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August 29, 2025

VIA ELECTRONIC FILING

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Pennsylvania Public Utility Commission
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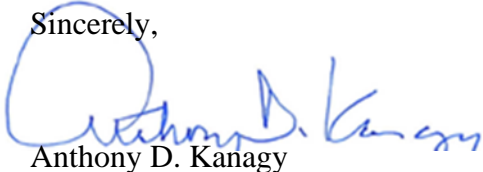
**Re: Petition of Peoples Natural Gas Company LLC for Approval of its Third Long-Term
Infrastructure Improvement Plan for the Period of 2026-2030
Docket No. P-2025-_____**

Dear Secretary Homsher:

Enclosed is the Petition of Peoples Natural Gas Company LLC (“Peoples” or the “Company”) seeking the Pennsylvania Public Utility Commission’s (“Commission”) approval of its Third Long-Term Infrastructure Improvement Plan for the Period of 2026-2030 (“Third LTIIIP Plan”).

Copies are being served upon the statutory advocates as well as all parties of record in Peoples’ last base rate proceeding at Docket No. R-2023-3044549.

Sincerely,



Anthony D. Kanagy

ADK/sa
Enclosures

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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Date: August 29, 2025



Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Peoples Natural Gas Company :
LLC for Approval of its Third Long Term : Docket No. P-2025-
Infrastructure Improvement Plan for the :
Period of 2026-2030

**Petition of Peoples Natural Gas Company LLC for Approval of its Third
Long-Term Infrastructure Improvement Plan for the Period of 2026-2030**

Pursuant to Act 11 of 2012 (“Act 11” or the “Act”), which amends Chapters 3, 13 and 33 of the Pennsylvania Public Utility Code (“Code”), Peoples Natural Gas Company LLC (“Peoples” or the “Company”) hereby files this Petition seeking approval of its Third Long-Term Infrastructure Improvement Plan (“Third LTIIIP” or “Third LTIIIP Plan”). This filing is being made pursuant to the Final Implementation Order of the Pennsylvania Public Utility Commission (the “Commission”) entered at Docket No. M-2012-2293611 on August 2, 2012¹ and the Commission’s regulations at 52 Pa. Code § 121.1 *et. seq.*

Peoples’ Third LTIIIP (attached hereto as Appendix A) will succeed the Company’s current LTIIIP (its Second Combined LTIIIP), which was originally approved by Commission Order entered January 14, 2021². Peoples proposes to continue its significant program to evaluate, repair, improve and replace its natural gas pipeline system as reflected in its First and Second LTIIIPs, which focused on the portions of its system that were constructed using cast iron and bare steel. As described in its Third LTIIIP, Peoples will continue the acceleration of its infrastructure repairs,

¹ Implementation of Act 11 of 2012, Docket No. M-2012-2293611, entered on August 2, 2012. (“Implementation Order”).

² See Petition of Peoples Natural Gas Company LLC and Peoples Gas Company LLC for Approval of a Combined Distribution Long-Term Infrastructure Improvement Plan for the Period January 1, 2021 through December 31, 2025, Docket Nos. P-2020-3021942 and P-2020-3022053.

improvements and replacements, including the accelerated replacement of its cast iron and bare steel pipelines, and will reflect acceleration from its prior LTIPs.

During the proposed five-year term of its Third LTIP, Peoples will invest more than \$3 billion on infrastructure improvements to strengthen and modernize its facilities which service customers throughout Southwestern Pennsylvania. The Company anticipates replacing approximately 930 miles of cast iron, wrought iron, bare steel, first generation plastic and a subset of other coated steel mains and services during the term of its Third LTIP. As detailed herein and in Appendix A, Peoples Third LTIP contains all of the necessary elements in 66 Pa. C.S. Section 1352(a) and 52 Pa. Code Section 121.3, and therefore this proposed Third LTIP complies with Section 1252(a)(7).

By this Petition, the Company respectfully requests that the Commission approve Peoples' Third Long-Term Infrastructure Improvement Plan for the period of 2026-2030.

I. INTRODUCTION

1. Peoples is a Commission-regulated natural gas distribution company providing sales, transportation, and supplier of last resort services to approximately 700,000 customers throughout its service territory, which includes 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. 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.

3. Peoples is an indirect subsidiary of Essential, which was registered in Pennsylvania in 1968, originally as Philadelphia Suburban Corporation, and subsequently as Aqua America, Inc. Essential is a natural gas, water and wastewater utility holding company that currently provides

service throughout its operating subsidiaries in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana, Virginia, and Kentucky.

4. The names, addresses and telephone numbers of Peoples' attorneys for purposes of this filing are as follows:

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

5. On February 14, 2012, Governor Corbett signed into law Act 11, which amends Chapters 3, 13 and 33 of Title 66 of the Code. Pertinent to this Petition, Act 11 authorizes natural gas distribution companies ("NGDCs") to establish a distribution system improvement charge ("DSIC").

6. Act 11 provides utilities with the ability to implement a DSIC to recover reasonable and prudent costs incurred to repair, improve or replace certain eligible distribution property that is part of the utility's distribution system. Eligible property for NGDCs is defined in § 1351 of the statute. *See* 66 Pa. C.S. § 1351(2). As a precondition to the implementation of a DSIC, each utility must file an LTIP with the Commission that is consistent with the provisions of § 1352 of the statute. *See* 66 Pa. C.S. § 1352(a).

7. On May 10, 2012, the Commission issued its Tentative Implementation Order on Act 11 and solicited comments and input. Peoples responded to the Commission's request and filed comments on the Tentative Implementation Order on June 6, 2012.

8. On August 2, 2012, the Commission issued the Final Implementation Order establishing procedures and guidelines necessary to implement Act 11. The Final Implementation Order adopts the requirements established in § 1352, provides additional standards that each LTIP must meet, and gives guidance to utilities for meeting the Commission's standards.

9. In accordance with 52 Pa. Code § 121.3(a), a utility's LTIP must include the following eight major elements:

(1) Identification of types and age of eligible property owned and operated by the utility for which it is seeking DSIC recovery.

(2) An initial schedule for planned repair and replacement of eligible property.

(3) A general description of location of eligible property.

(4) A reasonable estimate of quantity of eligible property to be improved or repaired.

(5) Projected annual expenditures and means to finance the expenditures.

(6) A description of the manner in which infrastructure replacement will be accelerated and how repair, improvement or replacement will ensure and maintain adequate, efficient, safe, reliable and reasonable service to customers.

(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.

(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.

10. In its Third LTIP, Peoples addresses the elements listed above. The following sections of this Petition summarize Peoples' Third LTIP Plan and meet the Commission standards for LTIP approval.

II. LONG TERM INFRASTRUCTURE IMPROVEMENT PLAN

A. PEOPLES PRIOR AND CURRENT LTIIPS

11. On September 22, 2017, Peoples Natural Gas Company LLC, formerly comprised of Peoples Natural Gas Company LLC ("PNG") and Peoples Gas Company LLC ("PG") ("Peoples Companies") filed a combined distribution LTIP for 2017-2021. The petition was a revision of PNG's and PG's then-current LTIIPs. The Combined LTIP was approved on January 18, 2018 at Docket Nos. P-2013-2342745, P-2013-2344596 and P-2016-2563033.

12. Pursuant to a Joint Petition for Settlement authorizing Aqua America Inc. to acquire the Peoples Companies, the Peoples Companies committed to file a modified LTIP within six months following closing of the acquisition that further accelerated the rate of replacement of higher risk pipe after closing. The Commission approved the Joint Petition for Settlement of a modified Combined LTIP for the Peoples Companies, with certain modifications, on January 24, 2020. The closing of the transaction between Aqua and Peoples Companies occurred on March 16, 2020.

13. On September 15, 2020, the Peoples Companies filed a Second Combined Distribution LTIP for 2021-2025 in compliance with the commitments made in the aforementioned acquisition of the Peoples Companies by Aqua America Inc., thereafter both parties are now under Essential. The Peoples Companies' Second Combined Distribution LTIP was approved on January 14, 2021 in Docket Nos. P-2020-3021942 and P-2020-3022053.

14. On March 15, 2024, Peoples filed for a Major Modification of its Second Combined LTIP for 2021-2025, to increase the projected capital expenditures necessary to meet its

infrastructure replacement goals. The Commission approved Peoples' Major Modification on July 11, 2024. Peoples is executing its current LTIP (Second Combined LTIP, modified) which is due to expire December 31, 2025. The instant Petition is Peoples' request for its Third LTIP for the period of 2026-2030.

B. SUMMARY OF PEOPLES THIRD LTIP FOR THE PERIOD OF 2026-2030

15. In this Petition, Peoples submits its Third LTIP for Commission review and approval. Peoples Third LTIP provides for the identification, repair, improvement and replacement of aging and at-risk distribution infrastructure on an accelerated basis, consistent with its obligations and commitments as described in its current and prior LTIPs. Peoples' Third LTIP continues its process, which was established in its prior LTIPs, to accelerate the replacement of its distribution infrastructure. The Company's efforts to address its aging and at-risk facilities are described in detail in pages 3 through 8 of its Third LTIP (*see* Appendix A for the Company's Third LTIP).

16. Continuing Peoples' infrastructure replacement and improvement program (as proposed in Appendix A) will allow the Company to continue to provide safe and reliable natural gas service for years to come.

