

**GAS ANNUAL REPORT  
OF  
The Peoples Natural Gas Company  
d/b/a Dominion Peoples**

Exact legal name of reporting gas company or corporation  
(If name was changed during year, show also the previous name and date of change)

**625 Liberty Avenue, Pittsburgh, PA 15222-3197**

(Address of principal business office at end of year)

**FOR THE  
YEAR ENDED DECEMBER 31, 2003  
TO THE  
COMMONWEALTH OF PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

**Name, title, address and telephone number (including the area code), E-Mail Address,  
and Web Site Address of the person to be contacted concerning this report:**

**Gregory A. Sciuolo  
Director, Subsidiary Accounting  
625 Liberty Avenue  
Pittsburgh, PA 15222-3197  
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**RECEIVED**

APR 27 2004

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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## GENERAL INSTRUCTIONS

1. The completed original and an electronic (e-mail) copy of this report shall be filed with the Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania, 17105-3265 on or before the 30th of April following the end of the year to which the report applies.
2. All Natural Gas Distribution Companies subject to the jurisdiction of the Pennsylvania Public Utility Commission, upon which this report is served are required by statute to complete and file this report. The statute further provides that when any such report is defective or believed to be erroneous, the reporting corporation shall be duly notified and given a reasonable time within which to make the necessary amendments or corrections. All data comprising this report shall be submitted in electronic and permanent form.
3. All accounting terms and phrases used in this form are to be interpreted in accordance with the effective applicable Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission Title 18 under "Part 201-Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act", (18 CFR Part 201). Whenever the term respondent is used, it shall mean the reporting company.
4. Standard accounting procedures will apply in determining the nature of any entry (e.g., Uncollectibles, a revenue item, is normally a debit entry, and should be entered as a "positive" number unless the reported balance is a credit). Entries of a reverse or contrary character shall be indicated by parenthesis around the number.
5. If the report is made for a period less than the calendar year, the period covered must be clearly stated on the front cover and elsewhere throughout the report where the period covered is shown. When operations cease during the year because of the disposition of property, the balance sheet and supporting schedules should consist of balances and items immediately prior to transfer (for accounting purposes). If the books are not closed as of that date, the data in the report should nevertheless be complete, and the amounts reported should be supported by information set forth in, or as part of, the books of account.
6. All instructions shall be followed and each question shall be answered fully and accurately. Sufficient answers shall appear to show that no question or schedule has been overlooked. The expression "none" or "not applicable" shall be given as the answer to any particular inquiry or schedule where it truly and completely states the fact. Unless otherwise indicated, no information will be accepted which incorporates by reference information from another document or report. Where information called for herein is not given, state fully the reason for its omission.
7. Extra copies of any page will be furnished upon request. If it is necessary or desirable to insert additional statements for the purpose of further explanation of accounts or schedules, they shall be legibly made on paper of durable quality and shall correspond to this form in size of page and width of margin. Additional sheets, ruled either vertically or horizontally, will be furnished on request. Inserts, if any, should be appropriately identified with the schedules to which they relate.
8. If the gas distribution service provider conducts operations both within and outside the Commonwealth of Pennsylvania, data should be reported so that there will be shown the number of subscribers within this state, and (separately by accounts) the operating revenues from sources within this state, and the plant investment as of the end of the year within the state.
9. Whenever schedules call for comparison of figures of a previous year, the figures reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different figures were used.
10. Throughout the report, money items shall be shown in units of dollars adjusted to accord with footings. Omitting cents does not apply, however, to items in which cents are of significance, as for instance, in averages and in unit costs.
11. If this report is not completed electronically, the name of the respondent and the year to which the report relates shall be inserted on the top of each page.

GENERAL INFORMATION

1. Name and title of officer having custody of the general books of account and address of the office where such books are kept.

**Maxwell R. Schools, Jr Controller**  
**Dominion Tower**  
**625 Liberty Avenue**  
**Pittsburgh, PA 15222-3197**

2. Name of State under the laws of which respondent is incorporated and the date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and date organized.

**Incorporated under the laws of Pennsylvania, June 26, 1885, Pennsylvania Natural Gas Act of May 29, 1885, PC No. 29**

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, (d) date when possession by receiver or trustee ceased.

**None**

4. State the classes of utility and other services furnished by respondent during the year in each state in which the respondent operated.

**Natural gas service in the State of Pennsylvania.**

IMPORTANT CHANGES DURING YEAR

Hereunder give particulars concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry must be answered. However, if the word "None" states the fact, it may be used in answering any inquiry.

1. Changes in, and additions to franchise rights; describing (a) the actual consideration given therefor, and (b) from whom acquired. If acquired without the payment of any consideration, state that fact.
2. Acquisition of other companies, reorganization, merger or consolidation with other companies: give names of companies involved, particulars concerning the transactions, and references to Commission authorization, if any.
3. Purchase or sale of substantial operating units, such as generating stations, transmission lines or distribution lines, specifying items, parties, effective dates and also reference to Commission authorization, if any.
4. Important leaseholds (other than leaseholds for natural gas lands) acquired, given, assigned, or surrendered, giving effective dates, lengths of terms, names of parties, rents, Commission authorization, if any, and other conditions.
5. Important extensions of system, giving location, new territory covered by distribution systems, and dates of beginning operations. Give, also, the number of new customers of each class, and for each class of customers the estimated annual revenues.
6. Estimated increase or decrease in annual revenues due to important rate changes, and the approximate extent to which such increase or decrease is reflected in revenues for the reporting year.
7. Important wage scale changes, showing dates of changes, effect on operating expenses for the year, and estimated annual effect of such wage scale changes on operating expenses.
8. Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue, and giving Commission authorization, if any.
9. Changes in articles of incorporation or amendments to charter: explain the nature and purpose of such changes or amendments.
10. Other important changes not elsewhere provided for.

- 
1. None
  2. None
  3. None
  4. None
  5. None

6. Estimated increase or (decrease) in revenues during the year 2003 due to rate changes:

	Date	Included in 2003 Revenues	Annual
Tariff# 43, Supplement Nos. 35, 36	1/01/03	\$29,454,967	\$29,454,967
Tariff# 43, Supplement Nos. 39	4/01/03	\$26,996,809	\$57,757,186
Tariff# 43, Supplement Nos. 40	4/10/03	(\$492,129)	(\$928,546)
Tariff# 43, Supplement Nos. 42	7/01/03	(\$6,811)	(\$21,285)
Tariff# 43, Supplement Nos. 43, 44	10/01/03	(\$1,530,275)	(\$5,959,360)

7. None
8. None
9. None
10. None

## DEFINITIONS

**“Accounts”** means the accounts prescribed in the Federal Code Regulations Title 18, Part 201.

**“Amortization”** means the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, which may be over the life of the asset or liability to which it applies, or over the period during which it is anticipated the benefit will be realized.

**“Book Cost”** means the amount at which property is recorded in the applicable account without deduction of related provisions for accrued depreciation, amortization, or for other purposes.

**“Control”** (including the terms; “controlling,” “controlled by,” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether such power is exercised through one or more intermediary companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliated companies, contract or any other direct or indirect means.

**“Cost”** means the amount of money actually paid for property or service. When the consideration given is other than cash, the value of such consideration shall be determined on a cash basis.

**“Debt Expense”** means all expenses in connection with the issuance and initial sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds and certificates of indebtedness; fees paid trustees; specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen or marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

**“Depreciation”**, as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of the utility plant in the course of providing service. This includes causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of regulatory bodies.

**“Distribution Service Line”**, A distribution line that transports gas from a common source of supply to a customer meter or the connection to a customer’s piping, whichever is further downstream, or the connection to a customer’s piping if there is no customer meter.

**DEFINITIONS**  
**(Continued)**

**“Investment Advances”** means advances, represented by notes or by book accounts only, with respect to which it is mutually agreed or intended between the creditor and debtor that they shall be settled by the issuance of securities or shall not be subject to current settlement.

**“Minor Items of Property”** means the associated parts or items of which retirement units are composed.

**“Net Salvage Value”** means the salvage value of property retired less the cost of removal.

**“Nominally Issued”**, as applied to securities issued or assumed by the utility means those which have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged, or otherwise placed in some special fund of the utility, but which have not been sold, or issued directly to trustees of sinking funds in accordance with contractual requirements.

**“Original Cost”**, as applied to utility plant, means the cost of such property to the person first devoting it to public service.

**“Property Retired”**, as applied to utility plant, means property which has been removed, sold, abandoned, destroyed, or which for any cause has been permanently withdrawn from service.

**“Replacing or Replacement”**, when not otherwise indicated in the context, means the construction or installation of utility plant in place of property retired, together with the removal of the property retired.

**“Retained Earnings”** means the accumulated net income of the utility less distributions to stockholders and transfers to other capital accounts, and other adjustments.

**“Salvage Value”** means the amount received for property retired, less any expenses incurred in connection with the sale or in preparing the property for sale, or, if retained, the amount at which the material recoverable is chargeable to materials and supplies, or other appropriate account.

**“Straight-Line Remaining Life Method”**, as applied to depreciation accounting, means the plan under which the service value of property is charged to operating expenses (and to clearing accounts if used), and credited to the accumulated depreciation account through equal annual changes during its service life. "Remaining Life" implies that estimates of the future life and salvage shall be reexamined periodically and that depreciation rates will be corrected to reflect any changes in these estimates.

**100. VOTING POWERS AND ELECTIONS**

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1. Has each share of stock the right to one vote? Yes/No

**Yes**

2. Are voting rights attached only to stock? Yes/No (If the answer to either query 1 or 2 is "No," give particulars on a separate sheet.)

**Yes**

3. Give date of the latest closing of the stock book prior to end of year and state the purpose of such closing.

**December 5, 2003; record date of dividend.**

4. Is cumulative voting permitted? Yes/No

**No**

6. State the date and place of the latest general meeting held prior to the end of the year for the election of directors?

**June 10, 2003; Action taken by written consent in lieu of Annual Meeting.**

7. State the total number of votes cast at the latest general meeting and the total number cast by proxy.

**1,835,350 votes cast; all by proxy.**

8. State the total number of voting security holders and the total of all voting securities as of such date.

**One voting security holder. Total voting securities as of June 10, 2003: 1,835,350.**

9. If any security has preferences, special privileges, or restrictions in the election of directors, trustees or managers, or in the determination of any corporate action, give details.

**None**

10. State the number of votes controlled by management, other than officers of the Corporation.

**None**



**101 SECURITY HOLDER INFORMATION AND VOTING POWERS**

1. Report the requested information for each holder of one percent or more of the voting securities or if there are fewer than ten such holders, the ten who hold the highest voting powers. Data should be the latest available nearest the end of the year. When the holder of record is a trustee, or other intermediate agency (except a corporation), the data should be reported opposite the names of the beneficial owners, designated as such, under a general heading identifying the trustee or other agency. Securities with contingent voting rights may be disregarded.
2. Attach hereto a certified copy of every effective voting trust established and a certified copy of every other agreement (trustee or otherwise) under which voting securities are held for beneficial owners. If any such agreement has been filed with a previous report, reference to the earlier report will be sufficient provided changes or modification since filing are shown.

Line No.	Last Name (a)	First Name (b)	Street Address (c)	City (d)	State (e)	Zip (f)	Total Votes (g)	Common Stock (h)	Preferred Stock (i)	Other (j)	Nonvoting Securities (see instruction 2) Principal, Par Value, or Stated Value (Specify issue-omit cents) (k)	
1	Total votes of all voting securities						1,835,350	1,835,350				
2	Total number of security holders						One	One				
3	Total votes of security holders listed below											
4												
5	Consolidated Natural Gas Company		Dominion Tower	Pittsburgh	PA	15222	1,835,350	1,835,350				
6			625 Liberty Avenue									
7												
8												
9												
10												
11												
12												
13												
14												
15												

102. COMPANIES CONTROLLED BY RESPONDENT

1. Show below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year.  
If control ceased prior to end of the year, give particulars in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediates involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Street Address (c)	City (d)	State (e)	Zip (f)	Voting % of Stock (g)	Footnote Ref. (h)
1								
2	None							
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16							0%	

**103. Directors**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a) abbreviated title the directors who are officers of respondent.
2. Designate by an asterisk names of members of Executive Committee, and by double asterisk the Chairman of the Executive Committee.

Line No.	Directors Name and Title (a)	Principal Business Address					Term Began (i)	Term Ended (j)	Meetings Attended (k)	Fees Paid (l)
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (h)				
1	Jay L. Johnson	701 East Cary Street	Richmond	VA	23219	804-771-3994	12/01/2002		8*	None
2	President & CEO									
3										
4								*All meetings held via written consent.		
5										
6										
7										
8										
9										
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17										
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23										
24										

## 104. Officers

Line No.	Official Title & Name (a)	Principal Business Address						Email (j)
		Street Address (b)	City (c)	State (d)	Zip (e)	Telephone (h)	Fax (i)	
1	<b>President and Chief Executive</b>							
2	Jay L. Johnson	701 East Cary Street	Richmond	VA	23219	804-771-3994	804-771-3233	Jay_Johnson@Dom.com
3	<b>Senior Vice Presidents:</b>							
4	M. Stuart Bolton, Jr	701 East Cary Street	Richmond	VA	23219	804-771-3802	804-771-4066	Stuart_Bolton@Dom.com
5	Financial Mangement							
6	Thomas A. Hyman, Jr	701 East Cary Street	Richmond	VA	23219	804-771-4040	804-771-4066	Thomas_Hyman@Dom.com
7	Customer Service and Planning							
8	Jimmy D. Staton	701 East Cary Street	Richmond	VA	23219	804-771-3553	804-771-4066	Jimmy_Staton@Dom.com
9	Operations							
10	<b>Vice Presidents:</b>							
11	Kenneth D. Barker	701 East Cary Street	Richmond	VA	23219	804-771-4774	804-771-3562	Ken_Barker@Dom.com
12	Customer Planning							
13	Pamela F. Faggert	5000 Dominion Boulevard	Glen Allen	VA	23060	804-273-3467	804-273-3410	Pamela_Faggert@Dom.com
14	Chief Environmental Officer							
15	David W. Green	701 East Cary Street	Richmond	VA	23219	804-771-6417	804-771-6077	Dave_Green@Dom.com
16	Customer Service							
17	Bruce C. Klink	1201 E. 55th Street	Cleveland	OH	44103	216-736-6325	216-736-6262	Bruce_C_Klink@Dom.com
18	Regulatory							
19	Thomas E. Wester	625 Liberty Avenue	Pittsburgh	PA	15222	412-497-6881	412-690-1989	Thomas_E_Wester@Dom.com
20	Gas Operations							
21	<b>Senior Vice President and Treasurer</b>							
22	G. Scott Hetzer	100 Tredegar Street	Richmond	VA	23219	804-819-2113	804-819-2203	Scott_Hetzer@Dom.com
23	<b>Assistant Treasurers:</b>							
24	James P. Carney	100 Tredegar Street	Richmond	VA	23219	804-819-2107	804-819-2211	James_Carney@Dom.com
25	Jerry G. Overman	100 Tredegar Street	Richmond	VA	23219	804-819-2736		Jerry_Overman@Dom.com
26	<b>Controller</b>							
27	Maxwell R. Schools, Jr	625 Liberty Avenue	Pittsburgh	PA	15222	412-690-1144	412-690-7630	Maxwell_Schools@Dom.com
28	<b>Vice President and Secretary</b>							
29	Patricia A. Wilkerson	100 Tredegar Street	Richmond	VA	23219	804-819-2120		Patty_Wilkerson@Dom.com
30	<b>Assistant Secretaries:</b>							
31	Susan G. George	625 Liberty Avenue	Pittsburgh	PA	15222	412-497-6891	412-497-6838	Susan_G_George@Dom.com
32	E. J. Marks, III	100 Tredegar Street	Richmond	VA	23219	804-819-2139	804-819-2232	E_J_Marks@Dom.com

