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March 15, 2024

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – 2nd Floor
Harrisburg, PA 17120

Re: **Petition of Peoples Natural Gas Company LLC for Approval of a Major Modification to its Existing Long-term Infrastructure Improvement Plan P-2020-3021942 & P-2020-3022053**

Dear Secretary Chiavetta:

Enclosed for filing is the Petition of Peoples Natural Gas Company LLC (the “Company”) for Approval of a Major Modification to its Combined Existing Long-term Infrastructure Improvement Plan (“LTIIIP”) for both of its divisions (Peoples Natural Gas Company LLC – Peoples Natural Gas Division and Peoples Natural Gas Company LLC – Peoples Gas Division). The filing includes a red-lined version of the Company’s current Combined LTIIIP and its accompanying appendices to reflect the requested modifications.

If you have any questions or concerns, please reach out to me at (412) 208-6527.

Respectfully submitted,



Meagan Moore

Enclosures

Cc: Certificate of Service
Matt Stewart (TUS) via e-mail

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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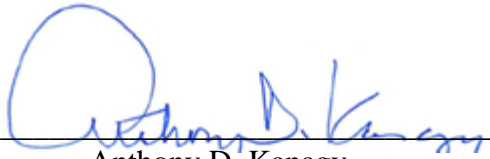
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Date: March 15, 2024



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Peoples Natural Gas Company :
LLC for Approval of a Major Modification : Docket Nos. P-2020-3021942
to its Existing Long-term Infrastructure : P-2020-3022053
Improvement Plan :

**PETITION OF PEOPLES NATURAL GAS COMPANY LLC FOR APPROVAL OF A
MAJOR MODIFICATION TO ITS EXISTING LONG-TERM INFRASTRUCTURE
IMPROVEMENT PLAN**

Peoples Natural Gas Company LLC¹ (“Peoples” or “the Company”) hereby files this Petition seeking approval of a major modification to its existing Second Combined Long-Term Infrastructure Improvement Plan² (“Second Combined LTIIIP” or “current LTIIIP”). This Petition requests a major modification be made to Peoples’ Second Combined LTIIIP for the years 2021-2025 (hereinafter referred to as the “Petition” or the “Amended Second Combined LTIIIP”), pursuant to Section 1352 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1352, and the Pennsylvania Public Utility Commission’s (“Commission”) regulations at 52 Pa. Code §§ 121.3 and 121.5.

In its current LTIIIP, Peoples is executing an extensive pipeline infrastructure improvement program that is focused on the repair, improvement and/or replacement of certain eligible assets

¹ Currently there are two divisions of Peoples Natural Gas Company LLC – Peoples Gas Division and Peoples Natural Gas Division. This Petition requests a major modification on behalf of both Divisions.

² The Company’s currently effective LTIIIP is a Combined LTIIIP for Peoples Natural Gas Company LLC and Peoples Gas Company LLC approved at Docket Nos. P-2020-3021942 and P-2020-3022053. Peoples Natural Gas Company LLC (“Peoples Natural Gas”) & Peoples Gas Company LLC (“Peoples Gas”) (the “Peoples Divisions”) filed an application on December 1, 2021 to merge Peoples Gas into Peoples Natural Gas at Docket Nos. A-2021-3029831 and A-2021-3029833. Approval was received and thus effective January 1, 2023 the legal entities were merged. As such, Peoples Natural Gas became Peoples Natural Gas Company LLC – Peoples Natural Gas Division (“PNGD” or “Peoples Natural Gas Division”) and Peoples Gas Company became Peoples Natural Gas Company LLC – Peoples Gas Division (“PGD” or “Peoples Gas Division”).

in the Company’s natural gas distribution system. In its current LTIP, the Company committed to replace more miles of pipe than the prior LTIP and as a result, the current LTIP accelerates the replacement of higher at-risk pipe with each program year. With the acceleration of pipe replacement, the Company is also realizing increased expenditures each year. The Company projects that its capital expenditures for the years 2024 and 2025 will exceed the initial projections contained in its currently effective, Commission-approved LTIP for those same respective years. The capital expenditure projections for 2024 and 2025 exceed by more than 30% the 2024 and 2025 original capital expenditure projections contained in the Company’s current LTIP. Cumulatively, the Company’s estimated LTIP costs will total more than 20% of the original projections. Therefore, the Company requests a major modification of its current LTIP under 52 Pa Code § 121.2 to include the reasonable, cost-effective and prudently incurred projected expenditures established herein.

By this Petition, the Company respectfully requests that the Commission approve a major modification to the Company’s Second Combined LTIP to include an increase in capital spend for years 2024 and 2025.

I. INTRODUCTION

1. Peoples is a “public utility” and a “natural gas distribution company” as those terms are defined in Sections 102 and 2202 of the Code, 66 Pa. C.S. §§ 102, 2202. Peoples provides natural gas services to more than 700,000 customers in all or portions of the following Pennsylvania counties: Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Clearfield, Fayette, Greene, Indiana, Jefferson, Lawrence, Mercer, Somerset, Venango, Washington and Westmoreland.

2. The names, addresses and telephone numbers of the Company's counsel for the purposes of this filing are as follows:

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Peoples' attorneys are authorized to receive all notices and communications regarding this filing.

3. The Commission's regulations provide that the LTIP must include the following eight major elements:

- (1) Types and age of eligible property;
- (2) Schedule for its planned repair and replacement;
- (3) General description of location of the eligible property;
- (4) Reasonable estimate of the quantity of property to be improved or repaired;
- (5) Projected annual expenditures and means to finance expenditures;
- (6) Manner in which replacement of aging infrastructure will be accelerated and how repair, improvement or replacement will maintain safe and reliable service;
- (7) A workforce management and training program; and
- (8) A description of a utility's outreach and coordination activities with other utilities, the Department of Transportation and local governments regarding the planned projects and roadways that may be impacted by the LTIP.

51. Pa. Code § 121.3(a). The Company’s Amended Combined Distribution LTIIIP for 2021-2025 which is attached hereto, meets the requirements included in the Commission’s regulations.

4. On September 22, 2017, Peoples Natural Gas Company LLC, Peoples Natural Gas Division (“PNGD”) and Peoples Gas Division (“PGD”) (collectively “Peoples” or the “Peoples Companies”), filed a combined distribution LTIIIP for 2017-2021. The petition was a revision of Peoples Natural’s and Peoples Gas’ then-current LTIIIPs. The Combined LTIIIP was approved on January 18, 2018.

5. As pursuant to the Order entered on January 24, 2020, the Commission approved, with certain modifications, a Joint Petition for Settlement authorizing Aqua America Inc. to acquire the Peoples Companies. As part of the approved settlement, the Peoples Companies committed to file a modified LTIIIP within six months following closing of the acquisition that further accelerated the rate of replacement of higher risk pipe after closing. The closing of the transaction occurred on March 16, 2020.

6. On September 15, 2020, the Peoples Companies filed a Second Combined Distribution LTIIIP for 2021-2025 in compliance with the commitments made in the aforementioned acquisition of the Peoples Companies by Aqua America Inc., thereafter known jointly as Essential Utilities Inc. (“Essential”). Peoples’ Second Combined Distribution LTIIIP was approved on January 14, 2021. The instant Petition is a request to modify Peoples’ Second Combined Distribution LTIIIP.

II. NEED FOR A MAJOR MODIFICATION

7. The Commission’s regulations at 52 Pa. Code § 121.5(a) provide that a utility electing to include a major modification to its LTIIIP during the term of its LTIIIP must file a petition

for approval of the modification. A “major modification” includes an increase to the total estimated cost of the LTIIIP by more than 20%. 52 Pa. Code § 121.2.

8. In its current LTIIIP, Peoples committed to certain pipeline replacement mileage for each program year. Specifically, Peoples’ projects that it will replace 186 miles each year for the remaining two years of its current LTIIIP. For example, the following table illustrates the mileage Peoples’ committed to replace as part of its current LTIIIP and then the actual miles replaced per year (with actuals through calendar year 2023). The table also identifies the miles the Company expects to replace in calendar years 2024 and 2025:

As-filed LTIIIP Commitment		Miles	Modified LTIIIP Actual/Forecast		Miles	Variance	
2021	\$ 258.1	159	2021	\$ 262.0	167	1.51%	actual AAOP
2022	\$ 256.2	159	2022	\$ 340.4	159	32.86%	actual AAOP
2023	\$ 346.6	181	2023	\$ 413.6	185	19.33%	actual AAOP
2024	\$ 347.3	186	2024	\$ 451.9	186	30.12%	forecast
2025	\$ 347.5	186	2025	\$ 468.5	186	34.82%	forecast
	\$ 1,555.7	871		\$ 1,936.4	883	24.47%	cumulative

9. In order to meet the committed level of pipeline replacement miles, the Company will need to increase its capital expenditures for each remaining year of its current LTIIIP. The table above identifies the Company’s projected expenditures for LTIIIP years 2021-2023 and the actual spend results for those same years. The table illustrates that for LTIIIP program years 2022 and 2023, the Company’s spend exceeded the original projections by more than 32% for 2022 and nearly 20% for 2023. The Company estimates that its program spend for the years 2024 and 2025 will increase by approximately 30% for 2024 (from \$347 Million to \$452 Million) and by 35% for 2025 (from \$348 Million to \$469 Million). Therefore, the total estimated cost of the Company’s current LTIIIP will increase by more than 24% cumulatively, from \$1.5 Billion as originally projected, to more than \$1.9 Billion projected in this Petition.