17. In its Third LTIP, Peoples is on pace to replace 930 miles of bare steel, wrought iron, cast iron and other pipelines in the years 2026 through 2030. The sequence of projects and amount of specific facilities to be addressed may be adjusted in response to changing conditions. Those changing conditions include but are not limited to system upgrades due to pressure requirements, regulatory changes, legislative changes and varying state and municipal requirements.

18. In its Third LTIP, Peoples has committed to upgrade, replace and improve other facilities such as but not limited to plastic pipe, coated steel, meters and other facilities. Currently,

Peoples has identified a subset of approximately 232 miles of first generation plastic pipe on its system. Peoples' intention is to continue to evaluate and appropriately risk-rank this subset of plastic pipe on its system. The Company addresses this subset of plastic on pages 12 and 13 of its Third LTIP³.

19. Peoples' Third LTIP addresses ongoing investments in transmission infrastructure which are necessary to maintain its transmission facilities in accordance with Federal regulations. Peoples' transmission facilities are addressed on pages 6 and 8 of its Third LTIP.

20. Peoples' Third LTIP also addresses its plan to ensure the continued safe and reliable operation of certain other facilities which include natural gas service lines, excess flow valves, meter replacements and move-outs, regulator stations, farm taps, system reliability improvements and facility relocations, as described on pages 13 through 17 and Appendix 2.

21. Peoples' Third LTIP includes the installation of ultrasonic meter technology for eligible customers on its system. The Company's Intelis Meter Program includes the replacement of approximately 124,000 meters annually, beginning in 2026, achieving full meter saturation in those 5 years.

22. The Company's Third LTIP will allow it to remove aging facilities and enhance safety by replacing its aging facilities with newer, longer-lasting and safer materials ultimately lowering the risk of service disruptions.

C. ELEMENTS OF PEOPLES THIRD LTIP

1. Types and Age of Eligible Property.

³ See Motion of Chairman Stephen M. DeFrank, Replacement of Older Plastic Pipe in Natural Gas Distribution Systems (Public Meeting Held Aug. 1, 2024) (emphasizing the importance of focusing on the replacement of older plastic pipe simultaneously with cast iron and bare steel pipe).

23. Peoples Third LTIP identifies the different types of property that will be improved, as well as the age of the property, where that information is available to the Company, per 52 Pa. Code §121.3(a)(1). According to its most recent US Department of Transportation reporting, Peoples owns and operates, 161 miles of transmission/storage pipeline; and 13,214 miles of distribution pipeline. As of 2025, Peoples currently operates more than 2,200 miles of at-risk LTIP pipelines.

24. With regard to pipeline replacement, Peoples will remain consistent with its prior LTIPs and will focus on the replacement of Distribution target pipe, predominantly bare steel and cast iron pipelines in its Third LTIP. Cast iron and unprotected bare steel experience higher levels of corrosion than more modern pipeline materials, which makes them more vulnerable to developing leaks. Utilizing the risk-based analysis incorporated in the Company's pipeline integrity management planning processes (DIMP & TRIMP), over the last 12 years, Peoples has prioritized the replacement of more than 50 miles of cast iron pipe and more than 1,200 miles of bare steel pipe. As a category, unprotected bare steel is Peoples' next highest risk pipe. Peoples intends to focus the majority of its replacement over the next five years on bare steel pipelines.

25. In addition to addressing the bare steel, wrought iron and cast iron pipelines on its system, in its Third LTIP, Peoples will continue to address the customer service lines that connect to the mains. Often the mains are connected to bare steel customer service lines, which are subject to the same degrading elements that affect the physical integrity of Peoples' bare steel mains and Company services. Peoples, therefore, has been replacing at risk customer service lines when it replaces its own gas lines.

26. In most of the Company's service territory, service lines are owned and maintained by customers. However, it would be inefficient for the Company to have customers replace their

failing service facilities at the time the main is being replaced. Therefore, Peoples sought and received Commission approval to replace failing customer-owned service lines as part of its LTIP work⁴. The cost of such replacements is capitalized to the Company's mains account, just as other customer-owned property, such as sidewalks or driveways, are when replaced as part of main replacement.

27. Peoples describes the types and age of its eligible property on pages 18 and 19 of its Third LTIP. The primary focus of the Peoples LTIP is to replace aging pipeline facilities. The vast majority of the Company's Third LTIP expenditures will be spent on either pipeline or meter replacements. In addition to replacement of pipelines, as part of its infrastructure upgrades, Peoples will also be replacing customer-owned service lines, upgrade measurement and regulation stations ("M&R") and installing ultrasonic meter technology. The facilities included in Peoples' LTIP are considered "eligible property" under § 1351(2).

28. Peoples' Third LTIP includes meter replacement expenditures totaling approximately \$224 million for the five-year period covered by this LTIP. Peoples Third LTIP will focus on the installation of Intelis Meters. The Intelis Meter represents a significant advancement in utility safety and operational oversight, with the integration of pressure sensing technology into solid state gas meters serving as a cornerstone of this initiative. These meters are designed to provide real-time monitoring of gas pressure at the point of service, enabling early detection of anomalies that could indicate leaks, pressure drops, or other hazardous conditions. This capability greatly enhances the utility's ability to respond to potential safety issues, reducing the risk of incidents and improving overall system integrity. The pressure sensing feature supports

⁴ Docket Nos. P-2013-2344596, P-2013-2342745.

compliance with regulatory safety standards and aligns with industry best practices for gas distribution monitoring.

29. Furthermore, the deployment of these meters contributes to a safer environment for both customers and field personnel. The integration of pressure sensing into the broader Intelis platform also supports data-driven decision-making, enabling us to identify trends, optimize operations, and plan infrastructure improvements with a focus on safety and reliability.

30. In August of 2024, Peoples began a meter replacement pilot with a goal of installing about 30,000 Intelis meters with pressure sensing by the end of the year. We surpassed that goal - our staff installed 31,681 meters. The pilot is ongoing in 2025 with a goal of installing 60,000 meters by the end of year. In that two year timeframe, we will have installed more than 90,000 Intelis meters in our service territory. In its Third LTIP, Peoples will work to enhance its installation efforts with a goal to achieve full saturation of its entire customer base (eligible meter sizes are for residential and small commercial customers), approximately 620,000 customers, over the next five years.

2. Schedule for Repair and Replacement

31. Peoples discusses the schedule for its replacements on pages 19 and 20 of the Third LTIP. Peoples has developed a schedule to replace all at-risk pipelines predominantly unprotected bare steel, by 2038. The focus throughout this Third LTIP will be on the highest risk pipe consistent with the main objective of reducing system risk and maintaining system integrity, reliability and safety. In addition, Peoples is on pace to install 60,000 meters in 2025 and expects to double that replacement rate on an annual basis during the term of its Third LTIP.

3. Location of Eligible Property.

32. The Company is targeting pipeline replacement projects throughout its entire service territory. Page 20 of its Third LTIP confirms that the Company completes projects throughout its service territory as it has eligible property in all parts of its service territory.

4. Quantity of Property to be Improved.

33. Peoples has included the estimated quantity of property to be improved during each of the five years covered by this Third LTIP in Appendix 3 of the Plan. The Company expects to replace approximately 186 miles of pipeline during each year of the five years from 2026-2030. The consistent rate over this period allows for more uniform staffing and project management, which promotes efficiency and cost effectiveness. The Company also expects that the customer service line and reliability improvement project quantities will remain constant over the 5-year period. In addition, Peoples will replace approximately 124,000 meters per year over the five-year term of the Plan.

5. Projected Annual Expenditures and Cost-Effectiveness.

34. Peoples has included projected annual expenditures during each of the five years of its Third LTIP in Appendix 4 of the Plan. The Company anticipates spending more than \$600 million per year over the five-year Plan. Peoples has adopted a number of processes that will be implemented to ensure that Peoples' infrastructure improvement expenditures are cost effective. On pages 21 and 22 of its Third LTIP, the Company details its methods for establishing project costs which are based on actual experience. Additionally, Peoples reviews cost reports on a regular basis, which include statistics such as costs per foot, costs per service line replacement, costs per meter replacement and other relevant data. Any unique trends are investigated and the Company's practices are adjusted to ensure that cost effectiveness is achieved.

35. While Peoples will generally prioritize its projects based on the highest risk, in order to maximize cost efficiency and minimize the duration of service interruptions caused by the

replacement work, Peoples may replace facilities that are considered lower risk but that will eventually require replacement if they are in the vicinity of facilities Peoples is actively replacing. In addition, the approach proposed by Peoples in its Third LTIP with regard to the replacement of customer service lines at the same time as bare steel mains will achieve cost and time efficiencies and minimize service down time associated with replacement activities.

36. To determine the amount of improvement in overall risk levels each year, and to ensure that its program is effective, Peoples intends to provide a comparison of the pipeline footage of the type with the highest risk scores at the beginning of the year with the amount of remaining footage of the same material at the end of the year. The annual asset optimization report will provide those results as well as an updated risk ranking of the segments which will be used for the next year's prioritization of projects and performance reporting. Peoples will utilize the information from its ongoing review of the effectiveness of its programs to determine the most cost-effective use of resources to improve its distribution system. The ongoing review process may result in the redirection of spending to help ensure Peoples' ability to best improve its system.

6. Accelerated Replacement.

37. In its Implementation Order, the Commission noted that utilities should reflect and maintain an acceleration of infrastructure replacement. The Commission also noted that some utilities have already taken substantial steps toward increasing capital investment to address the issue of aging infrastructure.