## 200. COMPARATIVE BALANCE SHEET

## ASSETS AND OTHER DEBITS

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>UTILITY PLANT</b>				
2	101.0 Utility Plant in Service	205	\$738,991,765	\$767,602,484	\$28,610,719
3	101.1 Property Under Capital Leases	205	97,168	63,650	(33,518)
4	102.0 Gas Plant Purchased or Sold				0
5	103.0 Experimental Gas Plant Unclassified				0
6	104.0 Gas Plant Leased to Others				0
7	105.0 Gas Plant Held for Future Use		187,431	5,515	(181,916)
8	105.1 Production Properties Held For Future Use				0
9	106.0 Completed Construction Not Classified-Gas				0
10	107.0 Construction Work in Progress-Gas	208	9,428,316	12,664,906	3,236,590
11	108.0 Accumulated Provision for Depreciation of Gas Utility Plant	206	(257,198,103)	(270,176,605)	(12,978,502)
12	111.0 Accumulated Prov. For Amortization & Depletion of Gas Utility Pl.	206	(10,639,437)	(8,521,227)	2,118,210
13	114.0 Gas Plant Acquisition Adjustments	207			0
14	115.0 Accumulated Prov. For Amortization & Depletion of Gas Plant				0
15	Acquisition Adjustments	206			0
16	116.0 Other Gas Plant Adjustments				0
17	117.1 Gas Stored-Base Gas				0
18	117.2 System Balancing Gas				0
19	117.3 Gas Stored in Reservoirs and Pipelines-Noncurrent		1,611,530	1,303,194	(308,336)
20	117.4 Gas Owed to System Gas				0
21	118.0 Other Utility Plant Adjustments				0
22	119.0 Accumulated Provision for Depreciation and Amortization of Other				0
23	Utility Plant	206			0
24	<b>TOTAL UTILITY PLANT</b>		\$482,478,670	\$502,941,917	\$20,463,247
25	<b>OTHER PROPERTY AND INVESTMENTS</b>				
26	121.0 Non-Utility Property		\$17,172	\$17,172	\$0
27	122.0 Accumulated Depreciation & Amortization of Non-Utility Property		(9,322)	(9,322)	0
28	123.0 Investments in Associated Companies	210			0
29	123.1 Investments in Subsidiary Companies	210			0
30	124.0 Other Investments	210	300,002	600,002	300,000
31	125.0 Sinking Funds				0
32	126.0 Depreciation Fund				0
33	128.0 Other Special Funds				0
34	<b>TOTAL OTHER PROPERTY AND INVESTMENTS</b>		\$307,852	\$607,852	\$300,000

**200. COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>CURRENT AND ACCRUED ASSETS</b>				
2	131.0 Cash		\$1,976,998	\$1,832,854	(\$144,144)
3	132.0 Interest Special Deposits				0
4	133.0 Dividend Special Deposits				0
5	134.0 Other Special Deposits		2,808,720	1,516,173	(1,292,547)
6	135.0 Working Funds				0
7	136.0 Temporary Cash Investments	210			0
8	141.0 Notes Receivable	211	485,000	0	(485,000)
9	142.0 Customer Accounts Receivable		71,041,773	72,417,153	1,375,380
10	143.0 Other Accounts Receivable	211	4,921,074	4,912,240	(8,834)
11	144.0 Accumulated Provision for Uncollectible Accounts-Cr.		(6,115,333)	(5,692,755)	422,578
12	145.0 Notes Receivable from Associated Companies	212			0
13	146.0 Accounts Receivable for Associated Companies	213	242,275	5,524,820	5,282,545
14	151.0 Fuel Stock				0
15	152.0 Fuel Stock Expenses Undistributed				0
16	153.0 Residuals and Extracted Products				0
17	154.0 Plant Materials and Operating Supplies	215	1,734,429	1,715,467	(18,962)
18	155.0 Merchandise				0
19	156.0 Other Materials and Supplies				0
20	163.0 Stores Expense-Undistributed				0
21	164.1 Gas Stored-Current		25,243,960	32,239,218	6,995,258
22	164.2 Liquefied Natural Gas Stored				0
23	164.3 Liquefied Natural Gas Held for Processing				0
24	165.0 Prepayments		6,663,428	5,162,624	(1,500,804)
25	166.0 Advances for Gas Exploration, Development and Production				0
26	167.0 Other Advances for Gas				0
27	171.0 Interest and Dividends Receivable		80,025	0	(80,025)
28	172.0 Rents Receivable				0
29	173.0 Accrued Utility Revenues		24,364,000	29,325,000	4,961,000
30	174.0 Miscellaneous Current and Accrued Assets		12,726,095	18,599,632	5,873,537
31	176.0 Derivative Instrument Assets - Hedges		0	1,367,973	1,367,973
32	<b>TOTAL CURRENT &amp; ACCRUED ASSETS</b>		\$146,172,444	\$168,920,399	\$22,747,955
33	<b>DEFERRED DEBITS</b>				
34	181.0 Unamortized Debt Expense	216			0
35	182.1 Extraordinary Property Losses	217			0
36	182.2 Unrecovered Plant and Regulatory Study Costs	217			0
37	182.3 Other Regulatory Assets		\$195,656,046	\$224,029,180	\$28,373,134
38	183.1 Preliminary Natural Gas Survey and Investigation Charges				0
39	183.2 Other Preliminary Survey and Investigation Charges				0
40	184.0 Clearing Accounts				0
41	185.0 Temporary Facilities				0
42	186.0 Miscellaneous Deferred Debits		152,925,124	167,638,992	14,713,868
43	187.0 Deferred Losses from Disposition of Utility Plant				0
44	188.0 Research, Development and Demonstration Expenditures				0
45	189.0 Unamortized Loss on Reacquired Debt				0
46	190.0 Accumulated Deferred Income Taxes				0
47	191.0 Unrecovered Purchased Gas Costs		30,665,536	50,251,895	19,586,359
48	<b>TOTAL DEFERRED DEBITS</b>		\$379,246,706	\$441,920,067	\$62,673,361
49	<b>TOTAL ASSETS &amp; OTHER DEBITS</b>		\$1,008,205,672	\$1,114,390,235	\$106,184,563

**200. COMPARATIVE BALANCE SHEET  
LIABILITIES AND OTHER CREDITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>LIABILITIES AND OTHER CREDITS</b>				
2	<b>PROPRIETARY CAPITAL</b>				
3	201.0 Common Stock Issued		\$183,535,000	\$183,535,000	\$0
4	202.0 Common Stock Subscribed				0
5	203.0 Common Stock Liability for Conversion				0
6	204.0 Preferred Stock Issued				0
7	205.0 Preferred Stock Subscribed				0
8	206.0 Preferred Stock Liability for Conversion				0
9	207.0 Premium on Capital Stock				0
10	208.0 Donations Received from Stockholders				0
11	209.0 Reduction in Par or Stated Value of Capital Stock				0
12	210.0 Gain on Resale or Cancellation of Reacquired Capital Stock				0
13	211.0 Miscellaneous Paid-In Capital		1,804,889	1,292,636	(512,253)
14	212.0 Installments Received on Capital Stock				0
15	213.0 Discount on Capital Stock				0
16	214.0 Capital Stock Expense				0
17	215.0 Appropriated Retained Earnings				0
18	216.0 Unappropriated Retained Earnings		124,541,385	138,269,763	13,728,378
19	216.1 Unappropriated Undistributed Subsidiary Earnings				0
20	217.0 Reacquired Capital Stock				0
21	219.0 Accumulated Other Comprehensive Income			610,012	610,012
22	<b>TOTAL PROPRIETARY CAPITAL</b>		<b>\$309,881,274</b>	<b>\$323,707,411</b>	<b>\$13,826,137</b>
23					
24					
25	<b>LONG-TERM DEBT</b>				
26	221.0 Bonds	231			0
27	222.0 Reacquired Bonds	231			0
28	223.0 Advances from Associated Companies		\$101,521,100	\$100,259,800	(\$1,261,300)
29	224.0 Other Long-term Debt	231			0
30	225.0 Unamortized Premium on Long-Term Debt				0
31	226.0 Unamortized Discount on Long-Term Debt-Debit				0
32	<b>TOTAL LONG TERM DEBT</b>		<b>\$101,521,100</b>	<b>\$100,259,800</b>	<b>(\$1,261,300)</b>
33					
34	<b>OTHER NONCURRENT LIABILITIES</b>				
35	227.0 Obligation Under Capital Leases-NonCurrent		\$49,758	\$17,174	(\$32,584)
36	228.1 Accumulated Provision for Property Insurance				0
37	228.2 Accumulated Provision for Injuries and Damages		400,000	100,000	(300,000)
38	228.3 Accumulated Provision for Pensions and Benefits		9,985,547	9,406,318	(579,229)
39	228.4 Accumulated Miscellaneous Operating Provisions				0
40	229.0 Accumulated Provision for Rate Refunds				0
41	230.0 Asset Retirement Obligations		0	143,640	143,640
42	<b>TOTAL OTHER NONCURRENT LIABILITIES</b>		<b>\$10,435,305</b>	<b>\$9,667,132</b>	<b>(\$768,173)</b>

**200. COMPARATIVE BALANCE SHEET  
LIABILITIES AND OTHER CREDITS**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Beginning of Year (c)	Balance End of Year (d)	Increase/ Decrease (e)
1	<b>CURRENT AND ACCRUED LIABILITIES</b>				
2	231.00 Notes Payable				0
3	232.00 Accounts Payable		\$50,760,539	\$47,443,084	(\$3,317,455)
4	233.00 Notes Payable to Associated Companies	212	215,933,300	265,423,300	49,490,000
5	234.00 Accounts Payable to Affiliated Companies	213	15,954,350	17,130,716	1,176,366
6	235.00 Customers' Deposits-Billing		2,039,528	3,099,337	1,059,809
7	236.10 Accrued Taxes, Taxes Other Than Income		5,968,015	2,710,432	(3,257,583)
8	236.20 Accrued Taxes, Income Taxes		(2,911,164)	0	2,911,164
9	237.10 Accrued Interest on Long-term Debt				0
10	237.20 Accrued Interest on Other Liabilities		327,237	380,366	53,129
11	238.00 Dividends Declared				0
12	239.00 Matured Long-term Debt				0
13	240.00 Matured Interest				0
14	241.00 Tax Collections Payable		518,231	446,148	(72,083)
15	242.00 Miscellaneous Current and Accrued Liabilities		18,077,210	25,431,893	7,354,683
16	243.00 Obligations Under Capital Leases-Current		20,386	10,250	(10,136)
17	245.00 Derivative Instrument Liabilities - Hedges			476,938	476,938
18	<b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>		<b>\$306,687,632</b>	<b>\$362,552,464</b>	<b>\$55,864,832</b>
19					
20	<b>DEFERRED CREDITS</b>				
21	252.00 Customer Advances for Construction				0
22	253.00 Other Deferred Credits		\$824,500	\$0	(\$824,500)
23	254.00 Other Regulatory Liabilities		39,770,830	41,600,830	1,830,000
24	255.00 Accumulated Deferred Investment Tax Credits		6,284,031	5,817,031	(467,000)
25	256.00 Deferred Gains from Disposition of Utility Plant				0
26	257.00 Unamortized Gain on Reacquired Debt				0
27	281.00 Accum. Deferred Income Taxes-Assume. Amortization Property				0
28	282.00 Accum. Deferred Income Taxes-Other Property		138,867,000	148,151,000	9,284,000
29	283.00 Accum. Deferred Income Taxes-Other		93,934,000	122,634,567	28,700,567
27	<b>TOTAL DEFERRED CREDITS</b>		<b>\$279,680,361</b>	<b>\$318,203,428</b>	<b>\$38,523,067</b>
28					
29	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>		<b>\$1,008,205,672</b>	<b>\$1,114,390,235</b>	<b>\$106,184,563</b>

**201. NOTES TO BALANCE SHEET**

- The space below is provided for important notes regarding the balance sheet or any account thereof.
- Furnish particulars as to any contingent assets or liabilities existing at end of year. Minor items may be grouped by classes. For any dividends in arrears at the end of the year on cumulative preferred stock, state the date of the last dividend, the arrearage per share, and the total amount of the arrearage.
- For Other Plant Adjustments, Account 116, explain the origin of such amount, debits and credits during the year and plan of disposition contemplated, giving references to Commission orders or to other authorizations repeating classification of amounts as plant adjustments and requirements as to disposition thereof.
- If the notes to balance sheet, appearing in the annual report to the stockholders are applicable in every respect and furnish the data required by instructions 2 and 3 above, such notes may be attached hereto.

**Account 216.0 - Unappropriated Retained Earnings**

During 2003, The Peoples Natural Gas Company declared and paid dividends of \$51,225,000 to its parent, Consolidated Natural Gas Company.

**Account 230.0 - Asset Retirement Obligations**

Beginning in 2003, the Company recognizes its asset retirement obligations at fair value as incurred, capitalizing these amounts as costs of the related tangible long-lived assets. Due to the absence of relevant market information, fair value is estimated using discounted cash flow analyses. The accretion of the liabilities due to the passage of time is reported as an operating expense.



