



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

August 29, 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 June 30, 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 June 30, 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
akaster@pa.gov

Darryl Lawrence
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923
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

Vanessa Johns
Pennsylvania Public Utility Commission
vanjohns@pa.gov



August 29, 2025

Andrew P. Wachter

SCHEDULE A

Company Name: Peoples Natural Gas Company LLC

Financial Report for Twelve Months Ended

June 30, 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	\$ 5,464,099	100%	\$ 5,464,099	\$ 1,365,461	\$ 6,829,560
(2) Less: Depreciation Reserve	\$ 1,396,115	100%	\$ 1,396,115	\$ 300,886	\$ 1,697,001
(3) Net Plant in Service	\$ 4,067,983		\$ 4,067,983	\$ 1,064,575	\$ 5,132,559
<u>Additions:</u>					
(4) Land/Plant Held for Future Use	\$ 5	100%	\$ 5	\$ (5)	\$ -
(5) Materials & Supplies & Fuel Stocks	\$ 6,328	100%	\$ 6,328	\$ (211)	\$ 6,117
(6) Cash Working Capital (b)	\$ -	100%	\$ -	\$ 36,257	\$ 36,257
(7) Prepayments	\$ 34,505	100%	\$ 34,505	\$ (557)	\$ 33,948
(8) Gas Stored Underground	\$ 4,261	100%	\$ 4,261	\$ 939	\$ 5,200
<u>Deductions:</u>					
(9) Accumulated Deferred Income Taxes	\$ (34,557)	100%	\$ (34,557)	\$ 166,132	\$ 131,575
(10) Liberalized Depreciation		100%	\$ -		\$ -
(11) Investment Tax Credit		100%	\$ -		\$ -
(12) Other		100%	\$ -		\$ -
(13) Customer Deposits	\$ 2,920	100%	\$ 2,920	\$ 291	\$ 3,210
(14) Customer Advances	\$ 301	100%	\$ 301	\$ 59	\$ 360
(15) Contributions in Aid of Construction		100%	\$ -		\$ -
(16) Other		100%	\$ -		\$ -
(17) RATE BASE	<u>\$ 4,144,419</u>		<u>\$ 4,144,419</u>	<u>\$ 934,517</u>	<u>\$ 5,078,935</u>
(18) <u>Operating Revenues</u>	<u>\$ 968,558</u>	100%	<u>\$ 968,558</u>	<u>\$ (4,051)</u>	<u>\$ 964,507</u>
<u>Operating Expenses</u>					
(19) Operation & Maintenance	\$ 528,086	100%	\$ 528,086	\$ 13,822	\$ 541,908
(20) Annual Depreciation	\$ 134,842	100%	\$ 134,842	\$ 19,213	\$ 154,055
(21) Taxes - Other than Income	\$ 10,178	100%	\$ 10,178	\$ 518	\$ 10,696
(22) State Income Tax - Current	\$ -	100%	\$ -	\$ -	\$ -
(23) Federal Income Tax - Current	\$ 55,892	100%	\$ 55,892	\$ (55,892)	\$ -
(24) Deferred Income Taxes	\$ (92,667)	100%	\$ (92,667)	\$ 36,180	\$ (56,486)
(25) Investment Tax Credit (Net)	\$ -	100%	\$ -		\$ -
(26) Total Operating Expenses	<u>\$ 636,331</u>		<u>\$ 636,331</u>	<u>\$ 13,842</u>	<u>\$ 650,173</u>
(27) INCOME AVAILABLE FOR RETURN	<u>\$ 332,227</u>		<u>\$ 332,227</u>	<u>\$ (17,893)</u>	<u>\$ 314,334</u>
RATE OF RETURN - OVERALL	<u>8.02%</u>		<u>8.02%</u>		<u>6.19%</u>

(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
 6/30/2025
 (Thousands of Dollars)

	Rate Base Adjustments	Rate Base	Revenues	Expenses	Taxes*
(1)	Land / Plant Held for Future Use	\$ (5)			
(2)	Plant Normalization	\$ 1,365,461			
(3)	Depreciation Normalization	\$ (300,886)			
(4)	Materials & Supplies	\$ (211)			
(5)	Cash Working Capital	\$ 36,257			
(6)	Gas Stored	\$ 939			
(7)	Prepayments	\$ (557)			
(8)	Customer Deposits	\$ (291)			
(9)	Customer Advances	\$ (59)			
(10)	Deferred Taxes	\$ (166,132)			
<u>Income Statement Adjustments</u>					
(11)	Revenues (Normalized / Annualized)		\$ (4,051)	\$ -	\$ (256)
(12)	Labor & Benefits			\$ 9,579	\$ (605)
(13)	Interest on Customer Deposits			\$ 225	\$ (14)
(14)	O&M Expense			\$ 4,018	\$ (254)
(15)	Other Tax Expense			\$ 518	\$ (33)
(16)	Normalization for Income Taxes				\$ (48,044)
(17)	Normalization of Deferred Taxes				\$ 42,043
(18)	Depreciation			\$ 19,213	\$ (4,925)
(19)	Interest Synchronization				\$ (7,625)
(20)	Net Operating Loss - Deferred Tax				\$ -
	Totals	<u>\$ 934,517</u>	<u>\$ (4,051)</u>	<u>\$ 33,553</u>	<u>\$ (19,711)</u>