38. Since 2013, Peoples has accomplished significant acceleration in the rate of infrastructure repair, improvement and replacement over historical baseline levels. As shown on page 4 of Peoples Third LTIP, Peoples LTIP history began in 2013 and focused on the replacement of at risk plant. Over time, the Company's LTIPs have evolved but generally its

investment decisions have been based on replacing the highest risk pipe segments on its system and that focus remains paramount to its LTIP work today.

39. Since 2013, Peoples has invested over \$2.4 billion dollars in the repair, improvement, evaluation and replacement of its mains and services.

40. Consistent with the Commission's order and its current and past LTIPs, Peoples' Third LTIP continues this accelerated pace. Peoples describes the accelerated pace of its infrastructure replacement on pages 22 and 23 of its Third LTIP. Since 2013, Peoples has eliminated more than 1,300 miles of bare steel, cast iron and wrought iron pipe on its system, accelerating the pace of pipeline replacement with each LTIP. For this Third LTIP, Peoples proposes to replace a total of 930 miles of distribution pipeline, which is an increase in mileage of 7% from its current LTIP.

7. Workforce management and training program.

41. The Commission's Implementation Order requires utilities to include a workforce management and training plan as a necessary element of the LTIP. *Implementation Order* at 17-18. A description of workforce management and training plans are found on pages 23 through 26 of Peoples' Third LTIP. Peoples' workforce is comprised of both those employees who work directly for Peoples, and the workers who are hired by contractors of Peoples. Peoples has developed a workforce management and training plan to ensure that it will have access to a qualified workforce to perform work in a cost-effective, safe, and reliable manner.

42. Peoples has developed a number of programs to ensure that it has a sufficient number of adequately trained employees for future operations. Peoples has participated in a variety of energy industry community outreach programs to recruit and train potential employees, including the natural gas pipeline training program at Community College of Allegheny County and the Allegheny Conference Workforce Initiative. In addition, Peoples works with local trade

schools, veterans' organizations, and other community organizations to inform skilled workers of employment opportunities with Peoples. Further, upon hiring, Peoples provides a training program to ensure that its employees are capable of doing safe and efficient field work. Peoples also has procedures that will ensure that DSIC-eligible work is performed by qualified personnel, specifically through an extensive Operator Qualification Program under which the Safety and Training Department is responsible for re-qualifying one-third of the Operations workforce each year.

43. With regard to contractors, Peoples continually verifies ongoing contractor compliance with respect to safety requirements by subjecting contractors and subcontractor employees to qualification according to the provisions of Peoples' Operator Qualification Rule, which governs Peoples' own operations. Contractors must provide Peoples with written evidence of their qualification programs. On a quarterly basis, a contractor is required to submit a list of qualified individuals that also identifies the covered tasks the individuals are qualified to perform. In addition, contractor work is inspected by Peoples personnel trained in all aspects of pipeline construction. Inspectors verify that work methods adhere to established standards. Inspectors also verify quantities and quality of installations prior to invoice payment.

44. As noted above, the replacement level of approximately 186 miles per year is in the current physical construction capacity of Peoples' internal resources and existing contractor network. Current field construction resources include approximately 80 crews between in-house full time Peoples employees and the Company's contractor network. At full capacity, more than 700 people are performing LTIIP field construction work for Peoples on a daily basis. Additionally, the Company has internal and external resources (nearly 400 people) in the following

areas of design, engineering, land, program logistics and restoration also working on LTIP construction projects on a daily basis.

45. Peoples' Intelis Meter Program represents a strategic acceleration of meter replacements, doubling the annual volume of 60,000 installed meters projected in 2025 to 124,000 meters installed annually beginning in 2026. Peoples' meter replacement acceleration necessitates a corresponding expansion in staffing to maintain operational efficiency, ensure regulatory compliance, and support customer engagement. To meet the increased workload and maintain quality standards, the Company will need to increase staffing (internal/external) for the Intelis Meter Program in the following areas: field technicians, supervisors, logistics, and operations center support.

8. Outreach and Coordination Efforts.

46. Peoples has described its coordination and outreach activities in its Third LTIP, consistent with 52 Pa. Code § 121.3(a)(8). Peoples has a long-standing and active outreach program with local municipalities in its service territory aimed at coordinating construction projects and contesting rising costs with restoration. The Company's municipal outreach efforts allow for clear communication of information about its construction projects as well as natural gas distribution system safety, design and operations. Collaboration and coordination with municipal governments and organizations helps to minimize disruptions to customers in the area of the construction projects, enables efficient replacement of facilities and promotes awareness of the construction projects being performed at and around Peoples' infrastructure. The Company's approach to outreach and coordination is fully described on pages 26 through 28 of its Third LTIP.

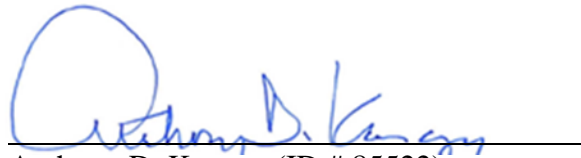
III. SERVICE

47. Pursuant to the Commission’s Final Implementation Order, Peoples is serving its LTIP on the statutory advocates as well as all of the active parties in the utility’s most recent base rate proceeding at Docket No. R-2023-3044549.

IV. CONCLUSION

WHEREFORE, Peoples Natural Gas Company LLC respectfully requests that the Pennsylvania Public Utility Commission find that its Third Long-Term Infrastructure Improvement Plan contains all necessary items identified in § 1352 and addresses only distribution property which is DSIC-eligible, as defined by § 1351(2), and that the Pennsylvania Public Utility Commission approve its Long-Term Infrastructure Improvement Plan.

Respectfully submitted,



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Date: August 29, 2025

Counsel for Peoples Natural Gas Company LLC

APPENDIX A

PEOPLES NATURAL GAS COMPANY LLC

THIRD LTIP (2026-2030)

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I. INTRODUCTION

This document serves as Peoples Natural Gas Company LLC’s (“Peoples” or “the Company”) Third Distribution Long-Term Infrastructure Improvement Plan (“Third LTIIIP”) for the period January 1, 2026 through December 31, 2030. This Third LTIIIP replaces the Company’s current LTIIIP (Peoples’ Second Combined LTIIIP) which was approved by the Pennsylvania Public Utility Commission’s (“Commission”) order entered on January 14, 2021 at Docket Nos. P-2020-3021942 and P-2020-3022053¹. Peoples received approval for a Major Modification to its Second Combined LTIIIP by Commission ordered entered July 11, 2024 at the referenced dockets.

This Third LTIIIP focuses on the removal of aging bare steel, wrought iron and cast iron pipelines from the Company’s natural gas distribution system, which is consistent with the Company’s prior LTIIIPs. In addition, and consistent with the Commission’s previous orders approving prior LTIIIPs for Peoples, Peoples will continue to replace all ‘at-risk’ customer owned service lines within the scope of its LTIIIP projects. Peoples’ Third LTIIIP also addresses the replacement of its remaining bare steel Department of Transportation (“DOT”) transmission lines, and other categories of pipe described herein. Moreover, Peoples Third LTIIIP continues investment in aging Measuring and Regulating (“M&R”) infrastructure to further enhance service reliability, additional investments to install Over Pressure Protection (“OPP”) equipment, and investment in ultrasonic meter technology designed to improve the overall safety of Peoples’ natural gas distribution system. Each of these areas is detailed in the sections below.

¹ In 2023, Peoples Gas Company LLC merged with and into Peoples Natural Gas Company LLC, with Peoples Natural Gas Company LLC as the surviving entity. Therefore, this LTIIIP is being filed by Peoples Natural Gas Company LLC and includes the assets of the former Peoples Gas Company LLC.