1. Report by prescribed accounts the original cost of utility plant in service and the additions and retirements of such plant during the year.
2. Do not include as adjustments, corrections to additions and retirements for the current or preceding year. Such items should be included in appropriate Column (c) or (d)
3. Credit adjustments in Column (e) should be shown in red, or in black enclosed in parenthesis. State in a footnote the general character of any adjustments in Column (e).
4. Submit, in a footnote, an explanation of amounts included in Columns (e) and/or (f), Line 34, for lowering or changing the location of mains.

Line No.	Account Number and Title (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Balance End of Year (f)
1	<b>INTANGIBLE PLANT</b>	XXX	XXX	XXX	XXX	XXX
2	301 Organization					0
3	302 Franchises & Consents					0
4	303 Other Plant and Miscellaneous Equipment	\$12,926,617	\$607,915	\$3,134,425		\$10,400,107
5	Total Intangible Plant	\$12,926,617	\$607,915	\$3,134,425	\$0	\$10,400,107
6	<b>MANUFACTURED GAS PRODUCTION PLANT</b>	XXX	XXX	XXX	XXX	XXX
7	304 Land and Land Rights					0
8	305 Structures and Improvements					0
9	306 Boiler Plant Equipment					0
10	307 Other Power Equipment					0
11	308 Coke Ovens					0
12	309 Infiltration Galleries and Tunnels					0
13	310 Producer Gas Equipment					0
14	311 Liquefied Petroleum Gas Equipment					0
15	312 Oil Gas Generating Equipment					0
16	313 Generating Equipment-Other Processes					0
17	314 Coal, Coke and Ash Handling Equipment					0
18	315 Catalytic Cracking Equipment					0
19	316 Other Reforming Equipment					0
20	317 Purification Equipment					0
21	318 Residential Refining Equipment					0
22	319 Gas Mixing Equipment					0
23	320 Other Equipment					0
23	Total Gas Manufacturing Plant	0	0	0	0	0
24	<b>NATURAL GAS PRODUCTION &amp; GATHERING PLANT</b>	XXX	XXX	XXX	XXX	XXX
25	325.1 Producing Lands	\$6,320				\$6,320
26	325.2 Producing Leaseholds	473,654				473,654
27	325.3 Gas Rights	10,223				10,223
28	325.4 Rights of Way	1,140,760	160,896	213		1,301,443
29	325.5 Other Land and Land Rights	35,348				35,348
30	326 Other Plant and Miscellaneous Equipment	3,130				3,130
31	327 Field Compressor Station Structures	1,151,841	288,811	41,164		1,399,488
32	328 Field Measuring & Regulating Station Structures	46,490				46,490
33	329 Other Structures	771,403				771,403
34	330 Producing Gas Wells-Well Construction	9,221				9,221
35	331 Producing Gas Wells-Well Equipment	2,984				2,984
36	332 Field Lines	28,878,498	678,617	27,573		29,529,542
37	333 Field Compressor Station Equipment	16,714,166	2,044,252	296,639		18,461,779
38	334 Field Measuring & Regulating Station Equipment	3,861,107		302,322		3,558,785
39	335 Drilling & Cleaning Equipment	18,642				18,642
40	336 Purification Equipment	0				0
41	337 Other Equipment	64,553		6,276		58,277
42	338 Unsuccessful Exploration & Development Costs	0				0
43	339 Production Assets held under Asset Retirement Obligation	0	12,025			12,025
44	Total Natural Gas Production & Gathering Plant	\$53,188,340	\$3,184,601	\$674,187	\$0	\$55,698,754
45	<b>PRODUCTS EXTRACTION PLANT</b>	XXX	XXX	XXX	XXX	XXX
46	340 Land and Land Rights					0
47	341 Other Plant and Miscellaneous Equipment					0
48	342 Extraction & Refining Equipment					0
49	343 Pipe Lines					0
50	344 Extracted Product Storage Equipment					0
51	345 Compressor Equipment					0
52	346 Gas Measuring and Regulating Equipment					0
53	347 Other Equipment					0
54	Total Products Extraction Plant	0	0	0	0	0
55	<b>NATURAL GAS PRODUCTION &amp; PROCESSING PLANT</b>	XXX	XXX	XXX	XXX	XXX
56	350.1 Land	\$288,568				\$288,568
57	350.2 Rights of Way	32,292	2,134			34,416
58	351 Structures and Improvements	3,322,239	466,564	496		3,788,307
59	352 Wells	7,880,363	720	40,761		7,840,322
60	352.1 Storage Leaseholds and Rights	4,303,162				4,303,162
61	352.2 Reservoirs	72,482				72,482
62	352.3 Nonrecoverable Natural Gas	466,978				466,978
63	353 Lines	2,471,138				2,471,138

## 205. UTILITY PLANT IN SERVICE - Account No. 101.0

Line No	Account Number and Title (a)	Balance Previous Year (b)	Additions (c)	Retirements (d)	Adjustments +/- (e)	Balance End of Year (f)
64	354 Compressor Station Equipment	17,535,619	(634,877)	182,120		16,718,622
65	355 Measuring and Regulating Equipment	364,854	4,016,028			4,380,882
66	356 Purification Equipment	0				0
67	357 Other Equipment	92,424				92,424
68	358 Storage Assets held under Asset Retirement Obligation	0	27,176			27,176
69	Total Natural Gas Production and Processing Plant	\$36,830,119	\$3,877,735	\$223,377	\$0	\$40,484,477
70	<b>OTHER STORAGE PLANT</b>	XXX	XXX	XXX	XXX	XXX
71	360 Land & Land Rights					0
72	361 Structures and Improvements					0
73	362 Gas Holders					0
74	363 Purification Equipment					0
75	363.1 Liquefaction Equipment					0
76	363.2 Vaporizing Equipment					0
77	363.3 Compressor Equipment					0
78	363.4 Measuring and Regulating Equipment					0
79	363.5 Other Equipment					0
80	Total Other Storage Plant	0	0	0	0	0
81	<b>BASE LOAD LIQUEFIED NATURAL GAS</b>					0
82	<b>TERMINATING AND PROCESSING PLANT</b>	XXX	XXX	XXX	XXX	XXX
83	364.1 Land and Land Rights					0
84	364.2 Structures and Improvements					0
85	364.3 LNG Processing Terminal Equipment					0
86	364.4 LNG Transportation Equipment					0
87	364.5 Measuring and Regulating Equipment					0
88	364.6 Compressor Station Equipment					0
89	364.7 Communication Equipment					0
90	364.8 Other Equipment					0
91	Total Base Load Liquefied Natural Gas Term & Proc. Plant	0	0	0	0	0
92	<b>TRANSMISSION PLANT</b>	XXX	XXX	XXX	XXX	XXX
93	365.1 Land and Land Rights	\$123,416	1,543			\$124,959
94	365.2 Rights of Way	2,247,805	77,280			2,325,085
95	366 Structures and Improvements	513,945	76,948	6,805		584,088
96	367 Mains	73,100,239	1,804,525	88,749		74,816,015
97	368 Compressor Station Equipment	0				0
98	369 Measuring and Regulating Station Equipment	5,554,567	582,094			6,136,661
99	370 Communication Equipment	0				0
100	371 Other Equipment	891,674	55,940	75,850		871,764
101	372 Transmission Assets held under Asset Retirement Obligation	0				0
102	Total Transmission Plant	\$82,431,646	\$2,598,330	\$171,404	\$0	\$84,858,572
103	<b>DISTRIBUTION PLANT</b>	XXX	XXX	XXX	XXX	XXX
104	374 Land & Land Rights	\$2,819,190	420,177			\$3,239,367
105	375 Structures and Improvements	15,599,619	1,247,739	6,365		16,840,993
106	376 Mains	296,419,613	13,435,647	460,724		309,394,536
107	377 Compressor Station Equipment	0				0
108	378 Measuring & Regulating Station Equipment-General	17,811,276	817,560	17,245		18,611,591
109	379 Measuring & Regulating Station Equipment-City Gate C. St	0				0
110	380 Services	128,791,832	5,074,832	73,975		133,792,689
111	381 Meters	20,936,355	712,471	45,673		21,603,153
112	382 Meter Installations	31,108,416	1,806,449	182,065		32,732,800
113	383 House Regulators	0				0
114	384 House Regulatory Installations	0				0
115	385 Industrial Measuring and Regulating Station Equipment	5,136,122	215,400	5,396		5,346,126
116	386 Other Property on Customers' Premises	321,678				321,678
117	387 Other Equipment	4,181,602	46,982			4,228,584
118	388 Distribution Assets held under Asset Retirement Obligation	0	9,035			9,035
119	Total Distribution Plant	\$523,125,703	\$23,786,292	\$791,443	\$0	\$546,120,552
120	<b>GENERAL PLANT</b>	XXX	XXX	XXX	XXX	XXX
121	389 Land & Land Rights	\$83,175				\$83,175
122	390 Structures and Improvements	3,654,643	36,528			3,691,171
123	391 Office Furniture & Equipment (see Note)	7,965,391	11,470	1,051,918		6,924,943
124	392 Transportation Equipment	4,260,882	65,343	10,710	(24,422)	4,291,093
125	393 Stores Equipment	23,492				23,492
126	394 Tools & Garage Equipment	3,127,400	39,891			3,167,291
127	395 Laboratory Equipment	0				0
128	396 Power Operated Equipment	5,648,015	418,089	443,831		5,622,273
129	397 Communication Equipment	4,356,209	475,073			4,831,282
130	398 Miscellaneous Equipment	1,467,301	1,651			1,468,952
131	399 Other Tangible Property (Includes Gen Plant Assets held under ARO)	0				0
132	Total General Plant	\$30,586,508	\$1,048,045	\$1,506,459	(\$24,422)	\$30,103,672
133	Total Plant	\$739,088,933	\$35,102,918	\$6,501,295	(\$24,422)	\$767,666,134

Note: Includes Account No. 101.1 Property Under Capital Leases of \$63,650, net of amortization.

**206. ACCUMULATED DEPRECIATION OF UTILITY PLANT -**  
Account Nos. 108, 111, 115 and 119

1. Report below an analysis of the changes in accumulated depreciation during the year and the amounts applicable to prescribed functional classifications.
2. Explain and give particulars of important adjustments during the year.

Line No.	Item (a)	Total (b)	101 Utility Plant In Service (c)	104 Utility Plant Leased to Others (d)	105 Property Held for Future Use (e)	107.0 Construction Work In Progress (f)
1	Balance Beginning of Year	\$267,837,540	\$267,837,540			
2	Credits During Year	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
3	Depreciation Provisions charged to:	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
4	403. Depreciation	\$17,472,260	\$17,472,260			
5	404. Amortization	1,016,216	1,016,216			
6	413. Income from Utility Plant Leased to Others					
7						
8						
9						
10	Total Depreciation Provisions	\$18,488,476	\$18,488,476	0	0	0
11	Recoveries from Insurance					
12	Salvage Realized from Retirements	\$276,515	\$276,515			
13	Other Credits (Describe)					
14	Cumulative effect SFAS #143 Adoption - Asset Retirement Obligations	43,358	43,358			
15						
16						
17						
18	Total Credits During Year	\$319,873	\$319,873	0	0	0
19	Total Credits	\$18,808,349	\$18,808,349	0	0	0
20	Debits During Year	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
21	Retirement of Utility Plant	\$6,430,555	\$6,430,555			
22	Cost of Removal	1,517,502	1,517,502			
23	Other Debits (Describe)					
24						
25						
26						
27						
28	Total Debits During Year	\$7,948,057	\$7,948,057	0	0	0
29	Balance at End of Year	\$278,697,832	\$278,697,832	0	0	0

Describe the basis upon which depreciation provisions for the year were determined and attach worksheets showing the computations made in arriving at the annual provisions.

**207. GAS PLANT ACQUISITIONS ADJUSTMENTS - Account No. 114.0**

Line No.	Item (a)	Project No. 1 Amount (b)	Project No. 2 Amount (c)	Project No. 3 Amount (d)	Project No. 4 Amount (e)	Totals (f)
1	Book Plant - Net					0
2	PUC Difference (Ratemaking)					0
3	Less Contributions (Net)	None				0
4	Net Utility Plant Acquired					0
5	Purchase Price					0
6	Acquisition Adjustment					0
7						
8						

**SCHEDULE 206 - ACCUMULATED PROVISION FOR DEPRECIATION,  
AMORTIZATION, AND DEPLETION OF PLANT AND ADJUSTMENTS**

**REMARKS**

Annual depreciation and amortization charges are computed for each plant account by applying one twelfth of the annual rate to the monthly depreciable plant balance each month during the year.

Annual accrual rates were developed in a depreciation study made by Gannett Fleming Valuation and Rates Consultants, Inc., based on the plant-in-service balance at December 31, 2002. Gas well construction and producing land and land rights are depreciated/depleted on the straight-line remaining reserves unit-of-production method. The annual depreciation is based on the remaining-life method using (1) remaining lives consistent with the average service-life procedure for plant installed prior to 1983 and (2) remaining lives consistent with the equal-life group procedure for plant installed in 1983 and subsequent years.

Certain general plant accounts use a vintage year group method of recording the loss of service life. This method recognizes retirement of all assets included in a vintage year once the useful life ends and the entire vintage has been fully depreciated.

**SCHEDULE 206 ACCUMULATED PROVISION FOR DEPRECIATION  
AMORTIZATION, AND DEPLETION OF PLANT AND ADJUSTMENTS  
RATES**

<u>Annual Accrual Rate</u>		<u>Annual Accrual Rate</u>	
<u>Plant Acct. Number</u>	<u>Current Year</u>	<u>Plant Acct. Number</u>	<u>Current Year</u>
<b><u>Production System</u></b>		<b><u>Transmission System</u></b>	
32541001	1.27	36521001	1.01
32701001	5.61	36601001	0.00
32803001	0.32	36602001	1.23
32901001	2.95	36603001	3.11
33101001	6.50	36701001	1.33
33102001	39.90	36901001	3.61
33201001	1.78	36902001	3.61
33301001	2.68	36903001	3.61
33401101	4.69	37101001	7.19
33401201	14.25		
33404101	0.88	<b><u>Distribution System</u></b>	
33404201	2.37	37404001	1.61
33406101	0.00	37501001	1.48
33406201	14.14	37502001	2.58
33502001	1.49	37503201	3.62
33701001	27.22	37601001	1.64
33703001	27.22	37602001	1.64
33001001	Depl	37801001	2.41
32521001	Depl	37802001	2.41
		38001001	2.17
		38003001	2.17
		38101001	3.44
		38201001	2.51
		38203001	2.51
		38501001	2.37
		38502001	2.37
		38503001	2.37
		38601001	4.64
		38701001	*
		<b><u>General System</u></b>	
		38903001	1.22
		39005001	1.72
		39101001	*
		39102001	*
		39103001	*
		39104001	*
		39201201	0.00
		39202101	12.84
		39202201	0.00
		39203101	7.24
		39205101	3.14
		39205201	0.00
		39205301	0.00
<b><u>Storage System</u></b>			
35011001	0.23		
35021001	0.68		
35102001	1.82		
35103001	1.82		
35104001	1.82		
35201001	2.41		
35202001	1.07		
35211001	1.97		
35212001	1.87		
35221001	1.35		
35231001	2.81		
35301001	1.63		
35401001	2.36		
35501001	0.64		
35502001	0.64		
35701001	3.16		

\* Accounts amortized using vintage year group method. This recognizes retirement of all assets included in a vintage year once the useful life ends.

