



375 North Shore Drive  
Pittsburgh, PA 15212

**Andrew P. Wachter**  
Director, Finance and Regulation

**PNG Companies LLC**  
Phone: 412-208-6593  
Email: Andrew.Wachter@peoples-gas.com

May 30, 2025

Matthew Homsher, Secretary  
Pennsylvania Public Utility  
Commission Commonwealth Keystone  
Building 400 North Street, 2nd Floor  
North  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re: Peoples Natural Gas Company LLC**  
**Public Utility Earnings Report for the Twelve Months Ended March 31, 2025**  
**Docket No. M-2025-3052807**

Dear Secretary Homsher:

Pursuant to 52 PA Code, Chapter 71, Peoples Natural Gas Company LLC hereby submits the Public Utility Earnings Report for the twelve months ended March 31, 2025. This report is presented in accordance with the format set forth in the Public Utility Commission's Secretarial Letter dated February 11, 1993. Such report is submitted in compliance with 52 PA Code Section 71.7.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "A.P. Wachter".

Andrew P. Wachter

cc: Certificate of Service

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of § 1.54 (relating to service by a party).

### VIA E-MAIL ONLY

Allison Kaster  
Pennsylvania Public Utility Commission  
Bureau of Investigation & Enforcement  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
P.O. Box 3265  
Harrisburg, PA 17105-3265  
[vanjohns@pa.gov](mailto:vanjohns@pa.gov)

Darryl Lawrence  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5th Floor  
Harrisburg, PA 17101-1923  
[ra-oca@paoca.org](mailto:ra-oca@paoca.org)

NazAarah Sabree  
Office of Small Business Advocate  
Forum Place  
555 Walnut Street, 1st Floor  
Harrisburg, PA 17101  
[ra-sba@pa.gov](mailto:ra-sba@pa.gov)

Vanessa Johns  
Pennsylvania Public Utility Commission  
[vanjohns@pa.gov](mailto:vanjohns@pa.gov)



May 30, 2025

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Andrew P. Wachter

**SCHEDULE A**

Company Name: Peoples Natural Gas Company LLC

Financial Report for Twelve Months Ended

March 31, 2025

(Thousands of Dollars)

	Actual per <u>Books</u> (1)	Intrastate <u>Percent</u> (2)	Intrastate <u>per books</u> (3)	<u>Adjustments (a)</u> (4)	<u>Adjusted Results</u> (5)
(1) Original Cost of Plant In Service	\$ 5,443,592	100%	\$ 5,443,592	\$ 1,346,197	\$ 6,789,789
(2) Less: Depreciation Reserve	\$ 1,414,884	100%	\$ 1,414,884	\$ 295,777	\$ 1,710,661
(3) Net Plant in Service	\$ 4,028,708		\$ 4,028,708	\$ 1,050,420	\$ 5,079,128
<u>Additions:</u>					
(4) Land/Plant Held for Future Use	\$ 5	100%	\$ 5	\$ (5)	\$ -
(5) Materials & Supplies & Fuel Stocks	\$ 6,200	100%	\$ 6,200	\$ (234)	\$ 5,966
(6) Cash Working Capital (b)	\$ -	100%	\$ -	\$ 36,257	\$ 36,257
(7) Prepayments	\$ 10,533	100%	\$ 10,533	\$ 22,515	\$ 33,048
(8) Gas Stored Underground	\$ 4,844	100%	\$ 4,844	\$ 719	\$ 5,563
<u>Deductions:</u>					
(9) Accumulated Deferred Income Taxes	\$ (30,360)	100%	\$ (30,360)	\$ 163,839	\$ 133,479
(10) Liberalized Depreciation		100%	\$ -		\$ -
(11) Investment Tax Credit		100%	\$ -		\$ -
(12) Other		100%	\$ -		\$ -
(13) Customer Deposits	\$ 3,208	100%	\$ 3,208	\$ 83	\$ 3,291
(14) Customer Advances	\$ 340	100%	\$ 340	\$ (64)	\$ 277
(15) Contributions in Aid of Construction		100%	\$ -		\$ -
(16) Other		100%	\$ -		\$ -
(17) <b>RATE BASE</b>	\$ 4,077,101		\$ 4,077,101	\$ 945,814	\$ 5,022,915
(18) <u>Operating Revenues</u>	\$ 921,112	100%	\$ 921,112	\$ 21,398	\$ 942,509
<u>Operating Expenses</u>					
(19) Operation & Maintenance	\$ 505,616	100%	\$ 505,616	\$ 12,068	\$ 517,685
(20) Annual Depreciation	\$ 129,678	100%	\$ 129,678	\$ 21,772	\$ 151,450
(21) Taxes - Other than Income	\$ 13,052	100%	\$ 13,052	\$ 367	\$ 13,419
(22) State Income Tax - Current	\$ 3	100%	\$ 3	\$ (3)	\$ (0)
(23) Federal Income Tax - Current	\$ 59,219	100%	\$ 59,219	\$ (59,219)	\$ -
(24) Deferred Income Taxes	\$ (122,698)	100%	\$ (122,698)	\$ 68,968	\$ (53,730)
(25) Investment Tax Credit (Net)	\$ -	100%	\$ -		\$ -
(26) Total Operating Expenses	\$ 584,870		\$ 584,870	\$ 43,953	\$ 628,824
(27) <b>INCOME AVAILABLE FOR RETURN</b>	\$ 336,241		\$ 336,241	\$ (22,556)	\$ 313,686
<b>RATE OF RETURN - OVERALL</b>	<b>8.25%</b>		<b>8.25%</b>		<b>6.25%</b>