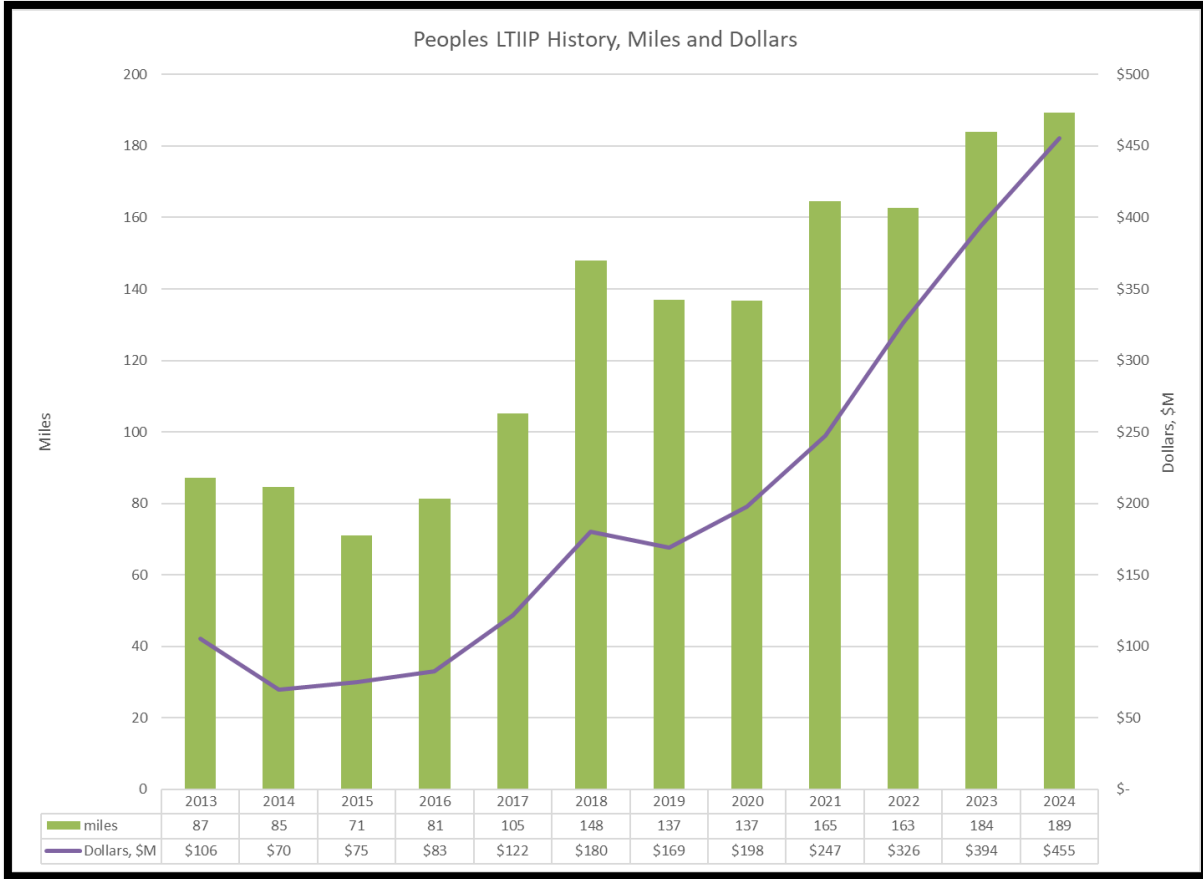
II. PEOPLES LTIP HISTORY

Since 2013, Peoples has accomplished significant acceleration in the rate of infrastructure repair, improvement and replacement over historical baseline levels². As shown in the Table 1, Peoples LTIP history began in 2013 and focused on the replacement of at risk plant. Over time, the Company's LTIPs have evolved but generally its investment decisions have been based on replacing the highest risk pipe segments on its system and that focus remains paramount to its LTIP work today.

Since 2013, Peoples has invested over \$2.4 billion dollars in the repair, improvement, evaluation and replacement of its mains and services, eliminating more than 1,500 miles of pipelines. Table 1 shows the Company's LTIP progress from its initial LTIPs through the present LTIP:

² Note that in 2013, Peoples was made up of three different natural gas utilities in Western Pennsylvania, Peoples Natural Gas Company LLC, Equitable Gas Company LLC and Peoples TWP. Over time, the three utilities have had separate or combined LTIPs and over time each of the utilities have merged with and into each other. The remaining sole utility is now known as Peoples Natural Gas Company LLC.

Table 1 - Peoples LTIP History from 2013-2024



Tables 2 and 3 further break down the history of LTIP pipe replacement, showing the decrease in at-risk bare steel, cast and wrought iron pipelines since 2013:

Table 2 - Peoples Bare Steel Inventory from 2013-2024

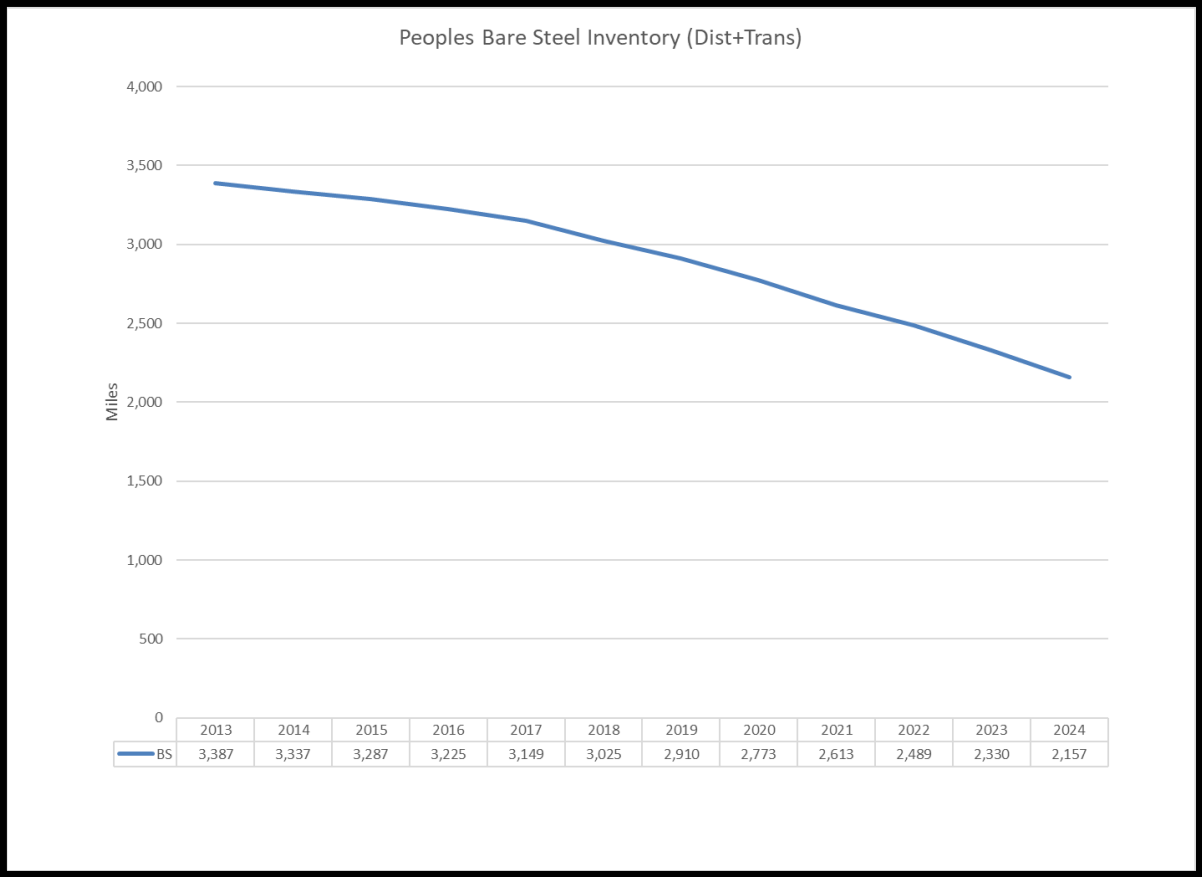
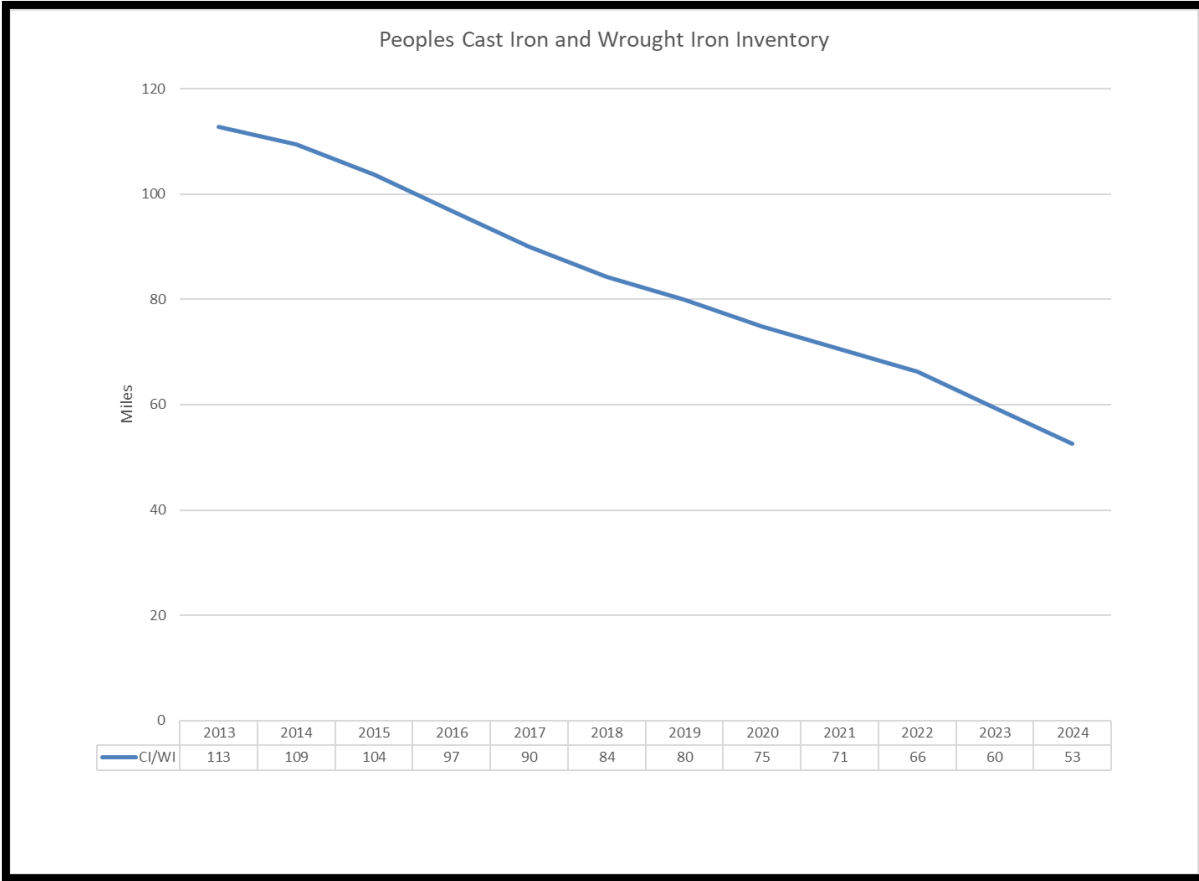


Table 3 - Peoples Cast Iron and Wrought Iron Inventory from 2013-2024



The Company has made significant progress in the last 12 years in its infrastructure repair, improvement and replacement. With its Third LTIP, the Company strives to build on its past success and continue its goals of making its system safer and more reliable for its customers, the public and the environment.