SCHEDULE 206 ACCUMULATED PROVISION FOR DEPRECIATION  
 AMORTIZATION, AND DEPLETION OF PLANT AND ADJUSTMENTS  
 RATES (Continued)

	<u>Plant Acct. Number</u>	<u>Annual Accrual Rate Current Year</u>
<u>General System (Continued)</u>		
	39205301	0.00
	39205401	0.00
	39205501	0.00
	39301001	*
	39401001	*
	39402001	*
	39403001	*
	39601301	8.07
	39701001	*
	39702001	*
	39704001	*
	39705001	*
	39801001	*

\* Accounts amortized using vintage year group method. This recognizes retirement of all assets included in a vintage year once the useful life ends.

**208. CONSTRUCTION WORK IN PROGRESS - Account No. 107**

1. Describe the particulars concerning utility plant in process of construction but not ready for service at end of the Calendar Year.
2. Describe separately each work order that exceeds the lesser of an estimated expenditure of \$300,000 or 10% of the book cost of utility plant at the beginning of the year. All other work orders may be grouped by nature of project.

Line No.	Description of Work (a)	Balance End of Year (b)	Estimate Total Cost of Construction (c)	Projected In-Service Date (d)
1	<b>Projects greater than \$300,000:</b>			
2	<b>Project Number                      Project Description</b>			
3	12066.1                      Computer Software ( see note 1 )	\$832,614	\$218,778	Mar-04
4	10678.1.3                      Production Compression Upgrades	493,785	494,000	Jan-04
5	12126.1.1.1                      Transmission Mainline Upgrades	512,094	514,294	Jan-04
6	13076.1.1.1                      Transmission Mainline Upgrades	591,014	591,457	Jan-04
7	10376.1.2                      Storage Compression Upgrades	481,090	481,090	Jan-04
8	17368.1.1.1                      Transmission Mainline Upgrades	366,201	367,137	Jan-04
9	4P05213137                      Transmission M & R Upgrades	314,722	372,000	Jan-04
10	4S05441652                      Transmission Mainline Upgrades	437,337	438,343	Jan-04
11	5V05218416                      Transmission Mainline Upgrades	481,990	482,000	Jan-04
12				
13				
14	<b>Remaining Projects:</b>			
15	Production	2,719,314	4,181,634	
16	Storage	63,023	91,710	
17	Transmission	2,028,077	4,338,833	
18	Distribution	1,194,418	1,738,091	
19	General	1,145,886	1,667,469	
20	Intangible	481,225	1,693,092	
21	Unclassified ( see note 2 )	522,116	n/a	
22				
23	note 1: In February 2004, expenditures of \$686,839 were transferred to an affiliated company.			
24	note 2: Invoices accrued at year-end are not distributed to appropriate project until invoices			
25	are entered into accounts payable system.			
26				
27	<b>TOTALS</b>	\$12,664,906	\$17,669,928	

210. INVESTMENTS (Accounts 123 - 123.1 - 124 - 136)

1. Report below investments in Accounts 123, Investments in Associated Companies 123.1, Investments in Subsidiary Companies, 124, Other Investments and 136, Temporary Cash Investments.
2. Provide a subheading for each account and list thereunder the information called for, observing the instructions below.
3. Investments in Securities - List and describe each security owned giving name of issuer. For bonds give also principal amount, date of issue, maturity, and interest rate. For capital stock state number of shares, class and series of stock. Minor investments may be grouped by classes.
4. Investment Advances - Report separately for each person or company the amounts of loans or investment advances which are subject to repayment but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. Each note should be listed giving date of issuance, maturity date, and specifying whether note is a renewal. Designate any advances due from officers, directors, stockholders, or employees.
5. For any securities, notes, or accounts that were pledged, designate such securities acquired, designate such fact and in a footnote state the name of pledges and purpose of the pledge.
6. If Commission approval was required for any advance made or security acquired, designate such fact and in a footnote give date of authorization and case or docket number.
7. Interest and dividend revenues from investments should be reported in column (g), including such revenues from securities disposed of during the year.
8. In column (h) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price therefor, not including any dividend or interest adjustment incredible in column (g).

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Book Costs* Beginning of Year (d)	Principal Amount or No. of Shares (e)	Book Cost End of Year (f)	Revenues For Year (g)	Gain or Loss From Invest Disposed of (h)
1	Account 124 Other Investments							
2								
3	Western PA Development Credit Corp	06/01/87		\$1	5,000 shares	\$1		
4								
5	PA Development Credit Corp	03/27/64		1	1,500 shares	1		
6								
7	Strategic Investment Fund Partners							
8	Limited Partnership - Class C Partner	05/01/02		300,000	300 units	300,000		
9	Limited Partnership - Class C Partner	05/01/03			300 units	300,000		
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26				\$300,002	0	\$600,002	0	0

\* If book cost is different from cost to respondent, give cost to respondent in a footnote and explain difference.



211. NOTES AND OTHER ACCOUNTS RECEIVABLE (Accounts 141, and 143)

Interest was derived during year from notes liquidated before the end of the year, include such interest revenue in column (d).

Line No.	Item (a)	Notes Receivable			Other Accounts Receivable	
		1/1/2003 (b)	12/31/2003 (c)	Interest Revenue (d)	1/1/2003 (e)	12/31/2003 (f)
1	Richard J. Hoffman note due November 15, 2001	\$485,000	\$0			
2	State Relocations				\$1,060,531	\$641,238
3	Pooling and Metering				1,299,906	1,165,247
4	Damages/Relocations				1,075,994	1,387,903
5	Commonwealth of PA Sales Tax Refund				408,374	45,486
6	Employee Appliance Purchase Program				238,174	112,352
7	Miscellaneous				838,095	1,560,014
8	Total	\$485,000	\$0	0	\$4,921,074	\$4,912,240

212. NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (Account 145)

1. Furnish below the particulars indicated concerning notes receivable from associated companies at end of year.
2. If any note was received in satisfaction of an open account indebtedness, state the period covered by such open account.
3. Include in column (f) the amount of any interest revenue during the year on notes that were paid off before the end of year.
4. Give particulars of any notes pledged or discounted. This schedule shall include all transactions during the year with each affiliated interest affecting account 145 and account 233.

Line No.	Name of Associated Company (a)	Date of Issue (b)	Date of Maturity (c)	Amount End of Year (d)	Interest Rate (e)	Amount (f)
1	CNG - Money Pool Borrowings	01/01/03	01/31/03	(\$186,536,000)	1.687722%	\$258,148
2	CNG - Money Pool Borrowings	02/01/03	02/28/03	(\$178,892,000)	1.559946%	\$204,168
3	DRI - Money Pool Borrowings	03/01/03	03/31/03	(\$197,217,000)	1.468578%	\$213,374
4	DRI - Money Pool Borrowings	04/01/03	04/30/03	(\$168,512,000)	1.383942%	\$196,369
5	DRI - Money Pool Borrowings	05/01/03	05/31/03	(\$171,006,000)	1.392984%	\$198,527
6	DRI - Money Pool Borrowings	06/01/03	06/30/03	(\$179,957,000)	1.356572%	\$187,989
7	DRI - Money Pool Borrowings	07/01/03	07/31/03	(\$213,293,000)	1.185601%	\$180,614
8	DRI - Money Pool Borrowings	08/01/03	08/31/03	(\$219,587,000)	1.175365%	\$214,102
9	DRI - Money Pool Borrowings	09/01/03	09/30/03	(\$236,473,000)	1.166791%	\$212,700
10	DRI - Money Pool Borrowings	10/01/03	10/31/03	(\$236,366,000)	1.177033%	\$235,562
11	DRI - Money Pool Borrowings	11/01/03	11/30/03	(\$236,733,000)	1.178869%	\$224,672
12	DRI - Money Pool Borrowings	12/01/03	12/31/03	(\$264,162,000)	1.199849%	\$250,354
13						
14	CNG - Long Term Note (Current Portion)	12/21/90	11/30/04	(\$750,000)	7.400000%	\$55,500
15	CNG - Long Term Note (Current Portion)	01/01/87	11/30/04	(\$511,300)	9.500000%	\$48,574
16						
17				(\$265,423,300)		
18						

**213. ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (ACCOUNT 146)  
AND ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (ACCOUNT 234)**

1. Furnish below the particulars called for concerning Account Receivables and Payables from Associated Companies.
2. The term "Services Received" set forth on line 21 of this schedule means the Management, Construction, Engineering, Purchasing Legal, Accounting or other similar service which has been rendered to respondent under written, oral or implied contracts.
3. The term "Joint Expenses Transferred" set forth on lines 6 and 22 means Central office and/or other expenses continuously assessed against respondent covering all locations of common operating costs.
4. This schedule shall include all transactions during the year with each affiliated interest affecting Accounts 146 and 234.

Line No.	Item (a)	Entries During Year (b)
1	<b>Debits During Year</b>	
2	Cash Dispersed	\$290,768,676
3	Materials and Supplies Sold	218
4	Services Rendered	515,109
5	Joint Expense Transferred	
6	Interest and Dividends Receivable	
7	Rents Receivable	190,475
8	Securities Sold	
9	Other Debits (Specify)	
10	Pooling, Metering and Storage fees	1,226,839
11	Compressor Station fees	329,600
12	Federal Income Tax	18,263
13	Asset Sales	99,845
14	<b>Total Debits During Year</b>	<b>\$293,149,025</b>
15		
16	<b>Credits During Year</b>	
17	Cash Received	(\$21,608,597)
18	Gas Purchased	(65,629,902)
19	Fuel Purchased	
20	Materials and Supplies Purchased	(368)
21	Services Received	(28,179,890)
22	Joint Expense Transferred	
23	Interest and Dividends Payable	(62,141,618)
24	Rents Payable	(30,460)
25	Securities Purchased	
26	Transferred to Account "145"	
27	Other Credits (Specify)	
28	Convenience payments	(7,075,808)
29	Long-term parent debt repayment	(27,300,300)
30	Commodity billings for Peoples Plus	(72,701,324)
31	Warranty Program billings for Peoples Plus	(4,366,068)
32	Asset Purchases	(8,511)
33	<b>Total Credits During Year</b>	<b>(\$289,042,846)</b>
34	<b>Balance at Beginning of Year</b>	<b>(\$15,712,075)</b>
35	<b>Balance at End of Year</b>	<b>(\$11,605,896)</b>

215. PLANT MATERIALS AND OPERATING SUPPLIES (Account 154)

1. Summarize below by character of materials and supplies, the balances in account 154 at the beginning and end of the year.
2. Account entries totaling \$300,000 or 1% of gross revenues, (whichever is less), during the year shall be explained, showing the class of materials affected and the various classes of accounts (operating expenses, clearing accounts, plant accounts, etc.) debited or credited.

Line No.	Classification of Materials And Supplies (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Increase /Decrease (d)
1	Box, curb/valve/part	\$2,447	\$2,842	\$395
2	Compressor Station parts	1,159,869	1,113,567	(46,302)
3	Corrosion protection	10,075	6,463	(3,612)
4	Gas Measuring equipment	73,959	29,662	(44,297)
5	Pipe	159,438	156,216	(3,222)
6	Pipe fittings	296,172	323,436	27,264
7	Tubing	46,914	53,352	6,438
8	Valves	11,417	11,689	272
9	Miscellaneous.	(25,862)	18,240	44,102
10				
11				
12				
13				
14				
15				
16				
17	<b>Total</b>	<b>\$1,734,429</b>	<b>\$1,715,467</b>	<b>(\$18,962)</b>

**216. UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND UNAMORTIZED PREMIUM ON DEBT (Accounts 181, 225)**

1. Report under separate subheadings for Unamortized Debt Discount and Unamortized Premium on Debt, particulars of discount and expense or premium applicable to each class and series of long-term debt.
2. Show premium amounts in red or by enclosure in parenthesis
3. In column (b) show the principal amount of bonds or other long-term debt originally issued.
4. In column (c) show the discount and expense or premium with respect to the amount of bonds or other long-term debt originally issued.
5. Furnish particulars regarding the treatment of unamortized debt discount and expense or premium, redemption premium, and redemption expenses associated with issues redeemed during the year, also, date of the Commission's authorization of treatment other than by debit or credit to Surplus.
6. Set out separately and identify amounts applicable to issues which have been redeemed, although those amounts, prior to the effective date of the Uniform System of Accounts may have prior to the effective date of the Uniform System of Accounts may have been combined with the discount and expense on the refunding issue.
7. Explain any debits and credits other than amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt.

Line No.	Designation of Long-Term Debt (a)	PRINCIPAL AMOUNT OF SECURITIES TO WHICH OR PREMIUM RELATES (b)	TOTAL DISCOUNT AND EXPENSE OR NET PREMIUM (c)	Amortization Period		Balance Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance End of Year (i)
				From (d)	To (e)				
1									
2									
3	NONE								
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15	<b>Total</b>	0	0	0	0	0	0	0	0

**217. EXTRAORDINARY PROPERTY LOSSES (Account 182)**

1. Report below the information indicated concerning this account, grouping the items by departments, and showing totals for each department.
2. Include in the description the date property was abandoned or other extraordinary loss incurred.

Line No.	Description of Property Loss Or Damage (a)	Comm. Auth. No. (b)	Amortization Period (Give Years Only)		Total Amount of Loss (c)	Previously Written off (f)	Written off During Year		Balances At End of Year (i)
			From (c)	To (d)			Account Charged (g)	Amount (h)	
1									
2									
3	NONE								
4									
5									
6									
7									
8	<b>Total</b>								0

**231. LONG-TERM DEBT (Accounts 221,222,224)**  
 (Excluding Advances from Affiliated Companies)

1. Give below the particulars indicated of the long-term debt at end of year represented by unmatured obligations issued or assumed by the respondent, exclusive of advances from affiliated companies.
2. Group entries according to accounts and show the total for each account.
3. For obligations assumed by the respondent show in column (a) the name of the issuing company and the class and series of such obligations.
4. For Receivers' Certificates show the name of the court and date of court order under which such certificates were issued.
5. If respondent has pledged any of its long-term debt securities give particulars in a footnote, including name of the pledge name of the pledge and purpose of pledge.
6. If interest expense was incurred during the year on any obligations retired or reacquired before end of year include such interest expense in column (g).
7. If interest was matured but unpaid on any obligation, state in a footnote the class and series and principal amount of such obligation and the amount of interest matured thereon.

