

UGI UTILITIES, INC. – GAS DIVISION

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Information Submitted Pursuant to

Section 53.51 et seq of the Commission’s Regulations

**UGI GAS EXHIBIT F – PROPOSED SUPPLEMENT NO. 32 TO
UGI UTILITIES, INC. – GAS DIVISION – PA P.U.C. NOS. 7 & 7S**

**UGI UTILITIES, INC. – GAS DIVISION – PA P.U.C. NOS. 7 & 7S
SUPPLEMENT NO. 32**

DOCKET NO. R-2021-3030218

Issued: January 28, 2022

Effective: March 29, 2022

UGI UTILITIES, INC. - GAS DIVISION

GAS TARIFF

INCLUDING THE GAS SERVICE TARIFF NO. 7

AND

THE CHOICE SUPPLIER TARIFF NO. 7S

Rates and Rules
Governing the
Furnishing of
Gas Service and Choice Aggregation Service
in the
Territory Described Herein

Issued: January 28, 2022

Effective for service rendered on
and after March 29, 2022.

Issued By:

Paul J. Szykman
Chief Regulatory Officer
1 UGI Drive
Denver, PA 17517

<https://www.ugi.com/tariffs>

NOTICE

LIST OF CHANGES MADE BY THIS SUPPLEMENT
(Page Numbers Refer to Official Tariff)

Cover Page

- Updated to reflect Supplement Number, Notice language, Issue and Effective dates.

Table of Contents, Pages 3-4.

- Updated for all Tariff revisions detailed below.

Description of Territory, Pages 5-19.

- Description of Territories has been revised from the former South, North and Central rate districts to a consolidated rate district presentation.
- Pages 19(a) and 19(b) have been added as a pagination change and intentionally left blank.

Rule 5, Extension Regulation, Page 35.

- Subsection 5.1(b)(1) language has been modified to replace the "Company's Allowable Investment Amount" with the "Customer contribution amount".

Rule 10, Rider A, State Tax Adjustment Surcharge, Page 48.

- The State Tax Adjustment Surcharge rate has been reset to 0.00%.
- Rate GBM, which no longer exists, was removed from the applicable list of rates.

Rule 11, Rider B, Section 1307(f) Purchased Gas Costs, Page 50.

- Reference to 22A.6 has been renumbered as 22.6.

Rule 12, Rider C, Extended TCJA Temporary Surcharge, Pages 53-54.

- Rider C, Extended TCJA Temporary Surcharge has ended and has been removed and replaced with Rider C, Weather Normalization Adjustment.

Rule 13, Rider D, Merchant Function Charge, Page 55.

- The rate has increased for Residential PGC Customers to 2.27% and for Non-Residential PGC Customers to 0.44%.

Rule 15, Price to Compare, Page 57.

- The Price to Compare has changed as a result of the change to the Merchant Function Charge.

Rule 16, Rider F, Universal Service Program, Page 59.

- Annual Reconciliation - the CAP credit bad debt offset language has been updated and will be applied where CAP enrollment exceeds CAP enrollees as of September 30, 2022.

Rule 19, Distribution System Improvement Charge, Page 63.

- The rate has been reset to 0.00%.

Rule 22, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS, Pages 81(a)-81(i)

- Section 22.A has been renumbered Section 22. All references to 22.A have been renumbered to 22.
- These pages have been repaginated. Previous pages 81(a)-81(i) have been renumbered as 73-81 which were previously intentionally left blank.

Rate R - General Service - Residential, Page 85.

- The Customer Charge and Distribution Charge have been increased.
- Rider C Extended TCJA Temporary Surcharge has ended and has been replaced with Rider C Weather Normalization Adjustment.

LIST OF CHANGES MADE BY THIS SUPPLEMENT - Continued
(Page Numbers Refer to Official Tariff)

Rate RT - General Service - Residential Transportation, Page 86.

- The Customer Charge and Distribution Charge have been increased.
- Rider C Extended TCJA Temporary Surcharge has ended and has been replaced with Rider C Weather Normalization Adjustment.

Rate GL - General Service - Gas Light Service, Page 88.

- The Distribution Charge has been increased.
- Rider C Extended TCJA Temporary Surcharge has ended and has been removed.
- Punctuation was corrected and a period was added following the word "modify" under Surcharges and Riders.

Rate N - General Service - Non-Residential, Page 89.

- The Customer Charge and the Distribution Charge have been increased and have been changed to reflect a unified distribution charge.
- Rider C Extended TCJA Temporary Surcharge has ended and has been replaced with Rider C Weather Normalization Adjustment.

Rate NT - General Service - Non-Residential Transportation, Page 90.

- The Customer Charge and the Distribution Charge have been increased and have been changed to reflect a unified distribution charge.
- Rider C Extended TCJA Temporary Surcharge has ended and has been replaced with Rider C Weather Normalization Adjustment.

Rate DS - Delivery Service, Pages 94.

- The Maximum Distribution Charge has been increased and has been changed to reflect a unified distribution charge.
- Rider C Extended TCJA Temporary Surcharge has ended and has been removed.

Rate NNS - No-Notice Service, Page 96-97.

- Terms and Conditions - Language that referenced terms prior to November 1, 2020 that was no longer applicable was removed.
- The unit cost per MCF has been recalculated and updated.

Rate MBS - Monthly Balancing Service, Page 98-98(a).

- Terms and Conditions - Language that referenced terms prior to November 1, 2020 that was no longer applicable was removed. In addition, Section 22A.2 has been renamed Section 22.2.
- The Rate MBS charged to Rates DS/IS, LFD, and XD has been recalculated and updated.

Rate LFD - Large Firm Delivery Service, Page 100.

- The Maximum Demand Charge and Distribution Charge have been increased.
- Rider C Extended TCJA Temporary Surcharge has ended and has been removed.

Rate XD - Extended Large Firm Delivery Service, Page 103.

- The Maximum Average Delivery Charge has been increased.
- Rider C Extended TCJA Temporary Surcharge has ended and has been removed.

Rate R/S - Retail and Standby Rider, Page 107.

- Rider C Extended TCJA Temporary Surcharge has ended and has been removed.

Rate IS - Interruptible Service, Page 110.

- Rider C Extended TCJA Temporary Surcharge has ended and has been removed.

LIST OF CHANGES MADE BY THIS SUPPLEMENT - Continued
(Page Numbers Refer to Official Tariff)

Choice Supplier Tariff

Cover Page

- Updated to reflect Supplement Number, Notice language, Issue and Effective dates.

Rule 4, Choice Supplier Obligations, Page 115.

- Subsection 4.12 - The residential and commercial Purchase of Receivable rates have been updated as a result of the change to the Merchant Function Charge.

Rule 7, Nomination Procedure, Page 118-119.

- Subsection 7.3 - Change made to correct capitalization of "Choice supplier" to "Choice Supplier".
- Subsection 7.3 - Language has been removed that referenced a Maximum Daily Bundled Sale Percentages heading on the Company's Energy Management website to reflect changes made to the Company's Energy Management website navigation.
- Subsection 7.3 - Language has been removed that referenced a Must Take Monthly Bundled Sale Percentages heading on the Company's Energy Management website to reflect changes made to the Company's Energy Management website navigation.

Rule 9, Enrollment of Customers into Rate Schedules RT and NT, Page 125.

- Subsection 9.3 - Language was added to include enrollments processed in addition to enrollments received.

Rule 11, Aggregation Agreement for Rate Schedules RT and NT (Pro Forma), Page 136.

- Article XI - For written notice and correspondence to the Company, the Attention line has been updated to reflect the contact as Rates Department - Choice Administrator.
- Article XI - The line following "Attention" has been removed from the written notice and correspondence to Choice Supplier.

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(C) Indicates Change

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(C) Indicates Change

Description of Territories - Continued

(C)

Longswamp	Lower Alsace	Lower Heidelberg
Maiden Creek	Marion	Maxatawny
Muhlenberg	Ontelaunee	Perry
Richmond	Robeson	Rockland
Ruscombmanor	South Heidelberg	Spring
Tilden	Union	Washington
Windsor		

BLAIR COUNTY

Boroughs

Martinsburg	Roaring Spring	
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Townships

Huston	North Woodbury	Taylor
Woodbury		

BRADFORD COUNTY

Boroughs

Alba	Burlington	Canton
Sylvania	Troy	

Townships

Armenia	Burlington	Canton
Columbia	Granville	LeRoy
Ridgebury	Smithfield	South Creek
Springfield	Troy	Ulster
Wells	West Burlington	

BUCKS COUNTY

Boroughs

Perkasie	Quakertown	Richlandtown
Riegelsville	Sellersville	Silverdale
Trumbauersville		

Townships

Durham	East Rockhill	Haycock
Hilltown	Milford	Nockamixon
Richland	Springfield	West Rockhill

(C) Indicates Change

Description of Territories - Continued

(C)

CARBON COUNTY

Boroughs

Bowmanstown	East Side	Jim Thorpe
Lehighton	Palmerton	Weissport

Townships

Banks	East Penn	Kidder
Lower Towamensing	Mahoning (part)	Packer

CENTRE COUNTY

Boroughs

Philipsburg	South Philipsburg
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Township

Rush

CHESTER COUNTY

Borough

Oxford

Townships

East Coventry (part)	East Nottingham	Elk
Honey Brook (part)	Lower Oxford	North Coventry (part)
Upper Oxford	West Nottingham	

CLARION COUNTY

Boroughs

Callensburg	Silgo
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Townships

Ashland	Beaver	Clarion
Elk	Farmington	Highland
Knox	Licking	Limestone
Millcreek	Monroe	Paint
Perry	Piney	Richland
Salem	Toby	Washington

(C) Indicates Change

Description of Territories - Continued

(C)

CLEARFIELD COUNTY

Boroughs

Chester Hill	Clearfield and Environs	Curwensville
Wallaceton		

Townships

Boggs	Bradford	Decatur
Knox	Lawrence	Morris
Pike		

CLINTON COUNTY

City

Lock Haven

Boroughs

Avis	Beech Creek	Flemington
Mill Hall	Renovo	South Renovo

Townships

Allison	Bald Eagle	Beech Creek (portion)
Castanea	Chapman	Crawford
Dunnstable	Gallagher	Grugan
Noyes	Pine Creek	Wayne
Woodward		