III. PEOPLES PIPELINE AND FACILITY REPLACEMENT STRATEGY

In this Third LTIP, Peoples will focus on the replacement of its distribution infrastructure based on a risk-ranking prioritization approach in accordance with its Distribution Integrity Management Plan (“DIMP”). Specifically, Peoples will target bare steel, cast iron, and wrought iron pipelines for

replacement, recognizing the probability and consequences of these pipeline type failures. This targeted, risk-ranking approach is consistent and compliant with the Company's DIMP and its prior LTIIPs.

In this Third LTIIP, Peoples will also target transmission line replacements based upon prioritization of the transmission asset matrix and its internal corrosion program. Moreover, as the Company conducts in-line inspections and pipeline reassessments, segments of transmission and storage pipelines will be replaced as required by the Company's Transmission Integrity Management Plan ("TRIMP").

Additionally, Peoples will include other pipelines including but not limited to a subset of first-generation plastic pipeline³ and certain segments of coated steel pipelines as additional pipeline assets for replacement in its Third LTIIP.

Polyethylene plastic pipeline has been used commonly in the natural gas industry since the early 1970s. The use of polyethylene in these early years is commonly referred to as first generation plastic pipe. A subset of this first-generation plastic pipe has been prone to becoming brittle and susceptible to cracking. In its current LTIIP, Peoples has replaced certain first generation plastic pipe segments when they are encountered in conjunction with a pipeline replacement project or when there has been a failure. In this Third LTIIP, Peoples is proposing to more proactively replace some of the 232 mile subset of first generation plastic known as Aldyl A. Therefore, Peoples Third LTIIP will include first generation plastic replacement projects targeting about five miles of first generation plastic annually.

Through its DIMP, Peoples occasionally identifies segments/subsets of coated steel pipe that it considers relatively higher risk than other steel pipes and thus warrants consideration for replacement. For example, a subset of 2" coated steel pipelines installed in some cul-de-sacs may be more prone to failure by circumferential cracking based on material or installation techniques. Therefore, Peoples Third LTIIP proposes replacement projects for this subset of coated steel and any other similar types of coated steel

³ Peoples has identified approximately 232 miles of known Aldyl A circa early 1970s, said pipe is referred to herein as "first generation plastic".

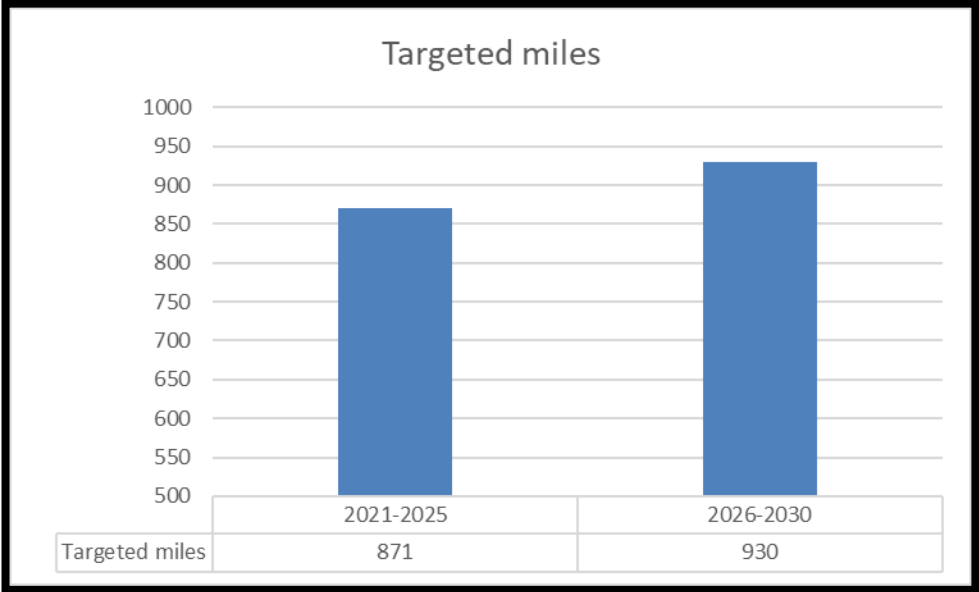
pipeline it encounters through its DIMP. Peoples estimates this program will replace approximately two miles annually of this subset of coated steel.

Peoples Third LTIP also includes the replacement and upgrading of other plant types and facilities such as meter replacements and moveouts, measuring and regulation station upgrades and improvements, customer-owned service lines, government relocations, reliability upgrades and other related equipment and tools. These additional facilities are outlined in the attached **Third LTIP Appendix 2**.

IV. PEOPLES THIRD LTIP MILES

In its Third LTIP, Peoples will increase its total main and services line investment (over the current main and service line LTIP goals) targeting the replacement of approximately 930 total miles of LTIP-eligible pipe and services in its Third LTIP for 2026-2030. This Third LTIP results in an increase of 59 total miles or nearly 7% more than the 2021-2025 LTIP target of 871 miles (see Table 4).

Table 4 - Peoples LTIP Targeted Miles



The average annual mileage in the proposed 2026-2030 Third LTIP is approximately 186 miles per year. This replacement level of approximately 186 miles per year is the current physical construction

capacity of both the Company’s internal resources and its existing contractor network. Thus, with the addition of the other identified segments of pipe, in addition to bare steel, cast iron and wrought iron, combined with our physical construction capacity, Peoples estimates that its LTIIIP maturity date will be 2038 (as it currently has more than 2,200 miles of eligible pipe left for replacement from 2025-2038). As it has done with its prior LTIIIPs, Peoples will target segments and develop projects around these segments in a manner consistent with its DIMP. Table 5 shows the anticipated breakdown of Peoples targeted pipeline inventory for 2026-2030:

Table 5 - Pipe Targeted in Third LTIIIP (2026-2030)

Pipe Targeted in the 2026-2030 LTIIIP				
Targets only - actual mileage will vary year to year				
Year	BS,CI,WI	First Gen PE	Other Steel	Total
2026	179	5	2	186
2027	179	5	2	186
2028	179	5	2	186
2029	179	5	2	186
2030	179	5	2	186
Total	895	25	10	930

The Company’s Third LTIIIP includes both distribution and transmission pipe replacement projects. Peoples operates approximately 162 total miles of Department of Transportation (“DOT”) transmission pipelines, of which, as of December 31, 2024, approximately 15 miles or 9% is bare steel. The Third LTIIIP has a focus on replacing large portions of the remaining bare steel transmission pipelines. During the period covered by this LTIIIP, Peoples plans to replace approximately 7-10 miles of the remaining 15 miles of its bare steel transmission pipe. These transmission pipeline replacements are more expensive than distribution pipeline replacements – often costing 3 to 7 times more than the average small diameter distribution replacements.

V. PEOPLES THIRD LTIP CAPITAL INVESTMENT

Peoples' Third LTIP increases the five-year capital investment for Mains and Services from \$1.849 billion over the 2021-2025 LTIP to \$2.922 billion over the 2026-2030 LTIP, an increase of \$1.1 billion (+58%) above the current LTIP plan. The primary drivers of this expenditure increase include the combined impacts of the increase in miles, portfolio changes (many of the projects in the Third LTIP located in urban areas are the more difficult, more expensive, and time-consuming projects), and increased construction and restoration costs.

Moreover, the exact number of miles replaced per year can be very challenging to target given the mix of projects, specific township and municipal requirements, availability of construction crews and a myriad of logistical challenges. Peoples' Third LTIP builds in the flexibility to adjust the total miles replaced from year to year based on the logistical items outlined above.

VI. STAFFING PLAN

LTIP Construction

As noted above, the replacement level of approximately 186 miles per year is in the current physical construction capacity of Peoples' internal resources and existing contractor network. Current field construction resources include approximately 80 crews between in-house full time Peoples employees and the Company's contractor network. At full capacity, more than 700 people are performing LTIP field construction work for Peoples on a daily basis. Additionally, the Company has internal and external resources (nearly 400 people) in the following areas of design, engineering, land, program logistics and restoration also working on LTIP construction projects on a daily basis.

The mileage level of 186 miles was successfully achieved in 2024 with similar personnel levels and is expected to be achieved in 2025. As such, Peoples is not proposing any changes in its Staffing Plan as

it relates to the replacement of its pipelines and related facilities and intends to maintain current construction and engineering staffing levels to execute its Third LTIP.

Intelis Meters

Peoples Third LTIP includes investment in ultrasonic meter technology known as the “Intelis Meter”. An Intelis Meter is an ultrasonic meter produced by Itron that includes state-of-the-art safety features such as automatic shut off capabilities for certain operating conditions. As part of the Company’s ongoing commitment to safety and reliability, Peoples developed a plan to replace eligible (based on meter size) customers’ existing diaphragm meters with Intelis Meters. The Company’s Intelis Meter Program goal is to replace approximately 124,000 meters annually, beginning in 2026, achieving full meter saturation in those 5 years, with the goal of transitioning to Advanced Metering Infrastructure (AMI) in the future.