(a) Schedule B and Schedule C

(b) As adjudicated in last rate case  
or as currently calculated

**SCHEDULE B**

COMPANY NAME: Peoples Natural Gas Company LLC  
Summary of Pro Forma Intrastate Adjustments  
 3/31/2025  
 (Thousands of Dollars)

Rate Base Adjustments	Rate Base	Revenues	Expenses	Taxes*
(1) Land / Plant Held for Future Use	\$ (5)			
(2) Plant Normalization	\$ 1,346,197			
(3) Depreciation Normalization	\$ (295,777)			
(4) Materials & Supplies	\$ (234)			
(5) Cash Working Capital	\$ 36,257			
(6) Gas Stored	\$ 719			
(7) Prepayments	\$ 22,515			
(8) Customer Deposits	\$ (83)			
(9) Customer Advances	\$ 64			
(10) Deferred Taxes	\$ (163,839)			
<u>Income Statement Adjustments</u>				
(11) Revenues (Normalized / Annualized)		\$ 21,398	\$ -	\$ 1,351
(12) Labor & Benefits			\$ 8,338	\$ (526)
(13) Interest on Customer Deposits			\$ 230	\$ (15)
(14) O&M Expense			\$ 3,500	\$ (221)
(15) Other Tax Expense			\$ 367	\$ (23)
(16) Normalization for Income Taxes				\$ (52,213)
(17) Normalization of Deferred Taxes				\$ 75,599
(18) Depreciation			\$ 21,772	\$ (5,581)
(19) Interest Synchronization				\$ (8,625)
(20) Net Operating Loss - Deferred Tax				\$ -
Totals	<u>\$ 945,814</u>	<u>\$ 21,398</u>	<u>\$ 34,208</u>	<u>\$ 9,746</u>

\*Includes gross receipts tax (GRT), where applicable

## SCHEDULE C

COMPANY NAME: Peoples Natural Gas Company LLC

3/31/2025

### Rate Base Adjustments

- (1) Exclusion of Land / Plant held for Future Use
- (2) Plant Normalization to include future capital expenditures through the Fully Projected Future Test Year ("FPFTY")
- (3) Depreciation Normalization to include future capital expenditures through the FPFTY
- (4) Adjustment of Materials & Supplies to a 12-month average
- (5) Adjustment to include Cash Working Capital
- (6) Adjustment of Gas Stored to 12-month average
- (7) Adjustment of Prepayments to 12-month average
- (8) Adjustment of Customer Deposits to a 12-month average
- (9) Adjustment of Customer Advances to 12-month average
- (10) Deferred Income Tax Adjustment to include impact of future period capital expenditures through the FPFTY and election of tax repairs

### Income Statement Adjustments

- (11) Annualization and Normalization of Revenues through FPFTY
- (12) Annualization of Labor & Benefits through the FPFTY
- (13) Interest on Customer Deposits
- (14) Normalization of O&M Expense through the FPFTY
- (15) Other Tax Expense Annualization
- (16) Normalization for Income Taxes including tax repair flowthrough accounting treatment
- (17) Normalization of Deferred Taxes - including the election of tax repairs
- (18) Depreciation Annualization through the FPFTY
- (19) Interest Synchronization

### Capital Structure Adjustments

- (20) Normalization of Capital Structure to align with most recent rate case - Sch. D-2

**SCHEDULE D-1**

COMPANY NAME: Peoples Natural Gas Company LLC

Intrastate Per Books

Calculation of Return on Common Equity

03/31/25

(Thousands of Dollars)

	Capital Ratios (a) (1)	x	Rate Base (b) (2)	=	Totals (3)	x	Embedded Cost Rates(c) (4)	=	Total Rate Base Related Cost of Debt and Preferred & Preference (5)
	Sch. E Col. 2		Sch. A. Col. 3 Line 16				Sch. F Col. 7		
1) Debt	42.46%		\$4,077,101		\$1,731,100		3.84%		\$66,440
2) Preferred	0.00%		\$4,077,101		0		0.00%		0
3) Common Equity	<u>57.54%</u>		\$4,077,101		<u>2,346,001</u>				
4) Total	<u>100.00%</u>				<u>\$4,077,101</u>				<u>\$66,440</u>