COLUMBIA COUNTY

Boroughs

Berwick	Briar Creek	Centralia
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Town

Bloomsburg

Townships

Briar Creek	Conyngham	Hemlock
Mifflin	Montour	Scott
South Centre		

(C) Indicates Change

Description of Territories - Continued (C)

CUMBERLAND COUNTY

Boroughs

Camp Hill	Carlisle	Lemoyne
Mechanicsburg	Mt. Holly Springs	New Cumberland
Shippensburg	Shiremanstown	West Fairview
Wormleysburg		

Townships

Dickinson	East Pennsboro	Hampden
Lower Allen	Middlesex	Monroe
North Middleton	Shippensburg	Silver Spring
Southampton	South Middleton	Upper Allen

DAUPHIN COUNTY

City

Harrisburg

Boroughs

Dauphin	Highspire	Hummelstown
Middletown	Paxtang	Penbrook
Royalton	Steelton	

Townships

Conewago	Derry (including Hershey)	East Hanover
Jackson	Jefferson	Lykens
Londonderry	Lower Paxton	Lower Swatara
Middle Paxton	Rush	South Hanover
Susquehanna	Swatara	West Hanover
Williams		

FOREST COUNTY

Borough

Tionesta

Townships

Barnett	Green	Harmony
Jenks	Tionesta	

(C) Indicates Change

Description of Territories - Continued (C)

FRANKLIN COUNTY

Boroughs

Orrstown	Shippensburg	Waynesboro
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Townships

Greene (part)	Guilford (part)	Hamilton (part)
Letterkenny (Army Depot)	Southampton	Washington

FULTON COUNTY

Borough

McConnellsburg

Townships

Ayr (part)	Todd	
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HUNTINGDON COUNTY

Boroughs

Huntingdon	Mapleton	Mill Creek
Mount Union		

Townships

Brady	Henderson	Juniata
Oneida	Shirley	Smithfield
Union	Walker	

JEFFERSON COUNTY

Borough

Summerville

Township

Barnett

JUNIATA COUNTY

Townships

Tuscarora	Lack	Milford
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(C) Indicates Change

Description of Territories - Continued (C)

Little Britain	Manheim	Manor
Mount Joy	Paradise	Penn
Pequea	Rapho	Strasburg
Upper Leacock	Warwick	West Cocalico
West Donegal	West Earl	West Hempfield
West Lampeter		

LEBANON COUNTY

City

Lebanon

Boroughs

Cleona	Cornwall	Myerstown
Palmyra	Richland	

Townships

Annville	Bethel	Cold Spring
East Hanover	Jackson	Millcreek
North Annville	North Cornwall	North Lebanon
North Londonderry	South Annville	South Lebanon
South Londonderry	Swatara	Union
West Cornwall	West Lebanon	

LEHIGH COUNTY

Cities

Allentown	Bethlehem (part)
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Boroughs

Alburtis	Catasauqua	Coopersburg
Coplay	Emmaus	Fountain Hill
Macungie	Slatington	

Townships

Hanover	Lower Macungie	North Whitehall
Salisbury	South Whitehall	Upper Macungie
Upper Milford	Upper Saucon	Washington
Weisenburg	Whitehall	

(C) Indicates Change

Description of Territories - Continued

(C)

LUZERNE COUNTY

Cities

Hazleton	Nanticoke	Pittston
Wilkes-Barre		

Boroughs

Ashley	Avoca	Conyngham
Courtdale	Dallas	Dupont
Duryea	Edwardsville	Exeter
Freeland	Forty Fort	Harvey's Lake
Hughestown	Kingston	Laflin (part)
Larksville	Laurel Run	Luzerne
Nescopeck	New Columbus	Nuangola
Pittston	Plymouth	Pringle
Shickshinny	Swoyersville	Sugar Notch
Warrior Run	West Hazleton	West Pittston
West Wyoming	White Haven	Wyoming
Yatesville		

Townships

Bear Creek	Buck	Butler
Conyngham	Dallas	Dennison
Dorrance	Exeter	Fairmount
Fairview	Foster	Franklin
Hanover	Hazel	Hollenback (part)
Hunlock	Huntington	Jackson
Jenkins (part)	Kingston	Lake
Lehman	Nescopeck	Newport
Pittston	Plains	Plymouth
Rice	Ross	Salem
Slocum	Sugarloaf	Union
Wilkes-Barre	Wright	

LYCOMING COUNTY

City

Williamsport

Boroughs

Duboistown	Hughesville	Jersey Shore
Montgomery	Montoursville	Muncy

(C) Indicates Change

Description of Territories - Continued

(C)

Picture Rocks	Salladsburg	South Williamsport
	<u>Townships</u>	
Anthony	Armstrong	Bastress
Brady	Clinton	Eldred
Fairfield	Franklin	Hepburn
Jackson	Jordan	Limestone
Loyalsock	Lycoming	McNett
Mifflin (part)	Millcreek	Moreland
Muncy	Muncy Creek	Nippennose
Old Lycoming	Penn (part)	Piatt
Porter	Shrewsbury (part)	Susquehanna
Upper Fairchild	Washington	Wolf (part)
Woodward		

MCKEAN COUNTY

	<u>Boroughs</u>	
Eldred	Mount Jewett	Port Allegany
	<u>Townships</u>	
Annin	Ceres	Eldred
Hamlin	Keating	Liberty
Norwich	Otto	Sergeant

MIFFLIN COUNTY

	<u>Boroughs</u>	
Burnham	Juniata Terrace	Lewistown
McVeytown		
	<u>Townships</u>	
Armagh	Bratton	Brown
Decatur	Derry	Granville
Menno	Union	

MONROE COUNTY

	<u>Boroughs</u>	
Delaware Water Gap	East Stroudsburg	Mount Pocono
Stroudsburg		

(C) Indicates Change

Description of Territories - Continued (C)

Townships

Chestnuthill	Coolbaugh	Eldred
Hamilton	Middle Smithfield	Paradise
Pocono	Ross	Smithfield
Stroud	Tobyhanna	Tunkhannock

MONTGOMERY COUNTY

Townships

Douglass	New Hanover	Limerick (restricted)
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MONTOUR COUNTY

Borough

Danville

Townships

Cooper	Liberty (part)	Limestone
Mahoning	Valley	

NORTHAMPTON COUNTY

Cities

Bethlehem (part)	Easton
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Boroughs

Bangor	Bath	East Bangor
Freemansburg	Glendon	Hellertown
Nazareth	Northampton	North Catasauqua
Pen Argyl and Vicinity	Portland	Roseto
Stockertown	Tatamy	Walnutport
West Easton	Wilson	Wind Gap

Townships

Allen	Bethlehem	Bushkill
East Allen	Forks	Hanover
Lehigh	Lower Mount Bethel	Lower Nazareth
Lower Saucon	Palmer	Plainfield
Upper Mount Bethel	Upper Nazareth	Washington
Williams		

(C) Indicates Change

Description of Territories - Continued (C)

Pleasant Valley	Portage	Roulette
Sharon	Summit	Sweden
Sylvania	Ulysses	West Branch
Wharton		

SCHUYLKILL COUNTY

City

Pottsville

Boroughs

Ashland	Auburn	Cressona
Deer Lake	Frackville	Gilberton
Girardville	Gordon	Landingville
McAdoo	Mechanicsville	Middleport
Minersville	Mount Carbon	New Philadelphia
Orwigsburg	Palo Alto	Port Carbon
Port Clinton	Ringtown	St. Clair
Schuylkill Haven		

Townships

Blythe	Branch	Butler
Cass	East Union	East Norwegian
Foster	Hubley	Kline
Mahanoy (part)	New Castle	North Manheim
Norweigan	Ryan	South Manheim
Union	Upper Mahantongo	West Brunswick
West Mahanoy		

SNYDER COUNTY

Boroughs

Selinsgrove Shamokin Dam

Townships

Middlecreek Monroe Penn

SUSQUEHANNA COUNTY

Boroughs

Forest City Uniondale

(C) Indicates Change

Description of Territories - Continued (C)

Townships

Clinton	Cornplanter	Cranberry
Pinegrove	President	Richland
Rockland		

WAYNE COUNTY

Boroughs

Bethany	Hawley	Honesdale
Waymart		

Townships

Berlin	Canaan	Cherry Ridge
Clinton	Dyberry	Oregon
Palmyra	Paupack	Texas

WYOMING COUNTY

Boroughs

Factoryville	Laceyville	Meshoppen
Nicholson	Tunkhannock	

Townships

Braintrim	Clinton	Eaton
Exeter	Falls	Forkston
Lemon	Mehoopany	Meshoppen
Monroe	Nicholson	North Branch
Northmoreland	Noxen	Overfield
Tunkhannock	Washington	Windham

YORK COUNTY

Townships

Fairview	Newberry	
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(C) Indicates Change

RULES AND REGULATIONS

5. EXTENSION REGULATION

5.1 Obligation to Extend or Expand.

(a) Under the rules set forth below and under normal conditions of construction and installation, upon written application, the Company will extend or expand its facilities within its service territory, provided that (a) the requested extension or expansion will not adversely affect the availability or deliverability of gas supply to existing customers and (b) the Company's investment in facilities is warranted by the Annual Base Revenue to be derived from the extension. The costs of extending or expanding facilities beyond the Company's Allowable Investment Amount shall be paid by the Extension Applicant as a contribution. Extension contributions may be excused, in whole or in part, in accordance with Rule 5.1(b). Upon request, the Company will provide Customers with a written explanation and reasonable detail of the cost-benefit analysis used in clause (b) above including estimated project costs, the Company's maximum allowable investment, and the Company's Annual Base Revenues. In addition, the Company will provide the Customer with a written timetable for the anticipated construction of the upgrade and written notice of completion.