Line No.	Class and Series of Obligations (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Principal Amount Authorized (d)	Outstanding Per Balance Sheet (e)	Interest For Year		Held By Respondent	
						Rate (f)	Amount (g)	As Reacquired Lg.-Term Debt (h)	In Sinking & Other Funds (i)
1									
2									
3	NONE								
4									
5									
6									
7									
8									
9									
10									
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12									
13									
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32									
33									
34									
35	TOTAL			0	0		0	0	0

\*Total amount outstanding without reduction for amount held by respondent.



**400. INCOME STATEMENT  
REVENUES AND EXPENSES**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Previous Year (c)	Balance End of Year (d)	Increase/ Decrease (e)
1	<b>OPERATING EXPENSES</b>				
2	401 Operation Expenses		\$184,436,282	\$300,094,181	\$115,657,899
3	402 Maintenance Expenses		14,622,887	16,691,776	2,068,889
4	403 Depreciation Expenses		17,518,265	17,471,837	(46,428)
5	403.1 Depreciation Expenses - Asset Retirement Costs			423	423
6	404.1 Amort. & Depletion of Prod. Natural Gas Land & Rights		1,337,278	998,136	(339,142)
7	404.2 Amort. Of Underground Storage Land & Land Rights		85,819	85,140	(679)
8	404.3 Amort. Of Other Limited-Term Gas Plant				0
9	405.0 Amortization of Other Gas Plant				0
10	406.0 Amortization of Gas Plant Acquisition Adjustments				0
11	407.1 Amort. Of Prop. Losses, Unrec. Plant & Reg. Study C.				0
12	407.2 Amortization of Conversion Expense				0
13	407.3 Regulatory Debits				0
14	407.4 Regulatory Credits				0
15	408.1 Taxes Other Than Income Taxes, Utility Opr. Income	408	7,702,566	4,053,596	(3,648,970)
16	409.1 Income Taxes, Utility Operating Income	409	904,287	10,239,095	9,334,808
17	410.1 Provision for Deferred Income Taxes, Ut. Opr. Income	411	17,605,000	29,690,567	12,085,567
18	411.1 Prov. For Def. Income Taxes-Credit, Ut. Opr. Income	412	(3,208,000)	(20,267,000)	(17,059,000)
19	411.4 Investment Tax Credit Adjustments, Ut. Operations		(478,000)	(467,000)	11,000
20	411.6 Gains from Disposition of Utility Plant				0
21	411.7 Losses from Disp. of Utility Plant				0
22	411.10 Accretion Expense - Asset Retirement Obligations			4,399	4,399
23	Total Utility Operating Expenses		\$240,526,384	\$358,595,150	\$118,068,766
24	<b>OTHER OPERATING INCOME</b>				
25	412.0 Revenues from Gas Plant Leased to Others				0
26	413.0 Expenses of Gas Plant Leased to Others				0
27	414.0 Other Utility Operating Income				0
28	Total Other Operating Income		0	0	0
29	<b>OTHER INCOME</b>				
30	415.0 Rev. from Merchandising, Jobbing and Contract Work		\$117,686	\$95,518	(\$22,168)
31	416.0 Costs and Exp. of Merchandising Jobbing & Contract Wk		(30,301)	(19,112)	11,189
32	417.0 Revenue from Non-Utility Operations				0
33	418.0 Non Operating Rental Income				0
34	418.1 Equity in Earnings of Subsidiary Companies				0
35	419.0 Interest & Dividend Income		993,138	2,434,164	1,441,026
36	419.1 Allowance for Other Funds Used During Construction			9,682	9,682
37	421.0 Miscellaneous Non Operating Income		355,675	(63)	(355,738)
38	421.1 Gain on Disposition of Property, Total Other Income		8,171	62,995	54,824
39	Total Other Income		\$1,444,369	\$2,583,184	\$1,138,815
40	<b>OTHER INCOME DEDUCTIONS</b>				
41	421.2 Loss on Disposition of Property				0
42	425.0 Miscellaneous Amortization				0
43	426.1 Donations		\$467,319	\$4,296,583	\$3,829,264
44	426.2 Life Insurance				0
45	426.3 Penalties		500	125,170	124,670
46	426.4 Exp. for Certain Civic, Political & Related Activities				0
47	426.5 Other Deductions		(2,179)	4,785	6,964
48	Total Other Income Deductions		\$465,640	\$4,426,538	\$3,960,898
49	<b>TAXES APPLICABLE TO OTHER INCOME &amp; DED.</b>				
50	408.2 Taxes Other Than Income Taxes, Otr. Income & Ded.		\$870	\$905	\$35
51	409.2 Income Taxes, Other Income & Deductions		405,748	(2,055,431)	(2,461,179)
52	410.2 Prov. for Deferred Income Taxes, Otr. Income & Ded.			1,203,000	1,203,000
53	411.2 Prov. for Def. Income Taxes, Credit, Otr Income & Ded.				0
54	411.5 Investment Tax Cr. Adjustments, Nonutility Operations				0
55	420.0 Investment Tax Credits				0
56	Total Taxes on Other Income and Deductions		\$406,618	(\$851,526)	(\$1,258,144)
57	Net Other Income and Deductions		\$572,111	(\$991,828)	(\$1,563,939)

400. INCOME STATEMENT  
REVENUES AND EXPENSES

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Previous Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>INTEREST CHARGES</b>				
2	427 Interest on Long-Term Debt				0
3	428 Amortization of Debt Discount and Expense				0
4	428.1 Amortization of Loss on Reacquired Debt				0
5	429 Amortization of Premium on Debt-Credit				0
6	429.1 Amortization of Gain on Reacquired Debt-Credit				0
7	430 Interest on Debt to Associated Companies		\$11,744,883	\$10,916,618	(\$828,265)
8	431 Other Interest Expense		299,680	281,446	(18,234)
9	432 Allowance for Borrowed Funds Used During Construction-Cr		(183,355)	(136,592)	46,763
10	Net Interest Charges		\$11,861,208	\$11,061,472	(\$799,736)
11	<b>EXTRAORDINARY ITEMS</b>				
12	434 Extraordinary Income				0
13	435 Extraordinary Deductions (see note)			\$134,362	\$134,362
14	409.3 Income Taxes-Extraordinary Items				0
15	Net Income		\$62,631,143	\$64,953,377	\$2,322,234
16					
17					
18	note: Effective January 1, 2003, the Company adopted SFAS No. 143, Accounting for Asset Retirement Obligations, which provides				
19	accounting requirements for the recognition and measurement of liabilities associated with the retirement of tangible long-lived assets.				
20	The adoption of SFAS No. 143 resulted in an after-tax loss of \$134,362 for the year 2003, representing the cumulative effect of a				
21	change in accounting principle. Other than the cumulative effect, the impact of SFAS No. 143 was not material for 2003.				
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405. OPERATION AND MAINTENANCE EXPENSES

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Previous Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	<b>MANUFACTURED GAS PRODUCTION EXPENSES</b>		XXX	XXX	XXX
2	<b>Steam Production Expenses</b>				
3	<b>Operation</b>				
4	700.0 Operation Supervision and Engineering				0
5	701.0 Operating Labor				0
6	702.0 Boiler Fuel				0
7	703.0 Miscellaneous Steam Expenses				0
8	<b>Total Steam Production Operation Expenses</b>		0	0	0
9	<b>Maintenance</b>				
10	704.0 Steam Transferred-Credit				0
11	705.0 Maintenance, Supervision and Engineering				0
12	706.0 Maintenance of Structures and Improvements				0
13	707.0 Maintenance of Boiler Plant Improvement				0
14	708.0 Maintenance of Other Steam Production Plant				0
	<b>Total Steam Production Maintenance Expenses</b>			0	0
15	<b>Manufactured Gas Production</b>				
16	710.0 Operation Supervision and Engineering				0
17	<b>Production Labor and Expenses</b>				
18	711.0 Steam Expenses				0
19	712.0 Other Power Expenses				0
20	713.0 Coke Oven Expenses				0
21	714.0 Producer Gas Expenses				0
22	715.0 Water Gas Generating Expenses				0
23	716.0 Oil Gas Generating Expenses				0
24	717.0 Liquefied Petroleum Gas Expenses				0
25	718.0 Other Process Production Expenses				0
	<b>Total Production Labor and Expenses</b>		0	0	0
26	<b>Gas Fuels</b>				
27	719.0 Fuel Under Coke Ovens				0
28	720.0 Producer Gas Fuel				0
29	721.0 Water Gas Generator Fuel				0
30	722.0 Fuel for Oil Gas				0
31	723.0 Fuel for Liquefied Petroleum Gas Process				0
32	724.0 Other Gas Fuels				0
	<b>Total Gas Fuels Expenses</b>		0	0	0
33	<b>Gas Raw Materials</b>				
34	725.0 Coal Carbonized in Coke Ovens				0
35	726.0 Oil for Water Gas				0
36	727.0 Oil for Oil Gas				0
37	728.0 Liquefied Petroleum Gas Expenses				0
38	729.0 Raw Materials for Other Gas Processes				0
39	730.0 Residuals Expenses				0
40	731.0 Residuals Produced-Credit				0
41	732.0 Purification Expenses				0
42	733.0 Gas Mixing Expenses				0
43	734.0 Duplicate Charges-Credit				0
44	735.0 Miscellaneous Production Expenses				0
45	736.0 Rents				0
	<b>Total Gas Raw Materials Expenses</b>		0	0	0
46	<b>Maintenance</b>				
47	740.0 Maintenance Supervision and Engineering				0
48	741.0 Maintenance of Structures and Improvements				0
49	742.0 Maintenance of Production Equipment				0
	<b>Total Maintenance Expenses</b>		0	0	0
	<b>Total Manufactured Gas Production Expenses</b>		0	0	0
50	<b>NATURAL GAS PRODUCTION EXPENSES</b>		XXX	XXX	XXX
51	<b>Production and Gathering</b>				
52	<b>Operation</b>				
53	750.0 Operating Supervision and Engineering				0
53	751.0 Production Maps and Records		\$28,999	\$15,806	(\$13,193)
54	752.0 Gas Wells Expenses		2,476		(2,476)

405. OPERATION AND MAINTENANCE EXPENSES (Continued)

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Previous Year (c)	Balance End of Year (d)	Increase/ Decrease (e)
1	753.0 Field Lines Expenses		146,143	206,396	60,253
2	754.0 Field Compressor Station Expenses		1,046,404	1,058,658	12,254
3	755.0 Field Compressor Station Fuel and Power		2,327,296	4,954,180	2,626,884
4	756.0 Field Measuring and Regulating Station Expenses		15,101	88,026	72,925
5	757.0 Purification Expenses				0
6	758.0 Gas Well Royalties				0
7	759.0 Other Expenses		321,023	156,132	(164,891)
8	760.0 Rents		828	2,271	1,443
	<b>Total Production &amp; Gathering Operation Expenses</b>		<b>\$3,888,270</b>	<b>\$6,481,469</b>	<b>\$2,593,199</b>
9	<b>Maintenance</b>				
10	761.0 Maintenance Supervision and Engineering				0
11	762.0 Maintenance of Structures and Improvements		(\$453)	(\$720)	(\$267)
12	763.0 Maintenance of Producing Gas Wells				0
13	764.0 Maintenance of Field Lines		1,102,208	996,321	(105,887)
14	765.0 Maintenance of Field Compressor Station Equipment		916,637	863,519	(53,118)
15	766.0 Maintenance of Field Measuring and Reg. Station Equip.		188,827	168,526	(20,301)
16	767.0 Maintenance of Purification Equipment				0
17	768.0 Maintenance of Drilling and Cleaning Equipment				0
18	769.0 Maintenance of Other Equipment				0
	<b>Total Production &amp; Gathering Maintenance Expenses</b>		<b>\$2,207,219</b>	<b>\$2,027,646</b>	<b>(\$179,573)</b>
19	<b>Products Extraction</b>				
20	<b>Operation</b>				
21	770.0 Operation Supervision and Engineering				0
22	771.0 Operating Labor				0
23	772.0 Gas Shrinkage				0
24	773.0 Fuel				0
25	774.0 Power				0
26	775.0 Materials				0
27	776.0 Operation Supplies and Expenses				0
28	777.0 Gas Processed by Others				0
29	778.0 Royalties on Products Extracted				0
30	779.0 Marketing Expenses				0
31	780.0 Products Purchased for Resale				0
32	781.0 Variation in Products Inventory				0
33	782.0 Extracted Products Used by the Utility-Credit				0
34	783.0 Rents				0
	<b>Total Products Extraction Operation Expenses</b>		<b>0</b>	<b>0</b>	<b>0</b>
35	<b>Maintenance</b>				
36	784.0 Maintenance Supervision and Engineering				0
37	785.0 Maintenance of Structures and Improvements				0
38	786.0 Maintenance of Extraction and Refining Equipment				0
39	787.0 Maintenance of Pipe Lines				0
40	788.0 Maintenance of Extracted Products Storage Equipment				0
41	789.0 Maintenance of Compressor Equipment				0
42	790.0 Maintenance of Gas Measuring & Regulating Equipment				0
43	791.0 Maintenance of Other Equipment				0
	<b>Total Products Extraction Maintenance Expenses</b>		<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Natural Gas Production Expenses</b>		<b>\$6,095,489</b>	<b>\$8,509,115</b>	<b>\$2,413,626</b>
44	<b>EXPLORATION AND DEVELOPMENT EXPENSES</b>		<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
45	<b>Operation</b>				
46	795.0 Delay Rentals				0
47	796.0 Nonproductive Well Drilling				0
48	797.0 Abandoned Leases				0
49	798.0 Other Exploration				0
	<b>Total Exploration and Development Operation Exp.</b>		<b>0</b>	<b>0</b>	<b>0</b>
50	<b>OTHER GAS SUPPLY EXPENSES</b>		<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
51	<b>Operation</b>				
52	800.0 Natural Gas Well Head Purchases				0
53	801.0 Natural Gas Well Head Purchases, Intercompany Trans.		\$28,438,919	\$48,390,406	\$19,951,487
54	802.0 Natural Gas Gasoline Plant Outlet Purchases				0
55	803.0 Natural Gas Transmission Line Purchases		103,049,919	196,398,386	93,348,467
56	804.0 Natural Gas City Gate Purchases		1,744,043	936,211	(807,832)