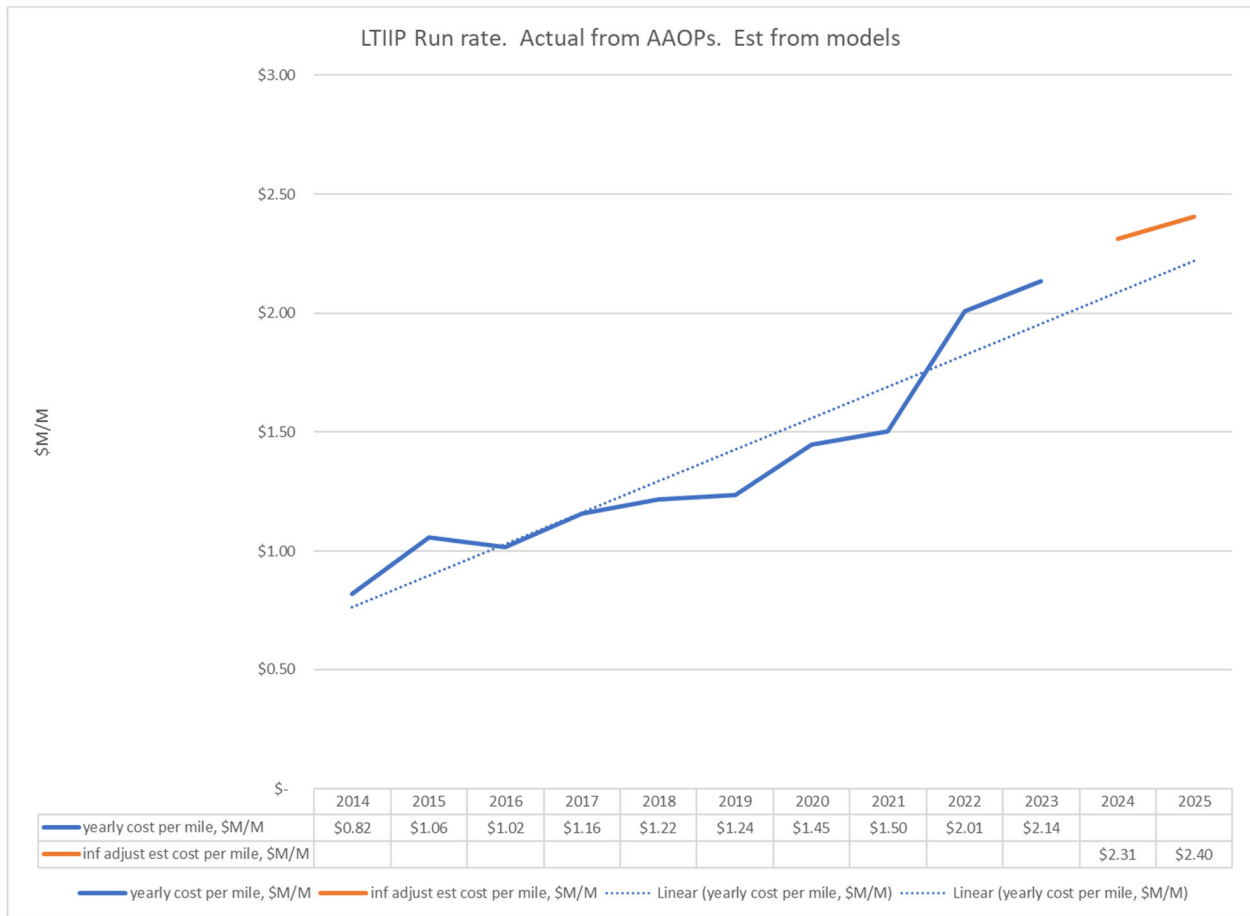
10. Because Peoples' total capital expenditures are projected to increase by more than 20%, the Company is requesting approval of this major modification of its current LTIP. The increases in capital spend established herein are necessary for the Company to meet the accelerated pipeline replacement commitments in its current LTIP.

III. JUSTIFICATION FOR A MAJOR MODIFICATION

11. Peoples' current LTIP expenditures exceed the originally projected expenditures by more than 20% for many reasons including but not limited to rising labor costs, material costs, restoration and permitting costs, and overall inflationary increases from the COVID pandemic.

12. The outlined projected expenditures in this Petition were developed by using updated average cost per mile estimates from actual construction project costs experienced and completed in 2018 through 2023. The original expenditures were developed using data from 2017 through 2020. Since that time, the Company has seen its rate of change in the average cost per mile quadruple. From 2016 through 2019 the average cost per mile for the Company's LTIP at the time grew at an average annual compound growth rate of approximately 4% per year. From 2020 through 2022 the average cost per mile grew at an average annual compound growth rate of approximately 17% per year.

13. As the chart shows below, the average cost per mile increased dramatically in 2022.



In 2021 and 2022, the Company installed/removed virtually the same number of miles. However, the costs for 2022 were almost \$80M higher.

14. The primary reasons for the cost increases included with this Petition are due to increased contractor unit pricing (as a result of oil prices, labor costs and general inflation) and pipeline project increases associated with large diameter pipe projects.

15. In 2021 the main urban area contractor unit price contracts expired and the new bids for 2022 were higher. Higher oil prices, higher labor costs and general inflation increased

restoration contracts, as well. As a result, these factors increased the 2022 costs by approximately \$40M and are reflected in the increase requested herein for both 2024 and 2025.

16. Additionally, in 2022, the Company began its anticipated large diameter pipeline replacement projects as part of its LTIIIP project portfolio. In 2022, the Company completed the replacement of 12 miles of large diameter pipeline projects. These large diameter projects are typically two to five (2-5) times more costly than the average, small diameter projects. Of the requested increase, approximately \$33 million per year can be attributed to large diameter pipeline projects.

17. Given the new contractor unit price contracts, Peoples' plans to continue to execute 12 miles or more of large diameter projects annually, and the actual costs of 2023 work, the Company expects the costs in 2024 and 2025 to increase as shown above on page five. Thus, the Company's request for a major modification of its current LTIIIP to establish increased projected spend for calendar years 2024 and 2025, is reasonable, cost-effective and prudently incurred.

IV. SERVICE

18. Pursuant to the Commission's regulations at 52 Pa. Code § 121.4(a), Peoples is serving this Petition for a Modified Second Combined LTIIIP Plan on the statutory advocates and all of the parties of record in the Company's pending base rate proceeding at R-2023-3044549.

V. **CONCLUSION**

WHEREFORE, Peoples Natural Gas Company LLC respectfully requests that the Pennsylvania Public Utility Commission approve the Company's Petition requesting a Major Modification to its currently effective Second Combined LTIP for calendar years 2021-2025.

Respectfully submitted,



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THE PEOPLES COMPANIES
AMENDED COMBINED DISTRIBUTION LTIIP (2021-2025)

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INTRODUCTION

This document is the Combined Distribution Long-Term Infrastructure Improvement Plan (“Combined Distribution LTIIP”) of Peoples Natural Gas Company LLC (“Peoples Natural”) and its sister company Peoples Gas Company LLC, (“Peoples Gas”) (collectively, the “Peoples Companies” or the “Companies”) for the period January 1, 2021 through December 31, 2025. This Combined Distribution LTIIP replaces the currently-approved, Combined Distribution LTIIP for the Peoples Companies that was approved by the Pennsylvania Public Utility Commission’s (“Commission”) order entered on January 18, 2018 at Docket Nos. P-2013-2344596 and P-2013-2342745 and No. P-2016-2563033.¹

By Final Order entered January, 24, 2020, at Docket No. A-2018-3006061, et. al., the Commission approved the sale of the Peoples Companies to Aqua America, Inc., now Essential Utilities, Inc. (“Essential”). The closing of this sale occurred on March 16, 2020. As part of the Non-Unanimous Settlement (“Settlement”) approved by the Final Order, the Companies committed to file a modified LTIIP within six months of the close of the acquisition, which would propose to further accelerate pipeline replacement by at least \$30 million per year to replace approximately 25 additional miles per year of distribution pipe beginning in 2021 (Settlement, ¶ 69). In addition, the Companies committed to submit a five-year plan regarding the Companies’ staffing needs to complete the increased level of projects. The Peoples Companies are filing this LTIIP to fulfill the requirements of the Settlement, which reflects an acceleration of infrastructure replacement.

In addition to accelerated pipeline replacement, this Combined Distribution LTIIP reflects several other modifications from the currently-effective LTIIP. Consistent with the Commission’s previous orders approving prior LTIIPs for the Peoples Companies, the Peoples Companies will continue

¹ The Peoples Companies current LTIIP covers the period from 2017-2021.

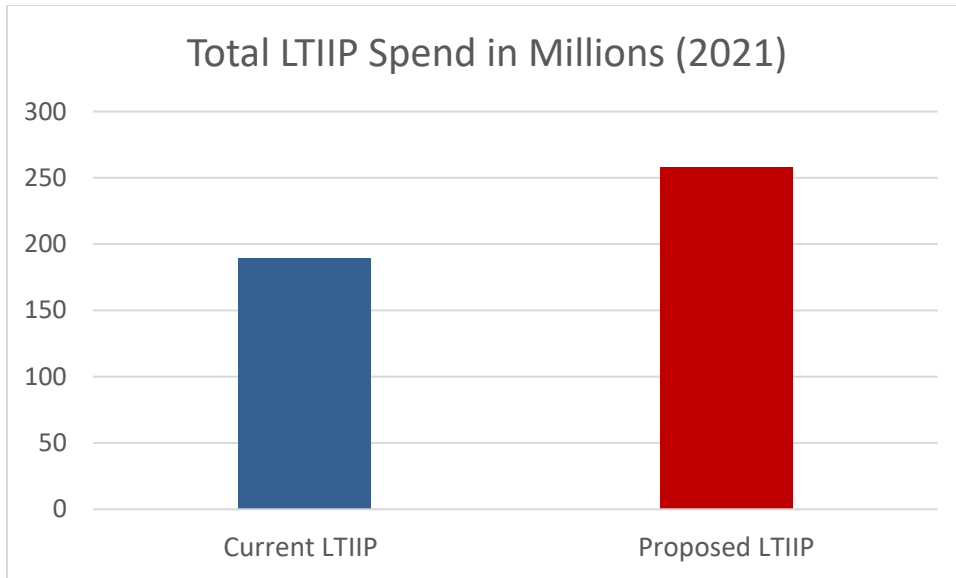
to replace all 'at-risk' customer owned service lines within the scope of its LTIP projects. The projected amount of customer-owned service line replacements has increased over the 2021 – 2025 LTIP period commensurate with the increased replacement of distribution pipe. This combined Distribution LTIP also reflects an increased emphasis on reducing the remaining bare steel DOT transmission lines. The special meter technology/ERT implementation program that began in 2016 for Peoples Natural (former Peoples Division) and Peoples Gas is nearing completion. Peoples Natural is now focusing on the replacement of first generation ERTs at Peoples Natural (former Equitable Division) and projects to complete this in 2020. The Peoples Companies will accelerate the replacement and investment in measuring and regulating (“M&R”) infrastructure to further enhance service reliability. The Companies also are proposing a new program to enhance overall gas safety and reliability by installing additional facilities related to Over Pressure Protection and have included infrastructure acquired in the acquisition of Mountain Energy LTD (“Mountain Energy”) as DSIC-eligible property to be replaced in the future. Each of these areas is detailed in the sections below.