(b) No contribution amount shall be required for an extension of facilities if all of the following conditions, as determined by the Company, are met:

(1) Service location is directly accessible from an existing or proposed (non-high pressure) Company main that would be extended up to one hundred fifty (150) feet;

(2) Service length is one hundred fifty (150) feet or less;

(3) Customer will utilize gas service as their primary heating source and be served under Rates R, RT, N or NT;

(4) Construction does not cross third party non-public property, private right-of-way or complex obstruction (stream, culvert, excessive hillside, etc.) and does not present any abnormal or unusual construction conditions or require unusual permitting requirements.

(5) Extensions not meeting all of the above conditions (1) through (4) shall have the Customer contribution amount determined upon incremental investment amount (C) required beyond those permitted by the construction conditions stated above.

(6) These modified extension provisions shall not be applied to customers along existing GET Gas designated mains nor be permitted as a method to extend existing GET Gas mains where GET Gas surcharge payments remain in effect.

(C) Indicates Change

RULES AND REGULATIONS

10. RIDER A

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge is applicable to the net monthly rates and minimum charges contained in this Tariff. The surcharge shown below will be recomputed when a tax rate used in the calculation changes and/or the Company implements a change in rates.

The recomputation of the surcharge will be submitted to the PUC within 10 days after the occurrence of a reason for surcharge recomputation shown above. If the recomputed surcharge is less than the one in effect the Company will, and if more may, submit a tariff or supplement to reflect such recomputed surcharge, the effective date of which shall be 10 days after the filing.

Rider A - State Tax Adjustment Surcharge is 0.00% (D)

This Rider applies to Rates R, RT, GL, N, NT, DS, and LFD. (C)

(D) Indicates Decrease (C) Indicates Change

RULES AND REGULATIONS

11. RIDER B - Continued

SECTION 1307(F) PURCHASED GAS COSTS

As applicable, to the extent such charges are not directly paid, Purchased Gas Costs shall include credits related to the use of PGC capacity by transportation customers where the Customer or NGS utilizes Company assigned or released pipeline capacity. In addition, revenues related to balancing services provided pursuant to Sections 22.2 and 22.4; Rate NNS; Rate MBS; capacity or commodity gas sales made pursuant to Customer elections under the Retail Standby Rider; Unauthorized Overrun; OFO, DFD and NGS penalty charges and bundled city gas sales made to NGSSs shall be credited to the PGC. Such credits shall be reduced annually by the Economic Benefit Peaking Supply (EBPS Credit) reductions calculated pursuant to Rule 22.6 of the Rules and Regulations. (C)

"E" - Experienced net overcollection or undercollection of purchased gas costs ("E-Factor"). Such net overcollection or undercollection statement shall begin with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. Each over-under collection statement shall also provide for refund or recovery of amounts necessary to adjust for over or underrecoveries of E factor amounts under the previous 1307(f)rate.

Interest shall be computed monthly at the rate provided for in Section 1307(f)(5) of the Public Utility Code from the month that the over or undercollection occurs to the effective month such overcollection is refunded or such undercollection is recouped.

Additionally, supplier refunds will be included in the calculation of "E" with interest added at the annual rate of six percent (6%) calculated in accordance with the foregoing procedure, beginning with the month such refund is received by the Company.

Computation and Application of the E-Factor

The E-Factor shall be computed to the nearest one-hundredth cent (0.01¢) per Mcf in accordance with the formula set forth below:

$$E\text{-Factor} = (-E/S)$$

Each E-Factor so computed shall be applied to customer's bill for a one (1) year period during the Computation Year.

"S" - Projected MCF of gas to be billed to Customers during the projected period when rates will be in effect.

(C) Indicates Change

RULES AND REGULATIONS

12. Rider C

WEATHER NORMALIZATION ADJUSTMENT

(C)

Applicability and Purpose:

A Weather Normalization Adjustment ("WNA") shall be applied to bills of Residential and Non-Residential customers under Rate Schedules R, RT, N and NT, for any bills rendered during the heating season October through May.

WNA is a distribution charge adjustment and is considered a basic service charge.

Calculated WNA amounts shall be subject to Rider A - State Tax Adjustment Surcharge and Rider I - Distribution System Improvement Charge. No additional riders or surcharges will be applied to the calculated WNA.

Calculation of Adjustment Amount:

The WNA will be applied to October through May billing cycles and shall be calculated on a customer account specific basis in accordance with the formula below:

$$\begin{aligned} \text{WNBC} &= \text{BLMC} + [(\text{NHDD} / \text{AHDD}) \times (\text{AMC} - \text{BLMC})] \\ \text{WNAC} &= \text{WNBC} - \text{AMC} \\ \text{WNA} &= \text{WNAC} \times \text{Distribution Charge} \end{aligned}$$

- (a) Weather Normalized Billing Ccfs ("WNBC") will be calculated as the Base Load Monthly Ccfs ("BLMC") added to the product of the Normal Heating Degree Days ("NHDD") divided by the Actual Heating Degree Days ("AHDD") and the Actual Monthly Ccfs ("AMC") less the BLMC. Weather Normalized Billing Ccfs (WNBC) will only be calculated if the AMC exceeds the BLMC. WNA will not be applicable for the billing period if AMC is less than the BLMC.
- (b) BLMC shall be established for each customer using the customer's actual average daily consumption from the billing system, measured in Ccfs, using bills with read dates of June 21st thru September 20th over a thirty-six-month period multiplied by the number of days in the billing period. The average daily base load is recalculated monthly using the most recent thirty-six months of bill history. If less than twelve months of bill history is available for the premise, an average base load for the related customer class will be applied.
- (c) AMC shall be measured for each customer and billing cycle and will be inclusive of any heating value corrections.
- (d) NHDD shall be applied on a Delivery Region specific basis as determined by the customer's geographical location and, for any given day within a billing period, shall be based upon the Delivery Region's 15-year average for the given day. NHDD shall be updated every 5 years using the methodology established in the Company's general rate case proceeding at R-2021-3030218 with the next scheduled update of the NHDD to be effective on October 1, 2025, and thereafter every five years.

(C) Indicates Change

RULES AND REGULATIONS

12. Rider C - Continued

WEATHER NORMALIZATION ADJUSTMENT

(C)

- (e) AHDD shall be the actual experienced heating degree days during the billing cycle for the customer's assigned Delivery Region, as determined by the customer's geographical location. A Delivery Region's AHDD shall be based upon experienced actual Gas Day temperatures as reported by the National Oceanic and Atmospheric Administration (NOAA) for weather stations located within that Delivery Region pursuant to the application of the Company's established Delivery Region calculation methodology.
- (f) The period for which both NHDD and AHDD will be measured for each billing period used for the WNA calculation will be based on the starting day of the customer's billing cycle minus one day through last day of billing cycle minus one day. If AHDD is unavailable for any day(s) during that period, the respective NHDD for the same day(s) will also be excluded from the calculation, thereby excluding any days missing AHDD from the WNBC calculation.
- (g) AMC will be subtracted from the WNBC to compute the Weather Normalized Adjustment Ccfs ("WNAC").
- (h) The WNAC shall then be multiplied by the applicable Rate Schedule Distribution Charge based on service rendered to compute the WNA amount that will be charged or credited to each Residential and Non-Residential customer served under Rate Schedules R, RT, N and NT.
- (i) In the event a customer's bill needs to be canceled and rebilled at any time, the WNA will be recalculated using the most recently available data for the billing period. In some cases, updates in data used in the calculation, may result in a different WNA for the billing period. Bills requiring manual processing shall not have WNA applied.
- (j) The Company will file a report detailing weather normalization information with the Commission annually by December 1st for the preceding twelve-month period ending September 30th.

(C) Indicates Change

RULES AND REGULATIONS

13. RIDER D

MERCHANT FUNCTION CHARGE

Applicability and Purpose

This Rider shall be applied to rates for each MCF (1,000 cubic feet) of gas supplied under Rate Schedules R and N of this Tariff and shall be reflected in the Price to Compare. The Rider is equal to the fixed percentage, established by the PUC in Company's last general base rate proceeding, of purchased gas costs which are expected to be uncollectible, and shall not be reconciled to reflect actual results. Rider D is intended to make Company's Price to Compare more comparable to the gas supply service prices offered of other Natural Gas Suppliers that presumably reflect anticipated uncollectible expenses.

Rider D Charge

Rider D charges shall be equal to 2.27% for Residential PGC Customers and 0.44% **(I)** Non-Residential PGC Customers of Rider B (Purchased Gas Costs).

The collection of the Rider D charges will be summarized by Rate Schedule sub-accounts in the Gas Operating Revenue FERC Account No. 480000 for Rate R and 481000 for Rates N. The associated costs are recorded in FERC Account Nos. 904001 and 904002.

(I) Indicates Increase

RULES AND REGULATIONS

15. PRICE TO COMPARE

The Price to Compare ("PTC") is composed of the Annual C-Factor, Annual E-Factor, Gas Procurement Charge and Merchant Function Charge. The PTC rate will change whenever any components of the PTC change. The current PTC rate is detailed below:

Price to Compare

	Rate R (CCF)	Rate N (MCF)	
Annual C-Factor	\$ 0.59486	\$ 5.9486	
Annual E-Factor	\$ 0.03281	\$ 0.3281	
Gas Procurement Charge	\$ 0.00660	\$ 0.0660	
Merchant Function Charge	<u>\$ 0.01425</u>	<u>\$ 0.0276</u>	(I)
Total Price to Compare	<u>\$ 0.64852</u>	<u>\$ 6.3703</u>	(I)

(I) Indicates Increase

RULES AND REGULATIONS

16. RIDER F - Continued

UNIVERSAL SERVICE PROGRAM

QUARTERLY ADJUSTMENT

Any time that the Company makes a change in base rates or PGC rate affecting residential customers, the Company shall recalculate the Rider USP rate pursuant to the calculation described above to reflect the Company's current data for the components used in the USP rate calculation. The Company shall file the updated rate with the PUC to be effective one (1) day after filing.