Peoples’ Intelis Meter Program represents a strategic acceleration of meter replacements, doubling the annual volume of 60,000 installed meters projected in 2025 to 124,000 meters installed annually beginning in 2026. Peoples’ meter replacement acceleration necessitates a corresponding expansion in staffing to maintain operational efficiency, ensure regulatory compliance, and support customer engagement. The staffing program for Intelis Meters will be executed using a three-pronged approach: Targeted, Construction, and Touchpoint. Using this approach ensures that installations are complementary and this approach allows for flexible, data-driven execution across the Company’s diverse service territory.

- Targeted Approach
 - The Targeted strategy focuses on proactive meter replacements in high-priority areas/groups.
- Construction Approach
 - The Construction strategy aligns meter replacements with planned infrastructure projects.
- Touchpoint Approach
 - The Touchpoint strategy integrates meter replacements into routine field operations.

To meet the increased workload and maintain quality standards, the Company plans to add incremental staffing in the following areas: field technicians, supervisors, logistics, and operations center support.

VII. PIPE REPLACEMENT CATEGORIES

Bare Steel, Wrought Iron and Cast Iron

In its Third LTIP, Peoples will continue to replace and remove its bare steel, wrought iron and cast iron facilities at an accelerated pace. Construction materials used for natural gas pipelines have evolved over time and since the older pipelines in the Peoples’ system were first installed, many of those materials (bare steel, cast iron, wrought iron, etc.) and installation methods are requiring replacement as they age. Cast iron is susceptible to brittle breakage and cracking from ground movement, whereas bare steel and wrought iron is subject to corrosion risk. Bare steel, cast iron and wrought iron largely represent the majority of the at-risk pipe on our system and therefore, these pipeline types represent a vast majority of the mileage to be replaced in the Company’s Third LTIP.

In this Third LTIP, Peoples will also continue to target transmission line replacements based upon prioritization of the transmission asset matrix and its internal corrosion program. Moreover, as the Company conducts in-line inspections and pipeline reassessments, segments of transmission and storage pipelines will be replaced as required by the Company’s Transmission Integrity Management Plan (“TRIMP”). Peoples plans to replace approximately 7-10 miles of the remaining 15 miles of its bare steel transmission pipe in its Third LTIP.

A Subset of First-Generation Plastic Pipelines

In this Third LTIP and moving forward, Peoples proposes to add 232 miles as a subset of first-generation plastic property to its LTIP targeted inventory. Specifically, some plastic pipe made of the material known as Aldyl A (herein referred to as “first-generation plastic”) is more recently showing

vulnerability to stress cracking. This subset of plastic pipe is currently a subject of PHMSA Advisory Bulletins and Pennsylvania Public Utility Commission examination⁴. Both agencies are urging operators to consider inclusion of first-generation plastic pipe in their replacement programs. In its Third LTIP, Peoples will evaluate the replacement of certain first-generation plastic pipe on a case-by-case basis. Consistent with the Company's current LTIP, when Peoples identifies a higher risk plastic pipe, and it is replaced, Peoples will include this pipe as eligible LTIP infrastructure replacement in terms of miles and dollars.

Other Pipe

Peoples occasionally identifies segments/subsets of coated steel pipe that it considers relatively higher risk than other steel pipes and thus warrants consideration for replacement. For example, a subset of 2" coated steel pipelines installed in some cul-de-sacs may be more prone to fail by circumferential cracking based on material or installation techniques. The rate of replacement of this pipe is not static and will be subject to change based on all pipe included in Peoples DIMP. Peoples is including this subset of coated steel pipe to specifically track and monitor its replacement and count such replacements as infrastructure investments consistent with the LTIP.

VIII. M&R STATION REPLACEMENTS AND UPGRADES

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

⁴ See Motion of Chairman Stephen M. DeFrank, Replacement of Older Plastic Pipe in Natural Gas Distribution Systems (Public Meeting Held Aug. 1, 2024) (emphasizing the importance of focusing on the replacement of older plastic pipe simultaneously with cast iron and bare steel pipe).

higher-pressure transmission or distribution pipeline for delivery into a lower-pressure distribution pipeline.

Peoples maintains more than 2,750 M&R stations strategically located on its pipeline system. In its currently approved LTIP, Peoples will execute upgrades and improvements to approximately 51 M&R stations per year or 255 M&R stations in total.

Peoples Third LTIP will increase its M&R replacement and upgrade program for 2026-2030 targeting the replacement or improvement of about 76 M&R Stations per year. Peoples estimates the investment required for its Third LTIP M&R work will be \$32M or about \$6.4M per year. The planned improvements to these existing M&R stations are necessary in order to maintain a safe, adequate, and reliable service for Peoples' customers.

IX. OVER-PRESSURE PROTECTION (“OPP”)

The Merrimack, MA Natural Gas Incident in September 2018 and the subsequent findings/recommendations of various regulators, industry groups, and United States Senators, resulted in Pipeline 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. Peoples operates over 640 such low-pressure systems, comprised of over 4,500 miles of low-pressure pipe and over 1,800 regulator stations. The Company's low-pressure systems serve natural gas to over 450,000 customers.

In an effort to reduce the likelihood of a similar event, Peoples began an Over Pressure Capital Improvement Program for regulator stations in 2020. The program 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 lines⁵ (which were involved in the Merrimack Incident) to above ground locations whenever possible and feasible. The targets of the program are shown Table 6 below:

Table 6 - OPP Component

Estimated balance at YE 2025	OPP Component	2026	2027	2028	2029	2030	Total
418	Remote Pressure Detection, target quantity	150	150	118	-	-	418
	Remote Pressure Detection, target investment	\$ 1.8	\$ 1.8	\$ 1.4	\$ -	\$ -	\$ 5.0
708	Additional OPP, target quantity	100	100	100	100	100	500
	Additional OPP, target investment	\$ 12.0	\$ 12.4	\$ 12.7	\$ 13.1	\$ 13.5	\$ 63.7
44	Relocate UCL, target quantity	20	24	-	-	-	44
	Relocate UCL, target investment	\$ 1.0	\$ 1.0	\$ -	\$ -	\$ -	\$ 2.0
							\$ 70.7

For the five year period covered by this LTIP, an estimated \$70.7M is included for OPP.

X. METERS

Peoples' Third LTIP includes meter replacement expenditures totaling approximately \$224 million for the five-year period covered by its Third LTIP. The majority of the meter expenditures are related to the Company's Intelis Meter Program. The remaining meter-related dollars are dedicated to the replacement of rotary and diaphragm meters⁶.

Intelis Meter Program

As outlined in Section VI above, the Company's Intelis Meter Program includes the replacement of 124,000 meters annually, beginning in 2026. Peoples will spend approximately \$40-45 million per year for its Intelis Meter Program.

⁵ 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.

⁶ Intelis meter technology for larger capacity (rotary & diaphragm) meters is not yet available.

The Intelis Meter represents a significant advancement in utility safety and operational oversight, with the integration of pressure sensing technology into solid state gas meters serving as a cornerstone of this initiative. These meters are designed to provide real-time monitoring of gas pressure at the point of service, enabling early detection of anomalies that could indicate leaks, pressure drops, or other hazardous conditions. This capability greatly enhances the utility's ability to respond proactively to potential safety issues, reducing the risk of incidents and improving overall system integrity. The pressure sensing feature supports compliance with regulatory safety standards and aligns with industry the best practices for gas distribution monitoring.

Furthermore, the deployment of these meters contributes to a safer environment for both customers and field personnel. The integration of pressure sensing into the broader Intelis platform also supports data-driven decision-making, enabling us to identify trends, optimize operations, and plan infrastructure improvements with a focus on safety and reliability.

In August of 2024, Peoples began a meter replacement pilot with a goal of installing about 30,000 Intelis meters with pressure sensing by the end of the year. Our staff surpassed that goal by installing 31,681 meters. The pilot is ongoing in 2025 with a goal of installing 60,000 meters by the end of year. In that two year timeframe, we will have installed approximately over 90,000 Intelis meters in our service territory. In its Third LTIP, Peoples will work to enhance its installation efforts with a goal to achieve full saturation of its entire customer base (eligible meter sizes are for residential and small commercial customers), approximately 648,000 customers, over the next five years.

Other Meters

For rotary meters, the Company performs 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.

The Company determines its annual diaphragm meter replacements based on meter test results. The meter test program that the Company follows 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. Under the statistical sampling program, Peoples divides 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. Should a meter family currently in use be condemned during the term of this LTIP, meter replacements may increase beyond projected levels in order to remove those meters from service within a four year period.

XI. ELEMENTS OF PEOPLES THIRD LONG-TERM INFRASTRUCTURE IMPROVEMENT PLAN

Act 11 prescribed certain informational components for inclusion in the LTIP, and the Commission's regulations at 52 Pa. Code § 121.3(a) specify eight specific components a utility must include in its LTIP:

- (1) Identification of types and age of eligible property owned and operated by the utility for which it is seeking DSIC recovery.
- (2) An initial schedule for planned repair and replacement of eligible property.
- (3) A general description of location of eligible property.
- (4) A reasonable estimate of quantity of eligible property to be improved or repaired.
- (5) Projected annual expenditures and means to finance the expenditures.
- (6) A description of the manner in which infrastructure replacement will be accelerated and how repair, improvement or replacement will ensure and maintain adequate, efficient, safe, reliable and reasonable service to customers.

(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.

(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 LTIIIP.