PIPELINE REPLACEMENT STRATEGY

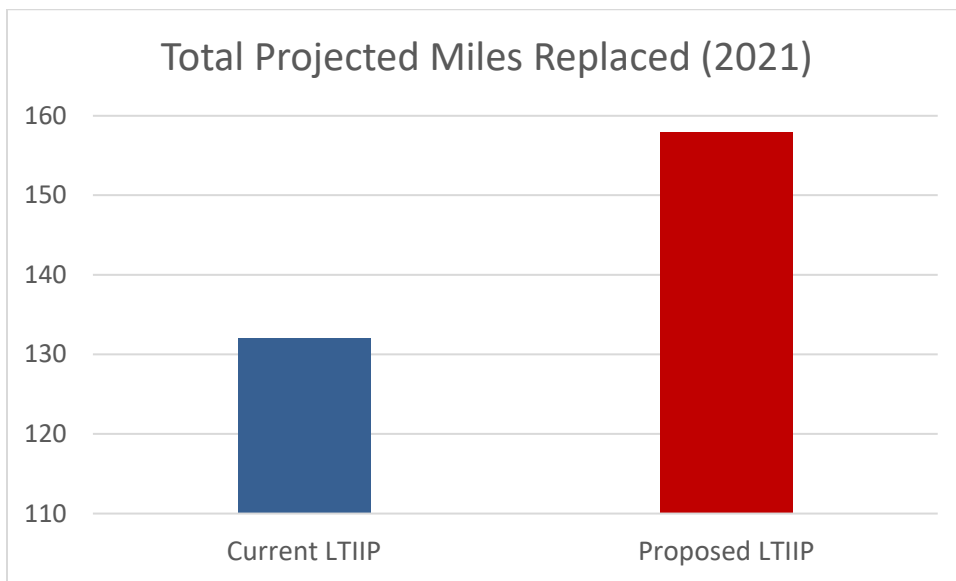
The Peoples Companies will increase main and services line investment over the current LTIP spending plans commencing in 2021 and replace all current at-risk distribution pipeline (approximately 2,740 miles) by 2034. For the five-year period covered in this Combined Distribution LTIP, the Peoples Companies will replace 870 miles of at-risk pipe, over 42,800 company owned services and 27,400 customer owned services. The Companies will target the highest risk segments and develop projects around these segments.

The Companies' Distribution LTIPs include both distribution and transmission pipe. The Peoples Companies operate approximately 163 miles of DOT transmission pipelines, of which approximately 26 miles or 16% are bare steel. Three critical pipelines comprise the majority of these 26 miles. (One pipeline, TP7220/7300, contains 23 miles of bare steel.) Due to their operating characteristics, these three transmission pipelines are considered higher risk. They operate at higher pressure, are more prone to rupture than leaking, and are key supply pipelines serving tens of thousands of customers. For these reasons, this Combined Distribution LTIP has a focus on replacing large portions of the remaining bare steel in these three DOT transmission pipelines. During the period covered by this LTIP the Peoples Companies plan to replace approximately 17 of the remaining 26 miles or over 65%. At the end of the period covered by this LTIP only one transmission pipeline, TP7220/7300 will contain bare steel sections. (the Peoples Companies anticipate the remaining 9 miles will be replaced by the end 2029.) These transmission pipeline replacements are more expensive than distribution pipelines – often costing 3 to 7 times more.

The Peoples Companies' projected expenditures and pipeline replacement amounts for 2021 comply with the aforementioned settlement commitment of an increase of \$30 million in spend per year and, as discussed above, will average 25 miles of additional annual pipeline replacement beginning in 2021. The Companies projected LTIP spend for 2021 is increasing from \$189.1 million as contained in the current LTIP, to \$258.1 million, an increase of \$69 million (36%).



Also, the Companies' projected replacement amount for 2021 is increasing from 132 miles as filed in the current LTIIIP to 158 miles, an increase of 26 miles (20%).



This LTIIIP increases the five-year capital investment for Mains and Services from \$822.5 million over the 2017-2021 period to ~~\$1.467~~ \$1.849 billion over the 2021-2025 period, an increase of ~~\$644.1~~ million \$1.026 billion (+~~78~~ 125%) above the original combined LTIIIP plan. In addition, Peoples

Companies projected mileage replacement increases from the 2017-2021 projection of 610 miles to 870 miles over the 2021-2025 time period, an increase of (43%) or 52 miles per year above the current plan. This projected mileage replacement reflects an average increase of slightly more than 28 miles per year above previous planned mileage replacements for the years 2021-2025. Overall, the total LTIP spending will increase from \$919 million to ~~\$1.556~~ \$1.940 billion, an increase of ~~\$636.7 million~~ \$1.021 billion (~~69%~~ 111%). The increased investments may accelerate the completion of the replacement of at-risk pipe by one year from 2034 to 2033.

The exact number of miles replaced per year can be very challenging to target given the mix of projects, specific township requirements, availability of construction crews and a myriad of logistical challenges. The Peoples Companies plan includes the ability to adjust the total miles replaced year to year based on the logistical items outlined above. For instance, if in 2021 Peoples Companies replace 165 miles in 2021 and exceeds the 160 miles proposed then the additional miles would be reduced over the remaining 5 years of the LTIP and vice versa. Overall, Peoples Companies propose to replace 870 miles over the 2021-2025 time period given that over the 5 year period the risk reduction will still occur as outlined in this document.

STAFFING PLAN

The Peoples Companies have developed construction forecasting software that is used to build models based on the mileage of mainline pipe to be replaced to begin the planning process for each year. The model is used by construction management to establish a model of mainline pipe to be replaced, as well as, new construction pipeline. The model is driven by multiple parameters that factor in the number of miles to be replaced, the annual budget, the number of internal and external crews

planned, the productivity by region, the capacity of each region, the capacity of contractors by region, the number of vehicles per crew, based on type of work, the risk of pipe, the costs by region, the cost of construction support personnel, the capacity of the designers to work on LTIIP projects, the cost and capacity of restoration crews, the capacity to complete work by time of year, and the constraints of management and supervisors. This tool builds a forecast of the crews and resources needed to complete the mileage replacement per month, and shows variances by the multiple areas described above, in terms of the current metrics, and what is needed by the model. Multiple scenarios are then created to balance the model to meet the constraints, or to establish the need to add more crews or vehicles to a region, and/or hire more resources, either internal or external.

The aforementioned model was used as a planning tool for this Combined Distribution LTIIP and the results are summarized on the attached Appendix 1. This model was used to determine the staffing levels required to execute the accelerated plan. Additional staffing will be added in the latter half of 2020. This ramp up in 2020 will allow the staffing to be on boarded, trained, and qualified such that they can begin work in early 2021.

The Peoples Companies are positioned well in the local labor market with regard to wages, benefits and reputation. In addition, the Companies have a very low turnover rate that averages less than 2% and, therefore, do not need to expend substantial effort backfilling vacancies. Recruitment of applicants to fulfill staffing requirements in both field and support positions have been easily met through passive recruitment of applicants. In the second quarter of 2020, the Peoples Companies began recruiting candidates to fill current vacancies and build a pool of vetted candidates in anticipation of the LTIIP ramp up. The most recent job posting resulted in approximately 200 applicants. Due to the Companies' labor market position, and its effective use of screening questions

during the application process, the Peoples Companies find that about 55% to 65% of applicants present as well qualified and move on to the interview phase. This also results in a high success rate for candidates that are interviewed. Likewise, recent recruitment of support staff shows that candidate pools are strong and the Companies do not anticipate a shortage of successful candidates for these positions.

The Peoples Companies will take a two-phased approach to adding contractor crews. The first approach will be to contact the Companies' current contractors to add additional crews. The Peoples Companies currently have eight pipeline contractors who have identified that they have capacity and are willing to add additional crews as the Peoples Companies need them. The second approach will be to add new pipeline contractors to support the ramp up in construction. The Peoples Companies have five new pipeline contractors that have been identified to provide potential future additional construction crews. Initial conversations have been completed with these contractors and the Peoples Companies have informed them that they will be contacted to complete the on-boarding process as soon as the Companies have sufficient additional work to support them.