ANNUAL RECONCILIATION

(C)

On or before November 1 of each year, the Company shall file with the PUC data showing the reconciliation of actual revenues received under this Rider and actual recoverable costs incurred for the preceding twelve months ended September. The resulting over/undercollection (plus interest calculated at 6% annually) will be reflected in the CAP quarterly rate adjustment to be effective December 1. Actual recoverable costs shall reflect actual CAP costs, actual application costs, actual pre-program arrearage forgiveness, actual LIURP and actual Hardship Administrative costs. Actual recoverable CAP credit costs and pre-program arrearage forgiveness shall be based upon actual CAP credits granted and pre-program arrearage forgiveness granted less a 9.2% adjustment for amounts granted to participants in excess of the number of CAP enrollees as of September 30, 2022. The 9.2% adjustment related to CAP credits and pre-program arrearage forgiveness will be based on the following:

For each reconciliation period, the average annual CAP credit per participant will be determined by dividing the total actual CAP credits granted during the reconciliation period by the average monthly number of participants receiving CAP credits during the reconciliation period. The average monthly number of participants receiving CAP credits exceeding the number of CAP enrollees as of September 30, 2022 will be multiplied by the average annual CAP credit granted per participant and then multiplied by 0.0920 in order to determine the amount of the CAP Credits which will not be recovered through Rider USP.

For each reconciliation period, the average pre-program arrearage forgiveness per participant will be determined by dividing the total actual pre-program arrearage forgiven during the reconciliation period by the number of participants receiving pre-program arrearage forgiveness. The number of participants receiving pre-program arrearage forgiveness exceeding the number of CAP enrollees as of September 30, 2022 will be multiplied by the average pre-program arrearage forgiveness per participant and then multiplied by 0.0920 in order to determine the amount of the pre-program arrearage forgiveness which will not be recovered through Rider USP.

(C) Indicates Change

RULES AND REGULATIONS

19. Rider I

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply. (D)

19.A.1 Purpose. To recover the reasonable and prudent costs incurred to repair, improve, or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems.

The costs of extending facilities to serve new customers are not recoverable through the DSIC.

19.A.2 Eligible Property.

The DSIC-eligible property will consist of the following:

- Piping, Couplings, Valves, Excess Flow Valves, Risers - Distribution & Transmission. (374, 376, 365, 367)
- Measuring & Regulator Stations - Distribution & Transmission (375, 378, 379, 366, 369, 370)
- Gas Service Lines and Insulated and Non-Insulated Fittings (378, 380)
- Meters, Meter Bars, Meter Installations (381, 382)
- House Regulators & Installations (383, 384)
- Industrial & Farm Tap Measuring & Regulator Station Equipment (385, 386)
- Miscellaneous Equipment and Material- Distribution & Transmission (387, 371)
- Equipment - Electronic Systems & Software (391)
- Vehicles, Power Equipment, Tools, Shop & Garage Equipment (392, 394, 396)
- Unreimbursed costs related to highway relocation projects where a natural gas distribution company or city natural gas distribution operation must relocate its facilities.
- Gathering lines (332)
- Storage lines (353)
- Other related capitalized costs.

19.A.3 Computation of the DSIC. The DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three-month periods ending one month prior to the effective date of each DSIC update.

(D) **Indicates Decrease**

RULES AND REGULATIONS**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS (C)**
Effective November 1, 2020

22.1 Application of Rates (C)

- (a) Applicable Rates: DS, LFD, XD and IS.
- (b) Notification of Delivery; Nomination Procedures. Customer shall notify the Company of any and all gas deliveries to the Company's system, including, but not limited to, the provision of nomination, revised nomination and scheduling information, in accordance with the Company's *Nomination Procedure*, as may be amended from time to time, and made available on the Company's Gas Management Website ("Nomination Procedure"). The quantity of gas received on behalf of the Customer shall be determined by allocation or other method by the Company if required in its sole discretion. It is the Customer's responsibility to arrange that any necessary billing information be provided to the Company and/or delivery gas source.
- (c) Nominating Agents. A Customer shall notify the Company of its designated nominating agent ("Agent") for purposes of nominating the volumes of natural gas to be delivered to the Company's system on the Customer's behalf in accordance with the Nomination Procedures. Customer shall notify Company, on a form designated by the Company in the Nomination Procedures, of the responsibilities of the Agent, and shall provide Company with the Agent's valid e-mail address and valid 24-hour contact information. Customer shall remain liable for all charges and penalties notwithstanding Customer's designation and use of an Agent in accordance with the provisions herein.
- (d) Penalties for Customer's Default. Customers failing to provide nomination, billing, scheduling, agent, supplier and/or other required information to the Company or pipeline(s) in accordance with the provisions of the Tariff, or otherwise failing to comply with the Company's *Nomination Procedure*, shall be subject to applicable imbalance charges and, in addition, be charged an Administrative Scheduling Fee in an amount no greater than \$1,000 per day for every day such required information is delayed. If a Customer default of these provisions occurs and is occurring for a period of 90 days, the Company may impose retail or standby rates on the Customer's account beginning the first day after such 90-day period through and until such time as the Company deems the Customer default to have been resolved.
- (e) Sequencing for Billing. Unless otherwise agreed by the Company and the Customer, customer-owned gas delivered under the transportation rate schedules shall be sequenced for billing as the first gas through the meter, and gas purchased under the Retail and Standby Rider shall be sequenced for billing purposes as the last gas through the meter. Gas billed under firm rate schedules shall be billed prior to gas billed under interruptible rate schedules. In lieu of otherwise specified tariff provisions, where the Company and Customer agree, Company shall use pipeline metering facilities for measuring and billing total deliveries to the Customer's facility.

(C) Indicates Change

RULES AND REGULATIONS**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS (C)
Effective November 1, 2020 - Continued**

- (f) Payment of Charges, Penalties. The Customer shall pay the Company for any and all additional charges incurred on the Customer's behalf or resulting from the Customer's actions or inactions which the Company can demonstrate arise out of the provision of transportation service including, but not limited to, pipeline transportation and service charges. Any such charge, penalty or obligation imposed by a pipeline transporter or supplier as result of balancing of gas delivered to the Customer shall be paid by the Customer in addition to otherwise applicable charges.
- (g) The Billing Pool Agent is required to notify Company at least ten days prior to dropping a Customer from a Billing Pool. If adequate advance notice is not provided, the Company reserves the right to not drop the Customer from the Billing Pool.
- (h) Billing Pools. One or more transportation Customers may join together in pooled transactions for the purchase and delivery of gas. The Company may allocate among all such customers the volumes of gas or imbalances for purposes of determining responsibility for charges, rates, penalties or other obligations imposed by the Company, or in connection with operation of the pool. A Supplier to a Billing Pool must notify the Company prior to initiating gas deliveries. A Customer is required to submit in writing a request for entry into a Billing Pool.
- (1) Each Billing Pool shall appoint an Agent who will coordinate nomination, billing, reconciliation, allocation and any other necessary communication between the Billing Pool and the Company.
- (2) All members of a Billing Pool shall be of like balancing service election. The Company may restrict formation or operation of any Billing Pool in order to meet like balancing service election or pipeline imposed eligibility requirements.
- (3) Automated Meter Reading. The Company has the right as a condition of being a pool member, to install, at the Customer's expense, automated meter reading ("AMR") equipment for the purposes of daily collection or monitoring, and billing Customer volumes at each related service meter. Where AMR equipment is installed, the Customer shall maintain, at its expense, unless otherwise directed by the Company, a dedicated phone connection and electric service to the AMR equipment which will allow the Company unlimited remote access to the AMR device at all times. Failure to maintain a required phone and/or electric service may result in Customer being removed from a Billing Pool and being placed on a rate schedule not requiring daily measurement capability.
- (4) Service under Rate NNS is required by, and shall be individually billed to, any and all members of a Billing Pool except when all pool members are monitored on a daily basis through the use of Company owned AMR equipment at all meter locations. Additionally, service under Rate MBS is required by, and shall be individually billed to, any and all members of a Billing Pool when the billing month for each pool member does not end on the same calendar date; Billing Pools having all customers monitored and billed through the use of Company owned AMR equipment at all meter locations shall be exempt from this requirement.

(C) Indicates Change

RULES AND REGULATIONS

**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
Effective November 1, 2020 - Continued (C)**

- (i) Recognition of Supplies. Volumes transported on behalf of the Customer will be recognized in the Customer's current billing month based on nominated or scheduled volumes information and may be adjusted after notification is received from the pipeline supplier(s) of the volumes transported on behalf of the Customer. Volumes scheduled shall be determined on the basis of best available actual or confirmed pipeline and/or Company information at the time of billing.
- (j) Unless otherwise negotiated under Rate XD, the Company shall retain for Company use gas, and lost and unaccounted for gas, 1.0% of the total volume of gas delivered into its system for the Customer's account.

22.2 Balancing and No-Notice Service. (C)

- (a) Each Customer shall use best efforts to balance purchases, deliveries and receipts of gas at all times. Except as specified in 22.1(f), for the purposes of balancing excess deliveries and shortfalls and purchasing services under Rates NNS and MBS, Billing Pools may be treated as a single entity. Subject to the terms and conditions set forth below, the Company shall provide no-notice and monthly balancing services under Rate Schedules NNS and MBS. Service under Rate Schedules NNS and MBS is available only for inadvertent fluctuations, limited by the terms and conditions of each Rate Schedule, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. In the event the Customer fails to use best efforts to balance deliveries and receipts, or otherwise misuses no-notice or balancing services as determined by the Company in its sole discretion, Section 22.4 shall apply for the period of such default or misuse.
- (b) Daily Balancing. The Company shall allow Customer's daily demand to inadvertently vary from daily scheduled deliveries by +/-4.5% without imposing Daily Balancing Charges, provided the total daily quantity taken does not exceed Customer's Daily Firm Requirement, MDQ or otherwise specified contract demand limit. Daily imbalances in excess of the +/-4.5% tolerance, unless otherwise provided by service elected under Rate NNS, shall be assessed a Maximum Daily Excess Balancing Charge in accordance with Section 22.4 under Critical Day and Non-Critical Day criteria unless otherwise specified in Customer's contract, in addition to the charges specified in Rates DS, LFD, XD and IS, on all such quantities.
- (c) Imbalance Resolution. Customer's monthly imbalances will be calculated at the end of each billing period to determine if any overdelivery (excess) or underdelivery (shortfall) condition exists for volumes scheduled versus volumes metered. If the Customer is determined to be in an imbalance condition, and has not elected service under Rate MBS or has exceeded the 10% imbalance allowance provided under Rate MBS, then the Company shall sell and the Customer shall buy, subject to the 5 percent limitation under Rate MBS, any shortfall amount according to the following cash-out pricing:

