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**Carol Scanlon**  
Rates Manager

**PNG Companies LLC**  
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January 30, 2026

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

**Re: Peoples Natural Gas Company LLC  
Rider Distribution System Improvement Charge (DSIC)  
Annual Reconciliation Under Section 1307(e) for the Year Ended December 31, 2025;  
Docket No. M-\_\_\_\_\_**

Dear Secretary Homsher:

Enclosed for filing on behalf of Peoples Natural Gas Company LLC is the Rider Distribution System Improvement Charge (DSIC) 1307(e) annual reconciliation for the year ended December 31, 2025. Peoples discovered two modifications from the October 1, 2025 filing that are in the enclosed (see Appendix A) and noted below. First, the effective state tax rate in the calculation of the weighted cost of capital has been updated to 0.00%. Second, deferred income taxes for the eligible period have been incorporated. With these modifications, the Current Period Recoverable Cost amount is \$612,045 for October through December 2025, which is \$25,723 lower than the original current period cost of \$637,768.

Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,

  
\_\_\_\_\_  
Carol Scanlon

Attachment  
cc: Certificate of Service

**CERTIFICATE OF SERVICE**

**(M- )**

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

**VIA E-MAIL**

Darryl Lawrence  
Office of Consumer Advocate  
555 Walnut Street  
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Harrisburg, PA 17101-1923  
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Todd Pappasergi  
Pennsylvania Independent Oil & Gas Association  
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Harrisburg, PA 17101  
[Todd@pioga.org](mailto:Todd@pioga.org)

Dated: January 30, 2026

  
\_\_\_\_\_  
Carol Scanlon

**Current Period**

		Current Period DSIC Eligible <u>Costs</u>	Current Period DSIC <u>Revenue</u>	Current Period Over/(Under) <u>Difference</u>	<u>Time</u> <u>Factor</u>	<u>Interest</u> <u>Rate</u>	<u>Interest</u>
January	2025	\$ -	\$ -	\$ -	1.75	7.00%	\$ -
February		\$ -	\$ -	\$ -	1.67	7.00%	\$ -
March		\$ -	\$ -	\$ -	1.58	7.25%	\$ -
April		\$ -	\$ -	\$ -	1.50	7.00%	\$ -
May		\$ -	\$ -	\$ -	1.42	7.00%	\$ -
June		\$ -	\$ -	\$ -	1.33	7.00%	\$ -
July		\$ -	\$ -	\$ -	1.25	7.25%	\$ -
August		\$ -	\$ -	\$ -	1.17	7.25%	\$ -
September		\$ -	\$ -	\$ -	1.08	7.25%	\$ -
October	<sup>1/</sup>	\$ 204,015	\$ 182,086	\$ (21,929)	1.00	7.25%	\$ (1,590)
November	<sup>1/</sup>	\$ 204,015	\$ 279,988	\$ 75,973	0.83	7.00%	\$ 4,432
December	<sup>1/</sup>	\$ 204,015	\$ 437,762	\$ 233,747	0.75	7.00%	\$ 12,272
		\$ 612,045	\$ 899,836	\$ 287,791			\$ 15,113.60

**Prior Period Recovery/Collection**

		Total DSIC <u>Revenue</u>	Current Period DSIC <u>Revenue</u>	Prior Period <u>Residual</u>
Cumulative Balance as of December 31, 2024				\$ (2,651,643) a
January	2025	\$ 893	\$ -	\$ 893
February		\$ 46	\$ -	\$ 46
March		\$ 2,818	\$ -	\$ 2,818
April		\$ 307,991	\$ -	\$ 307,991
May		\$ 140,185	\$ -	\$ 140,185
June		\$ 105,864	\$ -	\$ 105,864
July		\$ 101,148	\$ -	\$ 101,148
August		\$ 100,667	\$ -	\$ 100,667
September		\$ 106,724	\$ -	\$ 106,724
October	<sup>1/</sup>	\$ 378,164	\$ 182,086	\$ 196,078
November	<sup>1/</sup>	\$ 581,491	\$ 279,988	\$ 301,503
December	<sup>1/</sup>	\$ 909,162	\$ 437,762	\$ 471,400
		\$ 2,735,153	\$ 899,836	\$ 1,835,317 b

**Prior Period E Factor Residual \$ (816,326) a + b**

<sup>1/</sup> DSIC Revenue is based on the calculated DSIC rate of 0.83% effective October 1, 2025. The actual recoverable amounts were calculated with a corrected DSIC rate of 0.81% (shown in Appendix A), which removed the state tax multiplier and included accumulated deferred income taxes for the period.