AUTOMATED METER READING

Automated Meter Reading (AMR) is a technology which allows for consistent and accurate collection of information from a natural gas meter. The technology has been available for more than 40 years, and has continued to evolve into the reliable, multi-faceted systems that are commercially available today. Readings are captured by an AMR device, a unit mounted on the natural gas meter by a trained installer. The AMR device has the ability to constantly monitor and register a customer's natural gas usage. Data is collected and transferred to a centralized database for billing purposes

and/or usage analysis. This information is then used to calculate a monthly bill for the customer. AMR eliminates the need for manual meter readings and more importantly eliminates the need for an “every other month” estimated bill. Actual readings will increase customer satisfaction by improving the accuracy of customer usage data for billing and other data collection purposes and minimize intrusion upon a customer's home or business. Over the years, as AMR technology has been refined, more natural gas distribution companies throughout the country have converted to AMR use. The majority of Natural Gas Distribution Companies in Pennsylvania are using AMR and, due to Act 129, all Electric Distribution Companies are required to implement Smart Meters.

As of August 27, 2020 Encoder Receiver Transmitters (“ERTs”) have been placed on 99.1% of Peoples Natural Gas’ meters and 98.1% of Peoples Gas’ meters. The Peoples Companies will continue to work towards installing ERTs on the remaining meters in 2020.

Peoples Natural has begun replacing the first generation ERTs (aka 40g) on the legacy Equitable Gas meters and the goal is to have all of the meters upgraded by end of 2020.

While the Peoples Companies already have Commission approval to include AMR technology as an LTIIIP category, they received Commission approval to withdraw the proposal to recover AMR-related costs through the DSIC mechanism and reserved the right to present a future claim to recover AMR technology costs through the DSIC mechanism at such time when the Companies actually install AMR support technology. The Companies recognize that such a claim would need to be made through a separate petition that requests modification of their existing DSIC recovery mechanisms. The Companies are not submitting such a petition at this time but reserve the right to do so in the future.

M&R STATIONS

Metering and Regulating ("M&R") stations are critical points where gas pressure and delivery volumes are regulated to ensure that gas delivered into or out of a pipeline system is maintained within a specified and safe operating pressure range. M&R stations are located at points where gas is delivered between higher- and lower-pressure pipelines. An M&R station regulates or adjusts pressure and volumes from a higher-pressure transmission or distribution pipeline for delivery into a lower-pressure distribution pipeline.

Peoples Natural has 2,038 M&R stations and Peoples Gas has 714 M&R stations strategically located on the respective systems.

In its currently approved Combined Distribution LTIP, the Peoples Companies have approval for a five-year term from 2017-2021 for planning upgrades and improvements to approximately 51 M&R stations per year or 255 M&R stations in total. During the five-year term, the Peoples Companies planned to spend \$14.0 million (or \$2.8 million/year) for M&R station upgrades/improvements.

The Peoples Companies do not propose any significant changes to the pace of M&R upgrades and improvements in this Combined Distribution LTIP. The Peoples Companies project to replace 51 M&R stations per year for the duration of this LTIP and spend a total of \$15.5 million, \$3.1 million per year. The planned improvements to these existing M&R stations are necessary in order to maintain safe, adequate, reliable and low cost service for the Peoples Companies' customers. The Companies recognize that in order to recover the costs for this new category through the DSIC mechanism, a separate petition is required. The Companies are not submitting such a petition at this time but reserve the right to do so in the future.

It should be noted that the abovementioned M&R Station Upgrades/Improvements category is separate from the proposed Over Pressure Capital Improvement Program for regulating stations that is

explained on page 8, which is focused on mitigating the risk of an incident similar to that which occurred in Merrimack, MA (September 2018) discussed below.

OVER-PRESSURE PROTECTION

The Merrimack, MA Incident in September 2018 and the subsequent findings/recommendations of various regulators, industry groups, and United States Senators, resulted in Operators reviewing their regulated systems and focusing on prevention of a similar incident. The Merrimack Incident involved the over pressurization of a low-pressure distribution system. The Peoples Companies operate over 640 such systems, comprised of over 4,500 miles of low-pressure pipe and over 1,800 regulator stations. The Companies' low-pressure systems serve natural gas to over 450,000 customers.

In an effort to reduce the likelihood of a similar event, the Peoples Companies propose as part of this Combined Distribution LTIIP filing to implement an Over Pressure Capital Improvement Program for regulator stations. The 8-year, \$40 million program, which begins in 2020, consists of three project types intended to mitigate over-pressurization risk: (i) adding remote pressure detection equipment, (ii) adding another form of over pressure protection such as adding relief valves or making station piping modifications depending upon what is best suited for the individual regulator station, and (iii) relocating underground control lines² (which were involved in the Merrimack Incident) to above ground locations whenever possible and feasible. The estimated plant additions and costs for the complete program are as follows:

² Control lines are small diameter lines that connect the regulator with the downstream system to provide pressure feedback to the regulator. In general, underground control lines can extend a few feet to 30 feet or more downstream of the regulator.

Program Area	Estimated Count	Unit Cost	Ext Cost
Remote detection	960	\$10,000	\$9,600,000
Additional OPP	1145	\$22,000	\$25,190,000
Move sensor lines	500	\$12,000	\$6,000,000
Total			\$40,790,000

For the five year period covered by this LTIP, (a portion of the eight year OPP program), an estimated ~~\$28.6M~~[\\$35.5 million](#) is included. Projected spending for the term of the Revised Distribution LTIP are presented in Appendices 4 and 5.

MOUNTAIN ENERGY AND OTHER PLASTIC PIPE

On May 13, 2019 Peoples Natural finalized a transaction whereby Peoples Natural became the owner and operator of the System known as Mountain Energy in Greene County. Mountain Energy originally sought to abandon service to its 86 customers. During the pendency of the abandonment proceedings, Mountain Energy was unable to maintain service to its customers, and the Commission issued an emergency order directing Peoples Natural to maintain service. Ultimately, Peoples Natural agreed to acquire the vast majority of Mountain Energy’s facilities and customers. This system is comprised of approximately 20 miles of pipe, 73 customers, and was operated by a third party. The Commission approved the transaction on July 21, 2016 and a condition of that Agreement was that the infrastructure would be integrated into Peoples Natural’s distribution system, and therefore be eligible for the Peoples Companies’ LTIP. Peoples Natural has determined, since it became the Operator, that all 20 miles of the pipe are in poor condition, including the portions believed to be plastic. Much of the plastic pipe installed in this system by the prior operator was found to be installed above ground. Although the records of this system are very poor, they do show 4 miles of plastic pipe in the 20-mile

system. Due to the overall poor condition of both the bare steel and plastic pipe installed in the Mountain Energy System, the Peoples Companies propose that all 20 miles be considered LTIIIP eligible property and that this pipeline be replaced in accordance with the Peoples Companies' standard risk ranking process and operational conditions.

Although very much the exception, occasionally, the Peoples Companies determine, through operating experience, that some existing in service plastic pipe is at higher risk. Typically this plastic pipe is older, circa 1970s vintage, which may develop cracks over time. When the Peoples Companies identify such higher risk plastic pipe, and it is replaced, the Peoples Companies propose to count this pipe as eligible LTIIIP infrastructure replacement in terms of miles and dollars.

COMPONENTS OF THE COMBINED DISTRIBUTION LONG-TERM INFRASTRUCTURE IMPROVEMENT PLAN

Act 11 prescribed certain informational components for inclusion in the LTIIIP, and the Commission's regulations at 52 Pa. Code § 121.3(a) specify eight specific components. For purposes of this Combined Distribution LTIIIP, the impact upon these eight LTIIIP components, as a result of the changes described previously herein, are set forth and described below, in comparison to the currently approved LTIIIPs for the Peoples Companies.

1. Identification of types and age of eligible property for which the Peoples Companies will seek DSIC recovery.

Combined Distribution Appendix 2 details the types and age of all eligible pipeline property for which the Peoples Companies will seek DSIC recovery. With regard to pipeline

replacement, the Peoples Companies are not changing the plan to replace all Distribution target pipe, predominantly unprotected bare steel and cast iron pipelines, over an approximate twenty year period. As explained above, the further acceleration of mains replacement may reduce the planned replacement period by one year.

Regarding meter replacements, the Peoples Companies are not proposing to change the rate of annual meter replacements that is set forth in the currently effective LTIIP. The Companies determine their annual meter replacements based on meter test results. The meter test program that the Companies follow for diaphragm meters is the statistical sampling method set forth in 52 Pa. Code § 59.21(d). A utility that elects the statistical sampling program shall remain on that program for at least four years. For rotary meters, the Companies perform an audio and visual inspection every two years pre-1990 installation and every five years post-1990 installation and a differential test every ten years in accordance with manufacturer recommendations. The replacement of such meters occurs as a result of issues discovered as a result of this inspection process. In addition, a spin test is performed for all turbine meters once every two years and meters are replaced accordingly.

Under the statistical sampling program, the Peoples Companies divide meters into groups and then test samples from each group annually. For a group to remain in service, at least 80% of the meters in the sample test must meet Commission-required accuracy limits. If a group does not meet those limits, corrective action must be taken, which may consist of removing the entire group from service within four years. The level of meter replacement for this LTIIP was developed using the statistical sampling program. Should a meter family currently in use be condemned during the term of this LTIIP, meter replacements will increase

beyond projected levels in order to remove those meters from service within a four year period.

Spend on meter replacement/inside meters is \$45 million for the five-year period covered by this LTIP. [Currently, the Company is evaluating the implementation and use of ultrasonic meters equipped with certain safety and technological enhancements. These enhancements include automatic shut-off capability, high flow alarm, high temperature alarm and integrated pressure alarms on high and low pressures. The Company plans to work ultrasonic meters into its meter replacement strategy as defined herein, for calendar years 2024 and 2025.](#)

2. Schedule for planned repair and replacement of eligible property.

Combined Distribution Appendix 3 contains a schedule showing the strategies employed for the planned repair and replacement of DSIC-eligible plant during the five-year period covered by this LTIP. **Combined Distribution Appendix 3** is based on an analysis of equipment failures, their nature, causes, locations, analysis of reliability performance indicators, and forecasts of future reliability concerns.