(C) Indicates Change

RULES AND REGULATIONS

**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
 Effective November 1, 2020 - Continued (C)**

<u>Shortfall Percent</u>	<u>Cash-Out Price</u>
Up to 5%	Shortfall Monthly Index("SMI")
Greater than 5%, but not greater than 15%	SMI x 1.1
Greater than 15%, but not greater than 25%	SMI x 1.3
Greater than 25%	SMI x 1.5

Likewise, the Customer shall sell, and the Company shall buy any excess amount according to the following cash-out pricing:

<u>Excess Percent</u>	<u>Cash-Out Price</u>
Up to 5%	Excess Monthly Index ("EMI")
Greater than 5%, but not greater than 15%	EMI x 0.9
Greater than 15%, but not greater than 25%	EMI x 0.7
Greater than 25%	EMI x 0.5

The SMI (Shortfall Monthly Index) shall be the average of the published *Gas Daily* Midpoint index prices corresponding to the Customer's Delivery Region during the Customer's billing month as listed below:

<u>Delivery Region</u>	<u>Index</u>
North	Tennessee, zone 4-300 leg PLUS the applicable transportation costs from Tennessee, zone 4 to zone 4.
Central	The higher of Transco, zone 6 non-N.Y. or Transco, Leidy Line receipts plus the applicable transportation costs from Transco zone 6 to zone 6.
South	The higher of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.
West	The higher of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.

The EMI (Excess Monthly Index) shall be the average of the published *Gas Daily* Midpoint index prices corresponding to the Customer's Delivery Region during the Customer's billing month as listed below:

<u>Delivery Region</u>	<u>Index</u>
North	Tennessee, zone 4-300 leg
Central	The lower of Transco, zone 6 non-N.Y. or Transco, Leidy Line receipts plus the applicable transportation costs from Transco zone 6 to zone 6.
South	The lower of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.
West	The lower of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.

(C) Indicates Change

RULES AND REGULATIONS

**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
 Effective November 1, 2020 - Continued (C)**

Customer Delivery Region shall be assigned to each Customer in accordance with Customer's delivery location within the Company's distribution system.

The SMI and EMI are applicable to the above tables only for inadvertent monthly imbalances. The HMI (Highest Monthly Index) or the LMI (Lowest Monthly Index) as defined below shall apply respectively to shortfall and excess conditions in those situations where intentional imbalances are involved.

The HMI shall be calculated as the highest of the published *Gas Daily* Absolute index prices for the Customer's Delivery Region during the Customer's billing month as listed below:

<u>Delivery Region</u>	<u>Index</u>
North	Tennessee, zone 4-300 leg PLUS the applicable transportation costs from Tennessee, zone 4 to zone 4.
Central	The higher of Transco, zone 6 non-N.Y. or Transco, Leidy Line receipts plus the applicable transportation costs from Transco zone 6 to zone 6.
South	The higher of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.
West	The higher of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.

The LMI shall be calculated as the lowest published *Gas Daily* Absolute prices for the Customer's Delivery Region during the Customer's billing month as listed below:

<u>Delivery Region</u>	<u>Index</u>
North	Tennessee, zone 4-300 leg PLUS the applicable transportation costs from Tennessee, zone 4 to zone 4.
Central	The lower of Transco, zone 6 non-N.Y. or Transco, Leidy Line receipts plus the applicable transportation costs from Transco zone 6 to zone 6.
South	The lower of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.
West	The lower of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.

(C)Indicates Change

RULES AND REGULATIONS**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
Effective November 1, 2020 - Continued (C)**

- (d) The Company may extend the balancing period for gas volumes and may increase volumes eligible for balancing in its discretion, but only if it determines that such action is consistent with its obligations to other customers.
- (e) Supply Transfers. In order to facilitate Monthly balancing related to inadvertent imbalances in Company's sole discretion, the Company shall allow Supply Transfers among Customers and Billing Pools, Customers-to-Billing Pools and Billing Pools-to-Customers at a fee of \$125 per transaction, provided however: (1) such transfer is requested prior to the end of the billing month for both the transferee and the transferor, (2) such transfer is physically possible given pipeline interconnection and delivery point limitations which require transfers to be between parties located on the same segment of the Company's distribution system, and system supplies, and reliability are not adversely affected.
- (f) Competitive Volume Customers. In the case of Customers or applicants seeking service for facilities with a design volume capability allowing for direct connection to transmission or gathering lines for bypass of Company facilities, Company shall have the right to establish daily and monthly balancing tolerances at levels other than those specified in subsections (b) and (c) of this Section 22.2 to reflect specific operational limitations or to protect the interests of other Customers, as determined by the Company in its sole discretion. Additionally, the Company may establish special nomination rules, imbalance resolution rules and communication protocols that reflect the Customer's or applicant's commercial alternatives, and which are consistent with its obligations to other Customers.

22.3 Service Agreement and General. (C)**(a) Limitation on Liability.**

- (1) The Company shall not be liable for curtailment of service under Rates DS, LFD, XD and IS, or loss of the Customer's gas as a result of any steps taken to comply with any law, regulation or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation or order.
- (2) Gas transported and delivered by the Company to the Customer hereunder shall be and remain the property of the Customer. The Customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during and after receipt by the Company.
- (3) The Company shall not be liable for any loss to the Customer arising from or out of service hereunder, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the Customer with other supplies.

(C) Indicates Change

RULES AND REGULATIONS**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
Effective November 1, 2020 - Continued (C)**

- (b) Warranty, indemnity and special provisions. The receipt of service constitutes Customer's agreement to the following representations and warranties, together with related provisions in the service agreement:
- (1) clear and marketable title to the Customer's gas;
 - (2) delivery points, pressure, quality and other specifications acceptable to gas transmission pipeline(s) and the Company;
 - (3) eligibility of the Customer for service;
 - (4) existence of lawful authority for sale, transportation and delivery;
 - (5) agreement to pay all excise, sales, use, gross receipts, or other taxes (other than income taxes), all tariff charges and all penalties, charges, fees for transportation, balancing etc., associated with delivered gas, which may be levied upon or incurred by the Company at any time;
 - (6) agreement to indemnify and hold the Company harmless from breach of representations or warranties, and any liability associated with Customer's gas while on the Company's system.

Copy of Gas Purchase Agreements, Other Documents. When requested by the Company, the Customer shall provide the Company with a copy of Customer's gas purchase contract and any related transportation, marketing and brokerage contracts, or, in lieu of providing such contracts, certify pertinent information as required by the Company, and, in order to meet state or federal requirements, provide a sworn affidavit setting forth the Customer's cost of gas for the period requested by the Company. The Company shall endeavor to protect the confidentiality of information provided by the customer in accordance with this provision. The Company will provide such information to third parties only when required to do so by law, regulation or order and in such case, will attempt to maintain confidentiality to the extent possible.

22.4 Maximum Daily Excess Balancing Charge (C)

The Daily Excess Balancing Charge that occurs on Critical Days shall be as follows:

The charge for exceeding daily balancing limits shall be ten times the highest price as published in *Gas Daily* on the table "Daily Price Survey." For each delivery region as listed in the table below. This rate shall not be lower than the maximum penalty charge for unauthorized daily overruns as provided for in the FERC-approved gas tariffs of the interstate pipelines which deliver gas into Pennsylvania.

(C) Indicates Change

RULES AND REGULATIONS

**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS
 Effective November 1, 2020 - Continued (C)**

<u>Delivery Region</u>	<u>Index</u>
North	Tennessee, zone 4- 300 leg plus the applicable transportation costs from Tennessee Zone 4 to Zone 4.
Central	The higher of 1) Transco, zone 6 non-N.Y. or 2) Transco, Leidy Line receipts plus the applicable transportation costs from Transco Zone 6 to Zone 6.
South	The higher of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.
West	The higher of Texas Eastern, M-3 or Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.

The Daily Excess Balancing Charge that occurs on Non-Critical Days shall be as follows:

<u>Daily Imbalance Percent</u>	<u>Penalty</u>
Up to 15%	GDI
Greater than 15%, but not greater than 30%	GDI x 2
Greater than 30%, but not greater than 45%	GDI x 3
Greater than 45%, but not greater than 60%	GDI x 4
Greater than 60%	GDI x 5
Intentional imbalances	GDI x 5

The GDI (Gas Daily Index) shall be equal to the difference in price between the highest published *Gas Daily* index price and the lowest published *Gas Daily* index price for the Customer's Delivery Region as listed below but shall not be lower than \$0.25/Mcf.

<u>Delivery Region</u>	<u>Highest Index Price</u>	<u>Lowest Index Price</u>
North	Tennessee, zone 4- 300 leg plus the applicable transportation costs from Tennessee Zone 4 to Zone 4.	Tennessee, zone 4- 300 leg
Central	Transco zone 6, non-N.Y.	Transco, Leidy line receipts plus the applicable transportation costs from Transco zone 6 to zone 6.
South	Texas Eastern, M3	Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.
West	Texas Eastern, M3	Texas Eastern, M-2 receipts plus the applicable transportation costs from Texas Eastern M-2 to M-3.

(C) Indicates Change

RULES AND REGULATIONS**22. GENERAL TERMS FOR DELIVERY SERVICE FOR RATE SCHEDULES DS, LFD, XD, AND IS (C)
Effective November 1, 2020 - Continued**

The Company shall not charge any Maximum Daily Excess Balancing Charges if the Customer's Excess Daily Imbalance is anticipated to benefit the distribution systems daily balancing position as determined by Company in its sole discretion.

22.5 Operational Flow Orders and Daily Flow Directives (C)

The Company has the right to issue Operational Flow Orders and Daily Flow Directives at any time. Failure to comply with any OFO or DFD shall result in a penalty charge of Twenty-Five (\$25) per Mcf or the charge calculated in compliance with Section 22.4 Maximum Daily Excess Balancing Charge, whichever is greater.