**PEOPLES NATURAL GAS COMPANY LLC**  
**DSIC COMPUTATION**  
**Quarterly Filing - October 2025**  
**APPENDIX A**

<b>DSIC =</b>	<b><u>(DSI x PTRR) + STFT + Dep + e</u></b>		<b>Annual</b>	<b>Quarterly</b>	<b>Monthly</b>
	<b>PQR</b>				
	Distribution System Improvement Costs	<b>Page 2</b>		\$ 16,801,797	
	Less Accumulated Deferred Income Taxes	<b>Page 8</b>		40,319	
	Less Accumulated Depreciation	<b>Page 3</b>		<u>247,077</u>	
DSI	Net Distribution System Improvement Costs			<u>\$ 16,514,401</u>	
PTRR	<i>Annual Pretax Rate of Return</i>	<b>Page 6</b>	8.83%		
	<i>Quarterly Pretax Rate of Return</i>			2.21%	
DSI x PTRR	Quarterly Capital Cost Recovery			\$ 364,968	
STFT	Quarterly State Income Tax Flow Through Deduction			\$ - <sup>1/</sup>	
Dep	Annual Depreciation Expense	<b>Page 3</b>	\$ 988,309		
	Quarterly Depreciation Expense			<u>\$ 247,077</u>	
<i>(DSI x PTRR) + Dep</i>	<i>Current Period Recoverable Cost Amount</i>			<u>\$ 612,045</u>	<u>\$ 204,015</u>
	(Over)/Under Collection	<b>Page 4</b>	\$ 1,450,349	\$ 362,587	\$ 120,862
	Interest Refundable		\$ -	\$ -	\$ -
	Prior Period 'E' Factor Residual	<b>Page 4</b>	\$ 1,201,293	\$ 300,323	\$ 100,108
	<u>Misc. Adjustments (Refund)/Recoup</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net 'E' Factor Amount		\$ 2,651,643	\$ 662,911	\$ 220,970
e	Quarterly 'E' Factor Amount			<u>\$ 662,911</u>	<u>\$ 220,970</u>
(DSI x PTRR) Dep + e	Total DSIC Revenue Requirement			<u>\$ 1,274,956</u>	<u>\$ 424,985</u>
PQR	Projected Quarterly Revenue			\$ 156,926,790	
<b>DSIC</b>	<b>DSIC Surcharge Rate</b>			<b>0.81%</b>	

<sup>1/</sup> As reflected in the Company's 2023 base rate case settlement (Docket No. R-2023-3044549), Peoples did not claim state taxes and therefore, no state taxes are reflected in the DSIC calculation.

**PEOPLES NATURAL GAS COMPANY LLC  
WEIGHTED COST OF CAPITAL  
QUARTERLY FILING OCTOBER 2025  
APPENDIX A**

	<b>Capital Structure</b>	<b>Weighted Average</b>			<b>Pre-Tax</b>
	<b>as of 08/31/2025</b>	<b>Cost Rate</b>	<b>Cost Rates</b>	<b>Tax Multiplier<sup>1/</sup></b>	<b>Rate of Return</b>
L/T Debt	45.33%	3.84%	1.74%	-	1.74%
Common Equity	54.67%	10.25%	5.60%	1.266	7.09%
	100%		7.34%	-	8.83%

<sup>1/</sup> As reflected in the Company's 2023 base rate case settlement (Docket No. R-2023-3044549), Peoples did not claim state taxes and therefore, no state taxes are reflected in the DSIC calculation.

PEOPLES NATURAL GAS COMPANY LLC  
 DEFERRED INCOME TAX COMPUTATION  
 Quarterly Filing - October 2025  
 APPENDIX A

FERC Accts	CAPEX	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25
	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
303	3-SL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	5-SL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
391.02	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
332, 334	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
378	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
376 (47% of), 353, 367, 369	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,905,349.77	\$ 1,905,349.77	\$ 1,905,349.77
376 (53% of)	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,601,838)	\$ (15,601,838)	\$ (15,601,838)
380	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,318,684	\$ 50,318,684	\$ 50,318,684
381, 382, 387	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31,912,817)	\$ (31,912,817)	\$ (31,912,817)
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 891,221	\$ 891,221	\$ 891,221
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,600,599	\$ 5,600,599	\$ 5,600,599

  

Repair Deduction	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
303	3-SL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	5-SL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
391.02	5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
332, 334	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
378	7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
376 (47% of), 353, 367, 369	15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,133,783)	\$ (15,133,783)	\$ (15,133,783)
376 (53% of)	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,809,124	\$ 48,809,124	\$ 48,809,124
380	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,955,433)	\$ (30,955,433)	\$ (30,955,433)
381, 382, 387	20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,719,907	\$ 2,719,907	\$ 2,719,907

  

Tax Basis	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3-SL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5-SL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,905,350	\$ 1,905,350	\$ 1,905,350
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (468,055)	\$ (468,055)	\$ (468,055)
20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,443,397	\$ 1,443,397	\$ 1,443,397
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,880,691	\$ 2,880,691	\$ 2,880,691

  

MACRS Depreciation	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	
1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3-SL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5-SL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,885	\$ 84,252	\$ 138,691
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,343)	\$ (7,244)	\$ (11,924)
20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,732	\$ 16,754	\$ 27,579
<b>Total Tax Dep</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,275	\$ 93,762	\$ 154,346

  

<b>Tax Depreciation - Accum</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,275	\$ 137,037	\$ 291,383
<b>Book Depr-Incremental</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,688	\$ 33,130	\$ 39,571
<b>Book Depr-Accum</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,688	\$ 59,818	\$ 99,390
<b>Book to Tax Difference</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,586	\$ 77,218	\$ 191,993
<b>Tax Rate (Federal)</b>	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%
<b>DITs (Federal)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,483	\$ 16,216	\$ 40,319