3. Location of eligible property.

The table below depicts miles of pipeline in each of the five operating areas that encompass the overlapping service territory.

Location of Eligible Property	PNG	PG	Grand Total
Central	698	0	698
East	337	1	338
North	335	308	643
South	438	14	452

West	470	138	609
Grand Total	2,278	461	2,739

4. Estimate of quantity of eligible property to be improved.

Combined Distribution Appendix 4 shows the estimated quantity of property to be improved during each of the five years covered by this LTIP. The Peoples’ Companies propose to continue the rate of annual meter replacement as set forth in the currently effective LTIP.

5. Projected annual expenditures to implement the LTIP and measures to ensure its cost effectiveness.

The Peoples Companies’ projected annual expenditures during the term of this LTIP for DSIC eligible replacements are shown in the table contained in **Combined Distribution Appendix 5**.

6. Manner in which replacement of aging infrastructure will be accelerated and how repair, improvement or replacement will maintain adequate, efficient, safe, reliable and reasonable service.

The Peoples Companies accelerated infrastructure replacement programs began in mid-2011 for Peoples Natural with the accelerated replacement of all cast iron pipelines and in 2012 for Peoples Gas with the accelerated removal and replacement of all unprotected bare steel pipeline and associated services, and some catholically protected bare steel and the services associated with these types of pipe. These programs continue today under the currently approved Combined Distribution LTIP. The Peoples Companies’ continued commitment to remove aging infrastructure and making improvements to maintain adequate, efficient, safe, reliable and reasonable service is set forth throughout this LTIP.

The repair, improvement or replacement of facilities identified in this LTIP will maintain adequate, efficient, safe, reliable and reasonable service across all companies and divisions.

Historically, pipeline replacement was driven by short term operational and/or economic factors. The Peoples Companies are pursuing a long term strategy for pipeline replacements that is based on increasing the safety and reliability of the system, refocusing on the highest risk segments, while also pursuing projects that have long term benefits to system operations and reduce maintenance costs such as leak survey costs. If the Companies encounter other high risk pipe during one of their planned replacement projects, they typically replace this pipe in order to gain efficiency and further increase the safety of the system.

7. A workforce management and training program designed to ensure that the utility will have access to a qualified workforce to perform work in a cost-effective, safe and reliable manner.

Workforce planning and training is an ongoing process for the Peoples Companies, focused on a “best practices” approach to identifying current and projected staffing needs and required skill sets for the workforce. The following items have been put into place to address workforce needs:

Supervisor Assessment and Development Program –

The Peoples Companies require that all supervisor candidates participate in an assessment program that compares their abilities and behavior competencies to nationwide supervisory norms. Both internal and external hires participate in a comprehensive supervisor orientation and development program that introduces them to the Peoples Companies’

procedures and programs, as well as providing operator qualification (“OQ”) training regarding pipeline compliance, installation, and maintenance programs.

Training

The Peoples Companies provide technical skills training and OQ training at operating locations and a training center for field workers, and works to ensure that the qualifications and work quality meet regulatory and Company expectations. The Peoples Companies believes that this helps the Companies protect system integrity and reliability as well as public safety.

New employees receive seven weeks of training. Typically, the first week of training is their Safety Orientation followed by three weeks of training consisting of construction and maintenance fundamentals training. This includes OSHA compliance and accident prevention training as well as field construction techniques, tool and equipment operation, and other natural gas distribution field work exposure. The construction and maintenance training is complemented by three weeks of on the job training.

When these employees advance to Field Customer Service positions, a similar three-week course is provided that includes safe appliance inspection and maintenance procedures, Natural Fuel Gas Code compliance, and leak and odor investigation. The training department also conducts courses on specific equipment used in the gas distribution industry, including training from manufacturer staff experts.

Operator Qualification Training

In order to ensure that workers involved in DSIC-eligible work are qualified,

the Peoples Companies have an extensive Operator Qualification (OQ) Program. The Safety and Training Department is responsible for re-qualifying one-third of the Operations' workforce each year (includes acquiring, developing, and/or providing the training that supports OQ training, maintaining qualification records, and maintaining a database of qualified individuals); tracking Role assignments and scheduling training sessions; publishing a monthly Role status report; coordinating the development and maintenance of the written Operator Qualification Program, the identification of covered tasks and abnormal operating conditions, the development of evaluation instruments, and the qualification of employees and evaluation of qualified individuals; and verifying contractor compliance.

Company hired Contractors that solely do work for the Peoples Companies are also required to adhere to federal Department of Transportation's Pipeline Safety regulations pertaining to Operator Qualification, Drug and Alcohol Testing and Program Administration, and other requirements designed to assure safe and accurate installation and operation of pipeline components.

The Peoples Companies will verify that all individuals performing covered tasks, including contractor or subcontractor employees, are qualified according to the provision of the Operator Qualification Rule. For the purposes of OQ, the term contractor includes individuals who are not Peoples Companies employees and who perform covered tasks on the Peoples Companies' facilities. Contractors recognized as "Service Line Installers" by the Peoples Companies are exempt from the requirements of this section.

Contractors shall demonstrate compliance to the Peoples Companies' safety requirements by attaining qualification through the Peoples Companies' programs held at the Companies' training facility. Evidence of compliance may include, but is not limited to:

1. Identification of qualified individuals.
2. Date current qualification was completed.
3. Additional information requested by the Peoples Companies pertaining to the qualification of individuals.

All applicable contracts will include provisions specifying contractor Operator Qualification requirements. Inspection of contractor qualification will occur at job sites or at contractor's facilities at the discretion of the Peoples Companies.

Contractors utilizing any non-English speaking employees must make provisions or provide for adequate translation capabilities prior to, and during, training and the performance of work.

8. A description of a utility's outreach and coordination activities with other utilities, Department of Transportation and local governments regarding the planned maintenance/construction projects and roadways that may be impacted by the LTIP.

The Peoples Companies participate in the following utility coordination and outreach activities with municipalities and other utility companies in this area:

- PA-DOT Utility – Highway Liaison Committee (UHLC);
- PA-DOT Annual planning and LET schedule meetings for coordination of projects;
- PA-DOT Individual Project Design/Utility Coordination site visits and meetings;
- PA One Call – Coordinate PA, Complex Tickets;
- PUC Public Crossings Project;

- CONNECT- "Congress of Neighboring Communities"- representatives from CONNECT member municipalities and the utilities meet for planning, networking, and coordination efforts;
- Indiana Public Service Coordinating Committee;
- Johnstown Public Service Coordinating Committee;
- Altoona Public Service Coordinating Committee;
- City of Pittsburgh Department of Mobility and Infrastructure - monthly utility co-ordination meetings;
- Annual- Individual City of Pittsburgh Council meetings on projects per ward;
- Pittsburgh Water & Sewer Authority (PWSA) - Water/Gas co-op renewal projects;
- Project Communications in local papers {i.e. print - Pittsburgh East End Newspaper};
- Allegheny County Department of Public Works- Coordination meetings for upcoming work, pending work, and active work;
- Ad hoc coordination meetings with local governments;
- The Peoples Companies' website, <https://www.peoples-gas.com/street-work/future-work.php>, is updated to reflect Interactive Mapping under the "Future Work" link which can display projects that are coming up in the next two weeks and where customers can check the status of ongoing construction;
- The Peoples Companies send letters requesting local governments to share upcoming paving plans. Responses received are integrated into the Peoples Companies' overall project planning;
- Individual Communications - Project mailings (construction letters and door hangers);
- Individual Communications - Calls are sent to Peoples Companies' customers that are involved within the project scope. These are completed as a reminder that the Companies are coming prior to construction work starting; and
- Individual door to door communications

2021 Monthly LTIIP Construction Forecast Detail

Miles by Month

Program	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LTIIP	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	159.96

LTIIP Resources Needed by Month

Labor Group	Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	Surveyors - External	56	52	43	49	52	46	49	46	49	49	56	52	56
External/Contractor	Mainline Crews - External	293	270	225	261	275	243	261	243	261	261	293	270	293
Internal/Salary	Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Design Techs	46	46	46	46	46	46	46	46	46	46	46	46	46
Internal/Salary	Design Managers	11	11	11	11	11	11	11	11	11	11	11	11	11
Internal/Salary	Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Union	Mainline Crews - Internal	44	44	44	44	44	44	44	44	44	44	44	44	44
Internal/Union	Tie-In Crews	48	45	39	45	45	42	45	42	45	45	48	45	48
Internal/Union	Inspectors	49	45	38	44	46	41	44	41	44	44	49	45	49
Internal/Union	Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Internal/Union	Tie-In Crews - Excess	0	4	8	0	0	4	0	4	0	0	0	4	8
Internal/Union	Line Locators	8	7	6	7	7	7	7	7	7	7	8	7	8
Internal/Union	Stopper Crews	4	4	4	4	4	4	4	4	4	4	4	4	4
Internal/Union	Internal Service Crews	16	14	12	14	14	14	14	14	14	14	16	14	16

LTIIP Resources Needed by Labor Type by Month

Labor Group	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	349	322	268	310	327	289	310	289	310	310	349	322	349
Internal/Salary	103	103	103	103	103	103	103	103	103	103	103	103	103
Internal/Union	181	175	163	170	172	168	170	168	170	170	181	175	181