22.6 Cost of Assigned Capacity. (C)

In addition to applicable interstate pipeline demand charges, the associated demand charges to customers, or their NGS, served under Rates DS and LFD, and who utilize assigned PGC capacity, will include 100% and 50% pro rata allocation of annual Peaking Supply service demand costs, respectively. The associated demand charges will be reduced by a pro rata share of the Economic Benefit of Peaking Supply (EBPS Credit). The EBPS Credit shall mean a pro rata share of (a) the value of Peaking Supply utilized in off system sales transactions and included in the PGC share of the Revenue Sharing Incentive Mechanism revenues, plus (b) the Commodity Price Differential, which shall be, as measured for the date of Peaking Supply delivery, the aggregate difference, if positive, between the Gas Daily price applicable to the zone of delivery (i.e., Texas Eastern M3 for deliveries in the South and West Delivery Regions with the exception of deliveries from Mt. Bethel and Transco Z6 NNY for deliveries made in the North and Central Delivery Regions and deliveries from Mt. Bethel) and the actual price paid for actual Peaking Supply deliveries into the UGI distribution system. The EBPS Credit shall be applied in the calculation of associated demand charges in the second billing month after the credit has accrued (e.g., December accrued credits will be used to reduce the February associated demand charges) and shall not, on an annual basis, exceed the annual incremental demand charges for Peaking Services charged to Rate DS and LFD customers, or their NGS, as described above.

(C) Indicates Change

RATE R

GENERAL SERVICE - RESIDENTIAL

AVAILABILITY

This rate applies to all Residential Customers in the entire gas service territory of the Company and available at one location, for the total requirements of any residential Customer. Residential Customers are customers receiving the Company's gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family.

MONTHLY RATE TABLE

Customer Charge: \$19.95 per customer (I)

Plus Distribution Charge: \$0.49996/Ccf (I)

Plus SURCHARGES and RIDERS

- Rider A - State Tax Adjustment Surcharge
- Rider B - Section 1307 (f) Purchased Gas Cost
- Rider C - Weather Normalization Adjustment (C)
- Rider D - Merchant Function
- Rider E - Gas Procurement Charge
- Rider F - Universal Service Program
- Rider G - Energy Efficiency and Conservation
- Rider I - Distribution System Improvement Charge

MINIMUM CHARGE

Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve-month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12-month intervening period.

PAYMENT

In accordance with Section 8.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

(I) Indicates Increase (C) Indicates Change

RATE RT

GENERAL SERVICE - RESIDENTIAL TRANSPORTATION

AVAILABILITY

This Rate applies to all Residential Customers in the entire gas service territory who are served by a qualified Choice Supplier receiving service under Rate AG and available at one location, for the total requirements of any residential Customer. Residential Customers are customers receiving the Company's gas service to a single-family dwelling or building, or through one meter to four or fewer units in a multi-family dwelling or premises used as a single family.

MONTHLY RATE TABLE

Customer Charge: \$19.95 per customer (I)

Plus Distribution Charge: \$0.49996/Ccf (I)

Plus SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider C - Weather Normalization Adjustment (C)
Rider F - Universal Service Program
Rider G - Energy Efficiency and Conservation
Rider I - Distribution System Improvement Charge

MINIMUM CHARGE

Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve-month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12-month intervening period.

(I) Indicates Increase (C) Indicates Change

RATE GL

GENERAL SERVICE - GAS LIGHT SERVICE

AVAILABILITY

This service is available for street, highway, driveway or other lighting or sign illumination, where measurement by meter of the gas consumed is not practicable or economical. As used herein, "light" means a single lamp or sign having one (1) gas-flow orifice and one (1) or more mantles, and of a type approved by the Company.

MONTHLY RATE TABLE

Distribution Charge: \$0.49996/Ccf (I)

Plus

SURCHARGES and RIDERS

(C)

Rider A - State Tax Adjustment Surcharge
Rider B - Section 1307(f) Purchased Gas Cost
Rider I - Distribution System Improvement Charge

Monthly usage is assumed to be 1.8 Mcf, however, for larger consumption input fixtures, the Company reserves the right to modify. (C)

BILLS DUE

All bills for continuing service are due each month when rendered, and the final due date stated on the bill shall be no less than fifteen (15) days from the date of presentation. Upon discontinuance of service, bills are due and payable upon presentation.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

SPECIAL TERMS AND CONDITIONS

Gas will be supplied to lights furnished, erected and maintained by the customer only when equipped with regulators and such devices as the Company considers necessary for turning lights on and off for maintenance and safety purposes.

(I) Indicates Increase (C) Indicates Change

RATE N

GENERAL SERVICE - NON-RESIDENTIAL

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Non-Residential Customers, using gas for any purpose including gas purchased by another public utility for resale. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate N service may not be applied to supplement or back up any transportation service.

MONTHLY RATE TABLE

Customer Charge: \$30.00 per customer (I)

Plus Distribution Charge: \$4.0413/Mcf (C,I)

Plus SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider B - Section 1307(f) Purchased Gas Cost
Rider C - Weather Normalization Adjustment (C)
Rider D - Merchant Function Rider
Rider E - Gas Procurement Charge
Rider G - Energy Efficiency and Conservation
Rider H - Technology and Economic Development
Rider I - Distribution System Improvement Charge

MINIMUM CHARGE

The Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve-month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12-month intervening period.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

(I) Indicates Increase (C) Indicates Change

RATE NT

GENERAL SERVICE - NON-RESIDENTIAL TRANSPORTATION

AVAILABILITY

This Rate applies in the entire territory served by the Company and is available to all Customers who are served by a Choice Supplier receiving service under Rate AG, except residential Customers, using gas for any purpose. Service will be supplied only where the Company's facilities and the available quantity of gas are suitable to the service desired. Rate NT service may not be applied to supplement or back up any transportation or retail service.

MONTHLY RATE TABLE

Customer Charge: \$30.00 per customer (I)

Plus Distribution Charge: \$4.0413/Mcf (C,I)

Plus SURCHARGES and RIDERS

Rider A - State Tax Adjustment Surcharge
Rider C - Weather Normalization Adjustment (C)
Rider G - Energy Efficiency and Conservation
Rider H - Technology and Economic Development
Rider I - Distribution System Improvement Charge

MINIMUM CHARGE

The Customer Charge as set forth above.

MINIMUM BILL PROVISION

If natural gas service is discontinued at the request of the Customer, the Company shall not be under any obligation to resume service to the same Customer at the same premise within twelve months unless it shall receive an amount equal to the minimum charge for each month up to a maximum of twelve months of the intervening period.

Customer at the same premise who requires seasonal service and has gas shut off and turned on within twelve-month period billed in an amount equal to the minimum charge under the applicable rate for each month service was shut off up to the 12-month intervening period.

(I) Indicates Increase (C) Indicates Change

RATE DS

DELIVERY SERVICE

AVAILABILITY

This service applies in the entire territory served by the Company. Firm Delivery Service shall be provided for all volumes supplied by the Customer for which the Company has available on system delivery capacity, subject to Section 21 - Gas Emergency Planning provisions of the Company's tariff, applicable rules and regulations of the PUC and any other governmental mandates.

The Customer must execute a Service Agreement for not less than (1) one year. The contract shall continue in force for consecutive (1) year periods unless cancelled by the Customer upon ninety (90) days written notice to Company prior to the expiration of a contract term.

Gas service in excess of volumes delivered by the Customer shall only be provided in accordance with applicable delivery service balancing provisions or in accordance with optionally elected and approved balancing or standby services.

Service under Rate DS is subject to the terms set forth under Section 22, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Capacity Charge if applicable, and the Distribution Charge as described below. The following are maximum rates.

Customer Charge: \$260.00 per month

Plus Capacity Charge: The Company's unitized weighted average cost of firm transportation capacity per elected MDQ.

Plus Maximum Distribution Charge: \$2.9977/Mcf (C, I)

Plus

SURCHARGES and RIDERS (C)

- Rider A - State Tax Adjustment Surcharge
- Rider G - Energy Efficiency and Conservation
- Rider H - Technology and Economic Development
- Rider I - Distribution System Improvement Charge
- Rider J - Gas Delivery Enhancement Rider

(I) Indicates Increase (C) Indicates Change

RATE NNS

NO-NOTICE SERVICE

AVAILABILITY

This Rate is available upon request to any Customer served on Rate DS, LFD, XD or IS who, after review and acceptance of such request by Company, has entered into a service agreement with Company for service under Rate NNS. The term of the service agreement shall be concurrent with that of the Customer's underlying Delivery Service Schedule.

Service under this Rate is available for inadvertent fluctuations only and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided.

Service to large volume users, such as electric generation facilities, may be limited as determined by the Company. Service under Rate NNS is subject to the terms and conditions set forth under Section 22 General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS.

TERMS AND CONDITIONS

(C)

Customers shall elect a specific level of no-notice service under this Rate. Such election shall be made through the specification of a No-Notice Allowance ("NNA"), in MCF per day, of an amount no less than 4.5% and no greater than 100% of Customer's Daily Firm Requirement, Maximum Daily Quantity or otherwise specified daily contract limit. The elected NNA shall be effective for a fixed period equal to the lesser of one year or the remaining balance of the Customer's service agreement or, a lesser time period mutually agreeable to both the Customer and the Company. In no instance shall a NNA be effective for a period of less than one month. Rate NNS service elections in excess of 4.5%, are interruptible.

No-notice service shall be provided under this Rate whereby the Company shall forward or bank no-notice supplies to the Customer on a daily basis in such amounts necessary to balance the Customer's daily deliveries with the Customer's daily consumption. Forwarded amounts shall be limited in amount by the lesser of the sum of the Customer's daily nomination plus elected NNA or, the Customer's DFR, MDQ or otherwise specified contract limit except as allowed. Banked amounts shall be limited to an amount no greater than the Customer's NNA election.

Customer electing an NNA shall be billed for no-notice service according to that specific level of service.

Volumes in excess of the daily limits shall be subject to Daily Excess Imbalance Charges as set forth in Section 22.4 General Terms For Delivery Service for Rate Schedules DS, LFD, XD and IS on all such excess quantities, in addition to the charges specified in the Customer's Delivery Service Schedule.

