ 38,711</b>	<b>\$ 38,711</b>

3) PURTA - Increase (Decrease)

Time Period	A State Taxable Value	B PURTA Rate	C # of Days Effective	D=A*B*C PURTA Liability	
1/ Base Rate Case - 2013				\$ 52,000	
				\$ 52,000	
3/ 4/1/2014 through 12/31/2014	\$ 1,891,815	0.0324251	274/365	\$ 46,091	
3/ 1/1/2015 through 3/31/2015	\$ 1,891,815	0.0324251	91/365	\$ 15,252	
				\$ 61,342	
<b>Incremental Increase / (Decrease) in PURTA</b>				<b>\$ 9,342</b>	<b>\$ 9,342</b>
<b>Total Calculated Taxes</b>					<b>\$ 48,053</b>

**III. Prior Period (Over) Under Collections (Part II - Part I)**

**\$ 14,235**

- 1/ Reflects the as-filed tax liability in Peoples TWP's last rate case at Docket No. R-2013-2355886. All issues in this case were resolved through a "dollar" settlement.
- 2/ Capital Stock Tax Value for current period is based on the most recent valuation (2013).
- 3/ Taxable value and PURTA rate are based on the August 11, 2014 PURTA Notice for tax year 2013.

**PEOPLES TWP LLC**  
**Projected Annual Customer Throughput**

**EXHIBIT C**

<b>Annual Customer Throughput</b>	<b>Projected Year</b>
<b>Retail</b>	
Residential	5,105,255
SGS	844,895
MGS	709,325
LGS	88,867
Total	<u>6,748,342</u>
<b>Transport</b>	
Residential	-
SGS	3,769
MGS	299,208
LGS	-
Total	<u>302,976</u>
<b>Grand Total</b>	<b>7,051,318</b>

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

\*\*\*\*\*

This filing proposes an increase in the State Tax Surcharge as a result of changes in the taxable values and tax rates for the Capital Stock Tax and Public Utility Realty Tax.

- (2) The operating income statement of the utility for a 12-month period, the end of which shall not be more than 120 days prior to such filing.

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**Peoples TWP LLC  
Statement of Income  
For the Twelve Months Ending December 31, 2014**

**Operating Revenues**

Total Operating Revenues	\$ 110,621,149
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**Operating Expenses**

Total Operating Expenses	\$ 89,502,086
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**Net Utility Operating Income**

	<b>\$ 21,119,062</b>
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Total Other Income and Deductions

	\$ (233,075)
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Interest Charges

	\$ 5,085,810
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**Income Before Extraordinary Items**

	<b>\$ 15,800,178</b>
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- (3) A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

\*\*\*\*\*

Refer to table below.

**Sales Customers as of December 31, 2014**

RS	56,426
SGS	3,785
MGS	360
LGS	1
Total	<u>60,572</u>

**Transport Customers as of December 31, 2014**

RS	1
SGS	58
MGS	44
LGS	0
Total	<u>103</u>

- (4) A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

\*\*\*\*\*

Refer to table below.

**Sales Customers**

RS	\$	15,826
SGS	\$	2,619
MGS	\$	2,199
LGS	\$	275
Total	\$	<u>20,920</u>

**Transport Customers**

RS	\$	-
SGS	\$	12
MGS	\$	928
LGS	\$	-
Total	\$	<u>939</u>

This tariff supplement, which will result in the above increase will be in effect on April 10, 2015.

(5) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

\*\*\*\*\*

None.

(6) A calculation of the total decreased, in dollars, by tariff subdivision, projected to an annual basis.

\*\*\*\*\*

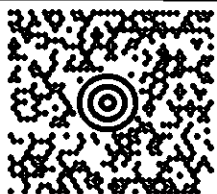
None.



TRACY SPROWLS  
412-208-6806  
PEOPLES NATURAL GAS  
375 N SHORE DR  
PITTSBURGH PA 15212

0.0 LBS LTR 1 OF 1

**SHIP TO:**  
ROSEMARY CHIAVETTA, SECRETARY  
PA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
2ND FLOOR  
400 NORTH STREET  
**HARRISBURG PA 17120-0093**



**PA 171 9-20**



**UPS NEXT DAY AIR**

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BILLING: P/P



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