12 Months ended 03/31/25

	Intrastate Per Books
5) Income Available for Return (from Sch. A, Col. 3, Line 26)	\$336,241
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$66,440</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$269,802</u>
8) Debt Cost (Col 5., Line 1)	\$66,440
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>55,808</u>
10) Difference (Line 8 Less Line 9)	10,631
11) Times: Composite State and Federal Income Tax Rate	<u>27.31%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>\$2,903</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$272,705</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>11.50%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>11.62%</u>

**SCHEDULE D-2**

COMPANY NAME: Peoples Natural Gas Company LLC

Intrastate Pro Forma Results

Calculation of Return on Common Equity

03/31/25

(Thousands of Dollars)

	Capital Ratios(a) (1)	x	Rate Base(b) (2)	=	Totals (3)	x	Embedded Cost Rates(c) (4)	=	Total Rate Base Related Cost of Debt and Preferred & Preference (5)
	Sch. E Col. 2		Sch. A. Col. 5 Line 16				Sch. F Col. 7		
1) Debt	45.33%		\$5,022,915		\$2,276,887		3.84%		\$87,387
2) Preferred	0.00%		\$5,022,915		0		0.00%		0
3) Common Equity	54.67%		\$5,022,915		2,746,028				
4) Total	100.00%				\$5,022,915				\$87,387

12 Months ended 03/31/25

	Intrastate Adjusted
5) Income Available for Return (from Sch. A, Col. 5, Line 26)	\$313,686
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	\$87,387
7) Income Available for Common Equity (Line 5 Less Line 6)	\$226,299
8) Debt Cost (Col 5., Line 1)	\$87,387
9) Less: Interest Expense used to compute State and Federal Income Taxes	87,387
10) Difference (Line 8 Less Line 9)	0
11) Times: Composite State and Federal Income Tax Rate	27.31%
12) Net Addition or (Deduction) (Line 10 x Line 11)	\$0
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	\$226,299
14) Return on Common Equity (Line 7/Line 3, Col. 3)	8.24%
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	8.24%

**SCHEDULE E**

COMPANY NAME: Peoples Natural Gas Company LLC  
 Calculation of Capital Structure and Related Ratios  
 for the Twelve Months Ended 03/31/25

(Thousands of Dollars)		
	Total Company Actual Amount Outstanding <u>(1)</u>	Ratios <u>(2)</u>
Total Debt (Sch. F., Col. 4)	\$1,704,218	42.46%
Total Preferred & Preference Stock Stock (Sch. F., Co.. 4)	0	0.00%
<u>Common Equity</u>		
Common Stock	1,187,110	
Premium on Common Stock		
Capital Surplus		
Capital Stock		
Retained Earnings	1,122,459	
Other		
Total Common Equity	<u>2,309,570</u>	<u>57.54%</u>
Total Capital	<u><u>\$4,013,788</u></u>	<u><u>100.00%</u></u>

**Schedule F**

COMPANY NAME: Peoples Natural Gas Company LLC  
 Cost of Debt and Preferred Stock as Adjusted  
 For the 12 Months Ended 03/31/25  
 (Thousands of Dollars)

Item/Description	Issue Date	Maturity Date	Interest Rate	Outstanding Balance	Effective Cost Rate	Percent to Total	Weighted Cost Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Long Term Debt			(See Appendix A)				
Short Term Debt (If Applicable)							
Total				1,704,218			3.84%
Preferred Stock			(See Appendix B)				
Total							

**Peoples Natural Gas Company LLC - Peoples Natural Gas Division**

Financial Report

March 31, 2025

(In thousands)

3/31/2025

<b>Item / Description</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Outstanding Balance</b>	<b>Effective Cost Rate</b>	<b>Percent to Total</b>	<b>Weighted Cost Rate</b>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Short Term Debt	Various	Various	5.3264%	\$ -	5.3264%	0.00%	0.00%
Long Term Debt	Various	Various	3.8380%	\$ 1,704,218	3.8380%	100.00%	3.84%
<b>Total Debt</b>				\$ 1,704,218			3.84%
Common Equity				2,309,570		57.54%	
<b>Total Common Equity</b>				2,309,570			
<b>Total Debt</b>				<b>4,013,788</b>			<b>3.84%</b>

Peoples Natural Gas Company LLC

**Summary of Returns**

Overall Return - Actual	Overall Return - Adjusted	Equity Return - Actual	Equity Return - Adjusted
8.25%	6.25%	11.62%	8.24%
			3/31/2025