(C) Indicates Change

RATE NNS - Continued

NO-NOTICE SERVICE

EXCESS REQUIREMENT OPTION

The Excess Requirement Option is available on an interruptible basis to any delivery service Customer served under Rates XD, LFD. This Option shall extend the no-notice provisions of Rate NNS, on solely a best efforts basis, during periods where Customer's daily requirements exceed transportation contract service limits.

Customer must nominate a Daily Excess Requirement ("DER") under this Option in an amount no less than 5 Mcf per day and no greater than 25% of Customer's DFR or otherwise specified contract limit. On days where service under the Excess Requirement Option is required, Customer will have the right, subject to the terms and conditions set forth herein, to take gas in excess of Customer's DFR or otherwise specified contract limit provided such excess is no greater than the nominated DER amount.

Service taken in excess of the sum of Customer's DFR and DER on any day shall be considered Excess Take or Unauthorized Overrun as determined by Customer's Delivery Service Schedule and service agreement.

Unauthorized gas forwarded or returned to the Company by the Customer shall be considered imbalance gas and shall be subject to either the balancing provisions set forth under Section 22.2 of General Terms for Delivery Service for Rate Schedules DS, LFD, XD and IS or the Customer's otherwise applicable transportation balancing service.

MONTHLY RATE TABLE (Basic NNS Service)

\$0.1860 per Mcf per day of elected NNA (C,I)

plus

MONTHLY RATE TABLE (Excess Requirement Option)

\$4.50 per Mcf per day of elected DER.

(C) Indicates Change (I) Indicates Increase

RATE MBS

MONTHLY BALANCING SERVICE

AVAILABILITY

This Rate is available upon request to any Customer served on Rate DS, LFD, XD or IS who, after review and acceptance of such request by Company, has entered into a Service Agreement with Company for service under Rate MBS. The term of the Service Agreement shall be concurrent with that of the Customer's underlying Rate Schedule.

Service under Rate MBS is available for inadvertent fluctuations only, limited to an amount not to exceed 10% of the customer's total scheduled deliveries for the month, and is not available to speculate as to fuel prices or otherwise to permit imbalances which reasonably could have been avoided. Service under Rate MBS is subject to the terms set forth in Section 22 General Terms For Delivery Service for Rate Schedules DS, LFD, XD, and IS.

Rate MBS is available as a monthly banking service for Customer transportation deliveries. Service under Rate MBS allows Customer transportation imbalances (metered volumes less total scheduled nominations) which are within 10% of Customer's total scheduled nominations for the month to be carried forward in the Customer's MBS Account ("Balance Account") for redelivery of excesses or receipt of shortfalls in subsequent months.

TERMS AND CONDITIONS

Balance Account Operation. To the extent Customer's total deliveries exceed Customer's total consumption at the end of a Billing Month, the excess volumes shall be added to the Customer's Balance Account. To the extent Customer's total consumption exceeds Customer's total deliveries at the end of a Billing Month, the shortfall volumes shall be subtracted from the Customer's Balance Account.

Balance Account Limits. At no time, as calculated at the end of a Billing Month, shall a Customer exceed a Balance Account excess or shortfall balance greater than 10% of the Customer's total scheduled deliveries for the month, as determined by the Company in its sole discretion. Any such imbalance over 10% (excess or shortfall) shall be subject to the Cash-in/Cash-out pricing set forth in Section 22.2 for (C) monthly imbalance volumes in excess of 5%, with the remaining imbalance volumes to be carried over into the calculation of the Customer's imbalance volumes for the following month.

The Company, in its sole discretion, may zero out the Customer's Balance Account at the end of any Billing Month by purchasing or selling such net imbalance volumes in the Customer's Balance Account at the prevailing month's Cash-In/Cash-Out pricing at set forth in Section 22.2, provided such zero out may occur only if necessitated by operational needs of the Company or as a result of a requirement of an applicable interstate pipeline.

(C) Indicates Change

RATE MBS - Continued

MONTHLY BALANCING SERVICE

MONTHLY RATE TABLE

Monthly Transportation Volume

Rate DS/IS	\$0.0437/Mcf x Monthly Billed Volumes	(I)
Rate LFD	\$0.0263/Mcf x Monthly Billed Volumes	(I)
Rate XD	\$0.0221/Mcf x Monthly Billed Volumes	(I)

The Company will update the average monthly imbalance utilized in the development of Rate MBS charges annually with the actual average monthly imbalance for the 12-month period ending September to determine the new Rate MBS charges effective December 1 each year. The Company shall include the new Rate MBS charges as part of its annual PGC compliance filing.

(I) Indicates Increase

RATE LFD - Continued

LARGE FIRM DELIVERY SERVICE

MONTHLY RATE TABLE

The charge for each monthly billing period shall be the sum of the Customer Charge, the Demand Charge, the Distribution Charge and any Excess Take Charge as described below. The following are maximum rates.

<u>Customer Charge:</u>	\$670.00	
Plus		
<u>Maximum Demand Charge:</u>	\$5.9965/Mcf of Customer's elected DFR.	(I)
Plus		
<u>Maximum Distribution Charge:</u>	\$1.2386/Mcf (all volumes)	(I)
Plus		
<u>SURCHARGES and RIDERS</u>		(C)
Rider A - State Tax Adjustment Surcharge		
Rider G - Energy Efficiency and Conservation		
Rider H - Technology and Economic Development		
Rider I - Distribution System Improvement Charge		
Rider J - Gas Delivery Enhancement Rider		

RETAINAGE RATE

Company Use and Unaccounted For gas shall be retained in accordance with Section 22, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, AND IS, paragraph 22.1(j).

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

EXCESS TAKE CHARGE

Except as provided in the Company's *Nomination Procedure*, for authorized usage on any day in excess of the Daily Firm Requirement there will be a charge of \$6.00 per MCF in addition to the charges specified in the rate table.

(C) Indicates Change (I) Indicates Increase

RATE XD -Continued

EXTENDED LARGE FIRM DELIVERY SERVICE

MONTHLY RATE TABLE

The charge for each monthly billing period shall be negotiable and shall be the sum of the Customer Charge, Distribution Charge, Demand Charge if applicable, and the Minimum Annual Bill as described below.

The following are maximum rates.

Customer Charge: Charge as determined by negotiation.

Plus

Maximum Demand Charge: Charge as determined by negotiation.

Plus

Maximum Average Delivery Charge: \$1.2386/Mcf (I)

Plus

SURCHARGES and RIDERS (C)

Rider I - Distribution System Improvement Charge

RETAINAGE RATE

Unless otherwise agreed between the Customer and the Company, Company Use and Unaccounted For gas shall be retained in accordance with Section 22, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, and IS, paragraph 22.1(j)

MINIMUM BILL

Minimum Bill Volumes and terms shall be defined in the Service Agreement and determined by negotiation.

CHARGE FOR OTHER TRANSPORTATION

If the Customer chooses to use the Company as agent in regard to transportation service by others, any costs calculated by or billed to the Company, with regard to such agency, shall be billed to the Customer by the Company and may include an applicable administrative fee as agreed by the Customer and Company.

(C)Indicates Change (I) Indicates Increase

RATE R/S - Continued

RETAIL AND STANDBY RIDER

The minimum monthly bill under this rate schedule shall be the sum of the Customer and Capacity/Reservation Charges plus any commodity reservation costs per MCF of NSR.

SURCHARGES

(C)

Rider I - Distribution System Improvement Charge

Any charges or penalties imposed by pipeline suppliers as a result of usage under this rider shall, at the Company's sole discretion, be allocated to Customers according to each Customer's contractual obligation or be assigned to the Customer responsible for the incurrence of the charges or penalties.

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

(C)Indicates Change

RATE IS - ContinuedINTERRUPTIBLE SERVICE

Unless the Company otherwise agrees, the Minimum Annual Bill shall be calculated at the end of any Service Agreement period, anniversary, or termination of service in accordance with terms of the Service Agreement. Volumes of natural gas taken under Standby Service during the Service Agreement period shall be credited to the Minimum Annual Bill volumes.

SURCHARGES and RIDERS

(C)

Rider I - Distribution System Improvement Charge

PAYMENT

In accordance with Section 8 of this Tariff.

LATE PAYMENT CHARGE

Late Payment Charges shall be billed in accordance with Section 8, Billing and Payment, paragraph 8.7.

CHARGE FOR UNAUTHORIZED OVERRUN

Whenever it is necessary to restrict gas supplied under this Rate, the Company will provide due notice of such restriction. If a Customer, after having received due notice of restriction, shall take gas in excess of the amount made available by such notice, then Customer shall be billed for such excess gas at the rate of Fifty Dollars (\$50.00) per MCF, or the charge calculated in compliance with Section 22.4 Maximum Daily Excess Balancing Charge, whichever is greater, plus the charge specified in the monthly rate table. Customer shall indemnify Company from any claims by third parties resulting from Customer's unauthorized overrun.

Gas delivered under the Rate IS or purchased under the Cash-Out provisions of Section 22.2 or the Retail and Standby Rider or taken under Rate NNS shall be included in the determination of Unauthorized Overrun gas.

RETAINAGE RATE

Company Use and Unaccounted For gas shall be retained in accordance with Section 22, General Terms for Delivery Service for Rate Schedules DS, LFD, XD, AND IS, paragraph 22.1(j).

(C)Indicates Change

UGI UTILITIES, INC. - GAS DIVISION

GAS CHOICE SUPPLIER TARIFF NO. 7S

Rates and Rules
Governing the
Furnishing of
Gas Aggregation Service

Issued: January 28, 2022

Effective for service rendered on and
after March 29, 2022.

Issued By:

Paul J. Szykman
Chief Regulatory Officer
1 UGI Drive
Denver, PA 17517

<https://www.ugi.com/tariffs>

NOTICE

This supplement makes changes to existing rates(see page 2).