**405. OPERATION AND MAINTENANCE EXPENSES (Continued)**

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Previous Year (c)	Balance End of Year (d)	Increase/ Decrease (e)
1	804.1 Liquefied Natural Gas Purchases				0
2	805.0 Other Gas Purchases				0
3	805.1 Purchases Gas Cost Adjustments		(21,501,044)	(17,960,724)	3,540,320
4	806.0 Exchange Gas		270,188	3,111,514	2,841,326
5	807.0 Purchased Gas Expenses		(9,668)	302	9,970
6	808.1 Gas Withdrawn from Storage-Debit		65,693,765	82,083,875	16,390,110
7	808.2 Gas Delivered to Storage-Credit		(60,439,348)	(88,528,789)	(28,089,441)
8	809.1 Withdrawals of Liquefied Nat. Gas Held for Processing				0
9	809.2 Deliveries of Natural Gas for Processing				0
10	810.0 Gas Used for Compressor Station Fuel-Credit		(3,665,375)	(7,112,749)	(3,447,374)
11	811.0 Gas Used for Products Extraction-Credit				0
12	812.0 Gas Used for Other Utility Operations-Credit		(3,659,046)	(5,313,971)	(1,654,925)
13	813.0 Other Gas Supply Expenses				0
	<b>Total Gas Supply Operation Expenses</b>		<b>\$109,922,353</b>	<b>\$212,004,461</b>	<b>\$102,082,108</b>
14	<b>Natural Gas Storage, Terminating &amp; Processing Exp.</b>				
	<b>Underground Storage Expenses</b>				
15	814.0 Operation Supervision and Engineering				0
16	815.0 Maps and Records				0
17	816.0 Wells Expenses		\$62,841	\$60,156	(\$2,685)
18	817.0 Lines Expenses		230	1,022	792
19	818.0 Compressor Station Expenses		42,232	(34,098)	(76,330)
20	819.0 Compressor Station Fuel and Power		1,344,908	2,159,957	815,049
21	820.0 Measuring and Regulating Station Expenses		1,249,553	1,363,327	113,774
22	821.0 Purification Expenses				0
23	822.0 Exploration and Development				0
24	823.0 Gas Losses		3,468,781	4,773,344	1,304,563
25	824.0 Other Expenses		338,755	235,268	(103,487)
26	825.0 Storage Well Royalties		46,386	101	(46,285)
27	826.0 Rents		13,429	30,532	17,103
	<b>Total Underground Storage Expenses</b>		<b>\$6,567,115</b>	<b>\$8,589,609</b>	<b>\$2,022,494</b>
28	<b>Maintenance</b>				
29	830.0 Maintenance Supervision and Engineering				0
30	831.0 Maintenance of Structures and Improvements		\$8,688	\$201	(\$8,487)
31	832.0 Maintenance of Reservoirs and Wells		90,531	194,372	103,841
32	833.0 Maintenance of Lines		131,287	98,726	(32,561)
33	834.0 Maintenance of Compressor Station Equipment		28,492	(13,170)	(41,662)
34	835.0 Maintenance of Measuring & Regulating Station Equip.		629,490	606,764	(22,726)
35	836.0 Maintenance of Purification Equipment				0
36	837.0 Maintenance of Other Equipment				0
	<b>Total Maintenance Expenses</b>		<b>\$888,488</b>	<b>\$886,893</b>	<b>(\$1,595)</b>
37	<b>Other Storage Expenses</b>				
38	<b>Operation</b>				
39	840.0 Operating Supervision and Engineering				0
40	841.0 Operation Labor and Expenses				0
41	842.0 Rents				0
42	842.1 Fuel				0
43	842.2 Power				0
44	842.3 Gas Losses				0
	<b>Total Operation Expenses</b>		<b>0</b>	<b>0</b>	<b>0</b>
45	<b>Maintenance</b>				
46	843.1 Maintenance Supervision and Engineering				0
47	843.2 Maintenance of Structures and Improvements				0
48	843.3 Maintenance of Gas Holders				0
49	843.4 Maintenance of Purification Equipment				0
50	843.5 Maintenance of Liquefaction Equipment				0
51	843.6 Maintenance of Vaporizing Equipment				0
52	843.7 Maintenance of Compressor Equipment				0
53	843.8 Maintenance of Measuring and Regulatory Equipment				0
54	843.9 Maintenance of Other Equipment				0
	<b>Total Maintenance Expenses</b>		<b>0</b>	<b>0</b>	<b>0</b>

## 405. OPERATION AND MAINTENANCE EXPENSES (Continued)

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Previous Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1					
2	<b>LIQUEFIED NATURAL GAS TERMINATING AND</b>				
3	<b>PROCESSING EXPENSES</b>		XXX	XXX	XXX
4	<b>Operation</b>				
5	844.1 Operation Supervision and Engineering				0
6	844.2 LNG Processing Terminal Labor and Expenses				0
7	844.3 Liquefaction Processing Labor and Expenses				0
8	844.4 LNG Transportation Labor and Expenses				0
9	844.5 Measuring and Regulating Labor and Expenses				0
10	844.6 Compressor Station Labor and Expenses				0
11	844.7 Communication System Expenses				0
12	844.8 System Control and Load Dispatching				0
13	845.1 Fuel				0
14	845.2 Power				0
15	845.3 Rents				0
16	845.4 Demurrage Charges				0
17	845.5 Warfare Receipts-Credit				0
18	845.6 Processing Liquefied or Vaporized Gas by Others				0
19	846.1 Gas Losses				0
20	846.2 Other Expenses				0
	<b>Total Liq. N.G. Term &amp; Proc. Operation Expenses</b>		0	0	0
21	<b>Maintenance</b>				
22	847.1 Maintenance Supervision and Engineering				0
23	847.2 Maintenance of Structures and Improvements				0
24	847.3 Maintenance of LNG Processing Terminal Equipment				0
25	847.4 Maintenance of LNG Transportation Equipment				0
26	847.5 Maintenance of Measuring and Regulating Equipment				0
27	847.6 Maintenance of Compressor Station Equipment				0
28	847.7 Maintenance of Communication Equipment				0
29	847.8 Maintenance of Other Equipment				0
	<b>Total Liq. N.G. Term. Proc. Maintenance Expenses</b>		0	0	0
30	<b>TRANSMISSION EXPENSES</b>		XXX	XXX	XXX
31	<b>Operation</b>				
32	850.0 Operating Supervision and Engineering		\$7,937	\$4,880	(\$3,057)
33	851.0 System Control and Load Dispatching				0
34	852.0 Communication System Expenses				0
35	853.0 Compressor Station Labor and Expenses		258	9,839	9,581
36	854.0 Gas for Compressor Station Fuel				0
37	855.0 Other Fuel and Power for Compressor Stations				0
38	856.0 Mains Expenses		224,042	124,218	(99,824)
39	857.0 Measuring and Regulating Station Expenses		80,673	84,161	3,488
40	858.0 Transmission and Compression of gas by Others		21,190,691	21,321,306	130,615
41	859.0 Other Expenses		17,478	53,930	36,452
42	860.0 Rents		10,961	10,436	(525)
	<b>Total Transmission Operation Expenses</b>		\$21,532,040	\$21,608,770	\$76,730
43	<b>Maintenance</b>				
44	861.0 Maintenance Supervision and Engineering				0
45	862.0 Maintenance of Structures and Improvements				0
46	863.0 Maintenance of Mains		\$506,806	\$975,103	\$468,297
47	864.0 Maintenance of Compressor Station Equipment		67,647	89,053	21,406
48	865.0 Maintenance of Measuring and Regulating Station Equip.		293,823	54,211	(239,612)
49	866.0 Maintenance of Communication Equipment				0
50	867.0 Maintenance of Other Equipment				0
	<b>Total Transmission Maintenance Expenses</b>		\$868,276	\$1,118,367	\$250,091
51	<b>DISTRIBUTION EXPENSES</b>		XXX	XXX	XXX
52	<b>Operation</b>				
53	870.0 Operation Supervision and Engineering		\$83,433	\$91,839	\$8,406
54	871.0 Distribution Load Dispatching		64	251	187
55	872.0 Compressor Station Labor and Expenses				0
56	873.0 Compressor Station Fuel and Power (Major Only)				0
57	874.0 Mains and Services Expenses		3,363,061	3,344,139	(18,922)
58	875.0 Measuring and Regulating Station Expenses-General		1,318,623	1,648,229	329,606

## 405. OPERATION AND MAINTENANCE EXPENSES (Continued)

Balances at Beginning of Year must be consistent with balances at end of previous year

Line No.	Account Number and Title (a)	Schedule Page No. (b)	Balance Previous Year (c)	Balance End of Year (d)	Increase/Decrease (e)
1	876.0 Measuring and Regulating Station Expenses-Industrial				0
2	877.0 Measuring and Regulating Station Expenses-City Gate		0	746	746
3	878.0 Meter and House Regulator Expenses		2,135,909	2,281,660	145,751
4	879.0 Customer Installations Expenses		2,101,915	2,312,656	210,741
5	880.0 Other Expenses		2,960,210	2,765,692	(194,518)
6	881.0 Rents		8,041	22,483	14,442
7	<b>Total Distribution Operation Expenses</b>		<b>\$11,971,256</b>	<b>\$12,467,695</b>	<b>\$496,439</b>
7	<b>Maintenance</b>				
8	885.0 Maintenance Supervision and Engineering				0
9	886.0 Maintenance of Structures and Improvements		\$936,469	\$1,019,356	\$82,887
10	887.0 Maintenance of Mains		4,910,880	6,952,502	2,041,622
11	888.0 Maintenance of Compressor Station Equipment				0
12	889.0 Maintenance of Measuring & Reg. Station Equip.-Genl.		517,605	626,087	108,482
13	890.0 Maintenance of Measuring & Reg. Station Equip.-Indtrl.				0
14	891.0 Maintenance of Measuring & Reg. Station Equip.-City G				0
15	892.0 Maintenance of Services		3,234,886	3,068,295	(166,591)
16	893.0 Maintenance of Meters & House Regulators		38,415	483	(37,932)
17	894.0 Maintenance of Other Equipment		498,024	365,770	(132,254)
	<b>Total Maintenance Expenses</b>		<b>\$10,136,279</b>	<b>\$12,032,493</b>	<b>\$1,896,214</b>
18	<b>CUSTOMER ACCOUNTS EXPENSES</b>		<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
19	<b>Operations</b>				
20	901.0 Supervision				0
21	902.0 Meter Reading Expenses		\$2,363,968	\$2,284,451	(\$79,517)
22	903.0 Customer Records & Collection Expenses		892,331	1,888,196	995,865
23	904.0 Uncollectable Accounts		11,659,490	12,879,797	1,220,307
24	905.0 Miscellaneous Customer Accounts Expenses				0
	<b>Total Customer Account Operations Expenses</b>		<b>\$14,915,789</b>	<b>\$17,052,444</b>	<b>\$2,136,655</b>
25	<b>CUSTOMER SERVICE &amp; INFORM. EXPENSES</b>		<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
26	<b>Operations</b>				
27	907.0 Supervision		\$1,743,208	\$1,439,089	(\$304,119)
28	908.0 Customer Assistance Expenses		1,174,129	701,133	(472,996)
29	909.0 Informational & Instructional Advertising Expenses				0
30	910.0 Miscellaneous Customer Service & Informational Exp.		1,677	2,034	357
	<b>Total Cust. Service &amp; Inform. Operations Expenses</b>		<b>\$2,919,014</b>	<b>\$2,142,256</b>	<b>(\$776,758)</b>
31	<b>SALES EXPENSES</b>		<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
32	<b>Operation</b>				
33	911.0 Supervision				0
34	912.0 Demonstrating and Selling Expenses		\$789,143	\$848,317	\$59,174
35	913.0 Advertising Expenses				0
36	914.0 (Reserved)				0
37	915.0 (Reserved)				0
38	916.0 Miscellaneous Sales Expenses				0
	<b>Total Operation Sales Expenses</b>		<b>\$789,143</b>	<b>\$848,317</b>	<b>\$59,174</b>
39	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		<b>XXX</b>	<b>XXX</b>	<b>XXX</b>
40	<b>Operation</b>				
41	920.0 Administrative and General Salaries		\$5,023,587	\$3,690,820	(\$1,332,767)
42	921.0 Office Supplies and Expenses		7,665,137	3,811,020	(3,854,117)
43	922.0 Administrative Expenses Transferred-Credit		(4,751,999)	(6,025,816)	(1,273,817)
44	923.0 Outside Service Employed		22,392,447	23,985,690	1,593,243
45	924.0 Property Insurance		(404,104)	(127,753)	276,351
46	925.0 Injuries and Damages		1,736,722	1,289,753	(446,969)
47	926.0 Employee Pensions and Benefits		(20,636,980)	(8,886,409)	11,750,571
48	927.0 Franchise Requirements				0
49	928.0 Regulatory Commission Expenses		49,118	50,265	1,147
50	929.0 Duplicate Charges-Credit				0
51	930.1 General Advertising Expenses				0
52	930.2 Miscellaneous General Expenses		271,730	363,296	91,566
53	931.0 Rents		585,645	748,294	162,649
54	<b>Total Administrative and General Operation Expenses</b>		<b>\$11,931,303</b>	<b>\$18,899,160</b>	<b>\$6,967,857</b>
54	<b>Maintenance</b>				
55	932.0 Maintenance of General Plant		522,625	626,377	103,752
57	<b>Total Gas Operation and Maintenance Expenses</b>		<b>\$12,453,928</b>	<b>\$19,525,537</b>	<b>\$7,071,609</b>
58					
59	<b>Total Gas Operation Expenses</b>		<b>\$184,436,283</b>	<b>\$300,094,181</b>	<b>\$115,657,898</b>
60	<b>Total Gas Maintenance Expenses</b>		<b>\$14,622,887</b>	<b>\$16,691,776</b>	<b>\$2,068,889</b>

**408. TAXES OTHER THAN INCOME TAXES, UTILITY OPERATING INCOME (Account 408.1)**

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 408.1-Taxes Other Than Income Taxes Utility Operating Income. The information should also reflect related entries to Account No. 165-Prepayments; and Account No. 236-Taxes Accrued.

Line No.	Type of Tax (a)	Account 165 Prepayments (b)	Account 236 Taxes Accrued (c)	Account 408.1 Taxes Other Than Income (d)
1	Social Security			
2	Federal Unemployment			
3	Pennsylvania Unemployment			
4	Utility Regulatory Assessment		(\$894,711)	\$894,711
5	Local Property Taxes		(50,855)	50,855
6	Public Utility Realty Tax		(551,110)	551,110
7	State Capital Stock Tax		(2,834,196)	2,834,196
8	Other Taxes (specify) Payroll Tax		(2,384,688)	2,384,688
9	Use Tax		2,706,627	(2,706,627)
10	Miscellaneous Tax		(44,663)	44,663
11	<b>TOTAL</b>	0	(\$4,053,596)	\$4,053,596

**409. INCOME TAXES, UTILITY OPERATING INCOME (Account 409.1)**

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 409.1-Income Taxes, Ut. Operating Income.