LTIIP Crews Needed by Month

Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
Mainline Crews - Internal	11	11	11	11	11	11	11	11	11	11	11	11	11
Mainline Crews - External	65	60	50	58	61	54	58	54	58	58	65	60	58
Tie-In Crews	16	15	13	15	15	14	15	14	15	15	16	15	14
Inspectors	49	45	38	44	46	41	44	41	44	44	49	45	44
Line Locators	8	7	6	7	7	7	7	7	7	7	8	7	7
Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal Service Crews	8	7	6	7	7	7	7	7	7	7	8	7	7
Tie-In Crews - Excess	0	1	2	0	0	1	0	1	0	0	0	1	0
Stopper Crews	2	2	2	2	2	2	2	2	2	2	2	2	2
Design Techs	46	46	46	46	46	46	46	46	46	46	46	46	46
Design Managers	11	11	11	11	11	11	11	11	11	11	11	11	11
Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Surveyors - External	56	52	43	49	52	46	49	46	49	49	56	52	49

LTIIP Fleet/Tools Needed by Month

Vehicle/Tool	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
Crew Truck	49	48	46	47	47	47	47	47	47	47	49	48	49
Pickup/Escape	124	119	110	117	119	114	117	114	117	117	124	119	124
Single/Tandem Axle Dump	27	27	26	26	26	26	26	26	26	26	27	27	27
Excavator	27	27	26	26	26	26	26	26	26	26	27	27	27
Trailer	27	27	26	26	26	26	26	26	26	26	27	27	27
Hammer	27	27	26	26	26	26	26	26	26	26	27	27	27
Skid Steer	27	27	26	26	26	26	26	26	26	26	27	27	27
Tamper	27	27	26	26	26	26	26	26	26	26	27	27	27
Misc Tools	27	27	26	26	26	26	26	26	26	26	27	27	27

2022 Monthly LTIIP Construction Forecast Detail

Miles by Month

Program	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LTIIP	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	159.96

LTIIP Resources Needed by Month

Labor Group	Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	Surveyors - External	52	52	43	52	49	46	52	43	49	49	56	52	56
External/Contractor	Mainline Crews - External	275	275	225	275	261	243	275	225	261	261	293	270	293
Internal/Salary	Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Design Techs	46	46	46	46	46	46	46	46	46	46	46	46	46
Internal/Salary	Design Managers	11	11	11	11	11	11	11	11	11	11	11	11	11
Internal/Salary	Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Union	Mainline Crews - Internal	44	44	44	44	44	44	44	44	44	44	44	44	44
Internal/Union	Tie-In Crews	45	45	39	45	45	42	45	39	45	45	48	45	48
Internal/Union	Inspectors	46	46	38	46	44	41	46	38	44	44	49	45	49
Internal/Union	Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Internal/Union	Tie-In Crews - Excess	0	0	8	0	0	4	0	8	0	0	0	4	8
Internal/Union	Line Locators	7	7	6	7	7	7	7	6	7	7	8	7	8
Internal/Union	Stopper Crews	4	4	4	4	4	4	4	4	4	4	4	4	4
Internal/Union	Internal Service Crews	14	14	12	14	14	14	14	12	14	14	16	14	16

LTIIP Resources Needed by Labor Type by Month

Labor Group	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	327	327	268	327	310	289	327	268	310	310	349	322	349
Internal/Salary	103	103	103	103	103	103	103	103	103	103	103	103	103
Internal/Union	172	172	163	172	170	168	172	163	170	170	181	175	181

LTIIP Crews Needed by Month

Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
Mainline Crews - Internal	11	11	11	11	11	11	11	11	11	11	11	11	11
Mainline Crews - External	61	61	50	61	58	54	61	50	58	58	65	60	58
Tie-In Crews	15	15	13	15	15	14	15	13	15	15	16	15	14
Inspectors	46	46	38	46	44	41	46	38	44	44	49	45	43
Line Locators	7	7	6	7	7	7	7	6	7	7	8	7	6
Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal Service Crews	7	7	6	7	7	7	7	6	7	7	8	7	6
Tie-In Crews - Excess	0	0	2	0	0	1	0	2	0	0	0	1	0
Stopper Crews	2	2	2	2	2	2	2	2	2	2	2	2	2
Design Techs	46	46	46	46	46	46	46	46	46	46	46	46	46
Design Managers	11	11	11	11	11	11	11	11	11	11	11	11	11
Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Surveyors - External	52	52	43	52	49	46	52	43	49	49	56	52	49

LTIIP Fleet/Tools Needed by Month

Vehicle/Tool	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
Crew Truck	47	47	46	47	47	47	47	46	47	47	49	48	49
Pickup/Escape	119	119	110	119	117	114	119	110	117	117	124	119	124
Single/Tandem Axle Dump	26	26	26	26	26	26	26	26	26	26	27	27	27
Excavator	26	26	26	26	26	26	26	26	26	26	27	27	27
Trailer	26	26	26	26	26	26	26	26	26	26	27	27	27
Hammer	26	26	26	26	26	26	26	26	26	26	27	27	27
Skid Steer	26	26	26	26	26	26	26	26	26	26	27	27	27
Tamper	26	26	26	26	26	26	26	26	26	26	27	27	27
Misc Tools	26	26	26	26	26	26	26	26	26	26	27	27	27

2023 Monthly LTIIP Construction Forecast Detail

Miles by Month

Program	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LTIIP	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	180.00

LTIIP Resources Needed by Month

Labor Group	Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	Surveyors - External	61	61	51	65	54	54	61	51	61	54	65	65	65
External/Contractor	Mainline Crews - External	315	315	257	333	270	284	315	257	315	275	333	333	333
Internal/Salary	Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Design Techs	52	52	52	52	52	52	52	52	52	52	52	52	52
Internal/Salary	Design Managers	12	12	12	12	12	12	12	12	12	12	12	12	12
Internal/Salary	Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Union	Mainline Crews - Internal	44	44	44	44	44	44	44	44	44	44	44	44	44
Internal/Union	Tie-In Crews	54	54	45	57	48	48	54	45	54	48	57	57	57
Internal/Union	Inspectors	53	53	43	56	45	47	53	43	53	46	56	56	56
Internal/Union	Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Internal/Union	Tie-In Crews - Excess	0	0	12	0	12	0	0	12	0	8	0	0	12
Internal/Union	Line Locators	8	8	7	9	7	7	8	7	8	7	9	9	9
Internal/Union	Stopper Crews	4	4	4	4	4	4	4	4	4	4	4	4	4
Internal/Union	Internal Service Crews	16	16	14	18	14	14	16	14	16	14	18	18	18

LTIIP Resources Needed by Labor Type by Month

Labor Group	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	376	376	308	398	324	338	376	308	376	329	398	398	398
Internal/Salary	110	110	110	110	110	110	110	110	110	110	110	110	110
Internal/Union	191	191	181	200	186	176	191	181	191	183	200	200	200

LTIIP Crews Needed by Month

Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
Mainline Crews - Internal	11	11	11	11	11	11	11	11	11	11	11	11	11
Mainline Crews - External	70	70	57	74	60	63	70	57	70	61	74	74	66
Tie-In Crews	18	18	15	19	16	16	18	15	18	16	19	19	17
Inspectors	53	53	43	56	45	47	53	43	53	46	56	56	50
Line Locators	8	8	7	9	7	7	8	7	8	7	9	9	7
Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal Service Crews	8	8	7	9	7	7	8	7	8	7	9	9	7
Tie-In Crews - Excess	0	0	3	0	3	0	0	3	0	2	0	0	0
Stopper Crews	2	2	2	2	2	2	2	2	2	2	2	2	2
Design Techs	52	52	52	52	52	52	52	52	52	52	52	52	52
Design Managers	12	12	12	12	12	12	12	12	12	12	12	12	12
Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Surveyors - External	61	61	51	65	54	54	61	51	61	54	65	65	58

LTIIP Fleet/Tools Needed by Month

Vehicle/Tool	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
Crew Truck	51	51	50	53	51	48	51	50	51	50	53	53	53
Pickup/Escape	130	130	119	135	122	121	130	119	130	122	135	135	135
Single/Tandem Axle Dump	29	29	29	30	30	27	29	29	29	29	30	30	30
Excavator	29	29	29	30	30	27	29	29	29	29	30	30	30
Trailer	29	29	29	30	30	27	29	29	29	29	30	30	30
Hammer	29	29	29	30	30	27	29	29	29	29	30	30	30
Skid Steer	29	29	29	30	30	27	29	29	29	29	30	30	30
Tamper	29	29	29	30	30	27	29	29	29	29	30	30	30
Misc Tools	29	29	29	30	30	27	29	29	29	29	30	30	30

2024 Monthly LTIIP Construction Forecast Detail

Miles by Month

Program	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LTIIP	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	186.00

LTIIP Resources Needed by Month

Labor Group	Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	Surveyors - External	61	61	65	57	57	65	57	57	65	54	74	65	74
External/Contractor	Mainline Crews - External	315	315	333	288	297	333	288	297	333	270	374	324	374
Internal/Salary	Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Design Techs	54	54	54	54	54	54	54	54	54	54	54	54	54
Internal/Salary	Design Managers	13	13	13	13	13	13	13	13	13	13	13	13	13
Internal/Salary	Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Union	Mainline Crews - Internal	44	44	44	44	44	44	44	44	44	44	44	44	44
Internal/Union	Tie-In Crews	54	54	57	51	51	57	51	51	57	48	63	57	63
Internal/Union	Inspectors	53	53	56	48	50	56	48	50	56	45	62	54	62
Internal/Union	Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Internal/Union	Tie-In Crews - Excess	0	0	0	8	0	0	8	0	0	12	0	8	12
Internal/Union	Line Locators	8	8	9	8	8	9	8	8	9	7	9	9	9
Internal/Union	Stopper Crews	4	4	4	4	4	4	4	4	4	4	4	4	4
Internal/Union	Internal Service Crews	16	16	18	16	16	18	16	16	18	14	18	18	18

LTIIP Resources Needed by Labor Type by Month

Labor Group	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	376	376	398	345	354	398	345	354	398	324	448	389	448
Internal/Salary	113	113	113	113	113	113	113	113	113	113	113	113	113
Internal/Union	191	191	200	191	185	200	191	185	200	186	212	206	212