RULES AND REGULATIONS

4. CHOICE SUPPLIER OBLIGATIONS

4.12 If a Choice Supplier elects to participate in the Company's POR Program, the Choice Supplier must enter into a POR Agreement for the rate classes that it serves that will be included in the POR. The elected Rate Classes shall be one of the following: (1) RT only, (2) NT only, or (3) RT and NT. All receivables associated with basic natural gas supply services in the specific rate class, subject to the rate class elections made above, must be sold by the participating Supplier to the Utility. For the purposes of this provision, the phrase "basic natural gas supply services" shall include charges directly related to the physical delivery of natural gas to a retail customer but shall not include charges for "carbon-neutral" products, appliance maintenance service, energy efficiency services, termination or cancellation fees, security deposits or other products or services not directly related to the physical delivery of natural gas to a retail customers. Customer accounts that are billed for non-basic natural gas supply services will not be eligible for UGI's POR program. All of the NGS' customer accounts within the elected Rate Classes (subject to the volumetric limits contained in section 5.4) must be POR eligible accounts, with the exception of customers that purchase carbon-neutral products. NGSs may choose to use UGI consolidated billing for Non-POR eligible customers who are purchasing bundled "carbon-neutral" product offerings. The termination and reconnection provisions of Chapters 14 and 56 of the Public Utility Code and PUC regulations shall not be applicable to unpaid NGS charges for non-POR eligible accounts on consolidated billing. NGSs will be responsible for collecting unpaid NGS charges on non-POR eligible accounts on consolidated billing. UGI shall support rate-ready billing, and all NGS rates must conform to supported rate designs. For Purchased Customer Accounts, Company shall pay Choice Supplier an amount equal to 97.59% for residential amounts billed (C) (inclusive of associated sales taxes) and 99.42% of non-residential amounts (C) billed (also inclusive of taxes). Customer participation for NT shall be subject to Volumetric Eligibility pursuant to Section 5.4.

4.13 All existing customers of Choice Suppliers who elect to participate in the Company's optional Purchase of Receivables program shall be provided notice by the Choice Supplier and Company that (a) the Company will be providing one bill for all Company and Choice Supplier charges, (b) all payments should be made to the Company, (c) any unpaid amounts shall be subject to late payment charges, (d) the Company may request a security deposit for amounts which include Choice Supplier charges and (e) the Company maintains the right to terminate service for any unpaid Company or Choice Supplier charges, pursuant to Pennsylvania Public Utility Code regulations.

All new customers enrolling with Choice Suppliers who are participating in Company's optional Purchase of Receivables program shall be provided notice by the Choice Supplier prior to enrollment, and by Company upon enrollment, that (a) the Company will be providing one bill for all Company and Choice Supplier charges, (b) all payments should be made to the Company, (c) any unpaid amounts shall be subject to late payment charges, (d) the Company may request a security deposit for amounts which include Choice Supplier charges and (e) the Company maintains the right to terminate service for any unpaid Company or Choice Supplier charges, pursuant to Pennsylvania Public Utility Code regulations.

(C) Indicates Change

RULES AND REGULATIONS**7. NOMINATION PROCEDURE**

- 7.1 Customer Choice Nomination Procedure. The Nomination Procedure specifies requirements for nominating, scheduling, balancing, and communicating information relating to Choice Supplier's gas deliveries for customers served under Rates RT and NT.
- 7.2 Contact Persons. A list of Company contact persons will be posted on the Company's Web Site, located at https://ugi.outsystemsenterprise.com/UGIContacts_FO/, or its successor, along with their department affiliation, email address, and telephone number.
- 7.3 Mandatory Assignment. As used in this tariff the term "Firm Commodity Supply Alternative" shall mean a Company purchase of natural gas, delivered directly to its distribution system or at points along Company pipeline capacity routes (Commodity Delivery Points), constituting a component of Company's PGC supply portfolio and an alternative to pipeline capacity contracts upstream of the Commodity Delivery Points or other firm sources of PGC supply. Firm Commodity Supply Alternative contractual arrangements may require the payment of demand charges or minimum take requirements. Except as provided below, Choice Supplier (C) shall be required to accept releases of Company pipeline capacity combined with bundled city gate sales and, as applicable, peaking sales of gas from Company and sales of gas associated with Firm Commodity Supply Alternative arrangements, in accordance with the following assignments:

A monthly release of interstate pipeline capacity or allocation of Firm Commodity Supply Alternative in an amount equal to forty-three percent (43%) of the Peak Day Delivery Requirement ("PDDR") of the Choice Customers served by the Choice Supplier during the month shall be released or allocated at a price equal to the projected weighted average demand cost of all PGC capacity, storage, peaking and Firm Commodity Supply Alternative assets, divided by .283. Effective November 1, 2020, to the extent the full Firm Commodity Supply Alternative is not fully nominated by Choice Supplier to satisfy its DDR, the remaining daily quantity may be nominated to a non-Choice transportation customer or pool of non-Choice transportation customers.

The Company shall also provide Choice Suppliers with a must-take Monthly Bundled Sale Quantity ("MBSQ") during each winter month of November through March, and the Choice Supplier would be permitted to nominate and purchase gas at the Company's city gates throughout each winter month, subject to the Maximum Daily Quantity ("MDQ") limits, up to the MBSQ. The MDQ equals twenty-one percent (21%) of the PDDR of the Choice Customers served by the Choice Supplier during the month multiplied by the percentage shown on the Company's Energy Management website. The minimum daily quantity is zero. Choice Suppliers are required to (C) nominate to the Company a daily quantity for bundled sales no later than 2:00 P.M. Eastern Prevailing Time on each Intercontinental Exchange ("ICE") trading day for deliveries applicable to the ICE flow dates. If no nomination is received, the nomination quantity would default to zero. The Company reserves the right to issue Operational Flow Orders ("OFO") that can modify the daily bundled sale MDQ or require certain levels of deliveries from the released firm transportation contracts. These OFOs would be issued for operational reasons only. MBSQs would be based on the Company's storage withdrawal plan, to be updated annually, and communicated as a percentage of each Choice Supplier's pre-month normalized

RULES AND REGULATIONS

7. NOMINATION PROCEDURE - CONTINUED

delivery requirements, which will be shown on the Company's Energy Management website. (C)

If the full MBSQ is not nominated and purchased by the end of each such winter month, the shortfall ("Bundled Sale Cash-In quantity") would be purchased by the PGC ("Bundled Sale Cash-In amount") as follows:

- a. The DDR Variation Percentage is the sum of the actual DDRs experienced by a Choice Supplier divided by the sum of the pre-month average DDRs that was used to calculate the MBSQ, converted to a percentage. For any month where the DDR Variation Percentage is greater than ninety percent (90%), the Bundled Sale Cash-In amount would equal (1) the product of (a) 0.90 times the lowest absolute low for the Texas Eastern, M-2 receipts index price as published in Platts' Gas Daily for the applicable month of flow minus (b) the summer index price used for bundled sales (the "Bundled Sale Cash-In index") times (2) the Bundled Sale Cash-In quantity. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.
- b. In recognition of the effects of extreme warm weather conditions, shortfall amounts would be purchased as follows under such conditions:
 - i. For any month where (a) the DDR Variation Percentage is less than or equal to ninety percent(90%) and (b) the Bundled Sale Cash-In quantity is less than or equal to the MBSQ minus the product of the DDR Variation Percentage times the MBSQ, then the Bundled Sale Cash-In amount would equal (1) the First of the Month Price called "Columbia Gas Transmission Corp., Appalachia" as published in Platts' Gas Daily Price Guide ("Inside FERC") for the month subsequent to the applicable month in which the Bundled Sale Cash-In quantity was created minus the summer index price used for bundled sales (the "Alternate Bundled Sale Cash-In Index") times (2) the Bundled Sale Cash-In quantity. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.
 - ii. For any month where (a) the DDR Variation Percentage is less than or equal to ninety percent (90%) and (b) the Bundled Sale Cash-In quantity is greater than the MBSQ minus the product of the DDR Variation Percentage times the MBSQ, then the Bundled Sale Cash-In amount would equal (1) the Alternate Bundled Sale Cash-In Index, as defined in Section 7.3.b.i, times the DDR Variation Percentage times the MBSQ plus(2) the Bundled Sale Cash-In Index, as defined in Section 7.3.a,times the difference of the Bundled Sale Cash-In quantity minus the product of the DDR Variation Percentage times the MBSQ. If the resulting amount is positive, it would be credited to the Choice Supplier, or if negative, would be billed to the Choice Supplier.

(C) Indicates Change

RULES AND REGULATIONS

9. ENROLLMENT OF CUSTOMERS INTO RATE SCHEDULES RT AND NT

- 9.1 To be served under Rate Schedules RT and NT, a Customer must be enrolled by the Choice Supplier elected by the Customer. Such enrollment by the Choice Supplier must be provided in an electronic file to the Company via an approved internet-based EDI transaction. The requirement filed shall include:
- a. The customer's name;
 - b. The customer's address;
 - c. The customer's Company account number;
 - d. The specific transaction;
 - e. The elected billing option.
- 9.2 Company Confirmation. Company will electronically confirm receipt of the enrollment information and within one (1) business day and subsequently provide an electronic validation of the Choice Supplier's transmitted information.
- 9.3 Determination of Gas Flow Date. For enrollments received and processed on or (C) before the 15th of any calendar month, the customer will be switched to Rate Schedule RT and NT, where the customer does not respond within 5 days from the Company's mailing of a letter confirming the election to be served by the Choice Supplier, on the Customer's regularly scheduled meter reading date in the calendar month immediately following the month the enrollment information was received and processed. For enrollments received and processed after the 15th (C) of any calendar month, the customer will be switched to Rate Schedule RT and NT, where the customer does not respond within 5 days from the Company's mailing of a letter confirming the election to be served by the Choice Supplier, on the Customer's regularly scheduled meter reading date in the second calendar month following the month the enrollment information was received and processed. (C)

(C) Indicates Change

ARTICLE XI. NOTICES AND CORRESPONDENCE

Written notice and correspondence to Company shall be addressed as follows:

UGI Utilities, Inc. - Gas Division

1 UGI Drive

Denver, PA 17517

Attention: Rates Department - Choice Administrator (C)

Email: EDI-GAS@UGI.COM

Written notices and correspondence to Choice Supplier shall be addressed as follows:

Name

Address

Attention: (C)

Telephone:

Email:

Either party may change its address for receiving notices effective upon receipt, by written notice to the other party.

(C) Indicates Change