The information should also reflect related entries to Account No. 165-Prepayments; Account No. 190-Accumulated Deferred Income Taxes and Account No. 236-Accrued Utility Operating Income.

Line No.	Type of Tax (a)	Account 165 Prepayments (b)	Account 190 Accumulated Def. Income Taxes (c)	Account 236 Accrued Taxes (d)	Account 409.1 Income Taxes Opr Income (e)
1	Federal Income Taxes	(\$7,158,770)			\$7,158,770
2	State Income Taxes	(3,080,325)			3,080,325
3	Local Income Taxes				
4					
5					
6					
7					
8	Other Taxes (specify)				
9					
10					
11	<b>TOTAL</b>	(\$10,239,095)	\$0	\$0	\$10,239,095

410. CALCULATION OF FEDERAL INCOME TAXES - CURRENT PERIOD

1. The totals as reported on this schedule should conform with amounts reported on corresponding Schedules.

Line No.	Item (a)	Total (b)	Current (c)	Deferred Property Related (d)	Deferred Other (e)
1	Operating Revenues		\$435,736,189		
2	Operating Expenses		335,345,892		
3	Operating Taxes (Non-Income)		4,053,596		
4	Interest & Other Expense		11,061,472		
5	Pre-Tax Operating Income				
	Total Line 1 Minus Lines 2-3-4	-	\$85,275,229	-	-
6	Other Income (Expense)		(1,978,622)		
7	Pre Tax Book Income				
	Total Lines 5+6	-	\$83,296,607	-	-
8	Permanent and Flow-Through Differ.		(51,827,000)		
9	Temporary Differences		(15,419,000)		
10	State Only Differences		12,248,000		
11	Subtotal	-	\$28,298,607	-	-
12	State Tax at Current Rate		\$2,827,031	-	\$1,690,000
13	Adjustments to State Tax		(241,573)		
14	Adjustments for St. Tax Rate Changes		-		
15	State Tax Accrual				
	Total Lines 12+13+14	-	\$2,585,458	-	\$1,690,000
16	Federal Taxable Income				
	Total Line 11 Minus Lines 10-12-13	-	\$13,465,149		
17	Federal Tax at Current Rate		\$4,712,802	\$5,285,000	\$3,651,567
18	ITC Authorization		(467,000)		
19	Adjustment for Fed. Tax Rate Changes		-		
20	R & D Credits		-		
21	IRS Audit Settlement		-		
22	Tax Rate Change on Extraord. Activity		-		
23	Other		885,404		
24	Federal Tax Accrual				
	Total Lines 17 through 23	-	\$5,131,206	\$5,285,000	\$3,651,567

**411. PROVISION FOR DEFERRED INCOME TAXES,  
UTILITY OPERATING INCOME (Account 410.1)**

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 410.1 - Provision for Deferred Income Taxes, Utility Operating Income. The information should also reflect related entries to Account No. 190, 282 & 283 - Accumulated Deferred Income Taxes.

Line No.	DEBITS Type of Tax (a)	Account 190 Accumulated Deferred Income Taxes (b)	Account 282 Accumulated Deferred Income Taxes (c)	Account 283 Accumulated Deferred Income Taxes (d)	Account 410.1 Provision for Deferred Income Taxes (e)
1	Federal		(\$8,023,000)	(\$15,957,567)	\$23,980,567
2	State			(5,710,000)	5,710,000
3	Other				
4					
5					
6					
7	Total	\$0	(\$8,023,000)	(\$21,667,567)	\$29,690,567

**412. PROVISION FOR DEFERRED INCOME TAXES  
UTILITY OPR. INCOME, CREDIT (Account 411.1)**

This schedule shall include a breakdown of the various tax expenses that constitute the ending balance in Account No. 411.1 - Provision for Deferred Income Taxes-Credit. The information should also show related entries to Account No. 190, 282 & 283 - Accumulated Deferred Income Taxes.

Line No.	DEBITS Type of Tax (a)	Account 190 Accumulated Deferred Income Taxes (b)	Account 282 Accumulated Deferred Income Taxes (c)	Account 283 Accumulated Deferred Income Taxes (d)	Account 411.1 Provision for Deferred Income Taxes (e)
1	Federal		\$2,367,000	\$13,590,000	(\$15,957,000)
2	State			4,310,000	(4,310,000)
3	Other				
4					
5					
6					
7	Total	\$0	\$2,367,000	\$17,900,000	(\$20,267,000)



**500. GAS PURCHASED**

1. Report below the information called for concerning gas purchased for resale during year.
2. Purchases from independent natural gas producers shall be grouped on one line and columns (a), (d), (g) and (h) only shall be reported with respect to such purchase.
3. The quantities reported should be those shown by the bills rendered by the vendor. Indicate MCF, CCF or Therms
4. Report separately non-interruptible and interruptible purchases from the same company. Designate purchases from affiliated interest by an asterisk following the name in column (d).

Line No.	Purchased From (a)	Point of Delivery (b)	B.T.U. Per Cu. Ft. (c)	MCF (d)	Commodity Charges (e)	Other Charges (f)	Total (g)	Cost Per Unit (h)
1	801 Field Purchases			10,960,354	\$48,390,406	n/a	\$48,390,406	\$4.42
2	803 Pipeline Purchases							
3	Dominion Transmission Inc*	Allegheny, Beaver, Butler, Westmoreland,			\$15,943,855	see note	\$15,943,855	
4		Washington, Clarion, Erie, Potter						
5	Carnegie Interstate Pipeline	Allegheny			70,999	see note	70,999	
6	Equitrans LP	Allegheny, Washington			88,480	see note	88,480	
7	National Fuel Gas Supply	Butler, Mercer, Venango			1,339,031	see note	1,339,031	
8	Tennessee Gas Pipeline	Beaver, Mercer, Allegheny			1,302,765	see note	1,302,765	
9	Texas Eastern Transmission	Blair, Cambria, Somerset			1,848,888	see note	1,848,888	
10	Three Rivers Pipeline				116,668	see note	116,668	
11	Texas Gas Transmission				2,110,708	see note	2,110,708	
12	Pipeline transportation estimate				(667,740)		(667,740)	
13	Released capacity for Pool Operators				6,676,681		6,676,681	
14	Spot Market purchases			29,462,879	188,889,357		188,889,357	\$6.41
15	Total Pipeline Purchases			29,462,879	\$217,719,692		\$217,719,692	\$7.39
16	804 City Gate Purchases			336,104	936,211		936,211	\$2.79
17	805 Purchased Gas Cost Adjustments			n/a	(17,960,724)		(17,960,724)	
	Totals			40,759,337	\$249,085,585		\$249,085,585	\$6.11

Note: Included in Commodity Charges is \$21,321,306 recorded in a/c 858 - Transmission and Compression of Gas by Others. Transmission and Compression costs are included in the determination of Purchased Gas Cost Adjustments.

**501. SALES FOR RESALE**

1. Report below the information called for concerning gas sold during year to other gas utilities or to public authorities for resale.
2. The quantities shown should be those shown by the bills rendered to the purchasers. Indicate MCF, CCF or Therms.
3. Report separately non-interruptible and interruptible sales to the same company. Designate sales to affiliated interest by an asterisk following the name in column (a)
4. Designate any sales which are other than firm sales.

Line No.	Sold To (a)	Point of Delivery (b)	BTU Per Cu. Ft. (c)	MCF (d)	Commodity Charges (e)	Other Charges (f)	Total (g)	Revenue Per Unit (h)
1	Agway Energy	Imbalance sale	1,030	1,396	\$8,841		\$8,841	\$6.33
2	Amerada Hess	Imbalance sale	1,030	3,438	42,799		42,799	\$12.45
3	CMS Enterprises	Imbalance sale	1,030	106,674	1,711,678		1,711,678	\$16.05
4	CMS M S & T	Imbalance sale	1,030	92,210	2,792,816		2,792,816	\$30.29
5	Exelon Energy	Imbalance sale	1,030	81	1,008		1,008	\$12.44
6	First Energy	Imbalance sale	1,030	20,625	302,319		302,319	\$14.66
7	Pepeco Energy	Imbalance sale	1,030	8,524	129,542		129,542	\$15.20
8	Riley Natural Gas	Imbalance sale	1,030	4,542	97,551		97,551	\$21.48
9	Sempre	Imbalance sale	1,030	4,946	49,443		49,443	\$10.00
10	UGI Energy Services	Imbalance sale	1,030	1	8		8	\$8.00
	Totals			242,437	\$5,136,005	\$0	\$5,136,005	

**505. GAS ACCOUNT-NATURAL GAS**

- 1 The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent adjusted for any differences in pressure bases used in measuring MCF of natural gas received and delivered.
- 2 If the respondent operates two or more systems which are not interconnected, separate schedules should be submitted. Insert pages should be used for this purpose.

No.	Item (a)	MCF as Reported (b)
1	<b>GAS RECEIVED</b>	
2	Natural Gas Produced	
3	L.P.G. Gas Produced and Mixed with Natural Gas	
4	Manufactured Gas Produced and Mixed with Natural Gas	
5	Purchased Gas	40,759,337
6	Gas of Others Received for Transportation	37,146,511
7	Receipts of Respondent's Gas Transported or Compressed by Others	
8	Exchange Gas Received	2,036,613
9	Gas Received from Underground Storage	13,694,935
10	Other Receipts	2,275,616
11		
12		
13		
14	<b>Total Receipts:</b>	95,913,012
15	<b>GAS DELIVERED</b>	
16	Natural Gas Sales:	
17	Local Distribution by Respondent	34,061,070
18	Main Line Industrial Sales	
19	Sales for Resale	242,437
20	Interdepartmental Sales	
21		
22	<b>Total Sales</b>	34,303,507
23	Deliveries of Gas Transported or Compressed for Others	37,626,814
24	Deliveries of Respondent's Gas for Trans. Or Compressed by Others	
25	Exchange Gas Delivered	1,424,704
26	Natural Gas used by Respondent	1,173,053
27	Natural Gas Delivered to Storage	13,372,792
28	Natural Gas for Franchise Requirements	
29	Other Deliveries: Specify	
30	<b>Total Deliveries</b>	87,900,870
31	<b>UNACCOUNTED FOR / LOSSES</b>	
32	Production System Losses	
33	Storage Losses	2,057,291
34	Transmission System Losses	
35	Distribution System Losses	
36	Other Losses ( see note )	5,954,851
37		
38	<b>Total Unaccounted For / Losses</b>	8,012,142
38	<b>Total Deliveries and Unaccounted For / Losses</b>	95,913,012

note: Calculated value based on financial accounting entries that do not represent the actual calendar-month physical volumes received and delivered by the Company. Unaccounted For Gas for calendar year 2003 on the basis of physical volumes was 3,160,289 mcf.

**510. UNDERGROUND GAS STORAGE**

1. Report particulars for each underground gas storage project.
2. Give particulars of any gas stored for the benefit of another company under a gas exchange arrangement or on a basis of purchase and resale to another company. Designate if other company is an associated company.
3. Pressure base of gas volumes reported below.

Line No.	Month (a)	Total (b)	Murrysville (c)	All Volumes @ 14.73 PSIA				
				Gamble Hayden (d)	Colvin (e)	Webster (f)	Truittsburg (g)	Rager Mountain (h)
		MCF	MCF	MCF	MCF	MCF	MCF	MCF
1	<b>Storage Operations</b>							
2	<b>Gas Delivered to Storage</b>							
3	January	2,102	0	0	0	0	2,102	0
4	February	1,884	0	0	0	0	1,884	0
5	March	47,239	10,564	0	0	323	36,352	0
6	April	403,660	48,427	0	0	0	126,424	228,809
7	May	1,243,737	83,740	0	0	0	137,638	1,022,359
8	June	1,840,807	115,587	68,493	48	0	69,742	1,586,937
9	July	2,161,236	279,831	124,558	0	98,510	321,103	1,337,234
10	August	2,426,378	424,537	133,493	0	24,546	493,448	1,350,354
11	September	1,522,732	112,928	129,395	0	33,710	182,701	1,063,998
12	October	696,422	48,438	142,037	(48)	139,026	62,620	304,349
13	November	144,807	6,186	6,856	0	8,343	16,829	106,593
14	December	0	0	0	0	0	0	0
15	<b>Totals - Gas Delivered to Storage</b>	<b>10,491,004</b>	<b>1,130,238</b>	<b>604,832</b>	<b>0</b>	<b>304,458</b>	<b>1,450,843</b>	<b>7,000,633</b>
16	<b>Gas Withdrawn from Storage</b>							
17	January	3,196,069	275,522	166,509	161,017	55,008	405,864	2,132,149
18	February	2,550,264	494,934	211,323	31,335	41,325	314,367	1,456,980
19	March	972,653	85,620	125,529	10,981	10,634	118,729	621,160
20	April	225,331	16,120	22,562	0	445	48	186,156
21	May	0	0	0	0	0	0	0
22	June	10,814	0	0	0	10,814	0	0
23	July	7,330	0	0	0	0	7,330	0
24	August	2	0	0	0	2	0	0
25	September	13,516	11	0	0	141	13,335	29
26	October	1,055	0	0	0	1,045	0	10
27	November	409,266	186,909	39,546	0	2,305	72,694	107,812
28	December	1,300,810	334,343	303,529	0	39,888	490,112	132,938
29	<b>Totals - Gas Withdrawn from Storage</b>	<b>8,687,110</b>	<b>1,393,459</b>	<b>868,998</b>	<b>203,333</b>	<b>161,607</b>	<b>1,422,479</b>	<b>4,637,234</b>
30	<b>Gas Lost in Storage Operations</b>	<b>2,057,291</b>	<b>180,000</b>	<b>0</b>	<b>1,265,291</b>	<b>51,000</b>	<b>336,000</b>	<b>225,000</b>
31	Stored Gas End of Year-MCF	18,925,214	3,037,668	2,165,040	407,684	1,052,184	3,038,451	9,224,187
32	Est. Native Gas in Storage Reservoir-MCF	11,853,667	83,640	502,860	46,512	8,568	18,870	11,193,217
33	Total Gas in Reservoir-MCF (Lines 28 plus 29)	30,778,881	3,121,308	2,667,900	454,196	1,060,752	3,057,321	20,417,404
34	Storage Capacity (Escl. Native Gas)-MCF	21,988,800	3,162,000	2,346,000	2,346,000	1,162,800	3,672,000	9,300,000
35	Reservoir Pressure at which Storage Cap.-Computed		950#	1000#	650#	660#	900#	3200#
36	Number of Storage Wells in Project	46	9	7	7	5	11	7
37	Number of Acres of Storage Area	7,680	737	740	659	332	891	4,321
38	Maximum Day's Withdrawal from Storage		30,565	21,517	27,095	9,775	28,175	89,646
39	Date of Maximum Day's Withdrawal		7-Feb-03	2-Feb-03	3-Jan-03	26-Dec-03	23-Jan-03	7-Jan-03
40	Year Storage Operations Commenced		1939	1943	1943	1945	1949	1971

510. UNDERGROUND GAS STORAGE (Continued)

1. Report particulars for each underground gas storage project.
2. Give particulars of any gas stored for the benefit of another company under a gas exchange arrangement or on a basis of purchase and resale to another company. Designate if other company is an associated company.
3. Pressure base of gas volumes reported below.