LTIIP Crews Needed by Month

Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
Mainline Crews - Internal	11	11	11	11	11	11	11	11	11	11	11	11	11
Mainline Crews - External	70	70	74	64	66	74	64	66	74	60	83	72	69
Tie-In Crews	18	18	19	17	17	19	17	17	19	16	21	19	18
Inspectors	53	53	56	48	50	56	48	50	56	45	62	54	52
Line Locators	8	8	9	8	8	9	8	8	9	7	9	9	8
Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal Service Crews	8	8	9	8	8	9	8	8	9	7	9	9	8
Tie-In Crews - Excess	0	0	0	2	0	0	2	0	0	3	0	2	0
Stopper Crews	2	2	2	2	2	2	2	2	2	2	2	2	2
Design Techs	54	54	54	54	54	54	54	54	54	54	54	54	54
Design Managers	13	13	13	13	13	13	13	13	13	13	13	13	13
Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Surveyors - External	61	61	65	57	57	65	57	57	65	54	74	65	61

LTIIP Fleet/Tools Needed by Month

Vehicle/Tool	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
Crew Truck	51	51	53	52	50	53	52	50	53	51	55	55	55
Pickup/Escape	130	130	135	126	126	135	126	126	135	122	143	135	143
Single/Tandem Axle Dump	29	29	30	30	28	30	30	28	30	30	32	32	32
Excavator	29	29	30	30	28	30	30	28	30	30	32	32	32
Trailer	29	29	30	30	28	30	30	28	30	30	32	32	32
Hammer	29	29	30	30	28	30	30	28	30	30	32	32	32
Skid Steer	29	29	30	30	28	30	30	28	30	30	32	32	32
Tamper	29	29	30	30	28	30	30	28	30	30	32	32	32
Misc Tools	29	29	30	30	28	30	30	28	30	30	32	32	32

2025 Monthly LTIIP Construction Forecast Detail

Miles by Month

Program	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
LTIIP	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	15.50	186.00

LTIIP Resources Needed by Month

Labor Group	Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	Surveyors - External	60	64	60	60	60	60	57	60	60	53	79	60	79
External/Contractor	Mainline Crews - External	311	329	306	311	311	311	297	311	311	275	396	288	396
Internal/Salary	Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal/Salary	Design Techs	54	54	54	54	54	54	54	54	54	54	54	54	54
Internal/Salary	Design Managers	13	13	13	13	13	13	13	13	13	13	13	13	13
Internal/Salary	Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Salary	Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Internal/Union	Mainline Crews - Internal	44	44	44	44	44	44	44	44	44	44	44	44	44
Internal/Union	Tie-In Crews	51	54	51	51	51	51	51	51	51	48	66	51	66
Internal/Union	Inspectors	52	55	51	52	52	52	50	52	52	46	66	48	66
Internal/Union	Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Internal/Union	Tie-In Crews - Excess	0	0	4	0	0	0	0	0	0	4	0	20	20
Internal/Union	Line Locators	8	8	8	8	8	8	8	8	8	7	10	8	10
Internal/Union	Stopper Crews	4	4	4	4	4	4	4	4	4	4	4	4	4
Internal/Union	Internal Service Crews	16	16	16	16	16	16	16	16	16	14	20	16	20

LTIIP Resources Needed by Labor Type by Month

Labor Group	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
External/Contractor	371	393	366	371	371	371	354	371	371	328	475	348	475
Internal/Salary	113	113	113	113	113	113	113	113	113	113	113	113	113
Internal/Union	187	193	190	187	187	187	185	187	187	179	222	203	222

LTIIP Crews Needed by Month

Crew	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
Mainline Crews - Internal	11	11	11	11	11	11	11	11	11	11	11	11	11
Mainline Crews - External	69	73	68	69	69	69	66	69	69	61	88	64	69
Tie-In Crews	17	18	17	17	17	17	17	17	17	16	22	17	17
Inspectors	52	55	51	52	52	52	50	52	52	46	66	48	52
Line Locators	8	8	8	8	8	8	8	8	8	7	10	8	8
Welders	12	12	12	12	12	12	12	12	12	12	12	12	12
Const. Supervisors	20	20	20	20	20	20	20	20	20	20	20	20	20
Internal Service Crews	8	8	8	8	8	8	8	8	8	7	10	8	8
Tie-In Crews - Excess	0	0	1	0	0	0	0	0	0	1	0	5	0
Stopper Crews	2	2	2	2	2	2	2	2	2	2	2	2	2
Design Techs	54	54	54	54	54	54	54	54	54	54	54	54	54
Design Managers	13	13	13	13	13	13	13	13	13	13	13	13	13
Land Agents	2	2	2	2	2	2	2	2	2	2	2	2	2
Close Out Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Data Analysts	2	2	2	2	2	2	2	2	2	2	2	2	2
Surveyors - Internal	20	20	20	20	20	20	20	20	20	20	20	20	20
Surveyors - External	60	64	60	60	60	60	57	60	60	53	79	60	61

LTIIP Fleet/Tools Needed by Month

Vehicle/Tool	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	MAX
Crew Truck	50	51	51	50	50	50	50	50	50	49	57	55	57
Pickup/Escape	128	132	128	128	128	128	126	128	128	121	149	129	149
Single/Tandem Axle Dump	28	29	29	28	28	28	28	28	28	28	33	33	33
Excavator	28	29	29	28	28	28	28	28	28	28	33	33	33
Trailer	28	29	29	28	28	28	28	28	28	28	33	33	33
Hammer	28	29	29	28	28	28	28	28	28	28	33	33	33
Skid Steer	28	29	29	28	28	28	28	28	28	28	33	33	33
Tamper	28	29	29	28	28	28	28	28	28	28	33	33	33
Misc Tools	28	29	29	28	28	28	28	28	28	28	33	33	33

Distribution Miles	2" Or Less	Over 2" thru 4"	Over 4" thru 8"	Over 8" thru 12"	Over 12"	Grand Total
Bare Steel	219	909	738	201	99	2,166
Cast Iron	-	-	-	-	28	28
Coated Steel	357	1,296	950	345	183	3,131
Copper	2	-	-	-	-	2
Plastic	1,328	2,555	1,050	63	-	4,996
Wrought Iron	3	26	22	2	1	54
Fiberglass	1	3	1	-	-	5
Unknown	3	-	-	-	2	5
Grand Total	1,913	4,789	2,761	611	313	10,387

Transmission Miles	2" Or Less	Over 2" thru 4"	Over 4" thru 8"	Over 8" thru 12"	Over 12"	Grand Total
Bare Steel	-	-	-	4	22	26
Coated Steel	-	2	6	92	27	127
Grand Total	-	2	6	96	49	153

Miles by Vintage	Distribution	Storage	Transmission	Grand Total
1940-1949	374	-	1	375
1950-1959	1,038	-	57	1,095
1960-1969	1,609	1	22	1,632
1970-1979	1,306	-	19	1,325
1980-1989	1,155	-	11	1,166
1990-1999	1,385	-	13	1,398
2000-2009	1,320	1	22	1,343
2010-2019	879	-	8	887
Pre 1940	499	-	-	499
Unknown	823	-	-	823
Grand Total	10,388	2	151	10,541

Services

Material	Unknown	1" OR LESS	Over 1" TO 2"	Over 2" TO 4"	Over 4" TO 8"	Over 8"	Grand Total
Steel	2,257	25,193	138,873	839	164	-	167,326
Copper	18	6,456	823	3			7,300
Plastic PE	4,724	291,281	108,020	1,257	180	12	405,474
Other	32,329	1,750	7,355	56	25	1	41,516
Grand Total	39,328	324,680	255,071	2,155	369	13	621,616

Services by Decade	
Unknown	69
Pre-1940	59,351
1940-1949	7,810
1950-1959	32,743
1960-1969	62,563
1970-1979	99,126
1980-1989	90,559
1990-1999	105,662
2000-2009	91,594
2010-2019	72,139
Grand Total	621,616

Distribution Miles	2" Or Less	Over 2" thru 4"	Over 4" thru 8"	Over 8" thru 12"	Over 12"	Grand Total
Bare Steel	80	128	134	91	2	435
Coated Steel	76	251	251	168	21	767
Plastic	298	468	169	1	0	936
Unknown	7	9	11	0	0	27
Grand Total	461	856	565	260	23	2165

Transmission Miles	6" or Less
Coated Steel	10

Miles by Vintage	Distribution	Storage	Grand Total
1940-1949	28	-	28
1950-1959	96	-	96
1960-1969	407	-	407
1970-1979	312	2	314
1980-1989	277	2	279
1990-1999	314	-	314
2000-2009	292	6	298
2010-2019	237	0	237
Pre 1940	203	-	203
Unknown	1	-	1
Grand Total	2,165	10	2,175

Services							
Material	Unknown	1" OR LESS	Over 1" TO 2"	Over 2" TO 4"	Over 4" TO 8"	Over 8"	Grand Total
Steel	-	-	13,555	34	2	-	13,591
Plastic PE	-	-	47,871	111	2	-	47,984
Grand Total	-	-	61,426	145	4	-	61,575

Services by Decade

Unknown	
Pre-1940	1,200
1940-1950	2,401
1950-1959	3,349
1960-1969	1,095
1970-1979	12,878
1980-1989	12,850
1990-1999	13,200
2000-2009	7,800
2010-2019	6,802
Grand Total	61,575

	Peoples Natural Gas			Peoples Gas		
	Inside	Outside	No Indicator	Inside	Outside	No Indicator
TC Diaphragm Meters	41,336	272,640	197	1,251	55,422	20
Non TC Diaphragm Meters	39,558	295,785	12	129	7,063	14
Rotary TC	509	2254	10	2	39	
Turbine	41	129	41	0	27	10
Rotary Non TC *	480	3,961	84	17	464	51
Grand Total	81,924	574,769	344	1,399	63,015	95

*Some Non TC Rotary Meters may have been retrofitted with TC or have correctors installed compensating for temperature but no way to track.

