



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120

December 31, 2024

Docket No. R-2023-3044549

Utility Code: 122250

Carol Scanlon
Peoples Natural Gas Company LLC
375 North Shore Drive
Pittsburgh, PA 15212

Re: Peoples Natural Gas Company LLC - Rider Tax Repairs Surcredit (TRS) Rate Adjustment; Compliance Filing

Dear Ms. Scanlon:

By Order entered September 12, 2024, the Commission accepted the Recommended Decision in the above docketed rate investigation for Peoples Natural Gas Company LLC (the Company), including paragraphs 50-52 of the Terms and Conditions of the Non-Unanimous Settlement (Order pages 15-16).

50. Within 90 days following the effective date of new rates in this proceeding, Peoples will file a revised Tax Repair Surcharge Rider (“TRSR”) with the following adjustments:

A.) Adjustment to reflect the reduced tax benefits as a result of the reduction in the State Corporate Net Income (“CNI”) rate. The state benefit will be returned to customers in the amount monetized;

B.) Adjustment to reflect the impacts of IRS Rev. Proc. 2023-15 (“Natural Gas Safe Harbor” or “NGSH”) to the original 481(a) adjustment amount quantified in Docket No. P-2020-3021191 for the Peoples Natural Gas Division (“PNGD”).

C.) Adjustment to reflect the impacts of the Natural Gas Safe Harbor 481(a) adjustment amount for the Peoples Gas Division (“PGD”);

D.) Adjustment to reflect the impact of the 481(a) adjustment for Mandatory Relocations; and

E.) Extend the amortization period from the 5 years to 10 years including the amortized portion of the previous surcredit authorized in Docket No. P-2020-3021191, including the aforementioned adjustments.

F.) Approval to defer in a regulatory liability all state



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tax benefits related to the aforementioned adjustments, including the full amount of state tax benefit addressed in Docket No. P-2020-3021191, for return to customers subject to monetization of Pennsylvania state Net Operating Losses.

51. The TRSR will apply to all customers of the combined Company, except for customers with negotiated rates.

52. The Parties agree that the revenue requirement incorporates a reduction to current state and Federal income tax expense based on net repairs deductions in the FPFTY of \$113,548,500.

On December 20, 2024, the Company filed tariff Supplement No. 5 to GAS - PA PUC No. 48, effective January 1, 2025, to update the Rider Tax Repairs Surcredit in compliance with the Order.

Commission Staff has reviewed the tariff revisions and found that suspension or further investigation does not appear warranted at this time. Therefore, in accordance with 52 Pa. Code Chapter 53, Supplement No. 5 to GAS - PA PUC No. 48 is effective by operation of law as of the effective date contained on each page of the supplement. However, this is without prejudice to any formal complaints timely filed against said tariff revisions.

If you have any questions in this matter, please contact Marissa Boyle, Bureau of Technical Utility Services, at (717) 787-7237 or maboyle@pa.gov.

Sincerely,

A handwritten signature in black ink that reads "Rosemary Chiavetta". The signature is written in a cursive, flowing style.

Rosemary Chiavetta
Secretary