*Includes gross receipts tax (GRT), where applicable

SCHEDULE C

COMPANY NAME: Peoples Natural Gas Company LLC

6/30/2025

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

06/30/25

(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	42.20%		\$4,144,419		\$1,749,016		3.84%		\$67,145
2) Preferred	0.00%		\$4,144,419		0		0.00%		0
3) Common Equity	<u>57.80%</u>		\$4,144,419		<u>2,395,403</u>				
4) Total	<u>100.00%</u>				<u>\$4,144,419</u>				<u>\$67,145</u>

12 Months ended 06/30/25

	Intrastate Per Books
5) Income Available for Return (from Sch. A, Col. 3, Line 26)	\$332,227
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	<u>\$67,145</u>
7) Income Available for Common Equity (Line 5 Less Line 6)	<u>\$265,082</u>
8) Debt Cost (Col 5., Line 1)	\$67,145
9) Less: Interest Expense used to compute State and Federal Income Taxes	<u>60,465</u>
10) Difference (Line 8 Less Line 9)	6,680
11) Times: Composite State and Federal Income Tax Rate	<u>27.31%</u>
12) Net Addition or (Deduction) (Line 10 x Line 11)	<u>\$1,824</u>
13) Income Available for Common Equity, including Income Tax Effect of using Debt Cost (Line 7 plus Line 12)	<u>\$266,906</u>
14) Return on Common Equity (Line 7/Line 3, Col. 3)	<u>11.07%</u>
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	<u>11.14%</u>

SCHEDULE D-2

COMPANY NAME: Peoples Natural Gas Company LLC

Intrastate Pro Forma Results

Calculation of Return on Common Equity

06/30/25

(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%		\$5,078,935		\$2,302,281		3.84%		\$88,385
2) Preferred	0.00%		\$5,078,935		0		0.00%		0
3) Common Equity	54.67%		\$5,078,935		2,776,654				
4) Total	100.00%				\$5,078,935				\$88,385

12 Months ended 06/30/25

	Intrastate Adjusted
5) Income Available for Return (from Sch. A, Col. 5, Line 26)	\$314,334
6) Less: Total Rate Base Related Cost of Debt and Preferred (Col 5, Line 4)	\$88,385
7) Income Available for Common Equity (Line 5 Less Line 6)	\$225,950
8) Debt Cost (Col 5., Line 1)	\$88,385
9) Less: Interest Expense used to compute State and Federal Income Taxes	88,385
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)	\$225,950
14) Return on Common Equity (Line 7/Line 3, Col. 3)	8.14%
15) Return on Common Equity, including Income Tax Effect of using Debt Cost (Line 13/Line 3, Col. 3)	8.14%

SCHEDULE E

COMPANY NAME: Peoples Natural Gas Company LLC
 Calculation of Capital Structure and Related Ratios
 for the Twelve Months Ended 06/30/25

	(Thousands of Dollars)	
	Total Company Actual Amount Outstanding (1)	Ratios (2)
Total Debt (Sch. F., Col. 4)	\$1,704,218	42.20%
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	1,146,938	
Other		
Total Common Equity	<u>2,334,049</u>	<u>57.80%</u>
Total Capital	<u><u>\$4,038,267</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 06/30/25
 (Thousands of Dollars)

Item/Description	Issue Date (1)	Maturity Date (2)	Interest Rate (3)	Outstanding Balance (4)	Effective Cost Rate (5)	Percent to Total (6)	Weighted Cost Rate (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

June 30, 2025

(In thousands)

6/30/2025

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)
Short Term Debt	Various	Various	5.3264%	\$ -	5.3264%	0.00%	0.00%
Long Term Debt	Various	Various	3.8390%	\$ 1,704,218	3.8390%	100.00%	3.84%
Total Debt				\$ 1,704,218			3.84%
Common Equity				2,334,049		57.80%	
Total Common Equity				2,334,049			
Total Debt				4,038,267			3.84%

Peoples Natural Gas Company LLC

Summary of Returns

Overall Return - Actual	Overall Return - Adjusted	Equity Return - Actual	Equity Return - Adjusted
8.02%	6.19%	11.14%	8.14%
			6/30/2025