	Gas Stored for Other Companies	MCF In Storage			
1					
2	Dominion Peoples provides storage service for				
3	numerous third parties and certain affiliates.				
4					
5	Gas stored for the benefit of third parties	1,831,781			
6	Gas stored for the benefit of affiliates	1,770,375			
7					
8		3,602,156			
9					
10					
11					
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14					
15					
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17					
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40					

Note: Gas Stored for Others not separately identified between on-system storage and off-system (contract) storage.

511. MANUFACTURED GAS PRODUCTION PLANT

- 1 Kind or Type of Plant \_\_\_\_\_ Location \_\_\_\_\_
- 2 Maximum Daily Capacity of Plant \_\_\_\_\_ MCF \_\_\_\_\_
- 3 Maximum Daily MCF of Gas Produced During Year \_\_\_\_\_ Date \_\_\_\_\_
- 4 Maximum Daily MCF of Gas Produced During Life of Plant \_\_\_\_\_ Date \_\_\_\_\_
- 5 Number of Days Plant was Commercially Operated During Year \_\_\_\_\_
- 6 Date Plant was last Commercially Operated \_\_\_\_\_
- 7 MCF of Gas Produced During the Year \_\_\_\_\_
- 8 Average BTU Content of Gas Produced \_\_\_\_\_

NONE

512. LIQUEFIED PETROLEUM GAS OPERATIONS

- 1 Location of Plant \_\_\_\_\_
- 2 MCF of Gas Produced During Year \_\_\_\_\_
- 3 Gallons of L.P.G. Used During Year \_\_\_\_\_
- 4 Function of Plant \_\_\_\_\_
- 5 Storage Capacity for L.P.G. (Gallons) \_\_\_\_\_

NONE

**515. GAS AND OIL WELLS**

Line No.		
1	<b>GAS WELLS</b>	
2	Productive Wells at Beginning of Year	1
3	Productive Wells Drilled During the Year	
4	Oil Wells Restored to Productive Basis During Year	
5	Wells Purchased During the Year	
6	Wells Abandoned During the Year	
7	Wells Sold During the Year	
8		
9	Productive Wells at End of Year	1
10	Number of Wells Drilled Deeper During the Year	
11	Dry Holes Drilled During the Year	
12		
13	<b>NATURAL GAS ACREAGE</b>	<b>Operative      Non Operative</b>
14	Number of Acres Owned at End of Year	4      1
15	Number of Acres Leased at End of Year	12,128      1,964
16		
17	<b>OIL WELLS</b>	
18	Productive Wells at Beginning of Year	
19	Productive Wells Drilled During the Year	
20	Wells Abandoned and Sold During the Year	
21		
22	Productive Wells at End of Year	

**516. GAS LINES, METERS AND SERVICES**

Size of Pipe Inches	Field Lines M. Ft.	Prod. Ext. Lines M. Ft.	Storage Lines M. Ft.	Distr. Mains M. Ft.	Transmission M. Ft.
28	2"	1,444	12	6,760	88
29	3"	1,028	17	6,039	126
30	4"	1,034	12	10,247	367
31	5"	144	3	603	52
32	6"	1,019	32	5,365	784
33	7"	16	1	47	20
34	8"	924	26	2,482	973
35	9"	0	0	3	1
36	10"	177	3	641	613
37	11"	19	0	0	4
38	12"	207	44	511	1,394
39	13"	0	0	0	0
40	14"	0	2	60	271
41	16"	0	0	176	0
42	18"	12	0	0	81
43	19"	0	0	1	109
44	20"	0	0	93	0
45	24"	7	0	15	724
46	30"	0	0	1	85
47					
48	Totals	6,031	152	33,044	5,692

Meters in Service at End of Year	368,216	Services at End of Year, Company Owned	335,712
Meters in Stock or Shop at End of Year	9,675	Services at End of Year, Customer Owned	None

517. CUSTOMER GAS METERS

Line No.	Per agreement with Paul Metro, PUC Gas Safety, an alternative format for reporting gas meter data will be developed that is consistent with other reports currently submitted to the Commission.  (a)	Size (b)	Number of Meters			
			First of Year (c)	Added During Year (d)	Removed Or Disconnected During Year (e)	End of Year (e)
1	In residential use					0
2						0
3						0
4						0
5						0
6						0
7						0
8						0
9						0
10	Total in residential use		0	0	0	0
11	In commercial use					0
12						0
13						0
14						0
15						0
16						0
17						0
18						0
19						0
20	Total in commercial use		0	0	0	0
21	In industrial use					0
22						0
23						0
24						0
25						0
26						0
27						0
28						0
29						0
30	Total in industrial use		0	0	0	0
31	In public (municipal or government) use					0
32						0
33						0
34						0
35						0
36						0
37						0
38						0
39						0
40	Total in public (municipal or government) use		0	0	0	0
41	Total in use		0	0	0	0
42	In Stock					0
43						0
44						0
45						0
46						0
47						0
48						0
49						0
50	Total in stock		0	0	0	0
51	Total all meters		0	0	0	0

METERS TESTED BY SIZES

	(a)	(a)	1/2 (a)	5/8 (b)	3/4 (c)	1 (d)	(e)	(f)	(g)	Total (h)
52	Number	Number tested during the year								

**600. CLASSIFICATION OF CUSTOMERS, UNITS SOLD AND OPERATING REVENUES BY TARIFF SCHEDULE**

1. Report below the details called for concerning Customers, MCF, CCF or Therms (Indicate Unit Used) Sold, and Opr. Revenues by Tariff Schedule.
2. Customers should be reported on the basis of number of meters, plus number of unmetered accounts, except that where separate meter readings are added for billing purposes, one customer shall be counted for each group of meters so added.
3. Quantities of gas sold to flat-rate customers shown in column (e), should explain in a footnote the basis upon which quantities were determined.
4. Respondent should use additional sheets if necessary.

Line No.	Account (a)	Number of Customers			Sales During Year			Revenues	
		Beginning of Year (b)	End of Year (c)	Average During Year (d)	Total MCF (e)	Total Operating Revenue (f)	MCF Per Customer (g)	Per Customer (h)	Per MCF (i)
1	<b>Metered Sales by Tariff Schedule</b>								
2	<b>Residential</b>								
3	Retail								
4	Heating	226,605	235,391	230,592	25,705,103	\$258,514,169	109	\$1,098.23	\$10.06
5	Non-Heating	3,644	3,596	3,562	96,324	1,350,113	27	\$375.45	\$14.02
6	Unbilled				(36,000)	4,097,000			
7									
8	Transportation								
9	Billed	96,434	87,997	91,582	10,758,528	43,322,108	122	\$492.31	\$4.03
10	Unbilled				(204,000)	(528,000)			
11									
12	<b>Total Residential Metered Sales</b>	326,683	326,984	325,736	36,319,955	\$306,755,390			
13	<b>Commercial</b>								
14	Retail								
15	Heating	19,652	20,836	19,958	7,634,293	\$70,713,962	366	\$3,393.84	\$9.26
16	Non-Heating	551	576	559	85,549	864,663	149	\$1,501.15	\$10.11
17	Unbilled				6,000	1,847,000			
18									
19	Transportation								
20	Billed	8,849	7,832	8,221	10,638,960	21,389,470	1,358	\$2,731.04	\$2.01
21	Unbilled				(199,000)	(455,000)			
22									
23	<b>Total Commercial Metered Sales</b>	29,052	29,244	28,738	18,165,802	\$94,360,095			
24	<b>Industrial</b>								
25	Retail - Billed	32	44	45	569,801	\$5,061,077	12,950	\$115,024.48	\$8.88
26									
27	Transportation- Billed	181	162	162	16,632,326	9,312,469	102,669	\$57,484.38	\$0.56
28									
29	<b>Total Industrial Metered Sales</b>	213	206	207	17,202,127	\$14,373,546			
30	Public								
31	Interdepartmental								
32	Other- Sales for Resale				242,437	5,136,005			
33	<b>Total Metered Sales</b>	355,948	356,434	354,681	71,930,321	\$420,625,036			
34	<b>Unmetered Sales-All Categories</b>								
35	Other								
36	<b>Total Unmetered Sales</b>	-	-	-	-	-			
37	<b>Total Sales of Gas</b>	355,948	356,434	354,681	71,930,321	\$420,625,036			
38	Other Gas Revenues:								
39	Rent from Gas Property					125,084			
40	Interdepartmental Rents								
41	Operating Revenue Other Than Gas Sales					10,787,072			
42	Allowance to Customers								
43	Gas Storage Revenues					1,343,214			
44	Customers Forfeited Discounts & Penalties					1,930,028			
45	Miscellaneous Gas Revenues					925,755			
46	<b>Total Other Gas Revenues</b>	-	-	-	-	15,111,153			
47	<b>Total Gas Operating Revenues</b>	355,948	356,434	354,681	71,930,321	\$435,736,189			



**605. NUMBER OF EMPLOYEES**

Report the requested information concerning the number of employees on respondent's payrolls at end of year.

Line No.	Classification According to Occupation (a)	Number at Year End (b)
1	Total Officials and Senior Manager Employees	52
2	Total Professional and Semiprofessional Employees	82
3	Total Business Office, Sales And Professional Employees	10
4	Total Clerical Employees	28
5	Total Operators	
6	Total Construction, Installation and Maintenance Employees ( see note )	425
7	Total Building, Supplies and Motor Vehicle Employees	
8	All Other Employees Not Elsewhere Classified	
9	Total All Employees	597

Note: Includes the following classifications:

Craft (Skilled) workers	361
Semi-Skilled workers (other than meter readers, servicers, testers)	34
Meter Readers, Servicers, Testers	30

610. Territory Served

Report below the number of customers at the end of the year in respondent's distribution system in which service is furnished setting forth by counties the number of customers and the average number of customers during the year. Respondent should place an X in the box in column (b) if that county is served and supply related customer information in columns (d) and (e).

County Code (a)	Serves County (b)	Name of Pennsylvania County (c)	Number Of Customers At End Of Year (d)	Average Number Of Customers During Year (see note) (e)
01		Adams		
02	x	Allegheny	148,550	148,526
03	x	Armstrong	12,818	12,813
04	x	Beaver	18,111	18,108
05		Bedford		
06		Berks		
07	x	Blair	33,911	33,906
08		Bradford		
09		Bucks		
10	x	Butler	12,870	12,805
11	x	Cambria	31,408	31,473
12		Cameron		
13		Carbon		
14		Centre		
15		Chester		
16	x	Clarion	48	48
17		Clearfield		
18		Clinton		
19		Columbia		
20		Crawford		
21		Cumberland		
22		Dauphin		
23		Delaware		
24		Elk		
25		Erie		
26	x	Fayette	2,390	2,396
27		Forest		
28		Franklin		
29		Fulton		
30	x	Greene	546	553
31		Huntingdon		
32	x	Indiana	12,405	12,372
33		Jefferson		
34		Juniata		
35		Lackawanna		
36		Lancaster		
37	x	Lawrence	3,926	3,914
38		Lebanon		
39		Lehigh		
40		Luzerne		
41		Lycoming		
42		McKean		
43	x	Mercer	5,052	5,051
44		Mifflin		
45		Monroe		
46		Montgomery		
47		Montour		
48		Northampton		
49		Northumberland		
50		Perry		
51		Philadelphia		
52		Pike		
53		Potter		
54		Schuylkill		
55		Snyder		
56	x	Somerset	1,335	1,316
57		Sullivan		
58		Susquehanna		
59		Tioga		
60		Union		
61	x	Venango	123	122
62		Warren		
63	x	Washington	4,336	4,276
64		Wayne		
65	x	Westmoreland	68,605	68,512
66		Wyoming		
67		York		
<b>Totals</b>			<b>356,434</b>	<b>356,191</b>
Total Population of Territory Served (Estimated)			2,109,664	

Note: Simple average of customers at the beginning of the year and end of the year

VERIFICATION

The foregoing report must be verified by the oath of the officer having control of the accounting of the respondent. It shall be verified, also, by the oath of the president or other chief officer of the respondent. The oaths required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

(To be made by the officer having control of the accounting of the respondent)

State of Pennsylvania

as:

County of Allegheny

Maxwell R. Schools, Jr. makes oath and says that he is  
(Name of affiant)

Controller  
(Official title of affiant)

of The Peoples Natural Gas Company

(Exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Pennsylvania Public Utility Commission, effective during the said period; that he has carefully examined the said report, and to the best of his knowledge, information and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including January 1, 2003 to and including December 31, 2003.

Subscribed and sworn to and before me, a Notary  
in and for the State and County above-named, this 20 day of April, 2004

Maxwell R. Schools, Jr.  
(Signature of affiant)

My commission expires Virginia M. Hart  
May 31, 2004 (Signature of officer authorized to administer oaths)

SUPPLEMENTAL OATH

(By the president or other chief officer of the respondent)

State of Pennsylvania

as:

County of Allegheny

M. Stuart Bolton, Jr. makes oath and says that he is  
(Name of affiant)

Senior Vice President - Financial Management  
(Official title of affiant)

of The Peoples Natural Gas Company

(Exact legal title or name of the respondent)

that he has carefully examined the foregoing report; that he believes that all statements of fact contained in the said report are true, and that the said report is a correct and complete statement of the business and affairs of the above named respondent during the period of time from and including January 1, 2003, to and including December 31, 2003.

Subscribed and sworn to before me, a Notary  
in and for the State and County above-named, this 20 day of April, 2004

M. Stuart Bolton, Jr.  
(Signature of affiant)

My commission expires Virginia M. Hart  
May 31, 2004 (Signature of officer authorized to administer oaths)