Peoples addresses the eight elements identified in 52 Pa. Code § 121.3(a), in the following sections 1. through 8.

1. Types and Age of Eligible Property

Peoples Third LTIIIP Appendix 1 details the types and age of all eligible pipeline property for which Peoples will seek DSIC recovery. With regard to pipeline replacement, Peoples will remain consistent with its prior LTIIIPs and will focus on the replacement of Distribution target pipe, predominantly bare steel and cast iron pipelines. The following types of LTIIIP-eligible property are included in Peoples Third LTIIIP:

- Gas distribution and transmission mains and all related equipment and appurtenances;
- Gas services lines (company and customer-owned) and all related equipment and appurtenances, such as farm taps;
- Gas meter sets and all related equipment and appurtenances;
- Regulation stations, including telemetry;
- Overpressure protection equipment;
- Mandated facility relocations;
- Other related capital costs, including but not limited to equipment, tools, corrosion control equipment, vehicles and supporting information technology systems.

Regarding meter replacements, Peoples Third LTIIIP will focus on the installation of Intelis Meters. Since the installation of Intelis Meters will take time and will only apply to certain classes of meters

(residential and small commercial), the Company will continue to replace rotary and diaphragm meters annually based on meter test results and statistical sampling. The meter test program that the Company follows for rotary meters, the Company performs 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, Peoples divides 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.

Peoples' Third LTIP includes meter replacement expenditures totaling approximately \$224 million for the five-year period covered by this LTIP.

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

The Third LTIP continues the accelerated rate of Peoples' infrastructure repair, improvement and replacement that was achieved in its prior LTIPs. **Third LTIP Appendix 2** contains a schedule showing Peoples' strategies for the planned repair and replacement of plant during the five-year period covered by this Third LTIP. **Third LTIP Appendix 2** is based on an analysis of failures, their nature, causes, locations, performance indicators, and forecasts of future reliability concerns all in accordance with the Company's DIMP and TRIMP programs. **Third LTIP Appendix 3** provides the projected quantity of eligible property to be improved annually for this Third LTIP.

As mentioned previously, the Third LTIP contemplates an acceleration over the Company's prior LTIPs, anticipating a total mileage commitment of 930 miles of planned replacement for this five year

Third LTIP period. The specific allocation of mileage between main types to be replaced will vary depending on annual risk evaluations and other project-specific considerations, in accordance with the Company's DIMP.

Peoples includes a list of planned DSIC-eligible projects included with the Company's filed Annual Asset Optimization Plan ("AAOP"). This listing is developed and reviewed at least annually based on a reassessment of the most currently available project data. The list of planned DSIC-eligible projects is subject to change based on a number of circumstances, including but not limited to mandatory pipeline replacements or changes in state or federal codes. As previously mentioned, Peoples requests flexibility in developing its dynamic list of LTIP projects to align with changing circumstances and emerging issues.

3. Location of Eligible Property

Peoples' Third LTIP includes projects located throughout its service territory. Peoples' service territory spans 18 counties throughout Western and Southwestern Pennsylvania. Within its service territory, Peoples has more than 13,300 total miles of DOT pipeline assets and other facilities. Eligible property is located in all parts of the Company's service territory.

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

Third LTIP Appendix 3 shows the estimated quantity of property to be improved during each of the five years covered by this Third LTIP. Each year, the Company plans for the replacement of 186 total miles of pipe with a five-year total of 930 miles. The anticipated breakdown of the mileage is as follows:

Table 7 - Pipe Targeted in Third LTIP (2026-2030)

Pipe Targeted in the 2026-2030 LTIP			
Targets only - actual mileage will vary year to year			
Year	BS,CI,WI, Other	First Gen PE	Total
2026	181	5	186
2027	181	5	186
2028	181	5	186
2029	181	5	186
2030	181	5	186
Total	905	25	930

5. Projected annual expenditures and means to finance the expenditures.

Since 2013, Peoples has invested over \$2.6 billion dollars in the repair, improvement, evaluation and replacement of its mains, services, meters and regulators, eliminating more than 1,500 miles of at-risk pipelines. Peoples’ Third LTIP is projected to cost more than \$3 billion dollars as outlined below and in its **Third LTIP Appendix 4**. The Company finances its ongoing capital needs through a variety of sources, including short and long-term debt issuances approved by the Commission, as well as internally generated cash flows, that will be supported, in part, by the DSIC. To the extent that the infrastructure replacement work justifies additional financial relief, the Company will seek separate Commission approval at such time it is deemed necessary and appropriate.

Table 8 - Projected Annual LTIP Expenditures

Table for LTIP Filing, SM	2026	2027	2028	2029	2030	Total LTIP
Distribution Lines	\$ 539.5	\$ 561.1	\$ 583.6	\$ 606.9	\$ 631.2	\$ 2,922.3
Meter Replacements - Intelis	\$ 39.8	\$ 37.3	\$ 38.6	\$ 39.9	\$ 41.3	\$ 197.0
Meter Replacements - Other	\$ 5.4	\$ 5.4	\$ 5.4	\$ 5.4	\$ 5.5	\$ 27.2
Meter Move Outs	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.2	\$ 5.5
M&R Station Upgrades	\$ 6.0	\$ 6.2	\$ 6.4	\$ 6.6	\$ 6.8	\$ 32.0
M&R OPP	\$ 14.8	\$ 15.2	\$ 14.1	\$ 13.1	\$ 13.5	\$ 70.7
Total	\$ 606.6	\$ 626.3	\$ 649.2	\$ 673.1	\$ 699.5	\$ 3,254.7

The Company's projected Third LTIP expenditures (as shown in Table 8 above) are based upon current capital market and economic conditions, as well as construction-related costs such as rising labor, material, and restoration and permitting costs. Peoples projects its LTIP expenditures by using average cost per mile estimates from actual construction project costs experienced and completed in 2019 through 2024. Average costs per mile have nearly tripled during the last 10 years. The acceleration of targeted pipeline miles, acceleration of meter replacements and the acceleration of measurement and regulation station upgrades, as well as inflation and portfolio changes all contribute to the projected annual expenditures in Peoples' Third LTIP. Notwithstanding the increase in cost per mile, the Company employs numerous processes to ensure LTIP project expenditures are reasonable and prudent.

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.

Peoples' (and its previous utilities now merged within) infrastructure replacement programs began in mid-2011 with the accelerated replacement of cast iron pipelines and in 2012 with the accelerated removal and replacement of unprotected bare steel pipelines and associated services, and some cathodically protected bare steel pipelines and the services associated with these types of pipe. These programs continue today under the currently approved LTIP. Peoples continued commitment to remove aging infrastructure and implement improvements to maintain adequate, efficient, safe, reliable and reasonable service is set forth throughout this Third LTIP. An effective way for Peoples to maintain adequate, efficient, safe, reliable and reasonable service is to mitigate the concern associated with risks on its system through the replacement of bare steel, cast iron, wrought iron, and other pipeline facility types such as meters.

As part of the Company's ongoing commitment to safety and reliability, Peoples developed a plan to replace customers' meters with Intelis Meters. The Company's Intelis Meter Program includes the

replacement of approximately 124,000 meters annually, beginning in 2026, achieving full meter saturation in those 5 years.

Since 2013, Peoples has invested over \$2.6 billion dollars in the repair, improvement, evaluation and replacement of its mains, services, meters and regulators. Peoples has eliminated approximately 1,300 miles of bare steel, cast iron and wrought iron pipe on its system. Peoples will continue to focus on the accelerated replacement and removal of its aging infrastructure to enhance the safety of its system by installing newer, longer-lasting and safer materials. As a result, Peoples' customers will receive safer, more reliable service with fewer interruptions.

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 Peoples, focusing on a “best practices” approach to identifying current and projected staffing needs and required skill sets for the workforce. The Company maintains ongoing trainings to ensure its workforce is properly trained and qualified:

Supervisor Assessment and Development Program

Peoples requires that all supervisor candidates participate in an assessment program that compares their abilities and behavioral competencies to nationwide supervisory norms. Both internal and external hires participate in a comprehensive supervisor orientation and development program that introduces them to Peoples procedures and programs, as well as providing operator qualification (“OQ”) training regarding pipeline compliance, installation, and maintenance programs.

Training

Peoples provides 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. Peoples believes that this helps the Company 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.

Intelis Meter Training and Implementation

To support the successful execution of the Intelis Meter Change Program, a comprehensive training and deployment strategy has been developed. This strategy ensures that the workforce is adequately prepared and that meter installations are executed efficiently and safely across the program timeline.

The staffing plan includes the hiring of Apprentice Customer Service Technicians and/or contractors who will be dedicated to meter change-outs. These technicians and/or contractors will undergo a structured training program that covers the technical aspects of Intelis meter installation, safety protocols, and customer interaction procedures. Training will be conducted in accordance with Peoples OQ training program designed for the Field Customer Service position and will include both classroom instruction and field-based mentoring.

Logistical planning includes the procurement and distribution of meters, tools, and safety equipment. A centralized logistics team monitors inventory and coordinates deliveries to field crews, ensuring that

materials are available when and where they are needed. Additionally, a scheduling system will be implemented to optimize deployment routes and minimize customer disruption.

The Intelis Meter workforce deployment will follow a phased implementation model. Initial efforts in 2025 will focus on planning, hiring, and training. Full-scale meter installations will begin in 2026, ramping up to a peak of approximately 124,000 meters per year. The program will leverage the aforementioned three-pronged deployment strategy mentioned in Section VI of this Third LTIP.