	PNG Totals	PG Totals
Vintage Year		
Unknown		
Pre-1940	1	28
1940-1949	3	0
1950-1959	3,085	1
1960-1969	23,019	2
1970-1979	40,728	22
1980-1989	144,683	77
1990-1999	142,541	25,639
2000-2009	179,225	23,011
2010-2019	123,752	15,729
Grand Total	657,037	64,509

**SCHEDULE FOR PLANNED REPAIR AND REPLACEMENT
January 1, 2021 through December 31, 2025**

<u>Plant Type</u>	<u>Replacement Strategy</u>	<u>Schedule</u>
Standard Categories		
Distribution Lines (including company owned service renewals)	Replace Target Pipe within the Peoples Companies’ distribution system and associated services based upon a risk ranking prioritization approach. Such approach will be consistent and compliant with the Company’s Distribution Integrity Management Plan (“DIMP”). The approach recognizes the threat and consequences of pipeline failure as well as factors such as the population density and the density of pipelines eligible for replacement. Tracking and traceability equipment and resources will be included in these replacements.	Scheduled completion by 2034
Transmission Line Replacements	As identified, the Company will replace transmission line sections based upon prioritization of the transmission asset matrix and the internal corrosion program. In addition, as in-line inspection (i.e. smart pig runs) and pipeline reassessments are conducted, segments of transmission and storage pipelines will be replaced as require by the transmission Integrity Management Plan (TRIMP); often driven from anomalies or defects discovered during in-line inspection.	As needed
Government Relocations	Facility relocations will continue to be scheduled consistent with request from the governmental agency.	As needed

<u>Plant Type</u>	<u>Replacement Strategy</u>	<u>Schedule</u>
Meters (replacement & inside meters move outs)	Meters will be replaced according to a statistical sampling based methodology that involves meter type based risk assessments. Medium pressure inside meters will be move out during normal pipeline replacement and target areas unless restricted by state or local laws.	Ongoing
Special Considerations		
Customer service line replacements	Replace all at-risk customer service lines as the Peoples Companies repair or replace its company-owned facilities.	Scheduled completion by 2034
Reliability Improvements	As existing pipelines are replaced, improve system reliability in distribution areas that experience low pressure issues or have experienced considerable growth over the years. These areas typically have one main pipeline source of supply and present a reliability risk should there be an emergency within that single supply asset. In this case, the Reliability Improvement provides an additional source of gas supply by looping existing pipelines or extending higher pressure pipelines. Additionally, the Company plans to interconnect the systems of the Peoples Companies in areas where there have been service (pressure) or supply issues and areas in which a critical single feed exists.	As needed
M&R Station and Equipment	Upgrades and improvements to M&R stations are planned to ensure continued safe and reliable services. The replacement strategy will target those stations where age, obsolescence, malfunctions,	As needed

<u>Plant Type</u>	<u>Replacement Strategy</u>	<u>Schedule</u>
	resizing, performance, reliability, pressures changes, over pressure protection, and relocations are issues. Upgrades and revisions focused on mitigating over-pressurization risk include; moving regulator sense lines above ground (excluding regulators in vaults/pits), adding remote monitoring locations (SCADA) on low pressure systems, relocating valves to prevent relief bypass and the addition of external reliefs to closed and dead end systems.	
Other Related Capitalized Costs		
Vehicles / Tools / Equipment	Purchase incremental tools and equipment specific to the projects in this LTIIP as support of an incremental increase with this filing.	As needed, with increased purchases over the 2021-2025 period.

Peoples Distribution
Long-Term Infrastructure Improvement Plan
 January 1, 2021 through December 31, 2025

Combined Distribution Appendix4
 Page 1 of 2

Projected Quantity of Property Improved

Peoples Natural Gas

Category	2021				
Distribution Lines - Miles	141				
Company Owned Services - Count	7,000				
Transmission/Storage Lines - Miles	7				
Meter Replacement/Inside Meters	12,000				
Customer Owned Services - Count	4,500				
M&R Station Upgrades/Improvements/OPP	40				
Category	2022	2023	2024	2025	5 Year Total
M&R Station Upgrades/Improvements/OPP	148	169	174	174	813
Company Owned Services - Count	8,050	8,050	9,050	9,100	41,250
Customer Owned Services - Count	5,200	5,200	5,825	5,850	26,575
Meter Replacement/Inside Meters	12,000	12,000	12,000	12,000	60,000
M&R Station Upgrades/Improvements/OPP	40	40	40	40	200

Peoples Distribution
Long-Term Infrastructure Improvement Plan
 January 1, 2021 through December 31, 2025

Projected Quantity of Property Improved

Peoples Gas

Category	2021				
Distribution Lines - Miles	10				
Company Owned Services - Count	150				
Transmission/Storage Lines - Miles	0				
Meter Replacement/Inside Meters	830				
Customer Owned Services - Count	85				
M&R Station Upgrades/Improvements/OPP	11				
Category	2022	2023	2024	2025	5 Year Total
M&R Station Upgrades/Improvements/OPP	11	12	12	12	57
Company Owned Services	320	350	375	425	1,620
Customer Owned Services - Count	180	200	215	240	920
Meter Replacement/Inside Meters	830	830	830	830	4,150
M&R Station Upgrades/Improvements/OPP	11	11	11	11	55

Peoples Distribution
Long-Term Infrastructure Improvement Plan
January 1, 2021 through December 31, 2025

Projected Annual LTIIP Expenditures

Peoples Natural Gas

Type (in millions \$)	2021	Applicable FERC Account No.				
Distribution Lines	\$121.1	376				
Company Owned Services	\$38.0	380				
Customer Owned Services	\$19.4					
Transmission Lines	\$41.1	367				
Government Relocations	\$10.2	Included in functional pipeline account				
Meter Replacement/Inside Meters	\$7.7	381 & 382				
Other Related Capitalized Costs						
Fleet	\$0.0					
M&R Station Upgrades/Improvements/OPP	\$4.9					
Grand Total	\$242.4					
Type (in millions \$)	2022	2023	2024	2025	5 Year Total	5 year Avg.
Pipeline Replacement	\$156.2	\$228.3	\$220.5 \$317.2	\$220.5 \$334.3	\$987.7 \$1198.2	\$197.5 \$239.6
Company Owned Services	\$39.5	\$50.7	\$56.0	\$56.0	\$240.2	\$48.0
Customer Owned Services	\$20.2	\$25.9	\$28.5	\$28.5	\$122.5	\$24.5
Government Relocations	\$10.1	\$10.1	\$10.1	\$10.1	\$50.6	\$10.1
Meter Replacement/Inside Meters	\$7.7	\$7.7	\$7.7	\$7.7	\$38.5	\$7.7
Total	\$233.7	\$322.7	\$322.8 \$419.5	\$322.8 \$436.6	\$1439.5 \$1650.0	\$287.9 \$330.0
Other Related Capitalized Costs						
Tools	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fleet	\$0.0	\$0.0	0.0 0.9	\$0.0	\$0.0	\$0.0
M&R Station Upgrades/Improvements/OPP	\$6.2	\$6.8	6.8 \$9.2	6.8 \$9.3	31.5 \$36.4	6.3 \$7.3
Grand Total	\$239.9	\$329.5	\$329.6 \$429.6	\$329.6 \$445.9	\$1471.0 \$1687.3	\$294.2 \$337.5

Peoples Distribution
Long-Term Infrastructure Improvement Plan
 January 1, 2021 through December 31, 2025

Projected Annual LTIP Expenditures

Peoples Gas

Type (in millions \$)	2021	Applicable FERC Account No.				
Distribution Lines	\$7.6	376				
Company Owned Services	\$1.4	380				
Customer Owned Services	\$1.0					
Transmission Lines	\$2.3	367				
Government Relocations	\$0.3	Included in functional pipeline account				
Meter Replacement/Inside Meters	\$1.3	381 & 382				
Other Related Capitalized Costs						
Fleet	\$0.0					
M&R Station Upgrades/Improvements/OPP	\$1.8					
Grand Total	\$15.7					
Type (in millions \$)	2022	2023	2024	2025	5 Year Total	5 year Avg.
Pipeline Replacement	\$9.9	\$9.9	\$10.4 <u>\$14.0</u>	\$10.5 <u>14.2</u>	\$50.6 <u>57.9</u>	\$10.1 <u>11.6</u>
Company Owned Services	\$1.4	\$1.6	\$1.7	\$1.8	\$7.9	\$1.6
Customer Owned Services	\$1.0	\$1.2	\$1.2	\$1.2	\$5.6	\$1.1
Government Relocations	\$0.3	\$0.3	\$0.3	\$0.3	\$1.5	\$0.3
Meter Replacement/Inside Meters	\$1.3	\$1.3	\$1.3	\$1.3	\$6.5	\$1.3
Total	\$13.9	\$14.3	\$14.9 <u>\$18.5</u>	\$15.1 <u>18.8</u>	\$72.1 <u>79.4</u>	\$14.4 <u>15.9</u>
Other Related Capitalized Costs						
Tools	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
Fleet	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
M&R Station Upgrades/Improvements/OPP	<u>\$2.4</u>	<u>\$2.8</u>	2.8 <u>\$3.8</u>	2.8 <u>\$3.8</u>	12.6 <u>\$14.6</u>	2.5 <u>\$2.9</u>
Grand Total	<u>\$16.3</u>	<u>\$17.1</u>	<u>\$22.3</u>	<u>\$22.6</u>	<u>\$94.0</u>	<u>\$18.8</u>

VERIFICATION

I, Andrew P. Wachter, being Director, Finance and Regulation and PNG Companies LLC, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief) and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: 3/15/25



Andrew P. Wachter