This structured approach to training and deployment is designed to ensure the timely and safe installation of Intelis meters, while also building a skilled workforce capable of supporting future operational needs.

OQ Training

In order to ensure that workers involved in LTIP-eligible work are qualified, Peoples has an extensive 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 OQ 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 Peoples are also required to adhere to federal DOT's Pipeline Safety regulations pertaining to OQ, Drug and Alcohol Testing and Program Administration, and other requirements designed to assure safe and accurate installation and operation of pipeline components.

Peoples 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 employees and who perform covered tasks on Peoples facilities. Contractors recognized as “Service Line Installers” by Peoples are exempt from the requirements of this section.

Contractors shall demonstrate compliance to Peoples safety requirements by attaining qualification through Peoples 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 Peoples 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 Peoples.

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.

Peoples proactively communicates information about its planned infrastructure replacement projects and the impact to roadways to representatives from the Pennsylvania DOT (“Penn-DOT”) county and local municipalities, other utilities, the media and impacted customers. Peoples actively participates in the following utility coordination and outreach activities with municipalities and other utility companies in this area:

- Penn-DOT Utility – Highway Liaison Committee (UHLC)
- Penn-DOT Annual planning and LET schedule meetings for coordination of projects
- Penn-DOT Individual Project Design/Utility Coordination site visits and meetings
- Penn-DOT 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
- Allegheny County Utility Coordinating Committee
- Armstrong County Utility Coordinating Committee
- Butler County Utility Coordinating Committee
- Indiana County Utility Coordinating Committee
- Jefferson County Utility Coordinating Committee
- Johnstown County Utility Coordinating Committee
- Altoona County Utility Coordinating Committee
- Fayette County Utility Coordinating Committee
- Westmoreland County Utility 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
- Peoples 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
- Peoples sends letters requesting local governments to share upcoming paving plans. Responses received are integrated into Peoples overall project planning
- Individual Communications - Project mailings (construction letters and door hangers)

- Individual Communications - Calls are sent to Peoples customers that are involved within the project scope. These are completed as a reminder that the Company is coming prior to construction work starting and
- Individual door to door communications

APPENDIX 1

Distribution Miles	2" Or Less	Over 2" thru 4"	Over 4" thru 8"	Over 8" thru 12"	Over 12"	Grand Total
Bare Steel	210	696	682	245	77	1,910
Cast Iron	0	0	0	0	22	22
Coated Steel	412	1,489	1,173	515	229	3,818
Copper	1	-	-	-	-	1
Fiberglass	0	1	0	-	-	1
Plastic	1,788	3,542	1,494	102	0	6,927
Unknown	6	5	4	-	2	16
Wrought Iron	1	16	12	2	1	31
Grand Total	2,418	5,748	3,365	864	331	12,726

Transmission Miles	2" Or Less	Over 2" thru 4"	Over 4" thru 8"	Over 8" thru 12"	Over 12"	Grand Total
Bare Steel	0	0	0	0	15	15
Coated Steel	1	5	12	95	33	147
Grand Total	1	5	12	95	48	162

Miles by Vintage	Distribution	Storage	Transmission	Grand Total
Unknown	587	0	0	587
Pre 1940	527	-	0	527
1940-1949	276	-	-	276
1950-1959	948	-	46	994
1960-1969	1,929	1	21	1,951
1970-1979	1,571	2	19	1,592
1980-1989	1,412	2	11	1,425
1990-1999	1,679	0	12	1,692
2000-2009	1,592	7	21	1,621
2010-2019	1,107	0	7	1,114
2020-2029	1,098	-	12	1,110
Grand Total	12,726	12	150	12,888

Services	Unknown	1" OR LESS	Over 1" TO 2"	Over 2" TO 4"	Over 4" TO 8"	Over 8"	Grand Total
Steel	2,151	20,271	116,046	856	165		139,489
Copper	18	5,685	817	3			6,523
Plastic PE	4,860	325,199	187,710	1,412	187	12	519,380
Other	18,425	1,779	7,797	60	25	1	28,087
Grand Total	25,454	352,934	312,370	2,331	377	13	693,479

Services by Decade	
Unknown	59
Pre-1940	40,761
1940-1949	6,596
1950-1959	25,640
1960-1969	51,169
1970-1979	103,659
1980-1989	101,342
1990-1999	117,904
2000-2009	98,930
2010-2019	80,597
2020-2029	66,822
Grand Total	693,479

	Inside	Outside	No Indicator	Grand Total
Non TC Diaphragm Meters	28,529	273,550	1	302,069
TC Diaphragm Meters	37,060	319,655	158	356,728
Intelis	7,978	54,046	23	62,047
Rotary Non TC *	2	14		16
Rotary TC	967	6,797	83	7,847
Turbine	24	149	38	211
Ultrasonic		4	10	14
Grand Total	74,560	654,215	313	729,088

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

Vintage Year	Grand Total
Pre 1940	12
1940-1949	1
1950-1959	2,469
1960-1969	19,147
1970-1979	34,049
1980-1989	122,750
1990-1999	141,994
2000-2009	175,469
2010-2019	117,921
2020-2029	115,276
Grand Total	729,088

APPENDIX 2

**SCHEDULE FOR PLANNED REPAIR AND REPLACEMENT
January 1, 2026 through December 31, 2030**

<u>Plant Type</u>	<u>Replacement Strategy</u>	<u>Schedule</u>
<u>Standard Categories</u>		
Distribution Lines (including company owned service renewals)	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 2038
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 required 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 consistently with request from the governmental agency.	As needed
<u>Plant Type</u>		
<u>Replacement Strategy</u>		
<u>Schedule</u>		
Non-Intelis (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 moved out during normal pipeline replacement and target areas unless restricted by state or local laws.	Ongoing
Intelis	Intelis Meters installation be executed using a three-pronged approach: Targeted, Construction, and Touchpoint. The Targeted strategy focuses on proactive meter replacements in high-priority areas/groups. The Construction strategy aligns meter replacements with planned infrastructure projects. The Touchpoint strategy integrates meter replacements into routine field operations.	Projected completion 2030
<u>Special Considerations</u>		
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 2038
Reliability Improvements (Betterments)	As existing pipelines are replaced, we will 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	As needed

	looping existing pipelines, (or) extending higher pressure pipelines, or enlarging the pipeline. Additionally, the Company plans to interconnect the systems of the Peoples Companies in areas where there has been service (pressure) or supply issues and areas in which a critical single feed exists.	
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, resizing, performance, reliability, pressures changes, over pressure protection, and relocations are issues. Upgrades and revisions focused on mitigating over pressurization risk include; <ul style="list-style-type: none"> • 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 • the addition of external reliefs to closed and dead end systems. 	As needed
Coated Steel Pipelines, non-protected	Coated steel pipelines installed in 1971 and prior that were not cathodically protected shall be eligible for replacement. The coating can disbond and become ineffective.	As needed
First Generation Plastic Pipelines	Generally defined as Polyethylene plastic pipeline line installed in the early 1970's that may become brittle and susceptible to cracking. These pipelines will be replaced compliant with the Company's Distribution Integrity Management Plan ("DIMP").	As needed
Other pipelines	Segments/subsets of pipe (albeit plastic or steel) that is considered relatively higher risk than other pipelines and thus warrants consideration for replacement.	As needed
<u>Other Related Capitalized Costs</u>		
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 2026 - 2030 period.

APPENDIX 3

Peoples Distribution
Long-Term Infrastructure Improvement Plan
January 1, 2026 through December 31, 2030

Projected Quantity of Property Improved

Category		2026	2027	2028	2029	2030	5 Year Total
Distribution Lines	miles	185	184	183	184	184	920
Transmission/Storage Lines	miles	1	2	3	2	2	10
Company Owned Services	count	13,700	13,700	13,700	13,700	13,700	68,500
Customer Owned Services	count	10,400	10,400	10,400	10,400	10,400	52,000
Meter Replacement - Intelis	count	124,000	124,000	124,000	124,000	124,000	620,000
Meter Replacement - Other ^{1/}	count	1,680	1,680	1,680	1,680	1,680	8,400
M&R Station Upgrades	count	76	76	76	76	76	380
M&R OPP Projects	count	270	274	218	100	100	962

^{1/} Includes Other Meters, Inside Meters and Meter Move Outs

APPENDIX 4

Peoples Distribution
Long-Term Infrastructure Improvement Plan
January 1, 2026 through December 31, 2030

Third LTIP Appendix 4
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Projected Annual LTIP Expenditures

Type (in millions \$)	2026	2027	2028	2029	2030	5 year Total
Distribution Lines ^{1/}	\$539.5	\$561.1	\$583.6	\$606.9	\$631.2	\$2,922.3
Meter Replacement - Intelis	39.8	37.3	38.6	39.9	41.3	\$197.0
Meter Replacement - Other ^{2/}	6.4	6.5	6.5	6.5	6.7	\$32.7
M&R Station Upgrades	6.0	6.3	6.4	6.6	6.8	\$32.1
M&R OPP	14.8	15.2	14.1	13.1	13.5	\$70.7
Grand Total	\$606.6	\$626.4	\$649.2	\$673.1	\$699.5	\$3,254.8

^{1/} Includes Company & Customer Owned Services and Transmission Lines

^{2/} Includes Other Meters, Inside Meters and Meter Move Outs

VERIFICATION

I, Paul Becker, Vice President Construction and Engineering for Peoples Natural Gas Company LLC hereby state that the facts above set forth 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: August 29, 2025



Paul Becker